

An outstanding business with  
tremendous growth opportunities



Iron Ore Analyst Site Visit

Day 3 Tuesday 30 October – Port Hedland



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Maximising safety, productivity and value from our integrated business system (mine, rail and port)

## Port & Rail

Mick Evans, Vice President Port & Rail

# Port and Rail highlights

## HSEC

- Incident reporting up by 22% and injury rates down by 30%
- Dust and water management plans approved (growth enablers)
- Indigenous employment up to 9%

## Operations

- Above budget tonnage on inflow and outflow
- Shipping Challenge
- Productivity up by 9%
- 4% reduction in unit costs from FY2006 to FY2007

## Growth

- Successful ramp up and operation of RGP2 and transitioning to RGP3

# HSEC – safety trends

## *Port and Rail Total Recordable Injury Frequency Rate (TRIFR)*

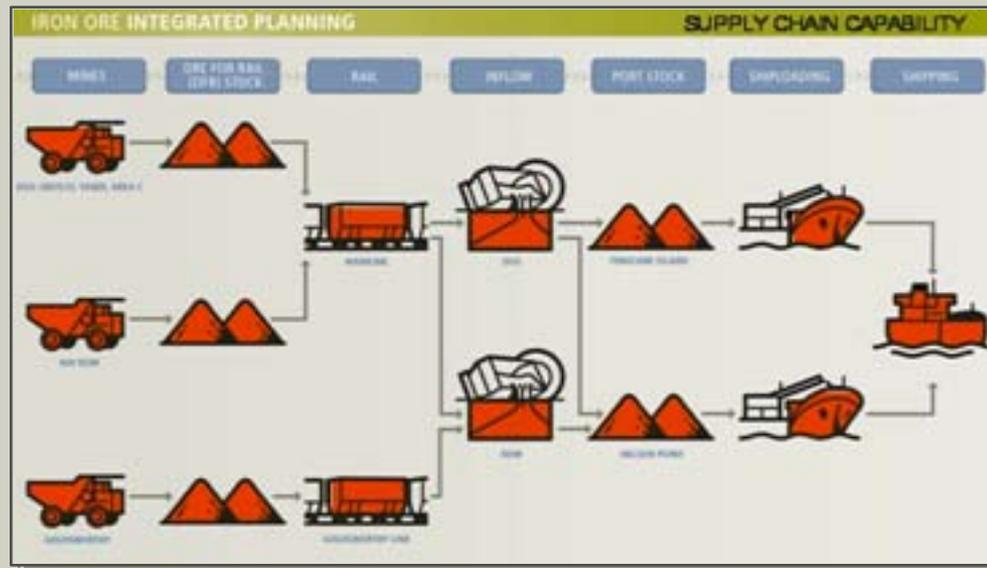


- Key focus and activities
  - Fatal risk management
  - Fit for work / Fit for life
  - Peer on peer observation programs
  - Reporting focus

Supply chain is the integrated system that stretches from mine loadout / plant to the ship queue, and all the steps between

