

BHP Billiton – Resourcefully Growing



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BHP Billiton – a global footprint

Petroleum



Aluminium



Base Metals



Diamonds & Spec Prod



Stainless Steel Materials



Energy Coal



Metallurgical Coal



Manganese

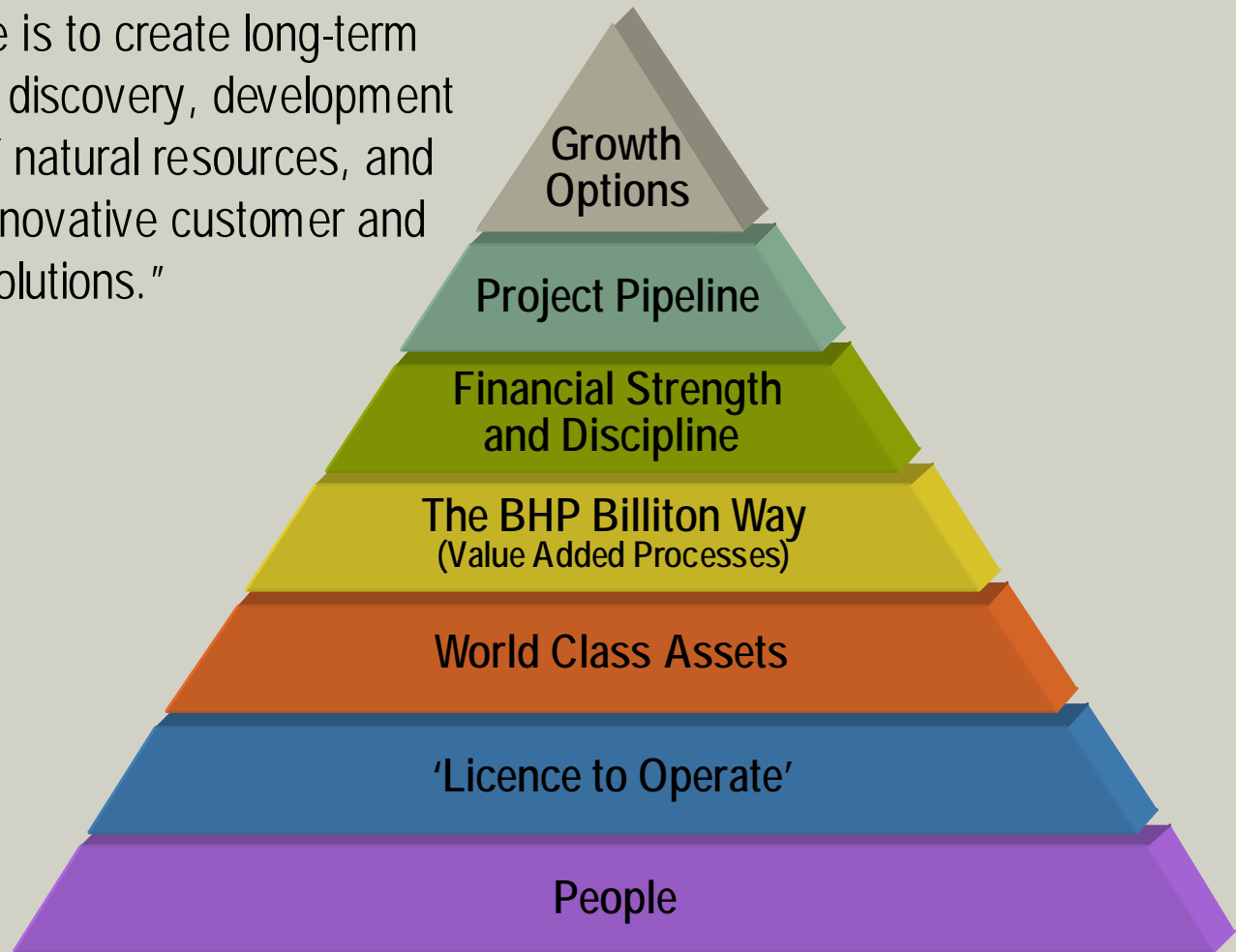


Iron Ore

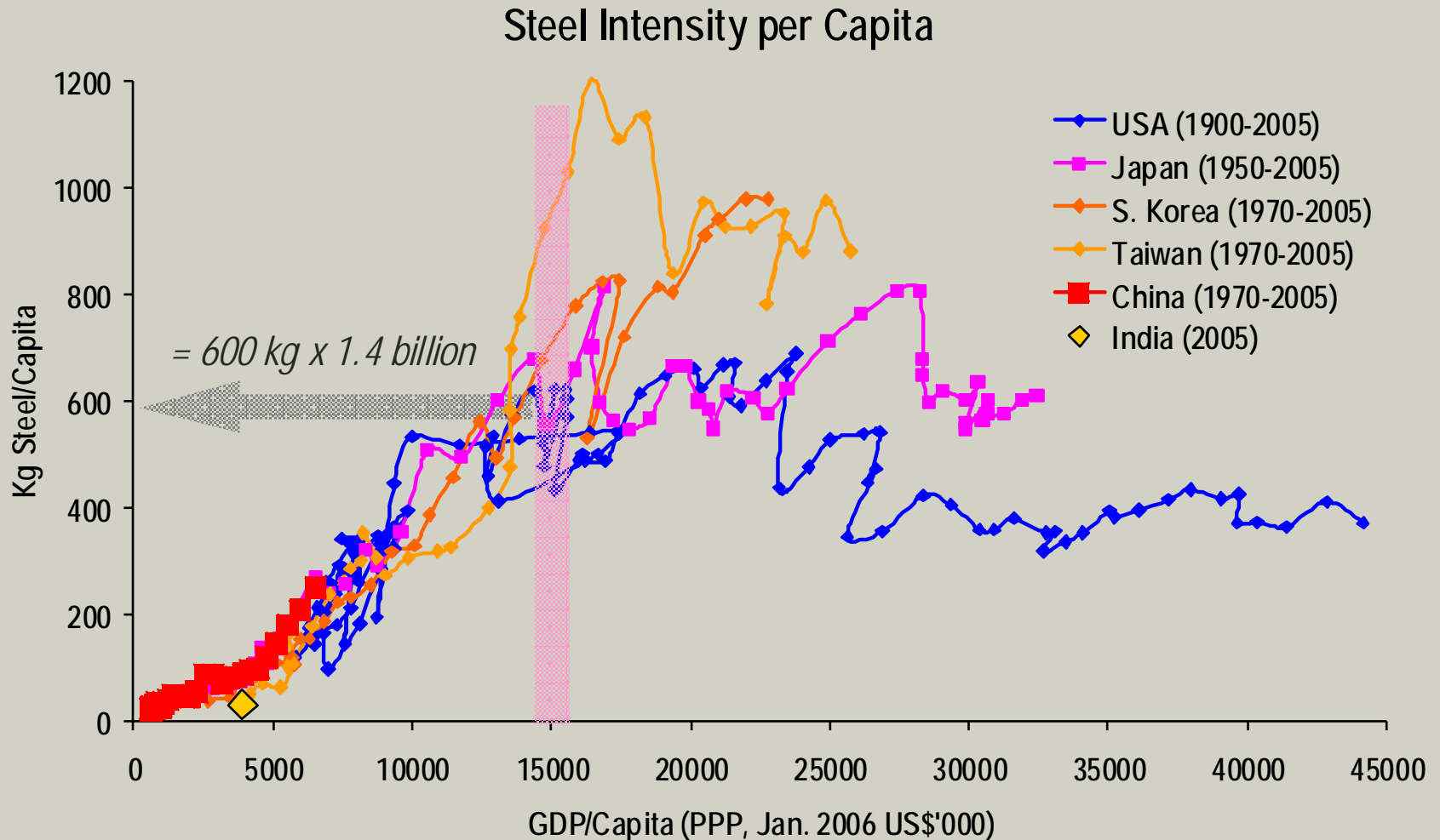


Strategic Framework

“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.”



