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1990 – Industry structure

In 1990 the top five companies accounted for less than 25% of total resource equity market value

- Market value of minerals industry: US$150 bn
- Value of Top Five: US$36 bn
The largest company in the resources sector

- Market value of minerals industry: US$786bn
- Value of Top Four: US$316bn
- Value of BHP Billiton: US$120bn

### BHP Billiton Market Cap

<table>
<thead>
<tr>
<th>Year</th>
<th>Market Cap (US$ bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>$119.9</td>
</tr>
<tr>
<td>2001</td>
<td>$29.5</td>
</tr>
</tbody>
</table>

Source: Datastream and Bloomberg (data as at 20 October 2006)

1. Market Capitalisation on 20 October 2006
Structure driven by customer needs

- Petroleum
- Aluminium
- Base Metals
- Carbon Steel Materials
- Diamonds & Spec Prod
- Energy Coal
- Stainless Steel Materials
“Our core purpose is to create long-term value through the discovery, development and conversion of natural resources, and the provision of innovative customer and market-focused solutions.”
China

- Sales into China increasing but diversification remains
- Currently 16.8% of total company revenues
Leads to demand for our commodities
An example - metal content of an average family car

Average family saloon

At today's prices, cost of these commodities represents < 5% of the average US retail price

{ Copper = <20 kilos
  Aluminium = ~120 kilos
  Nickel = <20 kilos
  Carbon Steel = ~650 kilos
  Iron Ore = ~1000 kilos
  Coking Coal = ~400 kilos
}
Inventory levels at historic lows
Real LME metal prices at similar levels to late 1980s’ boom

Monthly LME Metal Prices and Stocks

- LME Price Index (left scale)
- Stocks Consumption Ratio (right scale)

Stock/consumption ratios very low

Source: Macquarie, BHP Billiton. * LME prices and stocks of Al, Cu, Zn, Pb, Ni
Industry cost and capacity pressures

- Tyre preservation programmes: ongoing
- Truck capacity increased – longer lead times: 9 months to 18 months
- Rig availability constraints: ongoing
- Shortage of experienced people – focus on training: ongoing
Australian Mining Industry Labour Market Outlook

- Industry needs 70,000 more people in 2015 than it has now
- Largest shortages will be in trades and semi skilled personnel
- Projected economy wide labour force growth in these categories will be slowest.
- Challenge of attracting people to skills shortage professional areas is “strategically critical”
- Additional demand will be focussed:
  - WA 42,000
  - QLD 15,000
  - NSW 5,000
  - SA 5,000
- Fastest growth projected between 2006 and 2010.
- Shortages will continue to worsen

Deep inventory of growth projects

As at 30 June 2006
Size of bubble indicates proposed capital expenditure; bold outer border signifies sanctioned project.

BROWNFIELD

- Blackwater CPP
- Koala UG
- Atlantis North
- Yabulu
- WA Iron Ore RGP 3
- Alumar
- NWS T5
- NWS Angel
- GEMCO

GREENFIELD

- Spence
- Neptune
- Stybarrow
- Atlantis South
- Ravensthorpe
- Shenzi
- Maruwal
- Pyrenees

WA Iron Ore
RGP 3

$US
200M

Worsley E&G
WA Iron Ore
RGP 4+

Alumar
Samarco
Nickel
Pyrenees

WA Iron Ore
RGP 3

Alumina
Base Metals
Iron Ore
Diamonds
Petroleum

Met. Coal
Mn Ore
Energy Coal
Nickel

CY2007
2008
2009
2010
BHP Billiton’s Queensland Assets

- Cannington Silver Lead and Zinc Mine
- QNI Yabulu Nickel Refinery
- BMA Coal operations (50%)
World Class Met Coal Operations

in 2005/06 BMA moved

716 million m$^3$ of overburden
Cannington Mine

- World’s largest single mine producer of silver and lead
Expansión en camino para entrega en 2007
In Summary

- Dynamics of the global resources industry are changing
- It’s not just about China - other emerging economies are following
- Demographics and economic development could continue for years
- This will require significant new mine capacity
- BHP Billiton has unparalleled diversification, global reach, visibility to growth options and track record of delivery
- BHP Billiton is well positioned to capture its share of demand growth
Key Challenges for the Resources Industry

C W Goodyear    Chief Executive Officer
Brisbane Bourse Talk Luncheon
Brisbane, 28 November 2006