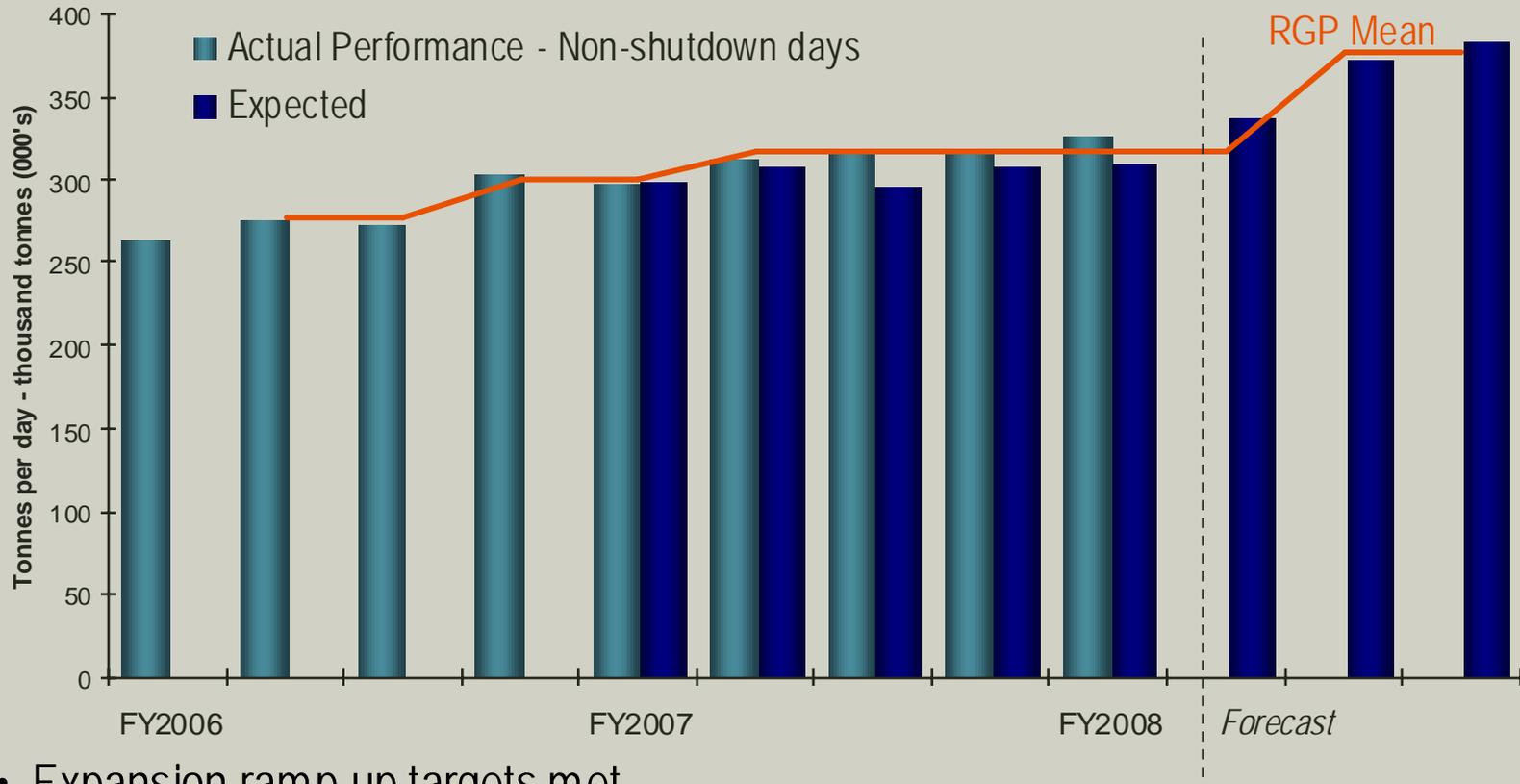
*Managed as an integrated system allowing us to*

- Successfully introduce of new infrastructure
- Identify and manage bottlenecks
- Optimise the overall supply chain rather than individual components