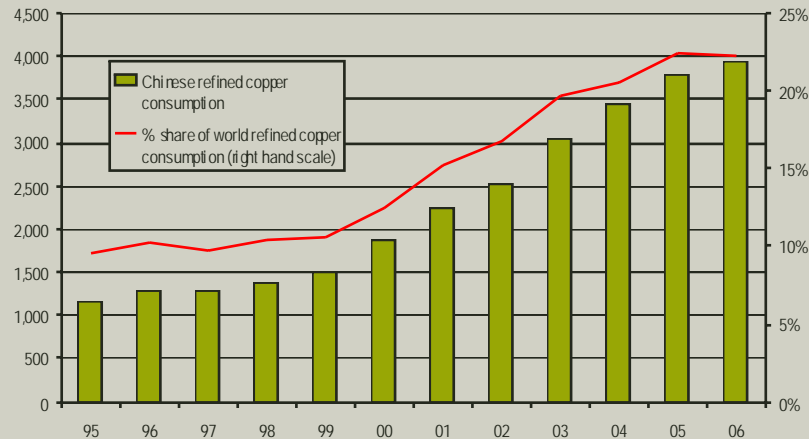
Steel demand could rise from 350Mt in 2005 to more than 800Mt/y by 2015...



Source: World Bank, OECD (GDP at Purchasing Power Parity); IISI

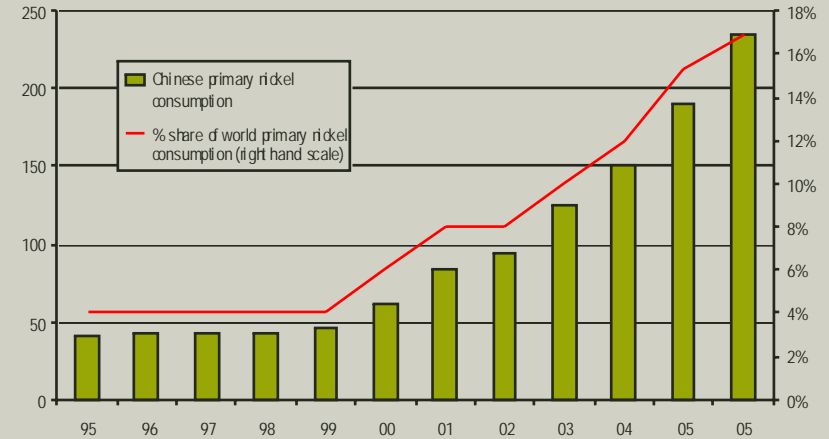
Chinese copper, nickel, aluminium and iron ore demand and its % share of world demand

