Welcome to BMA

Mitsubishi Analysts Site Visit
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Agenda

Safety
Introduction
Overview, Markets
Operations
Growth, Challenges
Peak Downs Mine
Lunch
Mine Tour

Depart for airport 1415h

Steve Rae
Soichi Tamaru
John Smith
Mike Elliott
John Smith
Steve Rae
BMA Overview

John Smith - CEO

12 April 2006
The Business (FY05)

- **People**: 7,000
- **Operating Assets**: 6 o/c & 2 u/g mines & 1 port
- **Coal Produced**: 50.8 Million tonnes
- **Dirt Moved**: 1,612 Million tonnes
- **The Market**: 85 customers in 27 countries

Date: 12 April 2006
BMA Ownership Structure

- bhpbilliton
- Mitsubishi Development Pty Ltd (MDP)

BMA

50%  50%
Coal Markets

2005 Estimate

Total Coal Production > 4 Billion t

Thermal Coal

Coking Coal

PCI 32 Mt

SSCC 30 Mt

HCC 135 Mt

Domestic

Export

Land Trade

Seaborne

At 2006 Prices > US$19 Billion Seaborne Met Coal Market

Source: IEA, AME, BMA
Coal Markets

Major Exporters of HCC

2005 Estimate

Source: AME, BMA

Million Tonnes

BMA
Other QLD
USA
Canada
Other Aus
Russia
New Zealand
China
Poland

The Rest

50
40
30
20
10
0

12 April 2006  8
Coal Shipments FY05

85 customers in 27 countries

- East Europe & Middle East 0.9 Mt
- West Europe & Africa 13.7 Mt
- China 2.8 Mt
- South Asia 5.9 Mt
- Japan 14.4 Mt
- Taiwan/Korea 7.3 Mt
- Americas 2.9 Mt
- Domestic 2.3 Mt

12 April 2006
# BMA Coal Quality

## Full range of metallurgical coal products

<table>
<thead>
<tr>
<th>VM</th>
<th>Lower VM</th>
<th>Higher VM</th>
</tr>
</thead>
<tbody>
<tr>
<td>18%</td>
<td>19%</td>
<td>20%</td>
</tr>
<tr>
<td>24%</td>
<td>27%</td>
<td>34%</td>
</tr>
<tr>
<td>HCC</td>
<td>5.5</td>
<td>6.5</td>
</tr>
<tr>
<td></td>
<td>9.1</td>
<td>10.9</td>
</tr>
<tr>
<td></td>
<td>5.1</td>
<td>4.6</td>
</tr>
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<td>WCC</td>
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<tr>
<td>PCI</td>
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<td></td>
<td>3.0</td>
<td>0.8</td>
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<table>
<thead>
<tr>
<th>Location</th>
<th>Value</th>
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<tbody>
<tr>
<td>Norwich Park</td>
<td>5.8</td>
</tr>
<tr>
<td>Saraji</td>
<td>6.5</td>
</tr>
<tr>
<td>Peak Downs</td>
<td>9.1</td>
</tr>
<tr>
<td>Goonyella</td>
<td>10.9</td>
</tr>
<tr>
<td>Riverside</td>
<td></td>
</tr>
<tr>
<td>Blackwater</td>
<td>13.1</td>
</tr>
<tr>
<td>Gregory</td>
<td>5.4</td>
</tr>
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</table>
## Marketable Reserves

### 30 June 2005

<table>
<thead>
<tr>
<th>Deposit</th>
<th>Coal Production Mtpa</th>
<th>Marketable Reserve (^{1,3}) Mt</th>
<th>Approx. Mine Life Years</th>
<th>Additional Resource (^{2,3}) Mt</th>
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</thead>
<tbody>
<tr>
<td>Goonyella/Riverside</td>
<td>10.9</td>
<td>526</td>
<td>48</td>
<td>728</td>
</tr>
<tr>
<td>Peak Downs</td>
<td>9.1</td>
<td>479</td>
<td>53</td>
<td>1,175</td>
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<tr>
<td>Saraji</td>
<td>6.5</td>
<td>208</td>
<td>32</td>
<td>457</td>
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<tr>
<td>Norwich Park</td>
<td>5.8</td>
<td>69</td>
<td>12</td>
<td>268</td>
</tr>
<tr>
<td>Blackwater/S Blackwater</td>
<td>13.1</td>
<td>334</td>
<td>25</td>
<td>1,554</td>
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<tr>
<td>Gregory Crinum</td>
<td>5.4</td>
<td>32</td>
<td>6</td>
<td>142</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>50.8</strong></td>
<td><strong>1,648</strong></td>
<td><strong>4,324</strong></td>
<td></td>
</tr>
</tbody>
</table>

