

Welcome to BMA

Mitsubishi Analysts Site Visit



BHP Billiton Mitsubishi Alliance



12 April 2006

Mitsubishi Analysts Site Visit

Disclaimer



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Agenda



BHP Billiton Mitsubishi Alliance

Safety

Steve Rae

Introduction

Soichi Tamaru

Overview, Markets

John Smith

Operations

Mike Elliott

Growth, Challenges

John Smith

Peak Downs Mine

Steve Rae

Lunch

Mine Tour

Depart for airport 1415h

BMA Overview

John Smith - CEO



BHP Billiton Mitsubishi Alliance



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The Business (FY05)



BHP Billiton Mitsubishi Alliance

7,000

People

6 o/c & 2 u/g mines & 1 port

Operating Assets

50.8 Million tonnes

Coal Produced

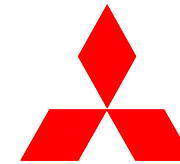
1,612 Million tonnes

Dirt Moved

85 customers in 27 countries

The Market

BMA Ownership Structure



**Mitsubishi Development Pty Ltd
(MDP)**

50%

50%



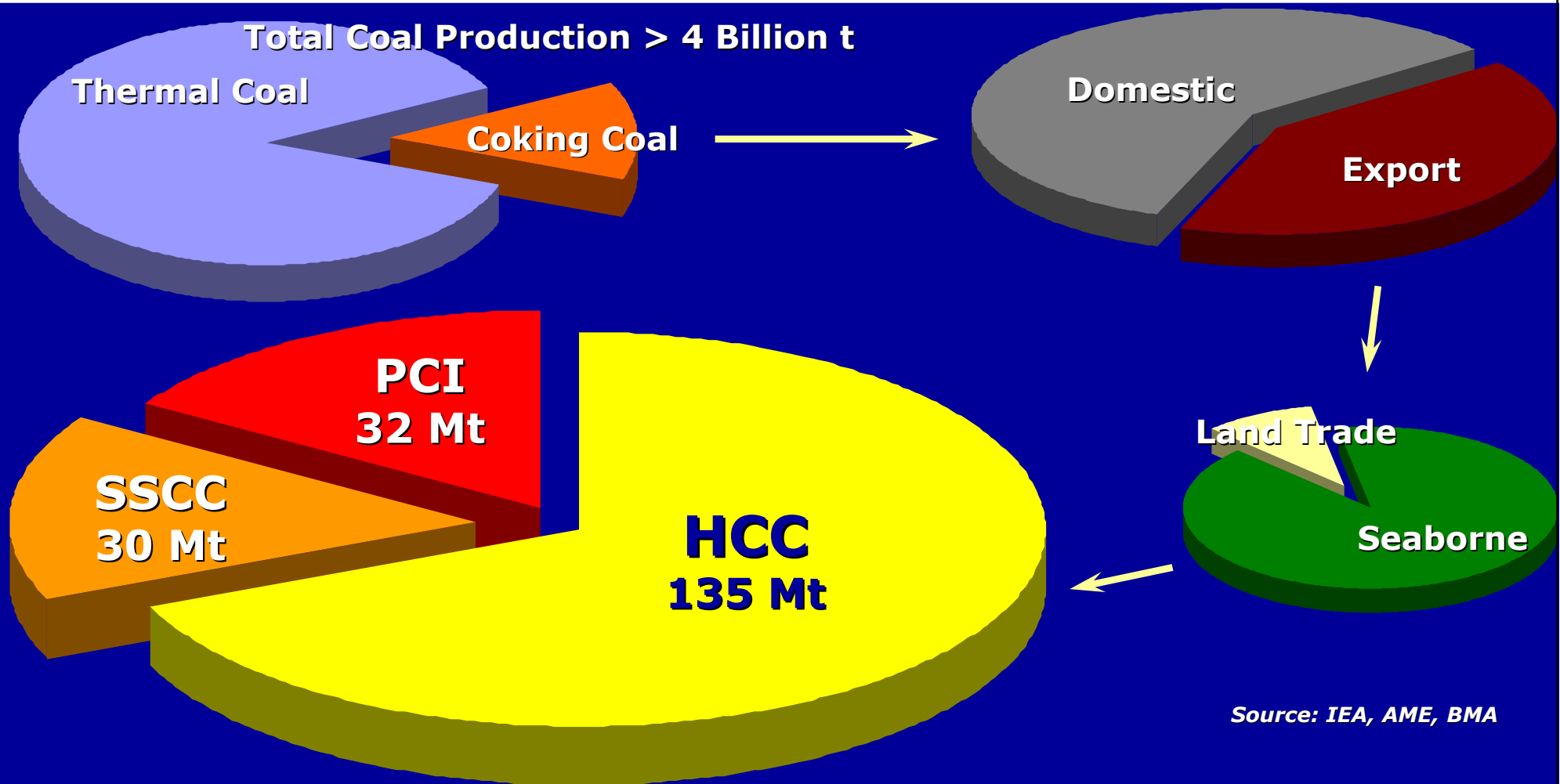
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Coal Markets

2005 Estimate



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Source: IEA, AME, BMA

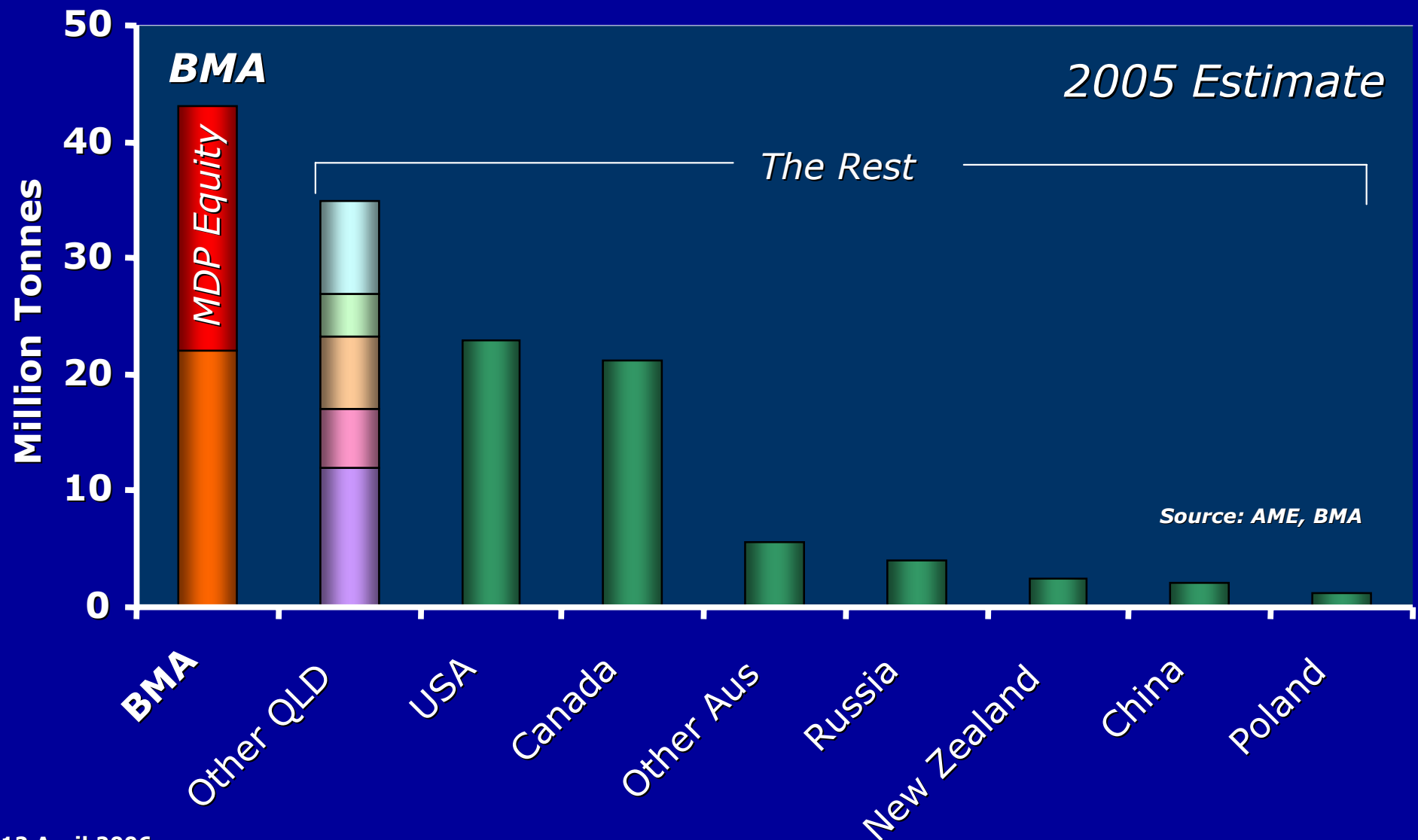
At 2006 Prices > US\$19 Billion Seaborne Met Coal Market

Coal Markets

Major Exporters of HCC



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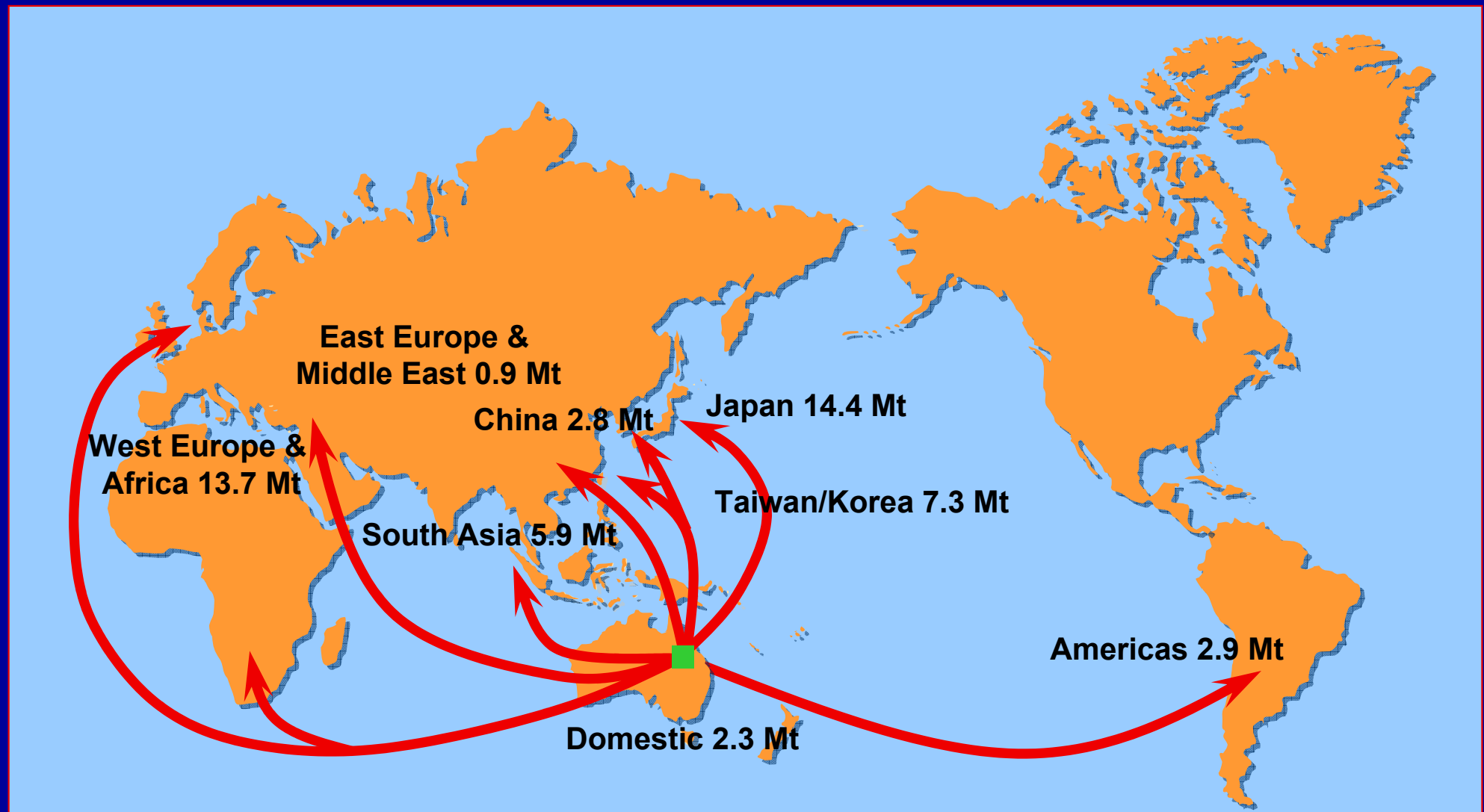