# Supply chain performance – inflow (railing / dumping)

*Inflow higher than expected and at design over the last 18 months*

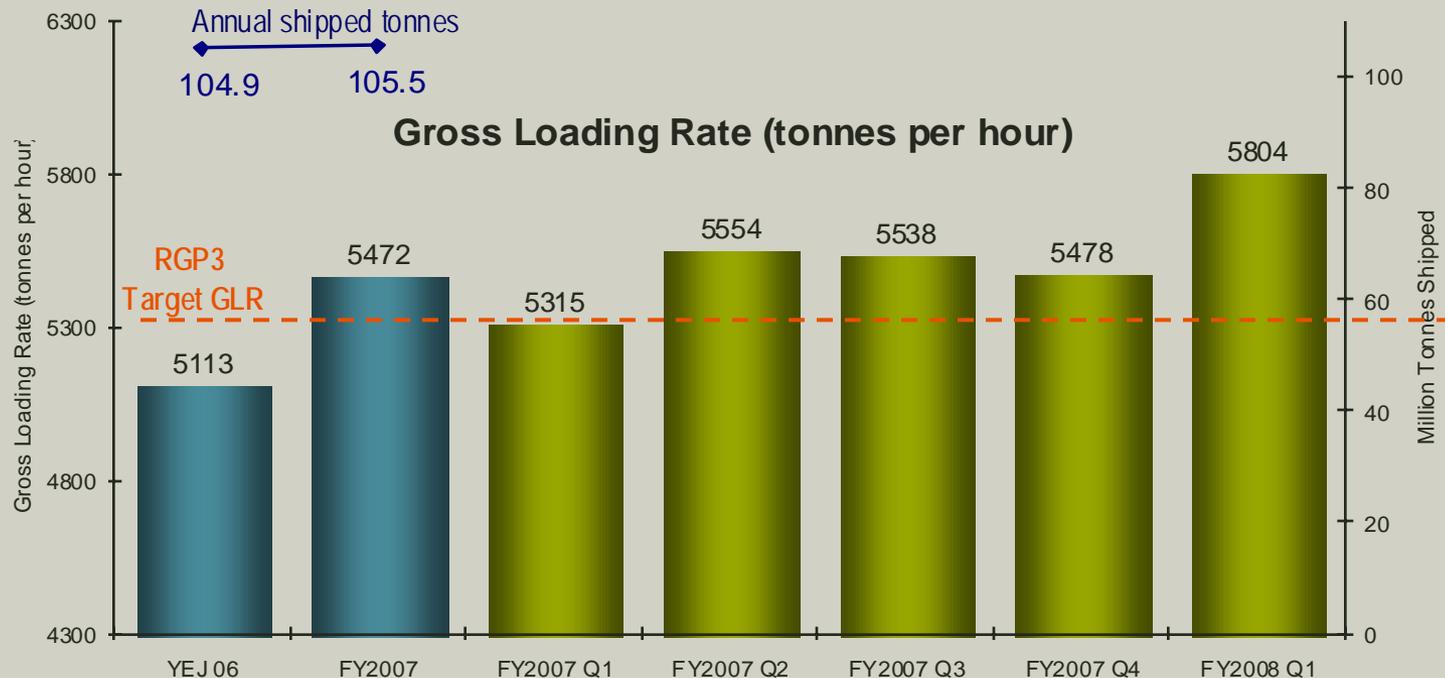


- Expansion ramp up targets met
- Planning is in place to deliver next phase of ramp up, RGP3

# Supply chain performance – shiploading rates

## *Design ramp-ups achieved and exceeded over the last year*

- Ongoing application of business improvement methodologies has yielded good results and trends



# Train operations overview

- Operating philosophy and 'Pathways' (despatch plan) designed to optimise system performance
- A mix of 'drumbeat' and variable despatch to 7 destinations
- Train configuration:
  - 2 rakes = 212 ore cars = 26,500 tonnes of ore, 4 locomotives
  - 3 rakes = 318 ore cars = 39,750 tonnes of ore, 6 locomotives
- Significant fleet
  - 91 locomotives
  - 3,950 ore cars
- Strong focus on wheel / rail interface and optimising axle loads to increase the capacity of the existing system

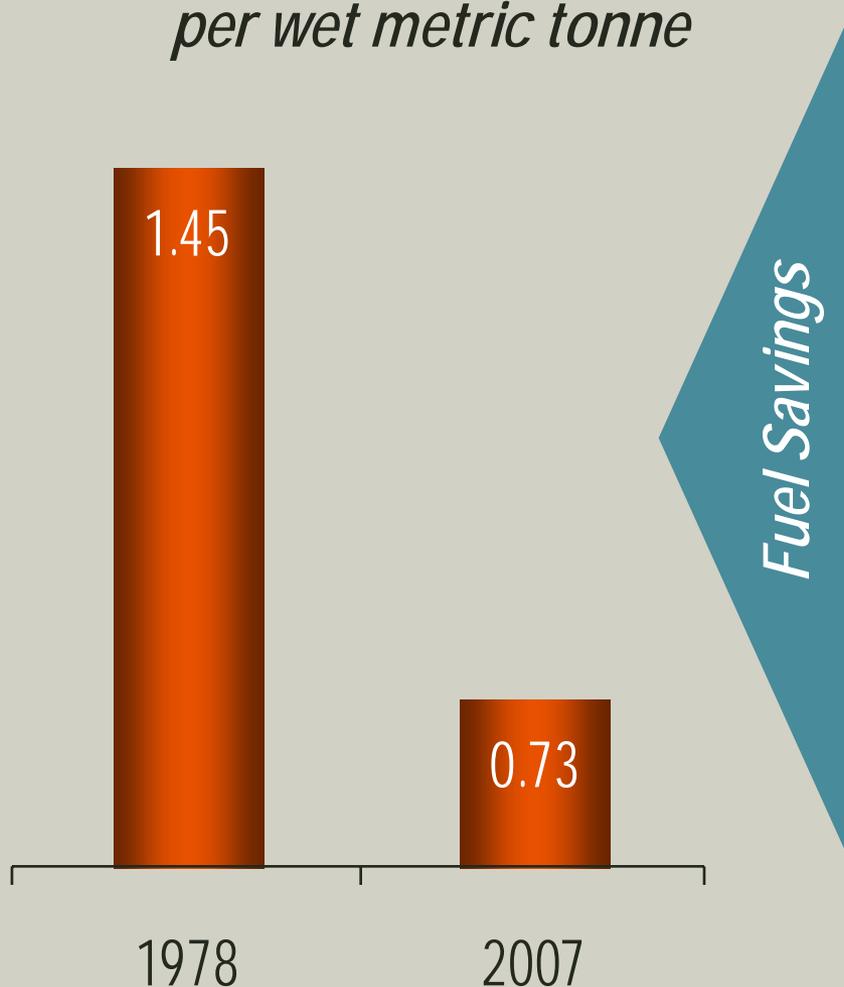
# Operating improvements have increased axle loads