000 tonnes



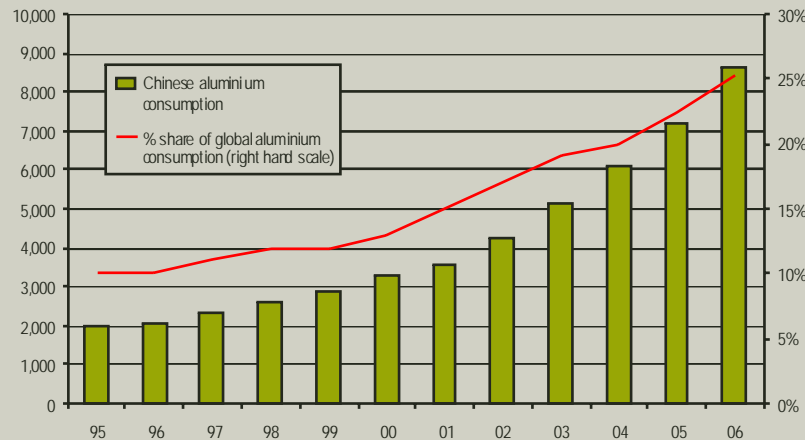
Data: BHP Billiton

000 tonnes



Data: INSG, CRU

000 tonnes



Data: Brook Hunt, CRU

million tonnes

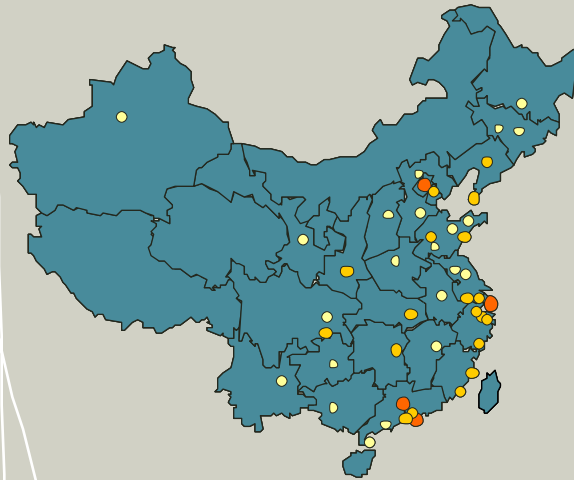


Data: ISI, China Customs, CRU, Tex, Clarksons & BHP Billiton

Urbanisation in China is expected to lead to strong city development

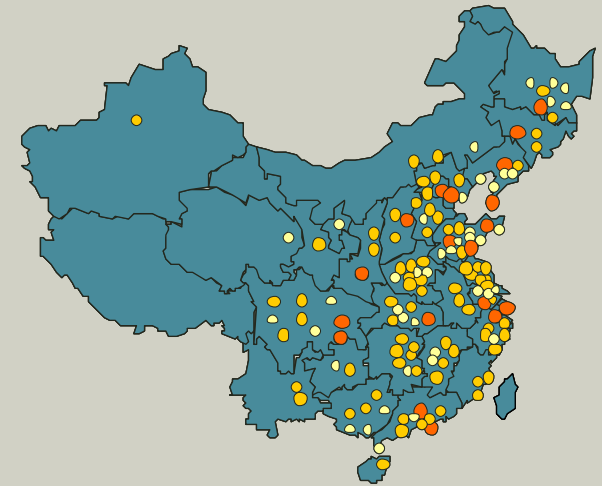
China's tiered city structure:

Today: 45 tier 1-3 cities



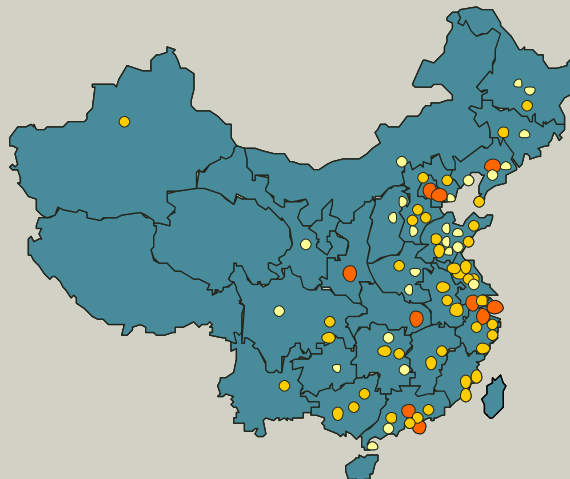
Total Urban Population (millions):
532

2020: 147 tier 1-3 cities



Total Urban Population (millions):
970

2010: 86 tier 1-3 cities

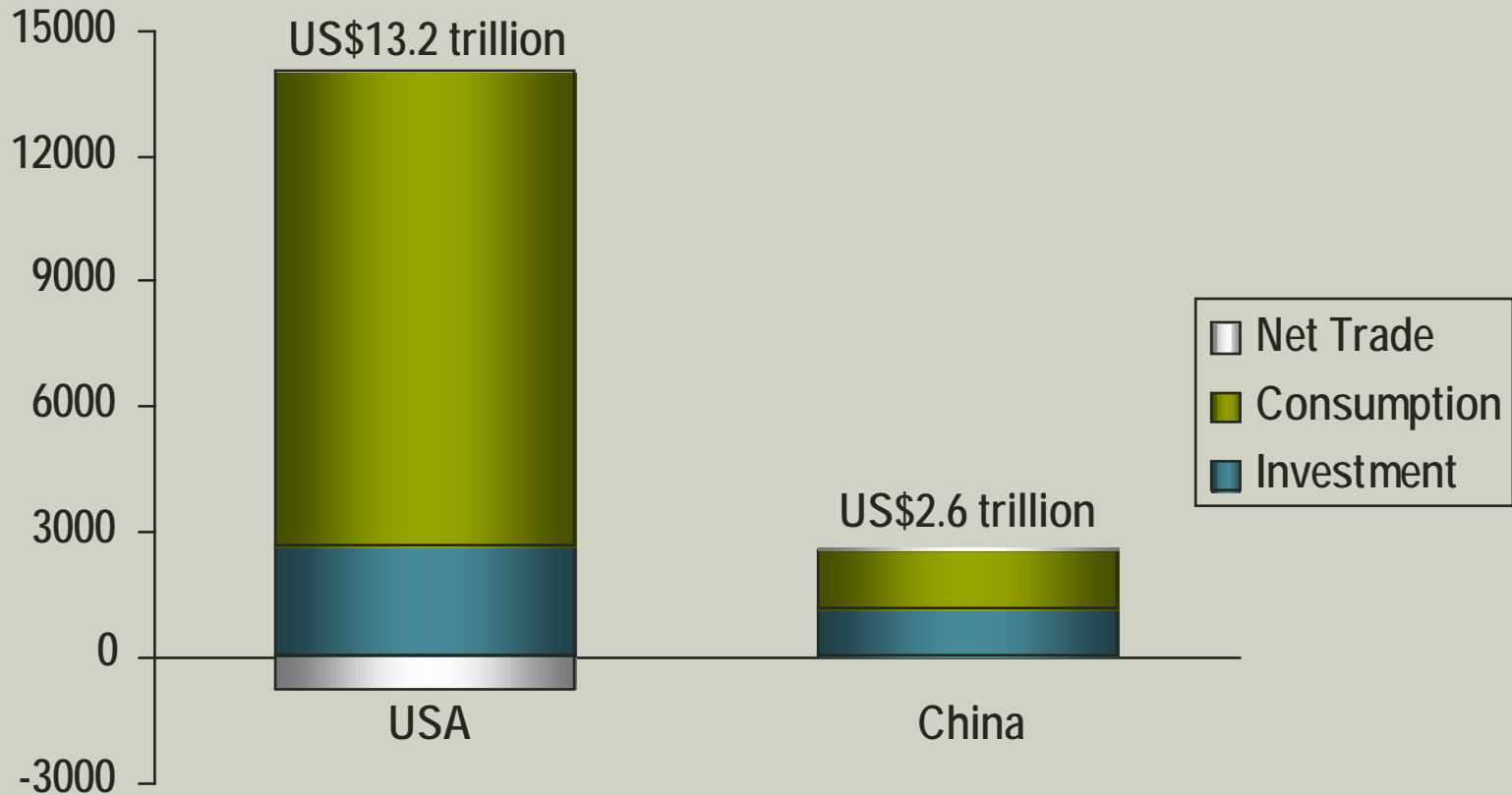