Coal Shipments FY05

85 customers in 27 countries



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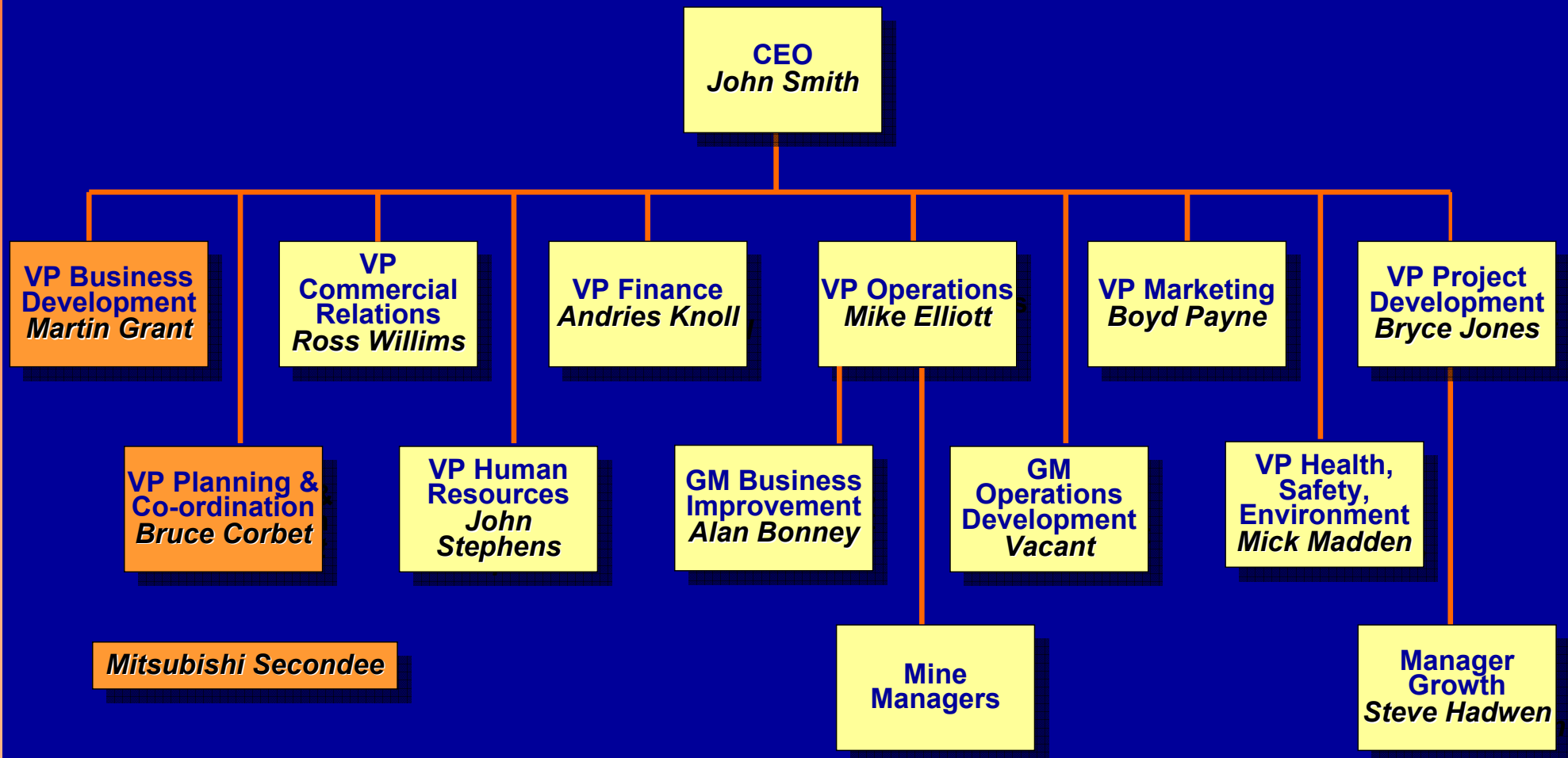


BMA Leadership Team

Organisation Chart



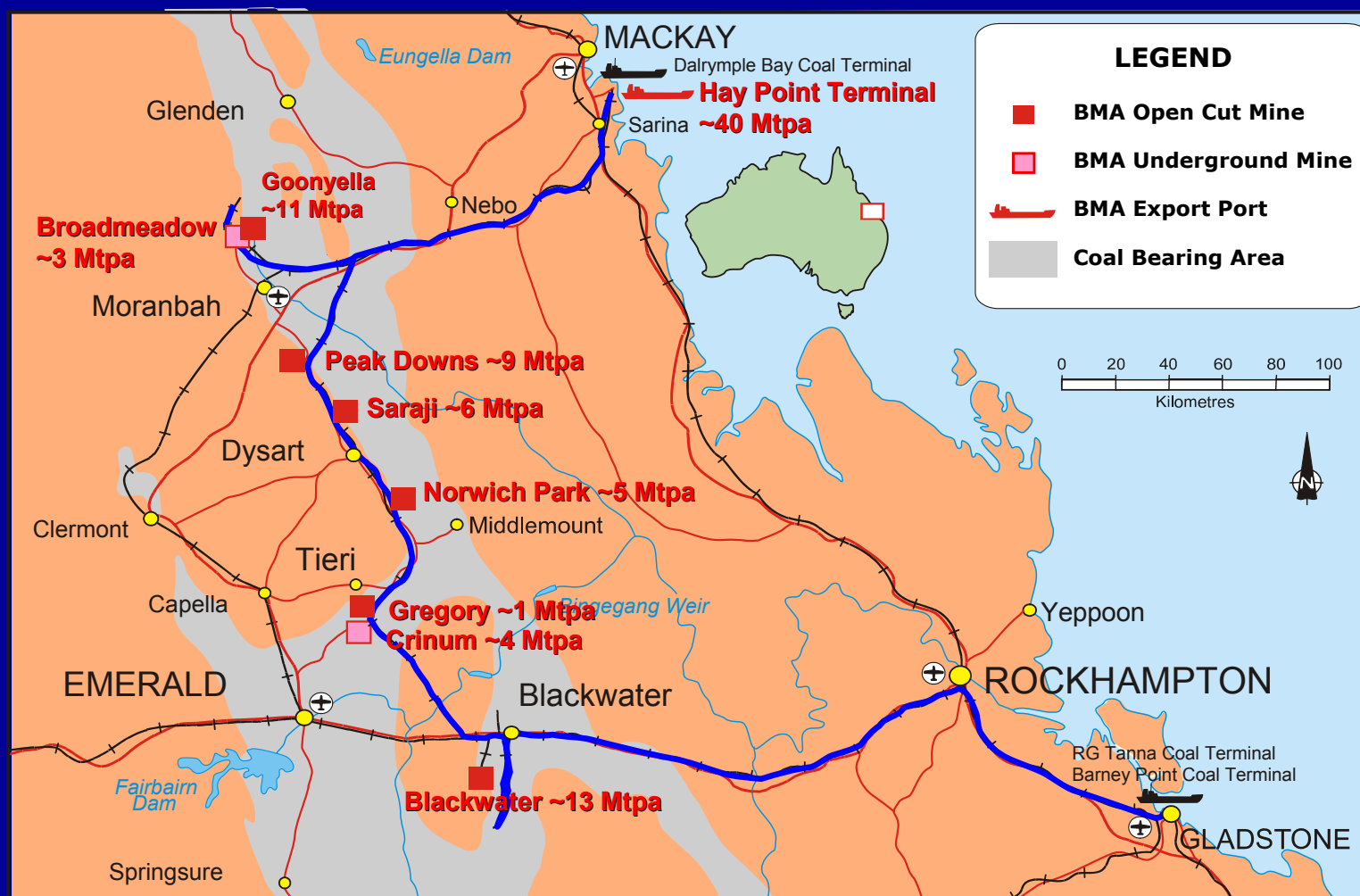
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BMA Assets



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BMA Coal Quality



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Full range of metallurgical coal products

VM	← Lower VM Higher VM →					
	18%	19%	20%	24%	27%	34%
HCC	5.5	6.5	9.1	10.9	5.1	4.6
WCC					5.0	
PCI						
Thermal	0.3				3.0	0.8

Norwich Park 5.8	Saraji 6.5	Peak Downs 9.1	Goonyella Riverside 10.9	Blackwater 13.1	Gregory 5.4
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Marketable Reserves

30 June 2005



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

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



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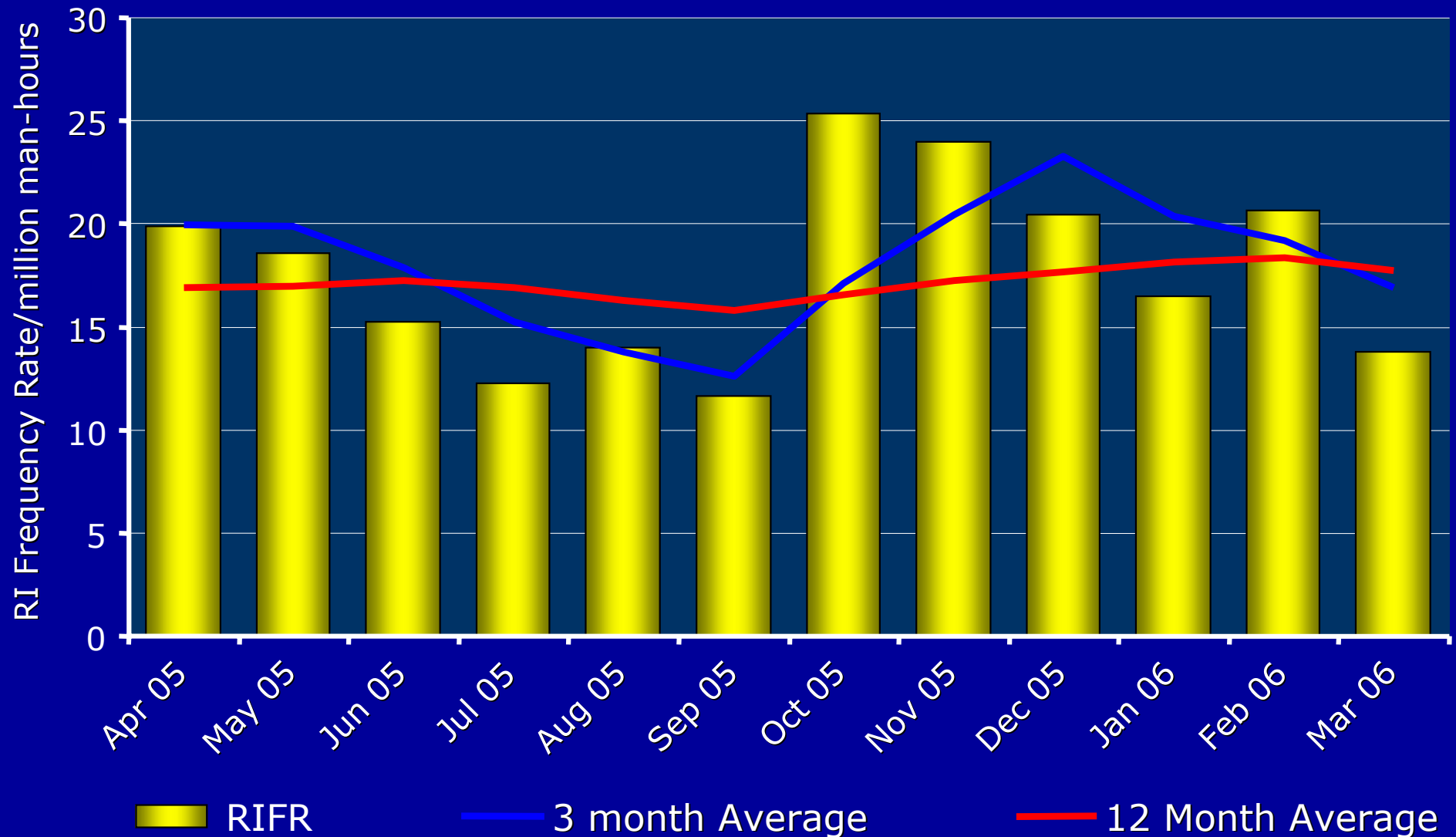
- *Goal is zero harm*
- *We are successful when each employee ends each day safely*