*Axle loads over time*



# Environment & efficiency improvements

*Litres of diesel  
per wet metric tonne*



## Contributing factors

- Rail / wheel profile
- Aerodynamic ore cars
- Efficient locomotives
- Distributed power
- Higher axle load
- Longer trains
- Driver strategy

# Port Hedland operations overview

- Newman JV Run of Mine (ROM) processing and Direct Shipped Ore (DSO) at Nelson Point, DSO at Finucane Island
- RGP1 & 2 completed, RGP3 in ramp up, RGP4 development has commenced
- FY2008 guidance of 120Mt of shipping

4 fully automatic rotary car dumpers  
2 tertiary crushing & screening plants  
9 stackers, 6 reclaimers  
2 lump re-screening plants  
4 berths and shiploaders  
1 under harbour tunnel

1. Nelson Point

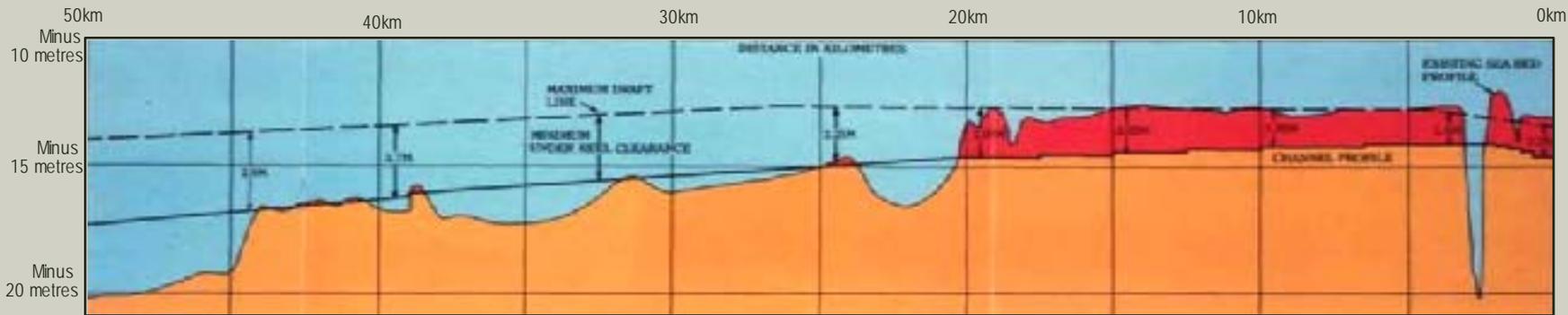
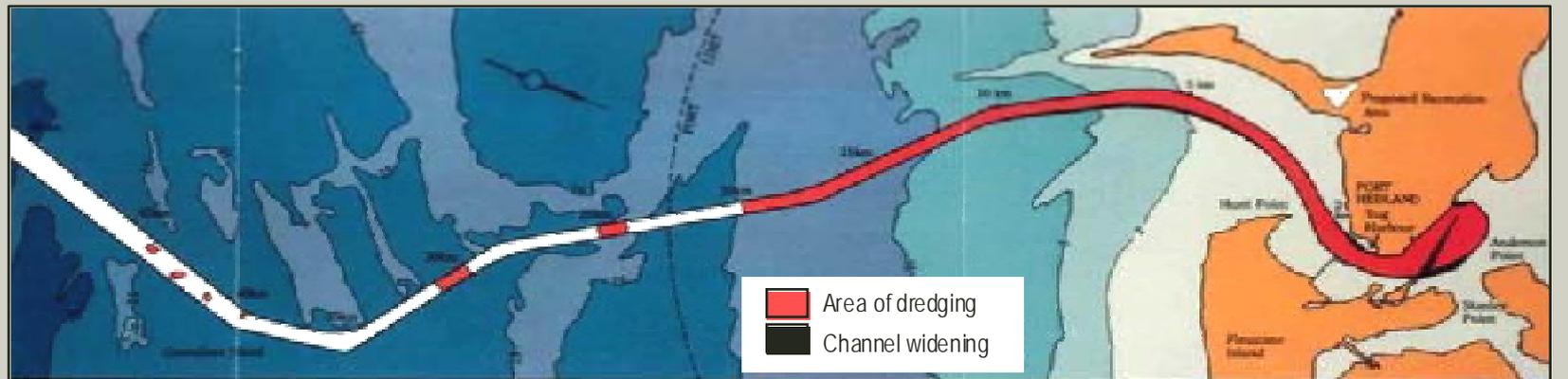