Total Urban Population (millions):
658

- Tier 1
- Tier 2
- Tier 3

The US economy is five times larger than China's...

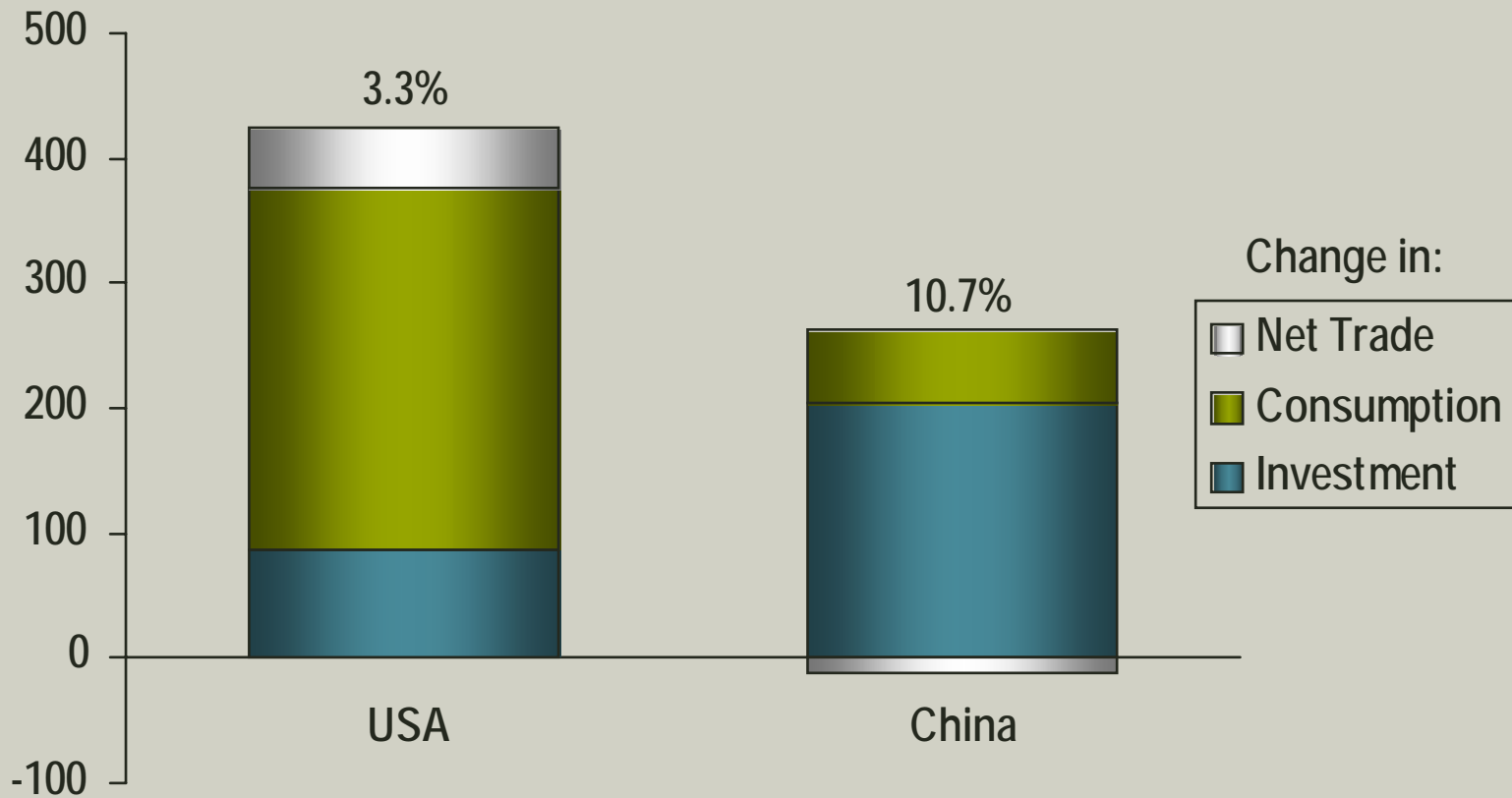
Structure of 2006 Nominal GDP in US\$ Billions