Safety Performance

Recordable Injuries



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Markets

John Smith - CEO



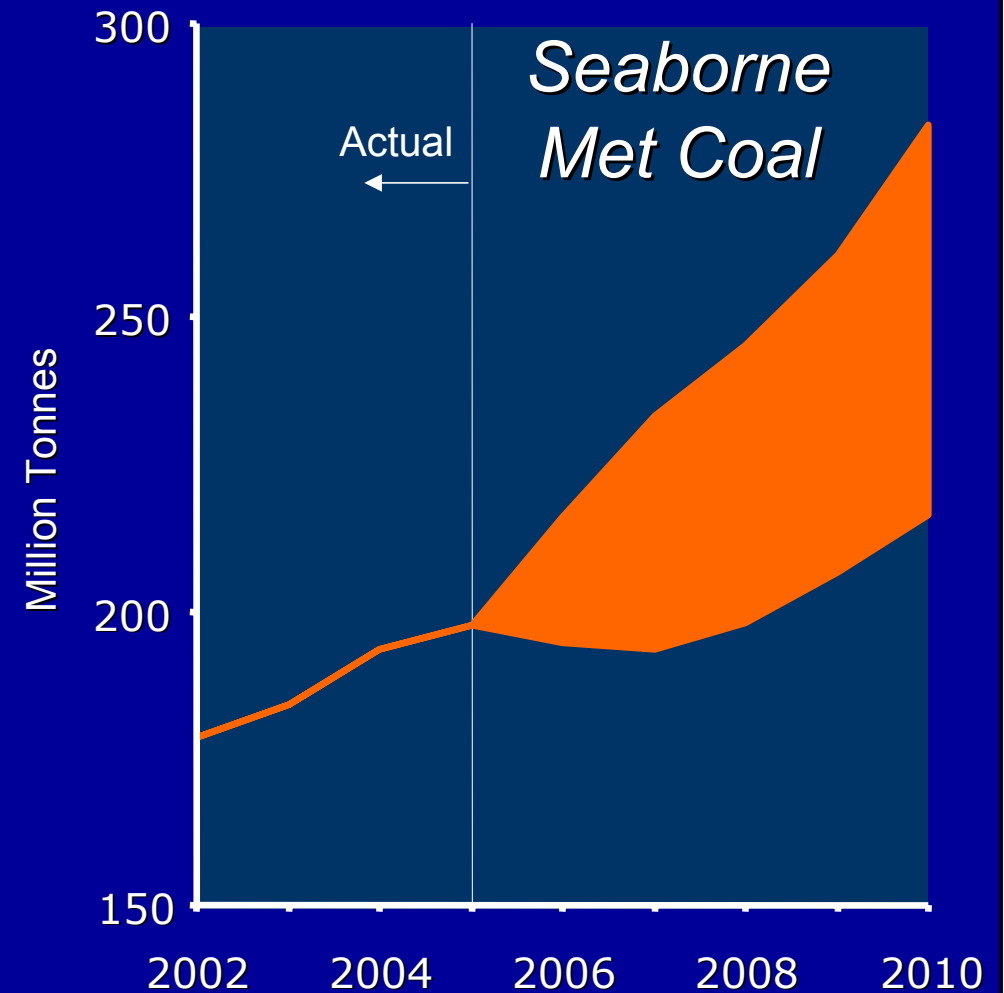
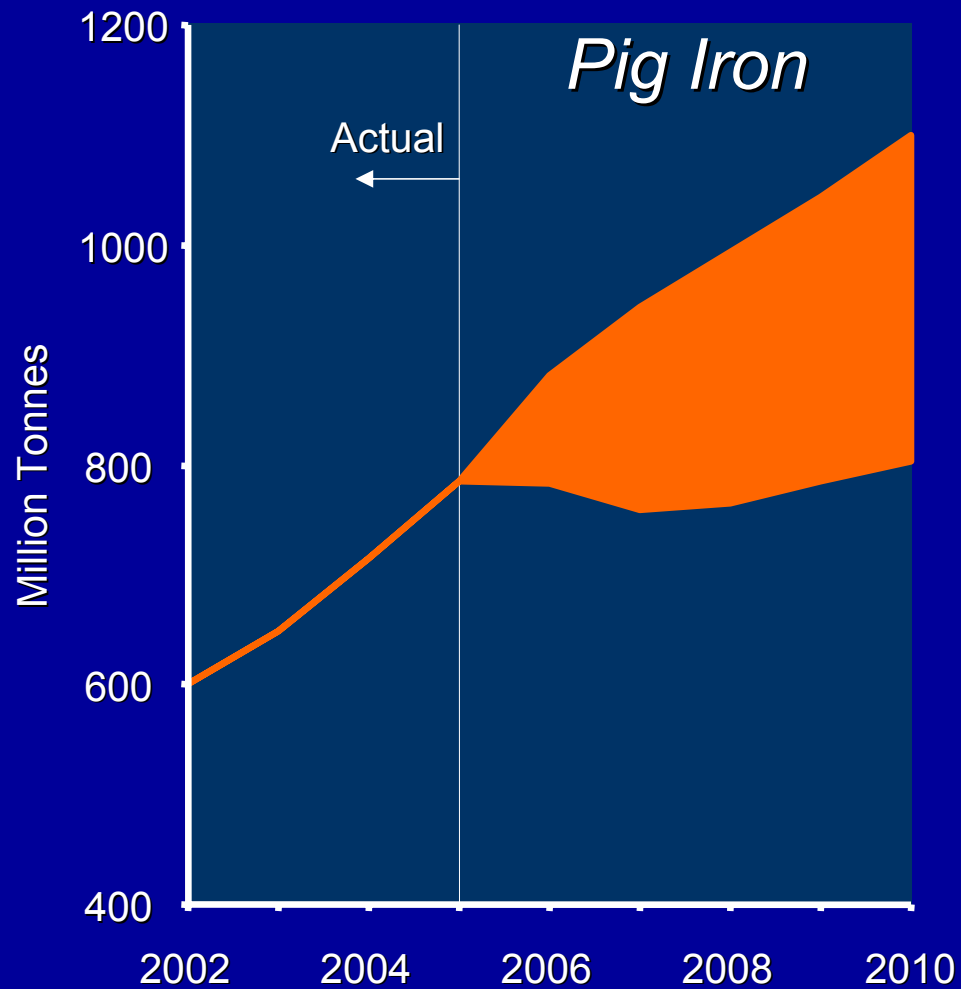
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Pig Iron and Met Coal Demand



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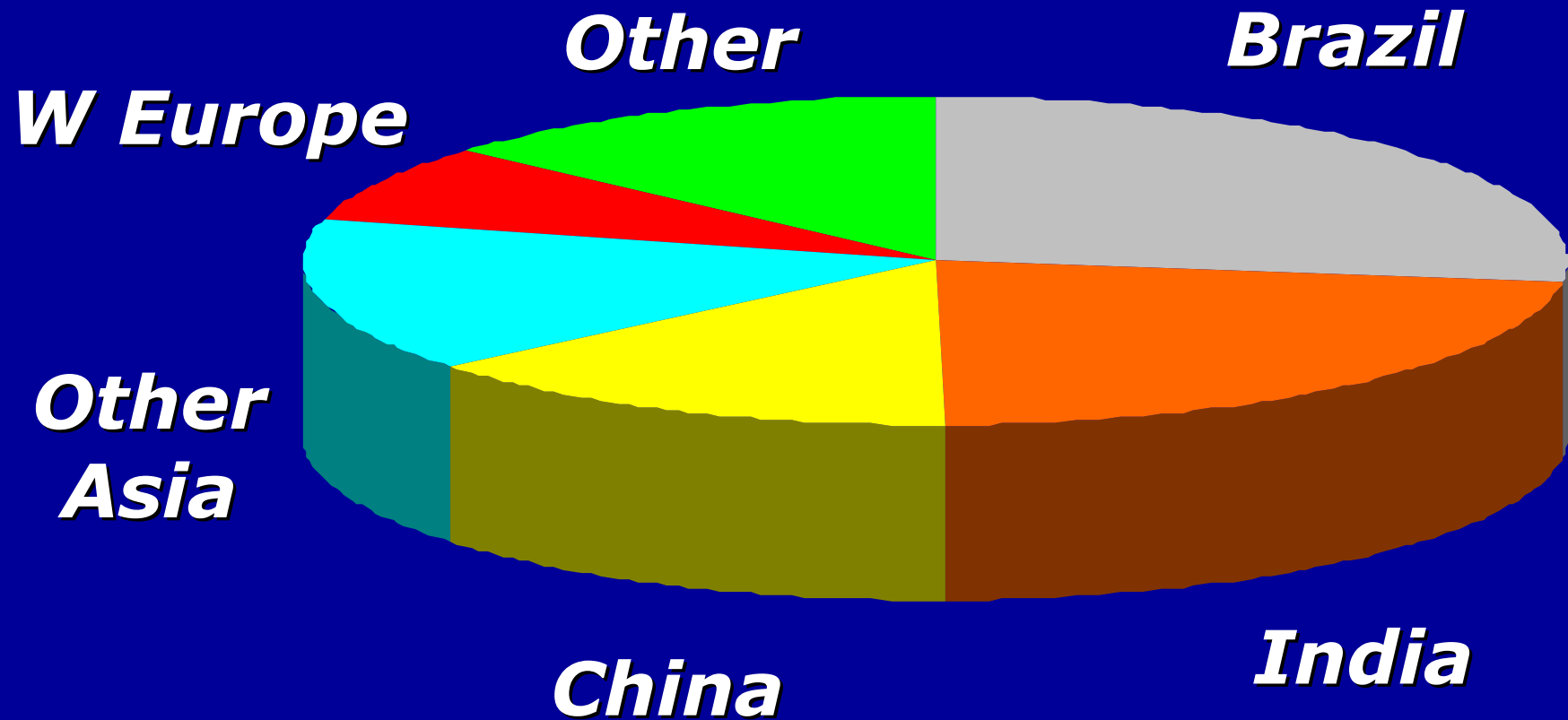


Metallurgical Coal Demand Growth

2005 - 2012



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HCC market

Key drivers



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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



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- 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

Operations

Mike Elliott - VP Operations



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BMA Earth Moving Equipment



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Draglines



Electric Shovels



Haul Trucks



Coal Haulers



Dozers



Other Mobile Equipment

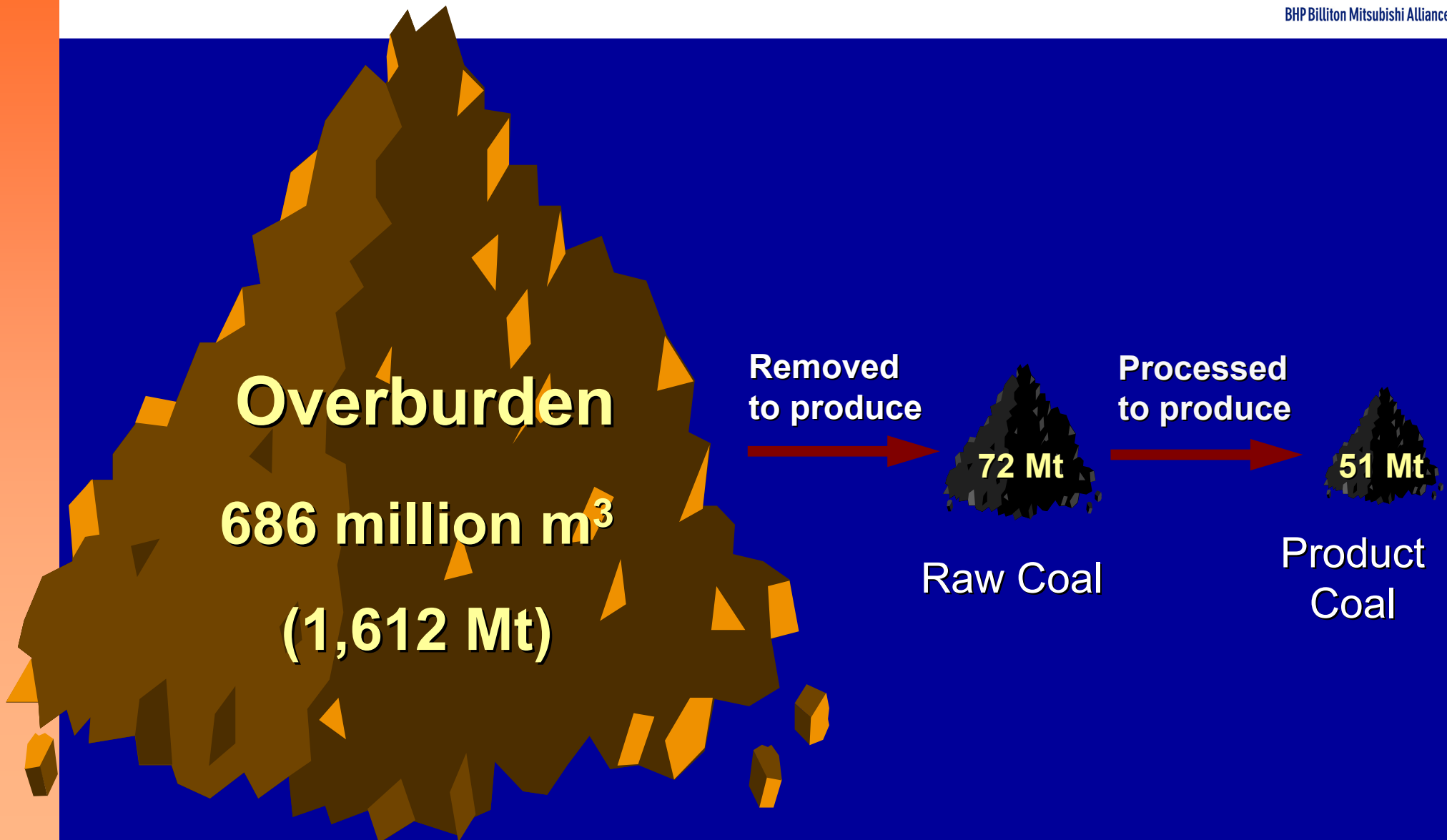


Open Cut Operations

How much earth did we move?