2. Finucane Island



# Port Hedland shipping

- Exit from harbour by 43km dredged channel
- Parameters affecting vessel movements include under keel clearance, vessel handling and tides



# Operating within windows of opportunity: sailing drafts

October 2007

Mon	Tue	Wed	Thu	Fri	Sat	Sun
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31	Select Today			

**Predicted Tides & Ranges**

	Time	m	Range
High	22:58 WST	7.05	6.75 E
Low	05:09 WST	0.30	6.37 F
<b>High</b>	<b>11:30 WST</b>	<b>6.66</b>	5.78 E
Low	17:20 WST	0.89	6.36 F
<b>High</b>	<b>23:32 WST</b>	<b>7.25</b>	7.14 E
Low	06:45 WDT	0.11	

**Times of Sun Rise & Set**

Twilight	05:04 WST	<b>Twilight</b>
Sunrise	05:27 WST	<input checked="" type="radio"/> Civil
Sunset	18:12 WST	<input type="radio"/> Nautical
Twilight	18:34 WST	<input type="radio"/> Astronomical

**Print**

SUKC	Max Draft	Tides	VMG
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Arrivals | **Departures** | Static UKC | Predicted Tide

Departures Text | Departures Plot

**DUKC Predictions Due: 23:58 WST 26/10 12:30 WST 27/10 00:32 WST 28/10**

**Nelson Point and Finucane Island Berths**

ALL departures are subject to DUKC requirements.  
 Vessels less than 280m LOA may depart on the Flood tide.  
 Vessels less than 260m LOA AND less than 90,000DWT (two tug vessels) may depart at any time.

**No. 1 and No. 3 Berths**  
 Departure at any time subject to DUKC requirements.

**General**  
 Vessels over 325m LOA are daylight restricted. Sunrise 05:27 WST Sunset 18:12 WST  
 Vessels over 280m LOA require a suitable bridgefront compass, or be daylight restricted.  
 Vessels with poor handling characteristics may be daylight restricted.



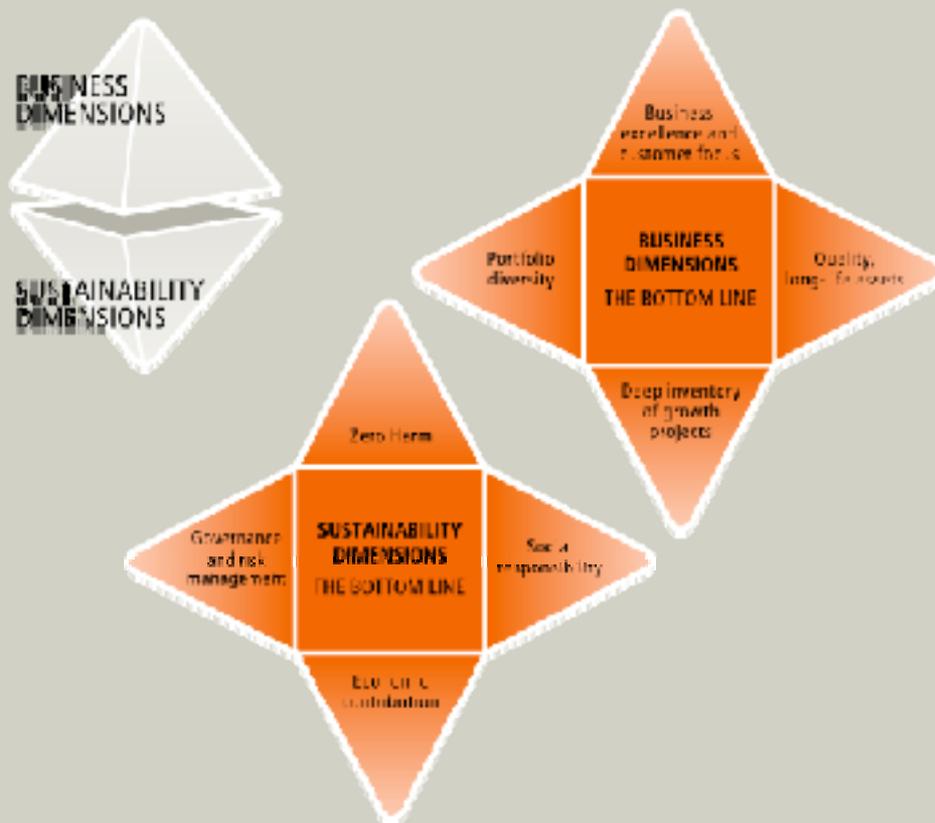
Our license to operate underpins our capacity to deliver growth