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



Source: Global Insight. GDP at 2006 market exchange rates

A high growth consumption scenario

(MM t except MMbd oil)

		2002*	2006	2015	2025	2050
Aluminium	BRICs	6.1	11.6	47.9	67.7	136.0
	% of 2006 world	24%	34%	140%	198%	398%
Copper	BRICs	3.5	5.4	18.6	23.6	37.2
	% of 2006 world	23%	30%	105%	133%	210%
Nickel	BRICs	0.18	0.34	1.21	1.81	4.14
	% of 2006 world	15%	25%	88%	132%	301%
Oil	BRICs	8.4	13.5	99.4	111.8	132.6
	% of 2006 world	11%	16%	121%	136%	161%

Source: Goldman Sachs, CRU, AME, UN, BP et al

Intensity of Use trends are estimated based on Domestic Economies Trend

CIS is used as a proxy for Russia

* 2002 figures shown as a percentage of 2002 world demand

What are the implications of this?

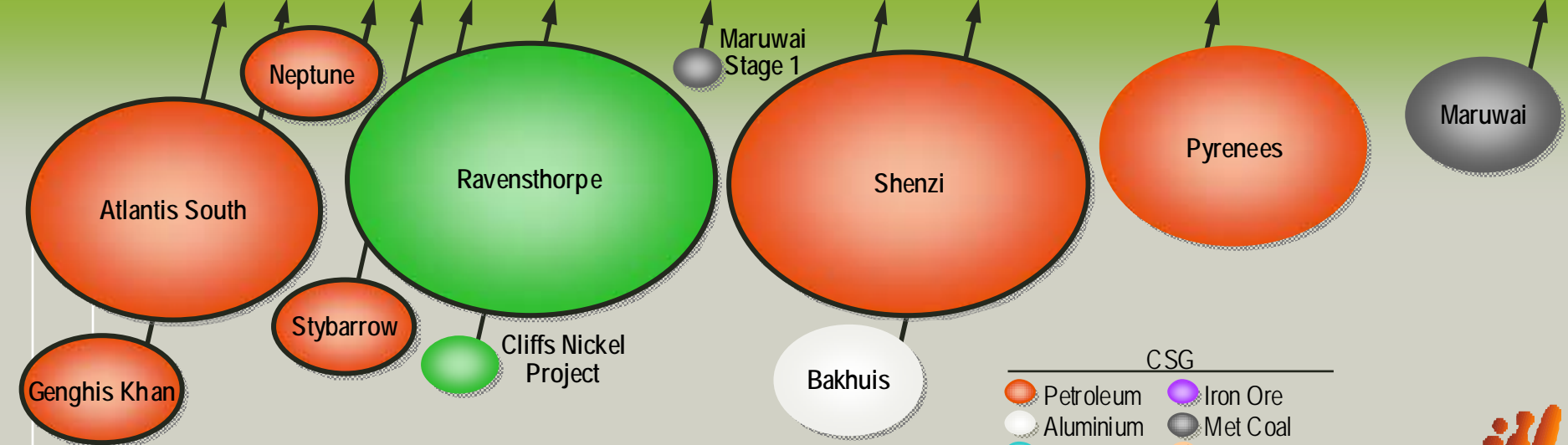
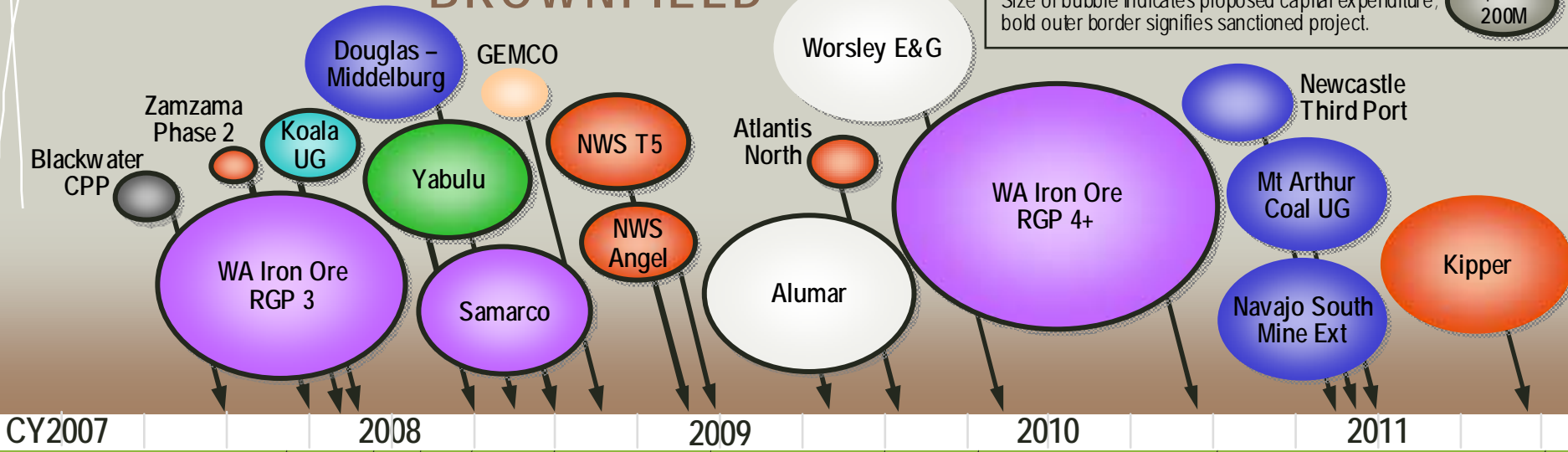
- The US is not the only driver of global demand
- Underlying demand remains strong driven by developing economies and solid growth in the OECD
- The world could consume more copper, aluminium, steel etc in the next 25 years than it has done throughout history
- A relatively modest 3% growth in demand 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?

Deep inventory of growth projects

BROWNFIELD

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

\$US
200M



- CSG
- Petroleum
 - Aluminium
 - Diamonds
 - SSM
 - Iron Ore
 - Met Coal
 - Manganese
 - Energy Coal

GREENFIELD

BHP Billiton: growth from SANCTIONED projects

	Sanctioned projects – BHP Billiton share of production	% of current production
Iron Ore	46.3mt	48%
Nickel	50kt	29%
Copper	304kt	24%
Alumina	720kt	17%
Petroleum	68mmboe	59%

Implications for BHP Billiton

- We need new supply – fears of substitution are real; it is not healthy for an industry to remain in a prolonged period of under supply
- Don't underestimate the benefits of Tier 1 assets and organic growth
- Companies with the best operations will continue to produce the best margins in these times of high prices and will still produce healthy margins in the inevitable downturns
- Optionality is critical
- We will continue to deliver on our organic growth pipeline, view M&A opportunistically and return surplus cash to shareholders



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