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The Real Business

in FY 2005 we moved

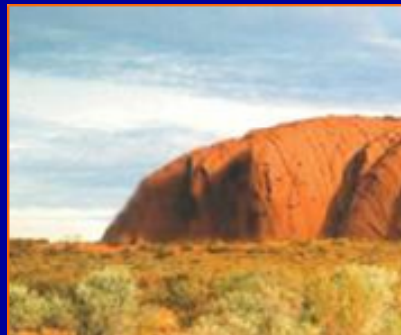


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➤ **686 million m³ of overburden**



+



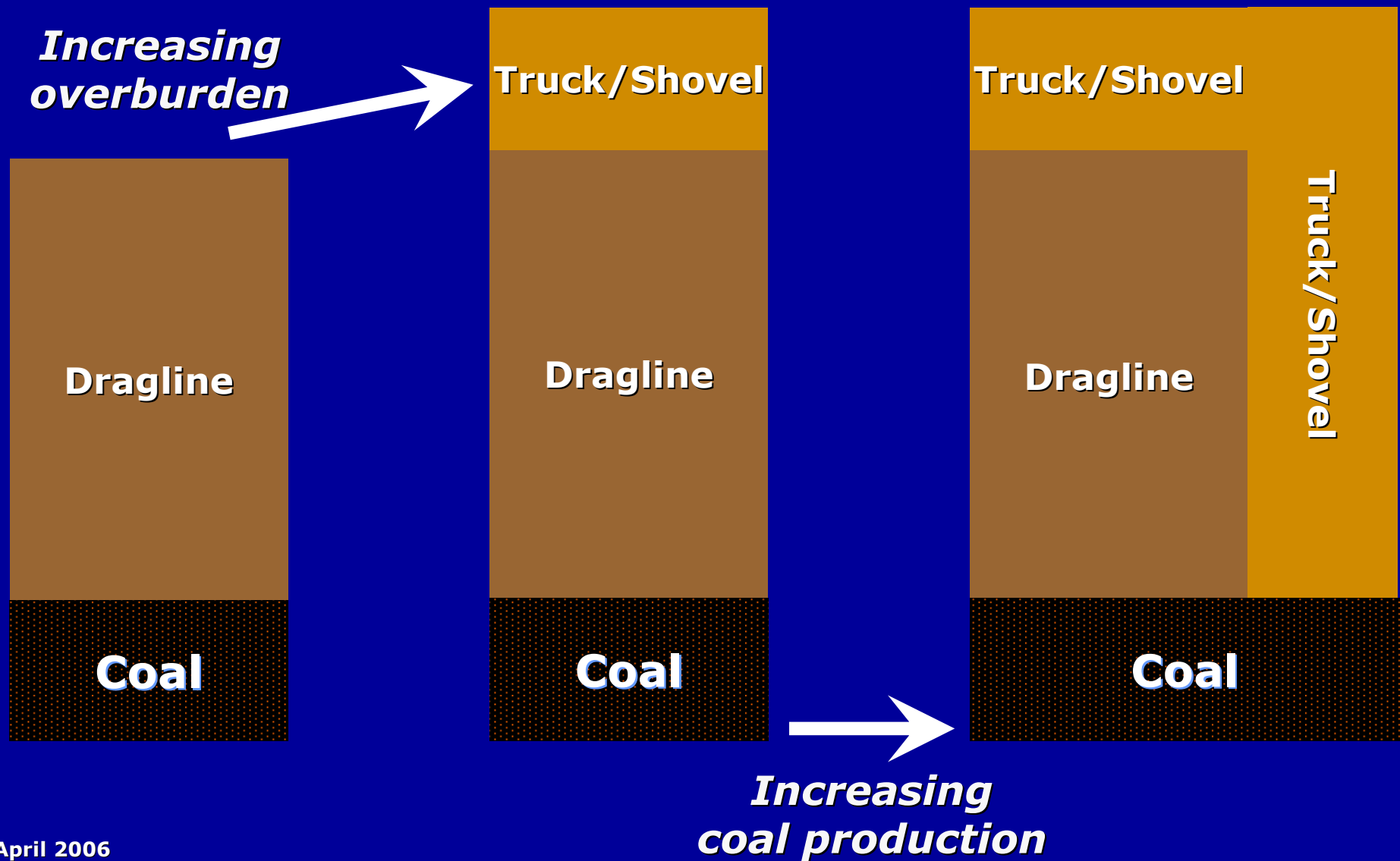
➤ **equivalent to 1.3 times the size of Uluru**

Growing the Business

Added Stripping Costs More



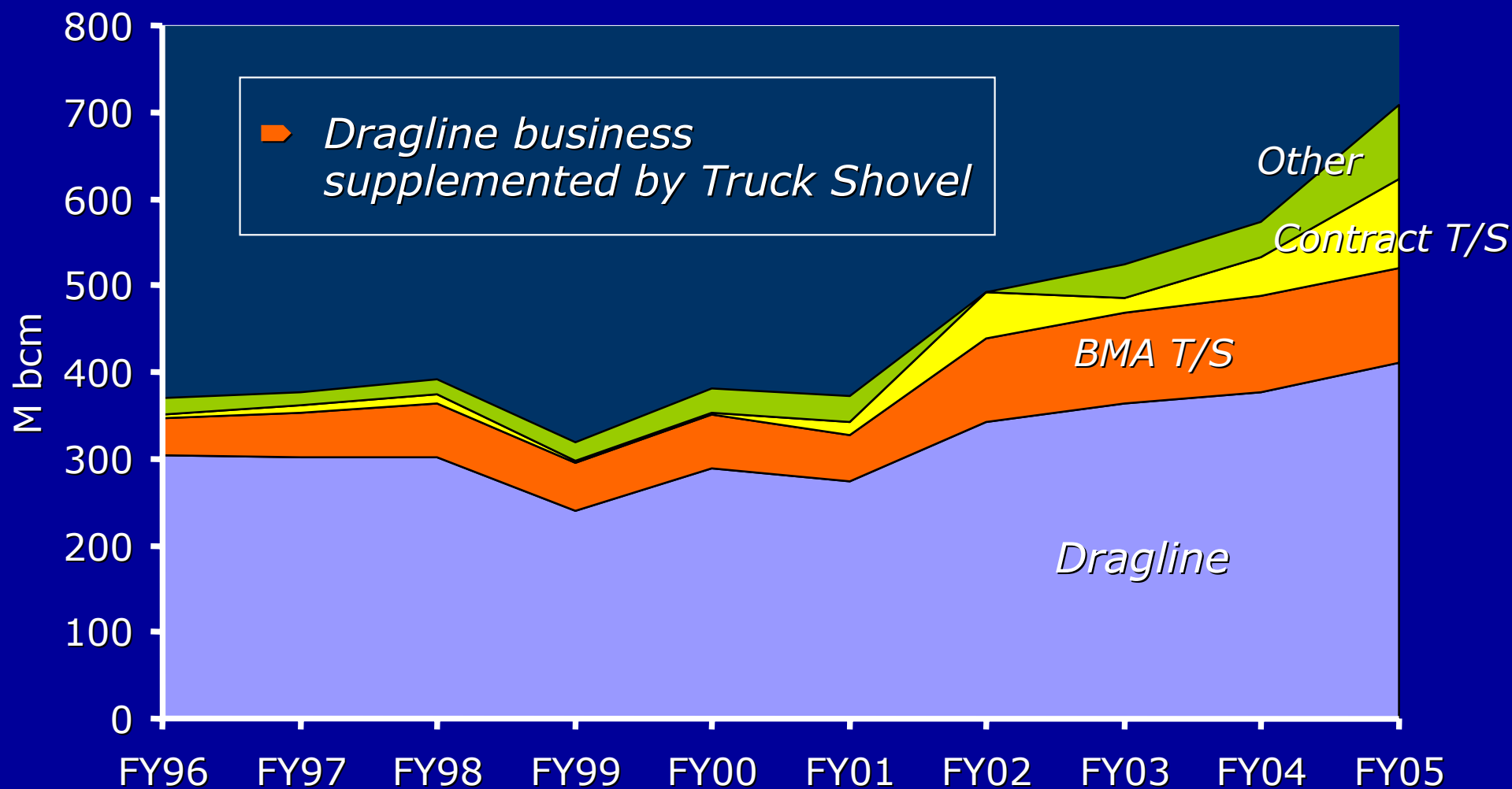
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Mining Philosophy



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Business Improvement

Incremental and Step Change



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Stripping Study

Evaluation of cost reduction alternatives

Universal Dig and Dump (UDD)

5 completed, 1 underway; measured 13+% productivity improvement

Last Drop

Redesign coal uncover 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

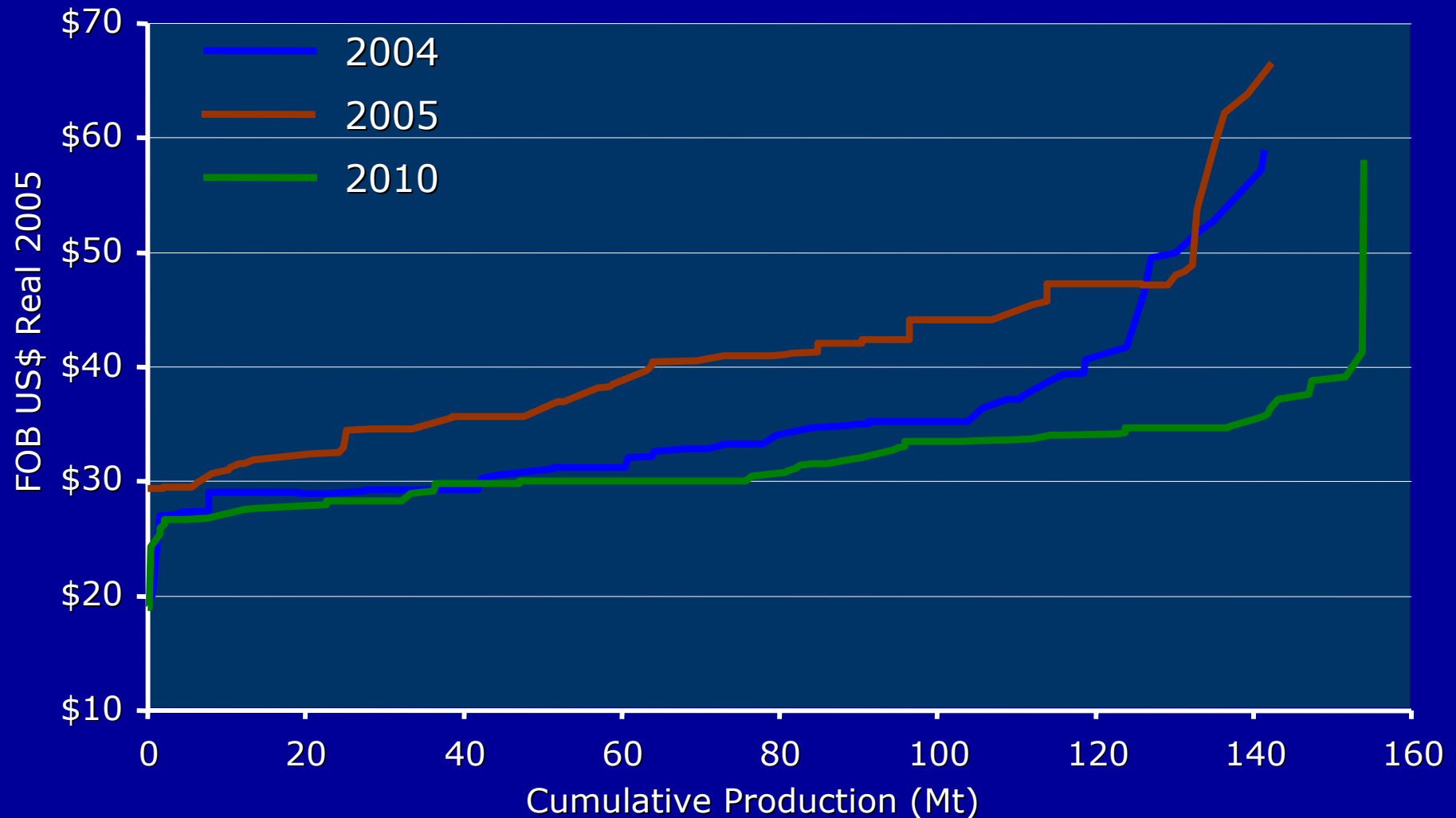


Increasing Cost Pressures



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Australian Cost Curves



Source: Barlow Jonker

Key Operating Statistics

Annual Coal Sales (Mt)