Carl Binning, Vice President Sustainability

Image: Port Headland Arts Precinct

# BHP Billiton's approach to sustainability

*BHP Billiton's commitment to sustainable development underpins our licence to operate*



Our ability to grow to and sustain 300 Mtpa requires strong:

- Community infrastructure
- Environmental stewardship
- Stakeholder engagement

# Our key sustainability challenges

## *Underpinning our capacity to deliver shareholder value*

- **Community**
  - Community services – health, education, policing
  - Housing and infrastructure
- **Environment**
  - Impact mitigation: dust, dewatering, mine-site closure
  - Biodiversity, water and climate change
- **Indigenous**
  - Capacity building, employment and contracting
  - Native Title and heritage management
- **Government**
  - Project collaboration and approvals

# Sustaining our communities

## *Contributing to the provision of core community services*

- For the year ending June 2007 West Australian Iron Ore paid:
  - A\$1,090M in company tax to the Federal government
  - A\$340M direct iron ore royalty payments to the State
  - A\$12M in various Native Title payments
  - A\$16M in payroll tax
  - A\$6M in local government rates
  - A\$13M invested in health, education and policing in partnership with government
- Approval granted for the construction and refurbishment of over 500 dwellings over last 3 years at a cost of A\$340M
- Town planning and revitalisation strategies underway

Image: Newman town centre revitalisation concept

# Building stronger towns for the next 20 years

## *Community Infrastructure*

- Town planning
- Housing
- School upgrades
- Childcare centres
- Airport upgrade

## *Amenity*

- Visitor Centre
- Recreation Centre
- Parks and gardens
- Footpaths
- Lighting

## *Health*

- New equipment – defibrillators etc
- Staff and specialist support

## *Education*

- School upgrade
- IT Centre
- Literacy teachers
- Private School

## *Safety*

- Police MOU and program
- Reduced crime rates

*Delivered in partnership with all levels of government these strategies underpin our capacity to attract and retain an experienced and productive workforce.*



# Environment Stewardship



## *Impact mitigation*

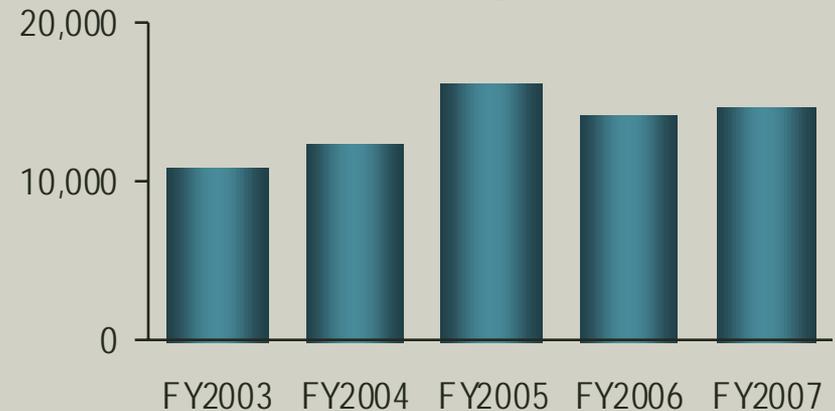
- Dust
- Minesite closure



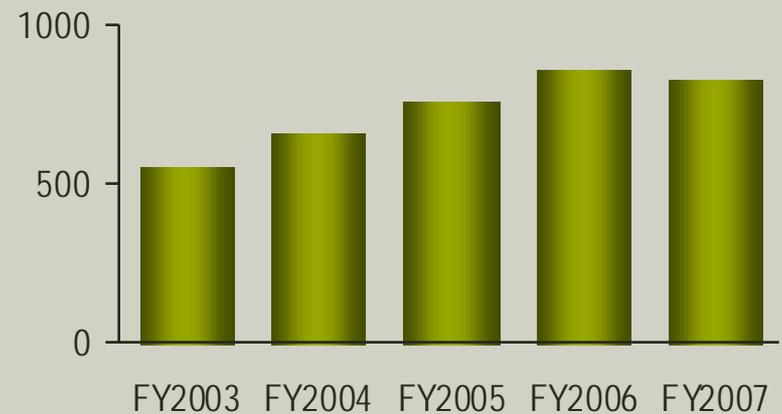
## *Addressing long term strategic issues*