1. Competent Person for reserves Brian Cox consents to the publication of these estimates in the form and context as they appear above.
2. Competent Person for resources Doug Dunn consents to the publication of these estimates in the form and context as they appear above.
3. Refer to Mitsubishi Corporation and BHP Billiton annual reports published last year for details on categories of reserves and resources.
Safety is Priority #1

Goal is zero harm

We are successful when each employee ends each day safely
Safety Performance

Recordable Injuries

RI Frequency Rate/million man-hours

- RIFR
- 3 month Average
- 12 Month Average

12 April 2006
Markets

John Smith - CEO
Pig Iron and Met Coal Demand

**Pig Iron**

- Actual

**Seaborne Met Coal**

- Actual

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12 April 2006
**HCC market**

**Key drivers**

**Demand**
- Steel demand
- Location of pig iron production growth
- Coke oven blends
- International vs. Chinese domestic hard coking coal price

**Supply**
- Investors’ hard coking coal price expectations
- Queensland’s rate of growth
- USA swing supply
- Infrastructure constraints
Metallurgical Coal

Market Summary

- Recent prices have stimulated new supply and dampened some short-term demand growth
- Medium to long-term fundamentals remain strong
- HCC requirements remain strong to maintain coke strength in large blast furnaces and higher PCI injection rates
- BMA has the best and largest HCC reserves in operating mines
BMA Earth Moving Equipment

Draglines
Electric Shovels
Haul Trucks

Coal Haulers
Dozers
Other Mobile Equipment

34
9
94

51
108
78

12 April 2006
Open Cut Operations

How much earth did we move?

Overburden
686 million m³
(1,612 Mt)

Removed to produce
72 Mt

Processed to produce
51 Mt

Raw Coal

Product Coal

Coal Removed to produce 72 Mt Raw Coal

Coal Processed to produce 51 Mt Product Coal

12 April 2006
The Real Business

in FY 2005 we moved

- 686 million $m^3$ of overburden

+ equivalent to 1.3 times the size of Uluru
Growing the Business

Added Stripping Costs More

Increasing overburden

Dragline

Coal

Increasing coal production

Truck/Shovel

Dragline

Coal

Truck/Shovel

Dragline

Coal

Truck/Shovel

Coal
Mining Philosophy

Dragline business supplemented by Truck Shovel

- BMA T/S
- Contract T/S
- Other
- Dragline
Business Improvement

Incremental and Step Change

Stripping Study
  Evaluation of cost reduction alternatives

Universal Dig and Dump (UDD)
  5 completed, 1 underway; measured 13+% productivity improvement

Last Drop
  Redesign coal uncovery process to improve all aspects of coal mining

125% Rated Suspended Load (RSL)
  Upgrade dragline capacity from 115% to 125%; +40 Mbcm/yr for fleet

Processing Improvements
  BW CHPP, debottlenecking, fines recovery, component upgrades

Additional Equipment
  Larger trucks, Blackwater dragline

Project Improvement Process
  Consistent management of small capital projects

Leadership Training
  800+ in foundation course, higher level courses

Commodities
  Optimise use of tyres, fuel, explosives
Increasing Cost Pressures

Australian Cost Curves

Source: Barlow Jonker
# Key Operating Statistics

## Annual Coal Sales (Mt)

<table>
<thead>
<tr>
<th></th>
<th>FY04</th>
<th>FY05</th>
<th>1st Half FY06</th>
</tr>
</thead>
<tbody>
<tr>
<td>HCC</td>
<td>33.4</td>
<td>38.8</td>
<td>19.7</td>
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<tr>
<td>WCC</td>
<td>6.2</td>
<td>6.4</td>
<td>2.9</td>
</tr>
<tr>
<td>Thermal</td>
<td>5.4</td>
<td>4.9</td>
<td>1.5</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>45.0</td>
<td>50.1</td>
<td>24.1</td>
</tr>
</tbody>
</table>
Growth

John Smith  -  CEO

12 April 2006
Broadmeadow Project

- Punch longwall underground mine
- 3.6 Mtpa production capacity
- Goonyella Middle Seam
- 200m longwall face
- New high capacity roof supports
- Infrastructure independent of Goonyella Mine
- Completed Q1 FY06
Stage 1 Growth Project

- Increases production capacity by 5 Mtpa.

- De-bottleneck mine production capacity:
  - stripping contracts
  - purchase of EME
  - dragline upgrade
  - Saraji CPP upgrade
  - housing

- Scheduled Completion Q1 FY07*

* Production increase already achieved
**Stage 2 Growth Project**

- Increases annual production capacity by 2 Mtpa
- **Achieved by:**
  - Expansion of onshore facilities at Hay Point
  - Additional overburden stripping at Saraji
  - New EME at Goonyella and Saraji Mines
- **Scheduled Completion Q2 FY07**
Blackwater CHPP Project

- Cost reduction initiative:
  - no increase in mine capacity
    - Replaces 3 existing plants
    - 14 Mtpa capacity plant
  - Contractor performance has improved significantly
  - Revised completion Q2 FY07
**Growth Plan**