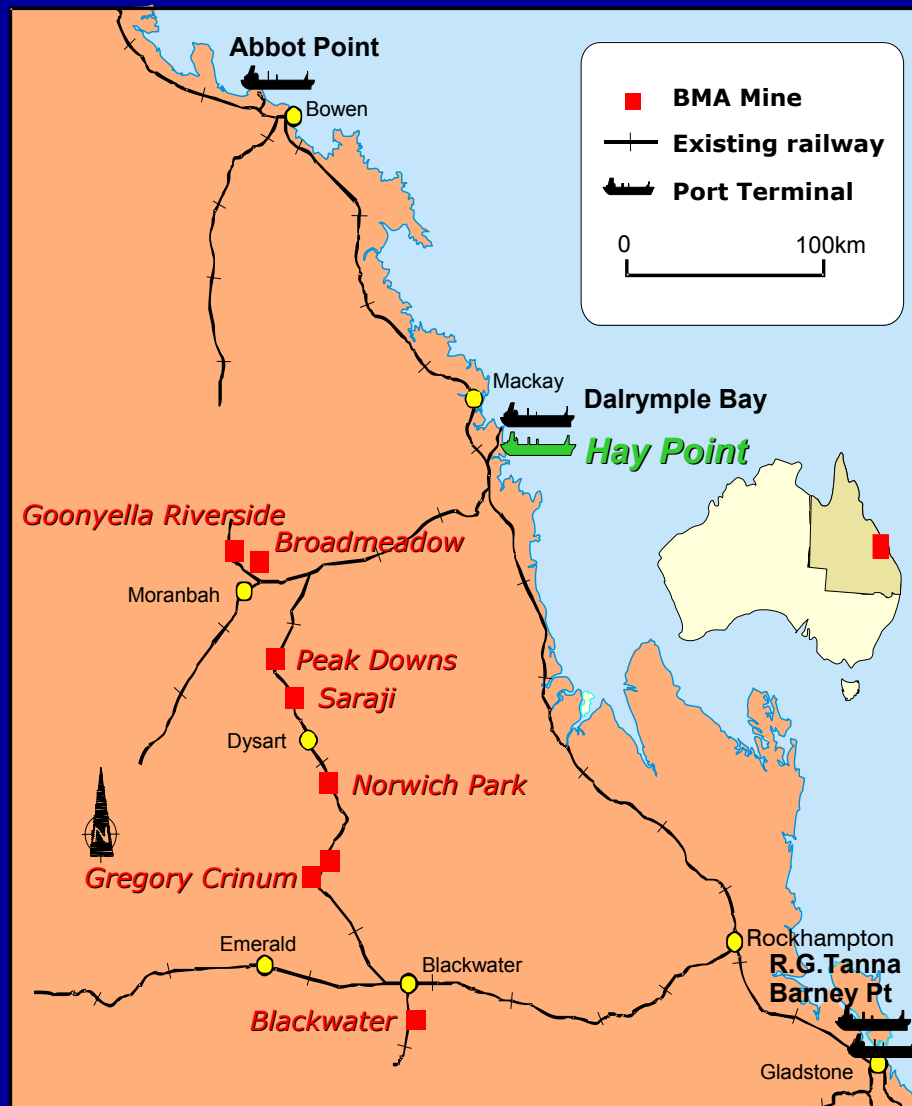
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	FY04	FY05	1st Half FY06
HCC	33.4	38.8	19.7
WCC	6.2	6.4	2.9
Thermal	5.4	4.9	1.5
TOTAL	45.0	50.1	24.1

BMA Coal Logistics



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Exports	FY04	FY05	1 st Half FY06
<i>BMA Owned</i>			
Hay Point	27.8	30.0	14.6
<i>Common</i>			
DBCT	1.2	3.3	1.9
RG Tanna	12.8	13.8	6.2
Barney Pt	1.1	0.7	0.4
Total Exp.	42.9	47.8	23.1
Domestic	2.4	2.3	1.4

Growth

John Smith - CEO



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Broadmeadow Project



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- 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



Raw Coal Sizing Station



Housing

Stage 2 Growth Project



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- 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



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- 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



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Project	Capacity Mtpa
Goonyella	Up to 8
Isaac River/Peak Downs	Up to 6
Hay Point Port Expansion	Up to 55

- 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



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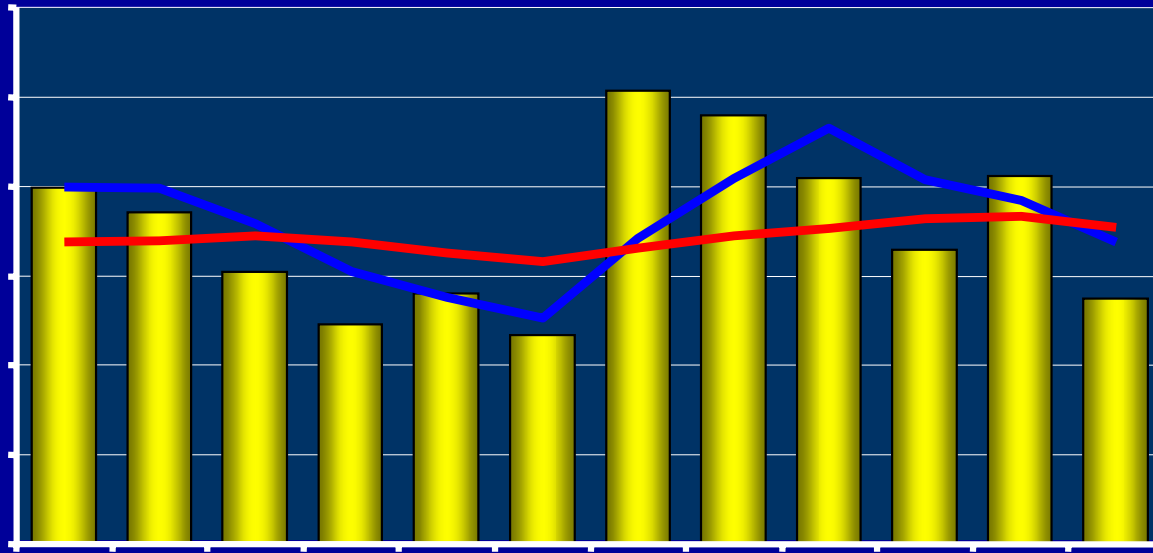
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Business Challenges

Safety Performance



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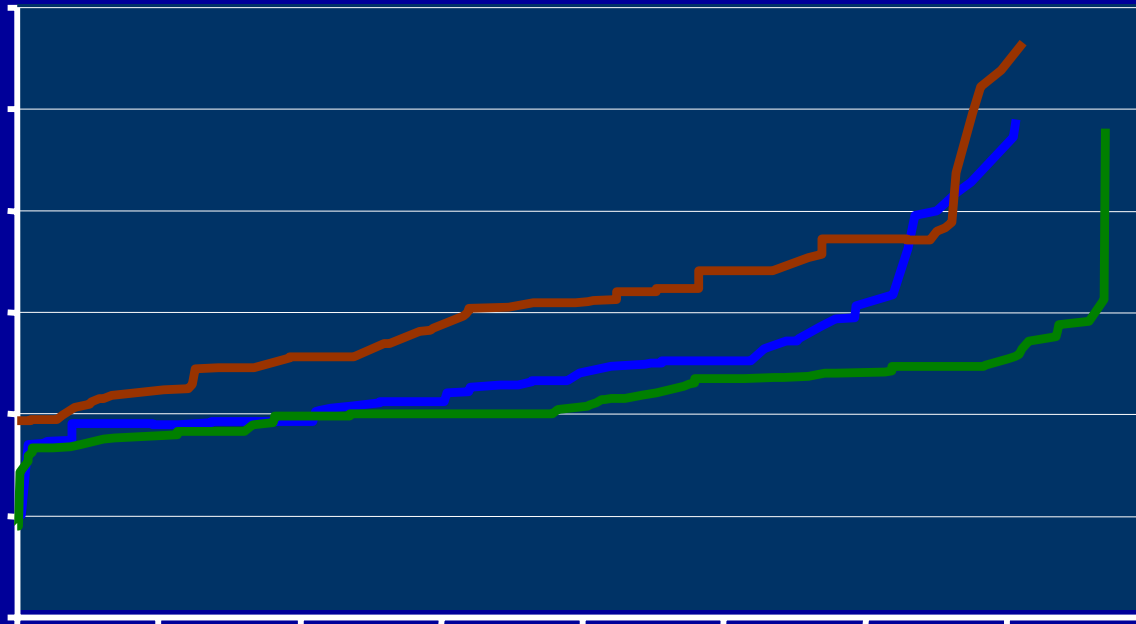
- *Continued vision of zero harm*
- *Site specific and BMA-wide initiatives*
- *Address high contractor employee turnover*

Business Challenges

Cost Pressures



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- *Improve operating efficiencies*
- *Pursue and develop step-changes*
- *Strategic alliances*

Business Challenges

Operations



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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



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- *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

Peak Downs Mine

Steve Rae - Senior Site Executive



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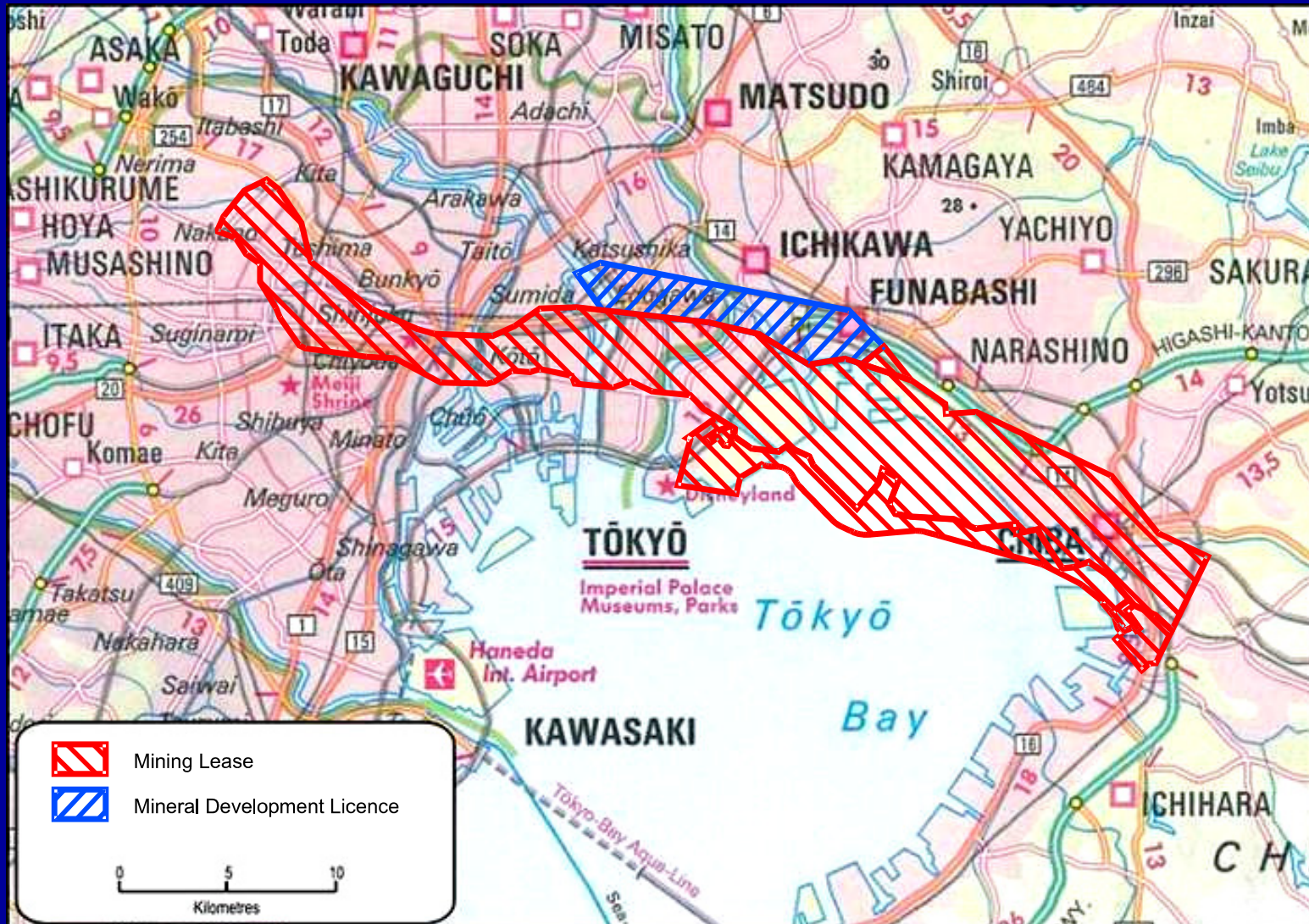