- Biodiversity
- Water
- Climate change

Total Freshwater Consumption  
WAIO (Megalitres)



Total Greenhouse Gas Emissions  
WAIO (kt CO2-e)



# Indigenous participation

## Employment – 3% to 9.6% since 2000

- Apprenticeship and traineeship targets
- Indirect employment through contractors
- Involvement of Indigenous contracting organisations
- More Indigenous people to hold senior positions in the Company and act as role models

## Contracting – 7 contracts of A\$310m value

- Dedicated Indigenous contracting unit

## Health and Education – targeting 20% improvement

- Dedicated schools programs
- Targeting diabetes, SIDS and eye diseases

## Cross cultural training

- All employees receive training in Indigenous cultural awareness



# Our vision is to integrate our commitment to Indigenous communities into our operations

- Yarrie mine will be managed and operated by Ngarda Civil and Mining in a landmark contract worth approximately A\$300m over five years
- Contract for drill pad preparation in the Yandi area recently awarded to Carey Bilyulu
- Six existing Indigenous contracts worth A\$10m supporting operations in the Pilbara

*“From my experience, [BHP Billiton’s] Indigenous Contracting Guidelines are one of the best mechanisms that aim to develop and deliver Indigenous business outcomes. The process is commercial, the BHP Billiton people are committed and opportunities are being identified and explored.”* (Daniel Tucker, Chairman Carey Bilyulu)