**Project Portfolio**

<table>
<thead>
<tr>
<th>Project</th>
<th>Capacity Mtpa</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goonyella</td>
<td>Up to 8</td>
</tr>
<tr>
<td>Isaac River/Peak Downs</td>
<td>Up to 6</td>
</tr>
<tr>
<td>Hay Point Port Expansion</td>
<td>Up to 55</td>
</tr>
</tbody>
</table>

- Projects developed in prudent response to market
- Match production growth with infrastructure capacity - port, rail, water
- Continue to provide customers with reliable supply and consistent, high quality
Business Challenges

John Smith - CEO

12 April 2006
Safety Performance

- Continued vision of zero harm
- Site specific and BMA-wide initiatives
- Address high contractor employee turnover
Business Challenges

Cost Pressures

- Improve operating efficiencies
- Pursue and develop step-changes
- Strategic alliances
Business Challenges

Operations

Ports
- Hay Point Shiploader Incident
  - SL1 damaged December 2005
  - Weather-related delays to repairs
  - Partially mitigated via DBCT
  - Scheduled completion mid-April 2006
- Gladstone Port
  - Port congestion
  - Terminal upgrades

Production
- Equipment & accident slowdowns at Broadmeadow U/G
Business Challenges

Skills Shortages

- Skills for Growth
- Strategic recruitment
- Provide range of housing solutions
**BMA Summary**

**Position**
- World’s leading HCC supplier with the best reserves
- Multiple products and operations
- Single marketing channel
- Owned port infrastructure

**Focus**
- Maintain industry leading position
- Complete Stages 1 & 2 expansion in FY07
- Position future growth options in response to market

Safe, well-run business

Prudent growth

12 April 2006
Peak Downs Mine

Mining Lease
Typical Mine Cross Section

Peak Downs Mine

12 April 2006
Peak Downs Mine

Annual Production

FY02 FY03 FY04 FY05
Mt
Summary of Current Operations

- 8 mines producing 52+ Mtpa
- 17 products, 22 blends
- 85 customers in 27 countries
- Hay Point – 24hr x 365 days
  - Inloading ~ 4,000 trains
  - Outloading ~ 900 parcels on 400 ships
- “Quality Terminal”
Safety, Environment and Community

**SAFETY - Drive for Zero Harm**
- Very High Safety Performance
- NOSA Safety Excellence Award in 2001, finalists in 2003 “MINEX” Safety Awards

**ENVIRONMENT**
- Extensive Dust and Noise Monitoring and Minimisation Programs
- World Class Water management program
- Six Monthly Community Environmental Audit of the terminal
- ISO14001 Accreditation (the first coal loading port in Australia)
- EPA Clean Beach “Beach Spirit Award” for 2 successive years

**COMMUNITY**
- Celebrated 30 years of operation on 5 November 2001
- Integral part of the local community, contributor to local projects
Hay Point Site Schematic
Process Diagram

Train from Mine

Unloaded by Bottom Dump Facilities

Stacked in Designated Stockpile(s)

Reclaimed (by one or more machines)

Conveyed Directly to Ship (20 - 30%)

Loaded into Ship
Coal Receival
Stockyard
Coal Tracking System - Yard View
Coal Tracking System

**Business benefits**
- High level of traceability from train to stockpile to ship.
- Definitive action on non-conforming product
- Selective reclaim plans can be set to consistently allow the target specification to be met
- Virtual elimination of penalties

**Customer benefits**
- Product always meets Customer’s specifications (reliability)
- Tighter quality control and reduced variability in coal quality
Shiploading
Shiploading Capability

- Berth 1: up to 175,000 DWT – pocket depth 16.5 m
- Berth 2: +200,000 DWT – pocket depth 16.7 m
- Largest ship loaded: “Iron Pacific” (230,000 DWT)
- Largest cargo: 207,769 t on “Iron Pacific”
- Average Cargo Size: Approx 90,000 t
- Average Parcel Size: Approx 40,000 t
Hay Point Productivity

Tonnes per employee
Hay Point Terminal Cost

Hay Point cost in lowest quartile

Hay Point = 1
Hay Point Expansion

HPX1

- Upgrade in-loading conveyors to 6000tph
- Extend stockpile pads
- Install new line 2½ and new SR5
- Re-link line 3 to in-loading stream
- Link line 2½ and 3 to both out-loading streams
Hay Point Expansion

HPX2

- Install new Stacker Reclaimer - SR4 on line 1½
- Link conveyor 4CP to both out-loading streams
- Relocate existing stacker - SK1
Hay Point Expansion

HPX3
Hay Point Expansion

HPX4
Hay Point Summary

- A strategic asset owned and controlled by BMA
- Integral part of BMA logistics chain
- Low cost, high productivity, quality focussed and reliability - all World Class
- Capacity to expand and continue to grow when we need to