Peak Downs Mine

Mining Lease



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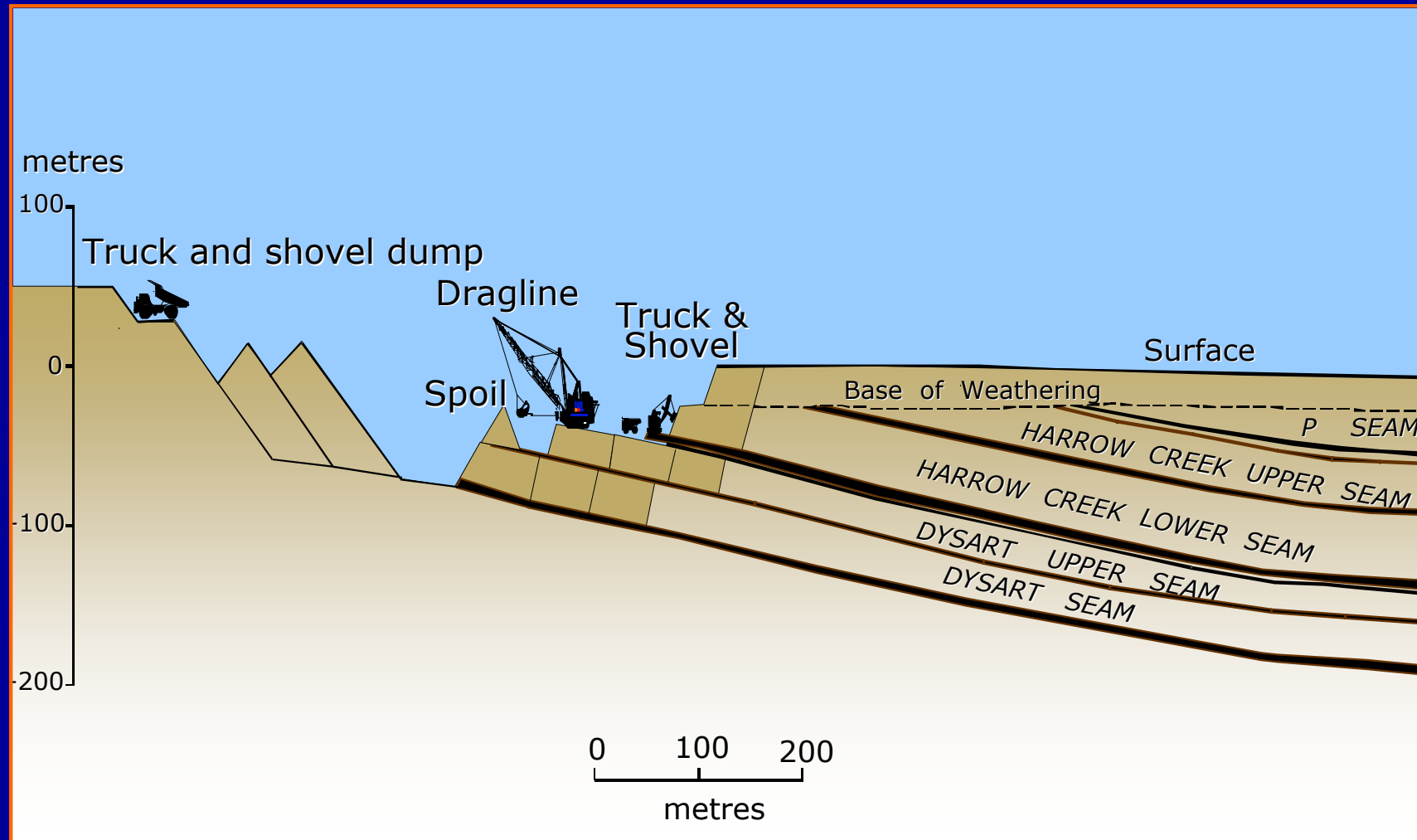


Peak Downs Mine

Typical Mine Cross Section



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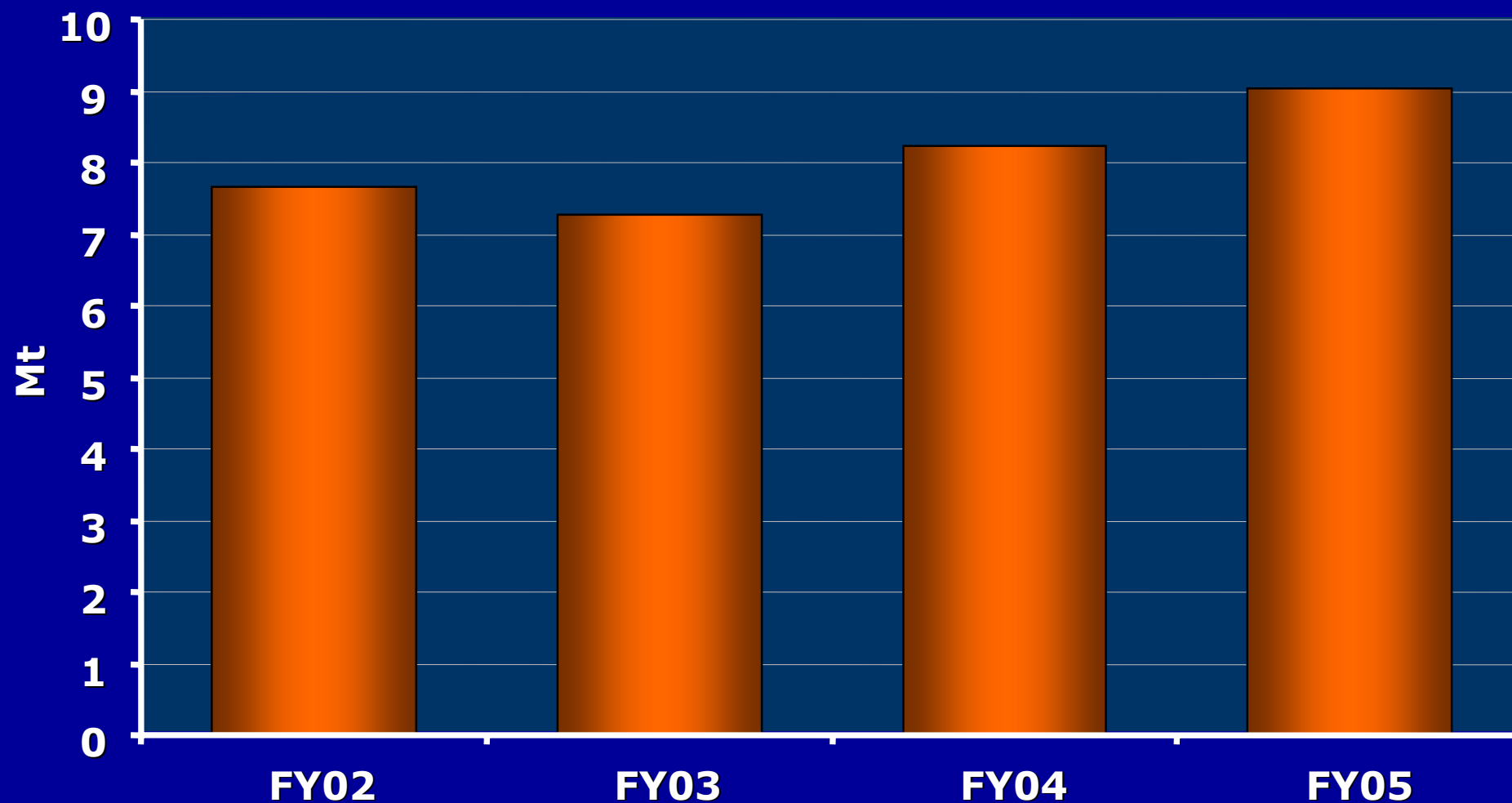


Peak Downs Mine

Annual Production



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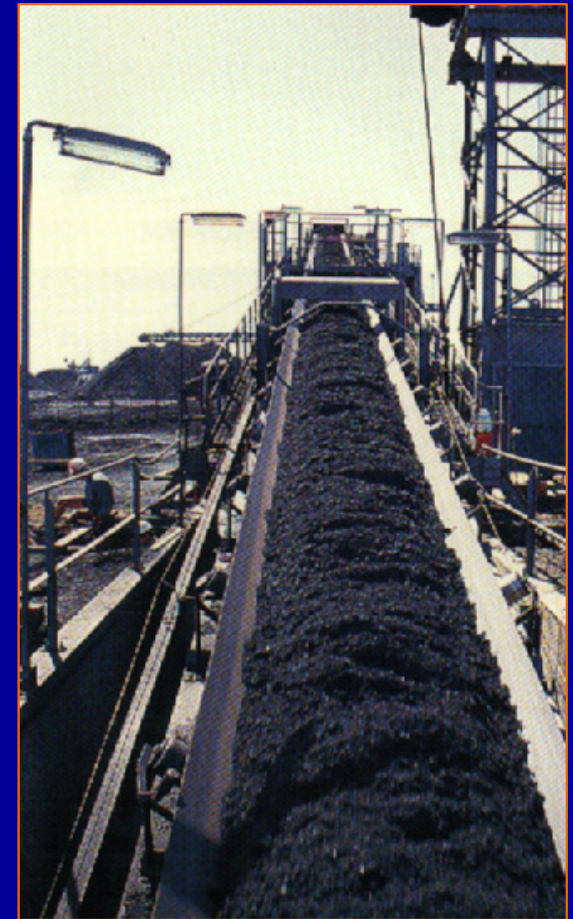


Hay Point Coal Terminal

Sam Bonanno - Port Manager



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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



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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