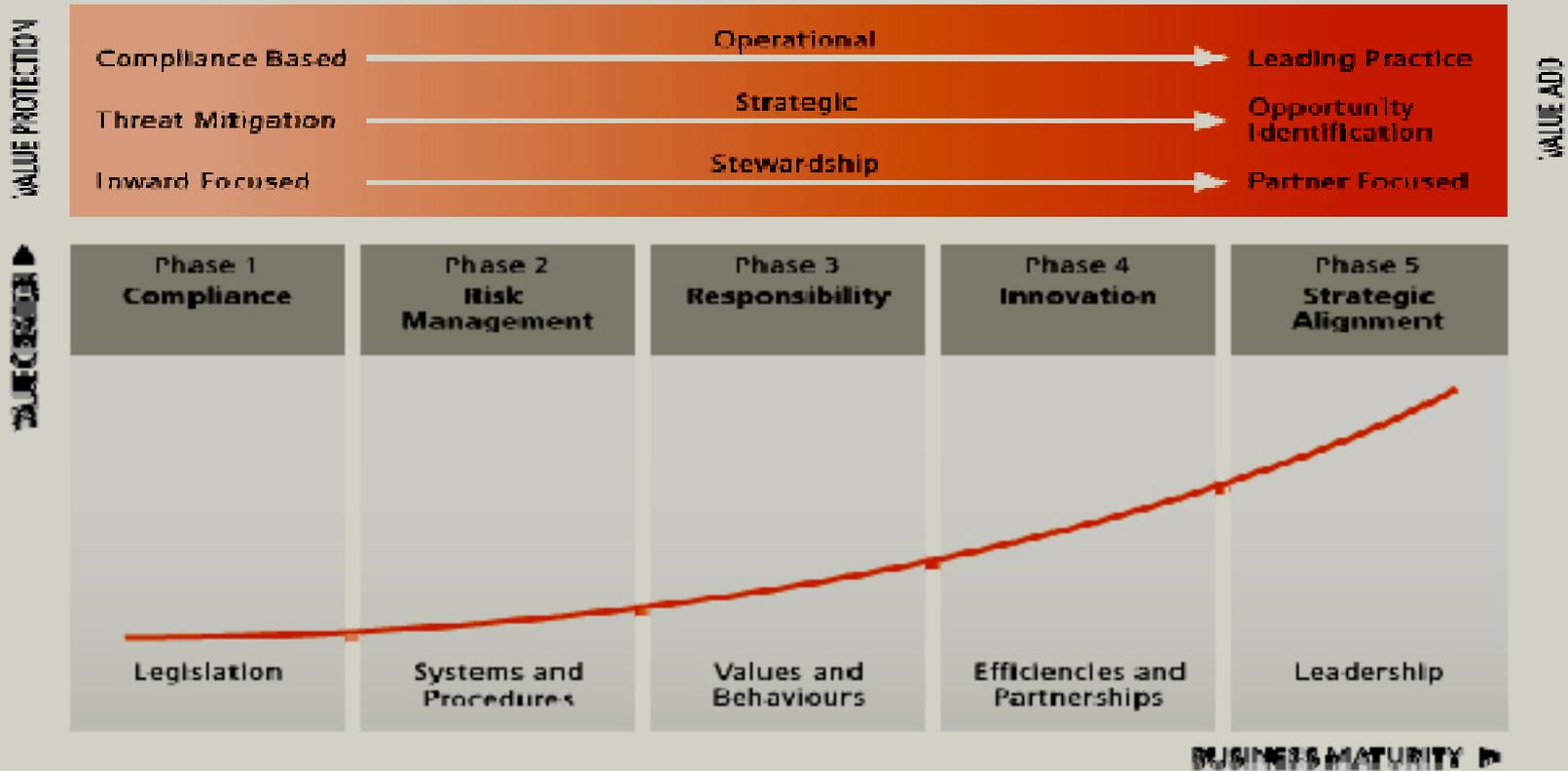


# Growing our business requires strong community leadership



*Our leadership position and track record underpins*

- *Our licence to operate*
- *Our demonstrated capacity to deliver and sustain growth*





# Site Tour: Finucane Island

Jim Harris, Area Manager ADP

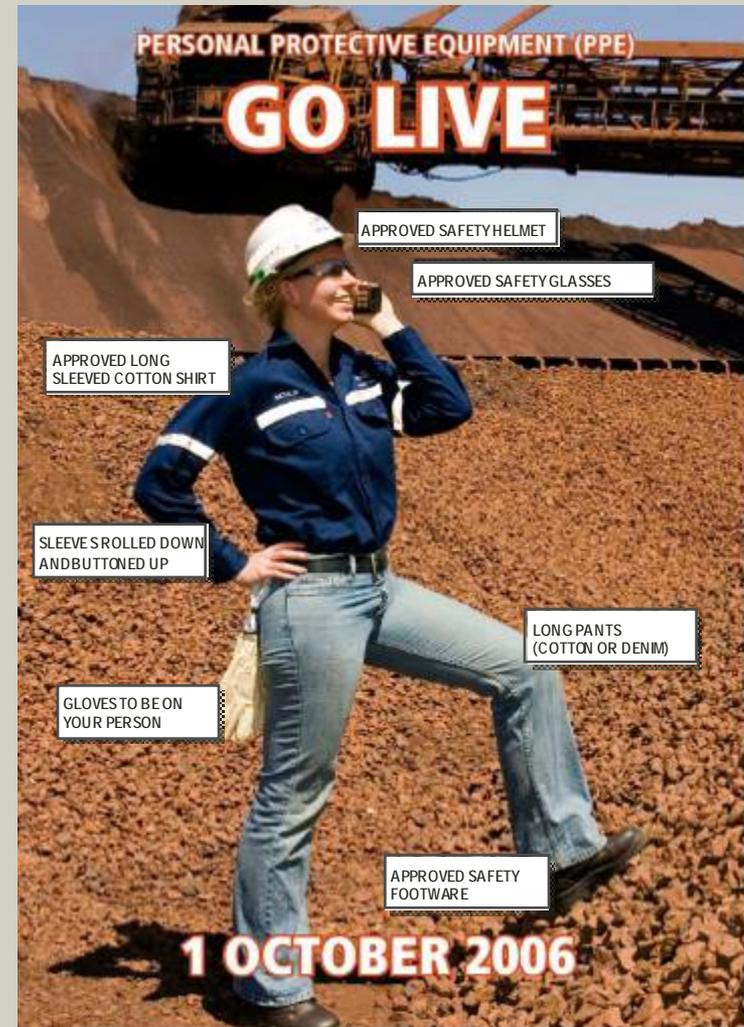
# Safety: Personal Protective Equipment

## PPE requirements for visitors

- Helmet
- Glasses
- Approved footwear
- Approved clothing
- Gloves on your person

## OTHER

- Sunshade
- Water
- Hearing protection



End of Day 3