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Global demand growth continues

- **China**
  - GDP growth 10.7% for CY2006
  - Forecast 10.2% for CY2007
  - Economy running well

- **India**
  - GDP growth 9.0% for CY2006
  - Forecast 8.2% for CY2007
  - Economic growth remains robust

- **US**
  - GDP growth 3.3% for CY2006
  - Forecast 2.3% for CY2007
  - Mixed signals, but remaining resilient

- **Japan**
  - GDP growth 2.2% for CY2006
  - Forecast 2.3% for CY2007
  - Weak Yen, low inflation supporting growth

- **Europe**
  - GDP growth 2.8% for CY2006
  - Forecast 2.5% for CY2007
  - Growth gaining momentum

Solid global economic growth to continue
Long term outlook remains intact
The US economy is five times larger than China’s…

Structure of 2006 Nominal GDP in US$ Billions

USA

Net Trade
Consumption
Investment

US$13.2 trillion

China

US$2.6 trillion

Source: Global Insight. GDP at 2006 market exchange rates
China’s contribution is strong in terms of incremental growth in GDP...stimulated by raw materials-intensive Fixed Investment

Change in GDP in US$ Billions in 2006

USA

Net Trade
Consumption
Investment

China

3.3%

10.7%

Source: Global Insight. GDP at 2006 market exchange rates
Chinese copper, nickel, aluminium and iron ore demand and its % share of world demand

Chinese refined copper consumption

% share of world refined copper consumption (right hand scale)

Data: BHP Billiton

Chinese primary nickel consumption

% share of world primary nickel consumption (right hand scale)

Data: INSG, CRU

Chinese aluminium consumption

% share of global aluminium consumption (right hand scale)

Data: Brook Hunt, CRU

Chinese iron ore imports

% share of global seaborne iron ore (right hand scale)

Data: ISI, China Customs, CRU, Tex, Clarksons & BHP Billiton
Global consumption

- Copper consumption (kt)
- Aluminium consumption (kt)
- Nickel consumption (kt)
- Energy consumption (mtoe)

Source: CRU, Brook Hunt, BP Statistical Review, BHP Billiton
Global finished steel consumption

- **2006**
  - China: 34%
  - USA: 10%
  - India: 10%
  - Japan: 16%
  - Europe: 16%
  - Other: 16%

- **1996**
  - China: 16%
  - USA: 16%
  - India: 10%
  - Japan: 16%
  - Europe: 16%
  - Other: 16%

Source: IISI, BHP Billiton

Mt
Global seaborne iron ore consumption

- **China**: 42%
- **USA**: 11%
- **Japan**: 11%
- **Europe**: 11%
- **Other**: 11%

Source: IISI, BHP Billiton

Slide 9
What if…?

• Industrialisation in the world’s emerging markets continues?
• World demand for major industrial metals persists at 2 – 3% p.a.?
• World demand for energy continues to grow at around 1% p.a.?

The following charts postulate that if long-term demand growth rates are maintained at these levels, the “call” on industrial metals (and energy) in the next 25-30 years could be as great as throughout modern history…
World refined copper consumption

- 1900-2006: Total = 585 Mt
- 2007-2030: Total = 620 Mt*

*At a hypothetical world average growth rate of 3% p.a.
Source of data: CRU
World primary aluminium consumption

1900-2006
Total = 800 Mt

2007-2030
Total = 1200 Mt*

At a hypothetical world average growth rate of 3% p.a.
Source of data: IISI
World crude steel production

1900-2006
Total = 39 Bt

2007-2030
Total = 38 Bt*

*At a hypothetical world average growth rate of 2% p.a.
Source of data: IISI
World primary energy usage

- **1900-2006**: Total = 400 Btoe
- **2007-2030**: Total = 300 Btoe*

- *At a hypothetical world average growth rate of 1% p.a.

Source of data:
- 1965-2005: BP Statistical Review of Energy; Btoe = billion tonnes oil equivalent
- 1900-1965: Derived from Maddison, UK Select Committee on Economic Affairs.

*300 Btoe = 450 billion tonnes of hard coal
What are the implications of this?

- The US is not the only driver of global demand
- Underlying demand remains strong driven by developing economies and solid growth in the OECD
- The world could consume more copper, aluminium, steel etc in the next 25 years as it has done throughout history
- A relatively modest 3% growth in demand suggests over 500,000t of copper and over 1 million tonnes of aluminium required annually
- Where will this new supply come from? Supply continues to be constrained – where are the new big projects?
Projects commissioned since July 2001

BROWNFIELD

Antamina
Escondida Phase IV
San Juan UG
Tintaya Oxide
Bream Gas Pipeline
Mt Arthur North
Prod & Cap Expansion
Cerrejon Zona Norte

GREENFIELD

Typhoon
Zamzama
Ohanet
ROD
Mad Dog
Angostura
Minerva

As at 31 December 2006
Size of bubble indicates proposed capital expenditure; bold outer border signifies sanctioned project.

Slide 16
Projects in development and feasibility stages

BROWNFIELD

- Worsley E&G
- GEMCO
- WA Iron Ore RGP 3
- Samarco
- NWS T5
- Atlantis North
- NWS Angel
- Yabulu
- Kipper
- Newcastle Third Port
- Navajo South Mine Ext
- Mt Arthur Coal UG
- Worsley E&G

GREENFIELD

- Atlantis South
- Ravensthorpe
- Shenzi
- Pyrenees
- Maruwal Stage 1
- Maruwal
- Neptune
- Stybarrow
- Cliffs Nickel Project
- Bakhuis
- Genghis Khan
- Stybarrow
- Koala UG
- Zanzama Phase 2
- Blackwater CPP
- Maruwal

As at 30 April 2007
Size of bubble indicates proposed capital expenditure; bold outer border signifies sanctioned project.

$US 200M
## BHP Billiton: growth from SANCTIONED projects

<table>
<thead>
<tr>
<th></th>
<th>Sanctioned projects – BHP Billiton share of production</th>
<th>% of current production</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Iron Ore</strong></td>
<td>46.3mt</td>
<td>48%</td>
</tr>
<tr>
<td><strong>Nickel</strong></td>
<td>50kt</td>
<td>29%</td>
</tr>
<tr>
<td><strong>Copper</strong></td>
<td>304kt</td>
<td>24%</td>
</tr>
<tr>
<td><strong>Alumina</strong></td>
<td>720kt</td>
<td>17%</td>
</tr>
<tr>
<td><strong>Petroleum</strong></td>
<td>68mmboe</td>
<td>59%</td>
</tr>
</tbody>
</table>
Conclusions

- Demand set to remain strong
- Chinese industrialisation and urbanisation could continue for at least the next decade
- India likely to follow
- The world could consume more copper, aluminium, steel etc in the next 25 years as it has done throughout history
- BHP Billiton well placed to capture its share of growth in demand through world class assets and outstanding project pipeline