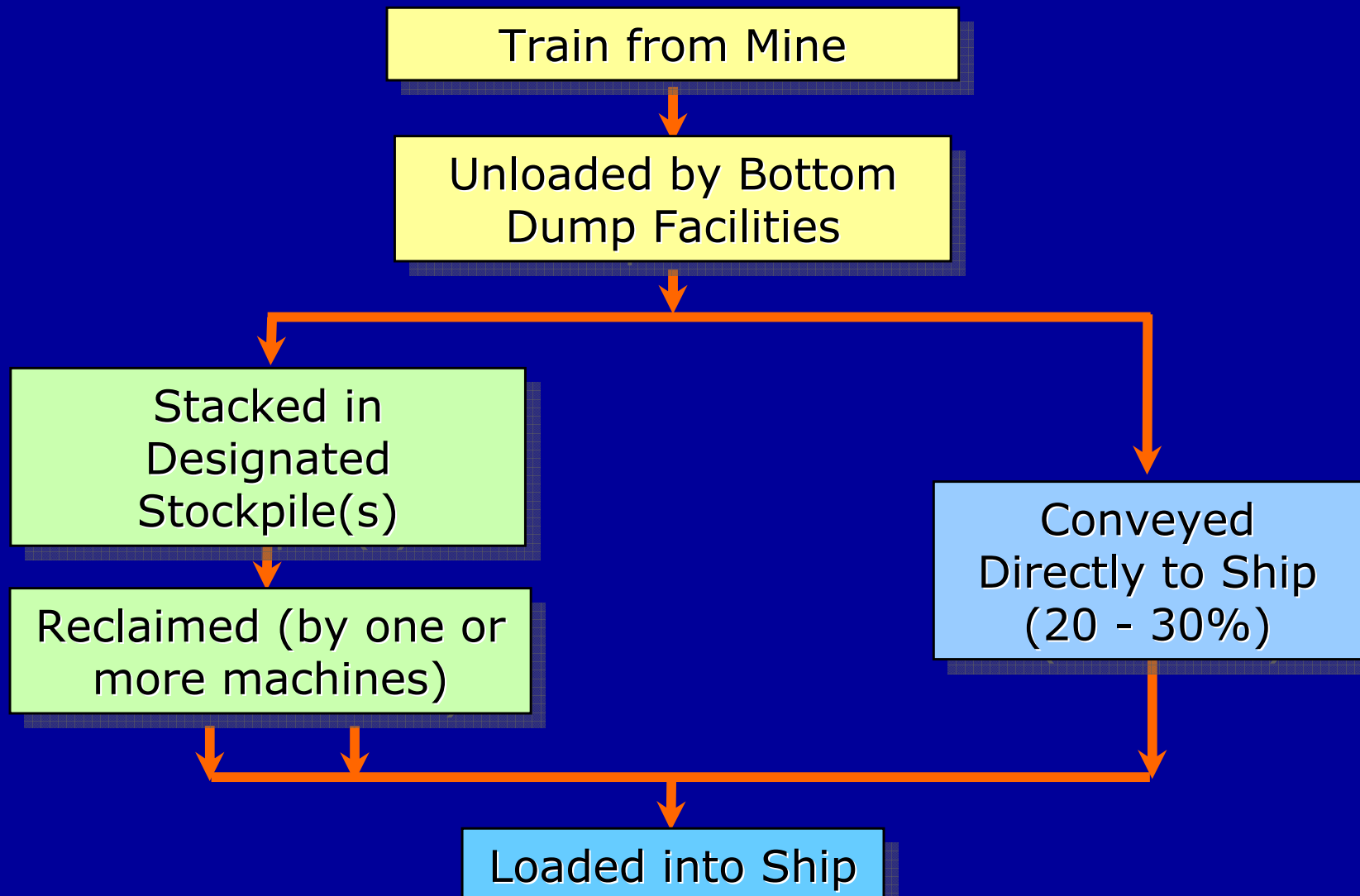
Hay Point Site Schematic



Process Diagram



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Coal Receival



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Stacking and Reclaiming



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Stockyard



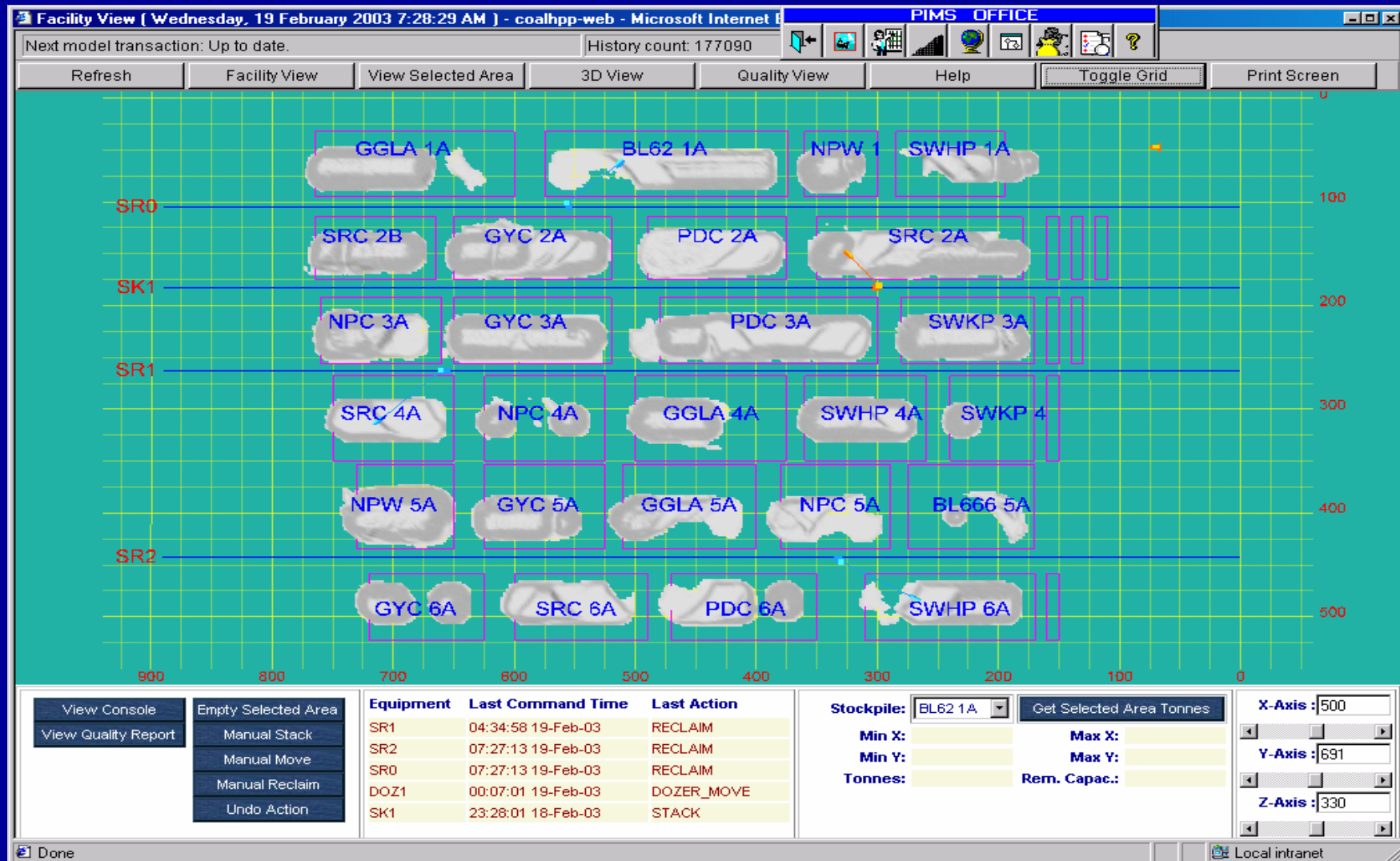
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Coal Tracking System - Yard View



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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



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Shiploading Capability

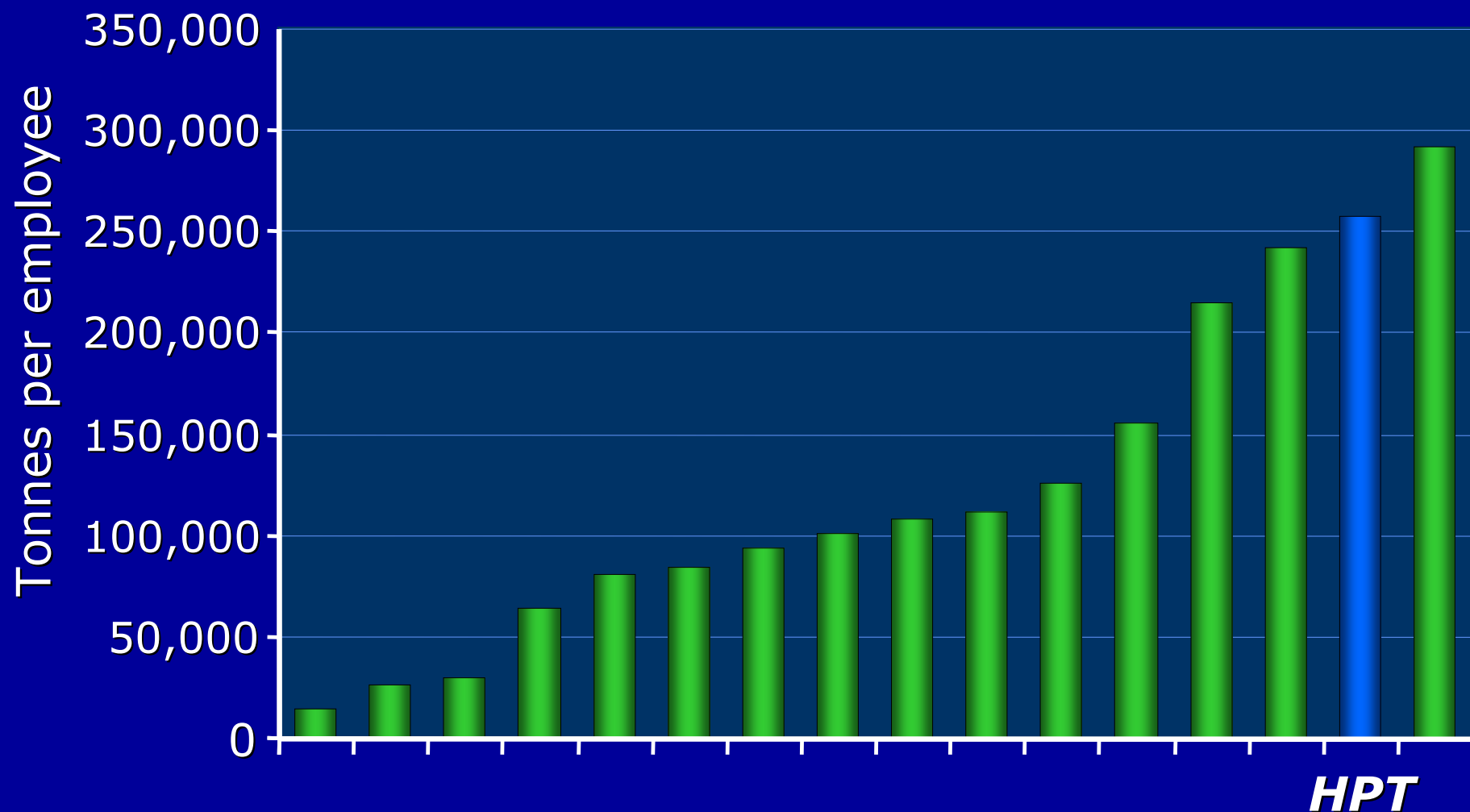
- Berth 1: up to 175,000 DWT – pocket depth 16.5 m
- Berth 2: +200,000 DWT – pocket depth 16.7 m
- Largest ship loaded: “Iron Pacific” (230,000 DWT)
- Largest cargo : 207,769 t on “Iron Pacific”
- Average Cargo Size : Approx 90,000 t
- Average Parcel Size : Approx 40,000 t



Hay Point Productivity



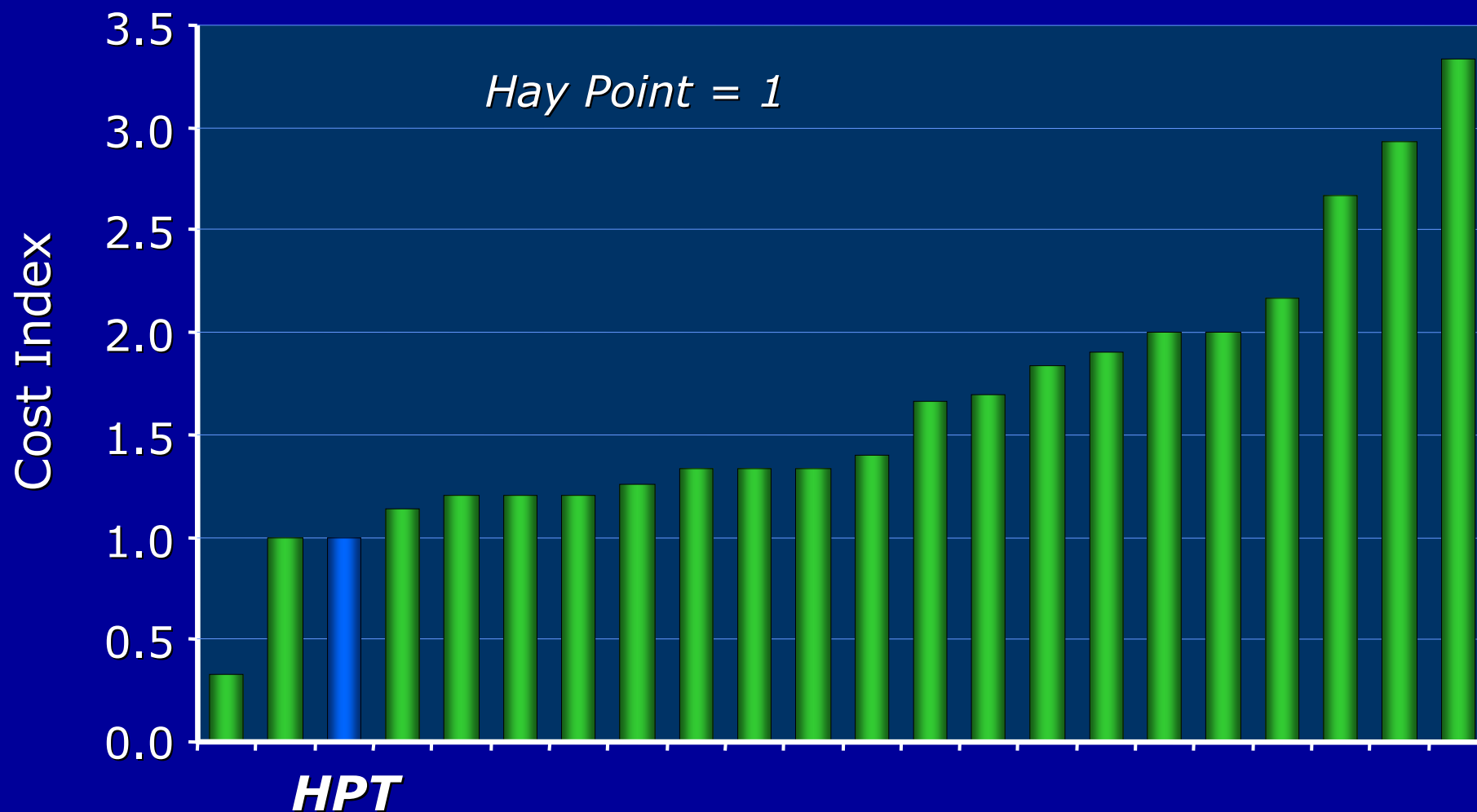
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Hay Point Terminal Cost



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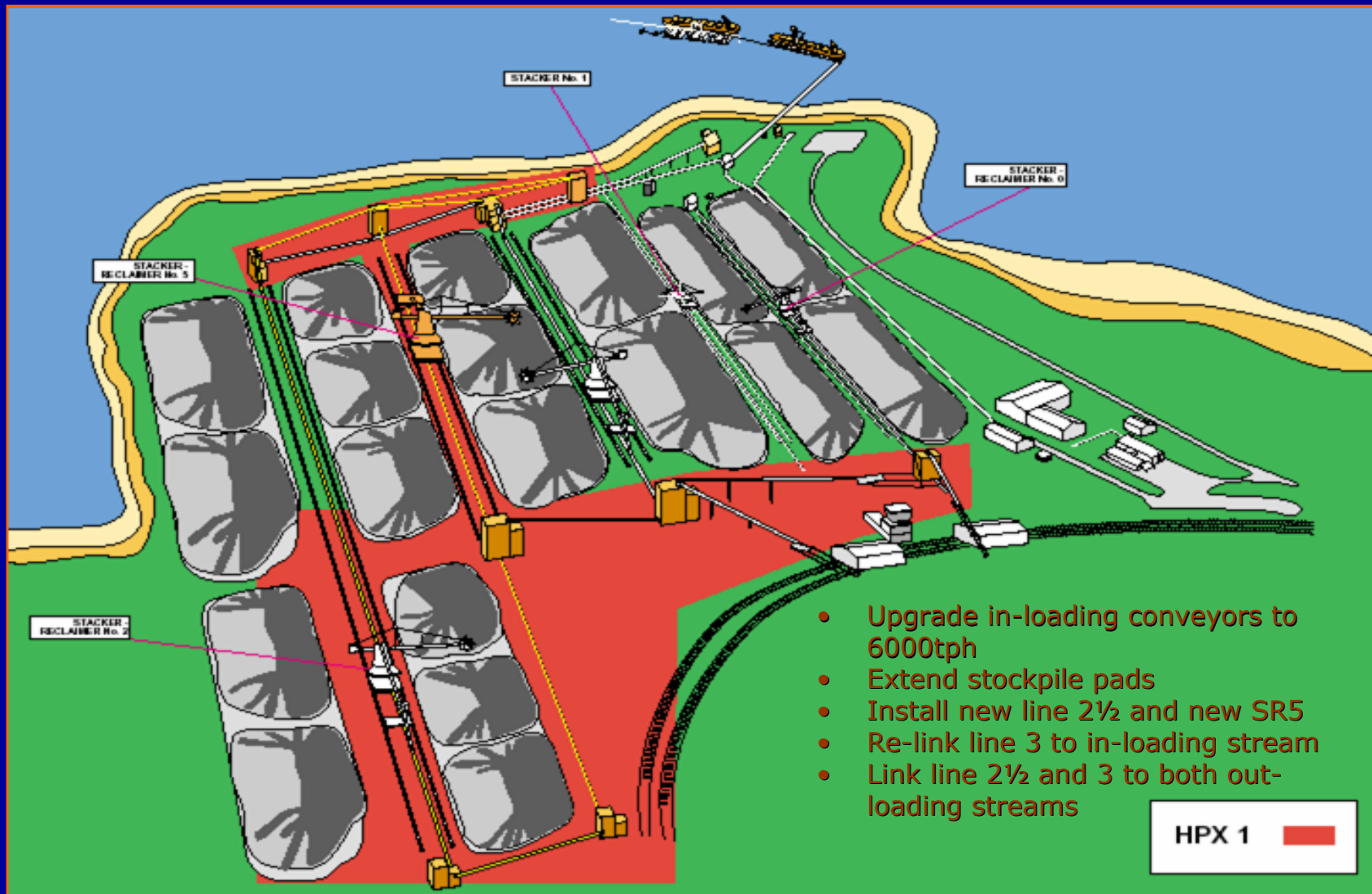
➤ Hay Point cost in lowest quartile

Hay Point Expansion

HPX1



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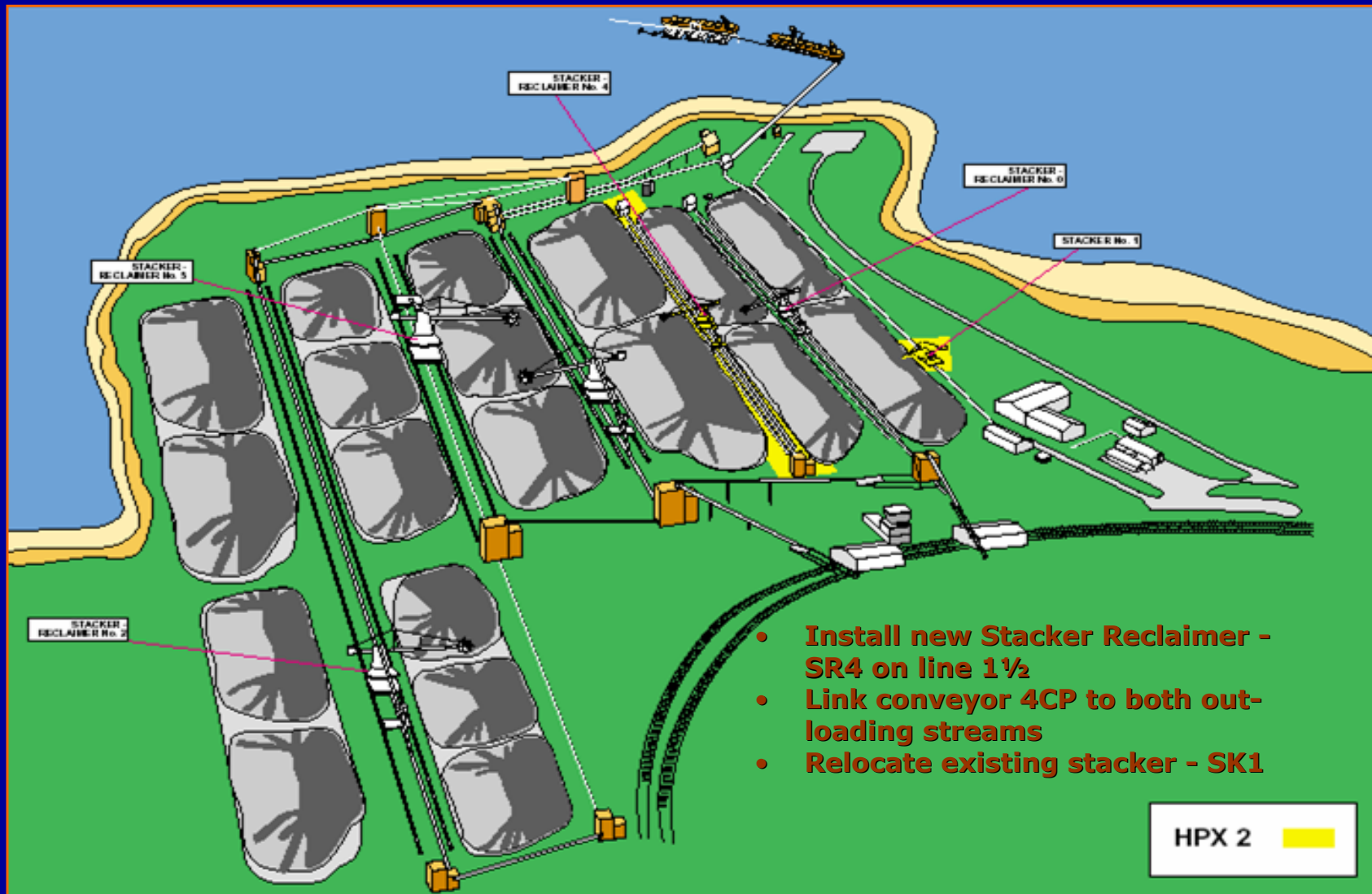


Hay Point Expansion

HPX2



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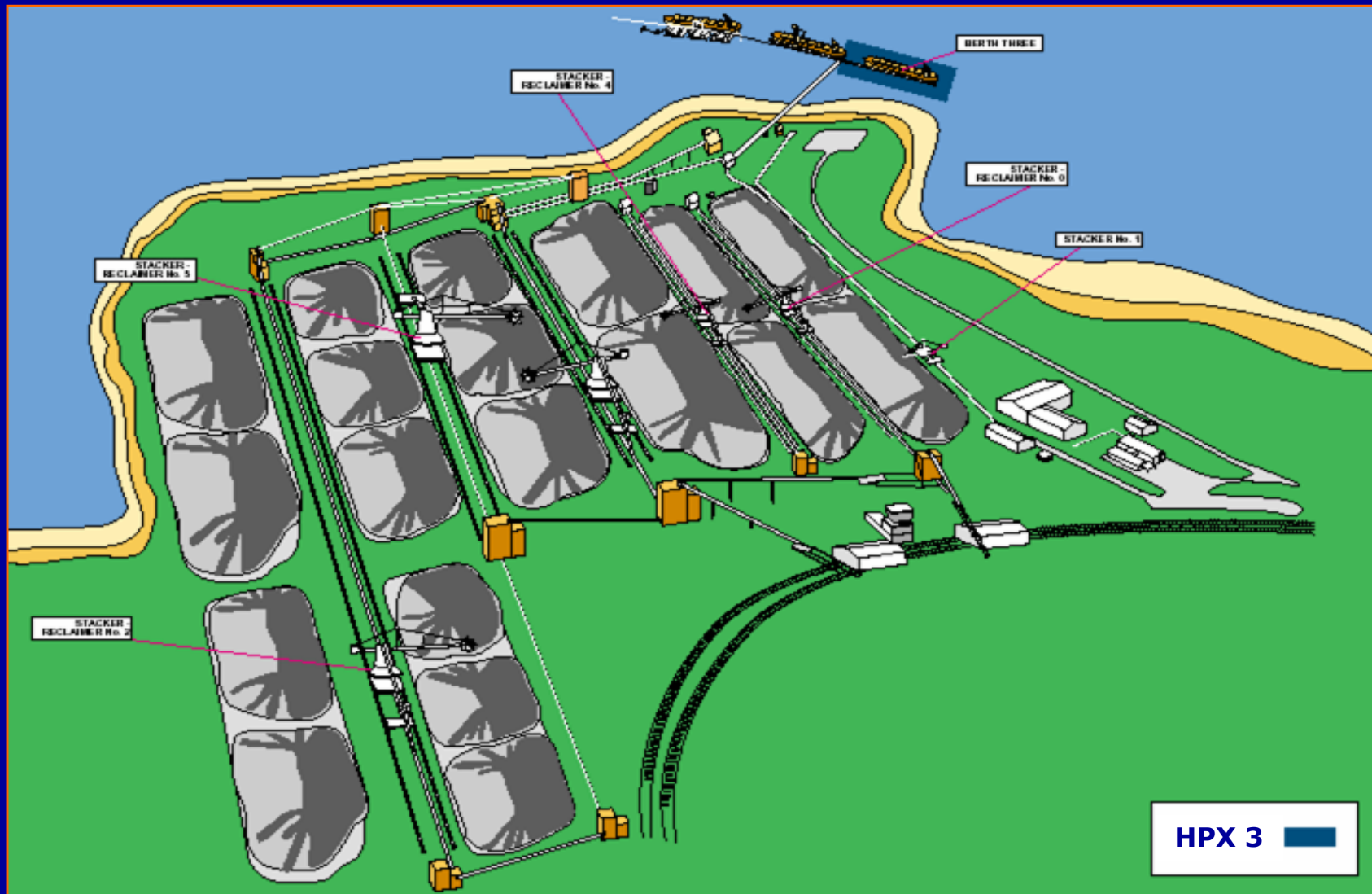


Hay Point Expansion

HPX3



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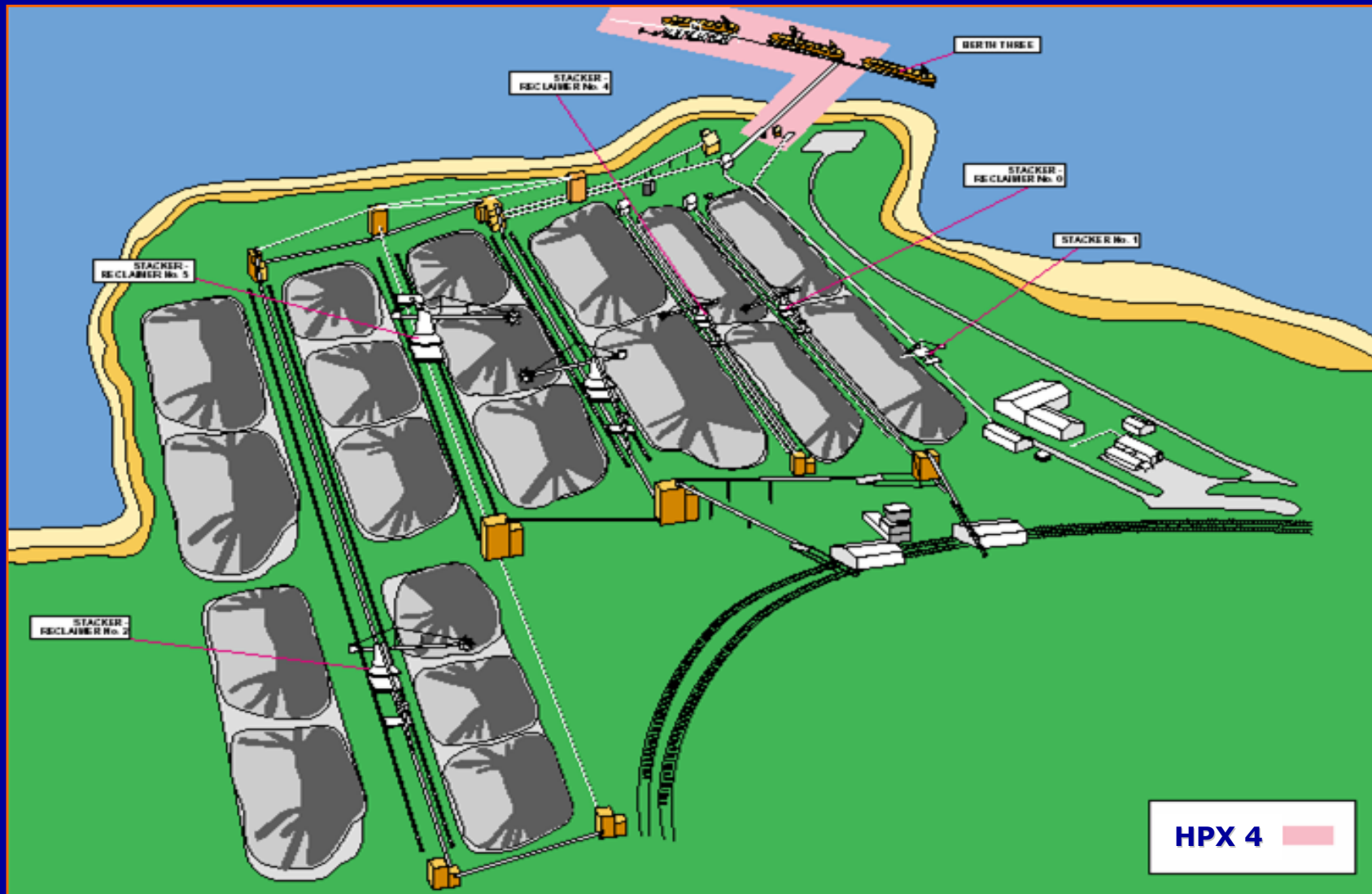


Hay Point Expansion

HPX4



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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*