BHP Billiton – Resourcefully Growing

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“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…
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
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

- **2010:** 86 tier 1-3 cities
  - Total Urban Population (millions): 658

- **2020:** 147 tier 1-3 cities
  - Total Urban Population (millions): 970
The US economy is five times larger than China’s…

Structure of 2006 Nominal GDP in US$ Billions

- USA: 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

Source: Global Insight. GDP at 2006 market exchange rates.
A high growth consumption scenario

*(MM t except MMbd oil)*

<table>
<thead>
<tr>
<th></th>
<th>2002*</th>
<th>2006</th>
<th>2015</th>
<th>2025</th>
<th>2050</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Aluminium</strong></td>
<td>BRICs</td>
<td>6.1</td>
<td>11.6</td>
<td>47.9</td>
<td>67.7</td>
</tr>
<tr>
<td>% of 2006 world</td>
<td></td>
<td>24%</td>
<td>34%</td>
<td>140%</td>
<td>198%</td>
</tr>
<tr>
<td><strong>Copper</strong></td>
<td>BRICs</td>
<td>3.5</td>
<td>5.4</td>
<td>18.6</td>
<td>23.6</td>
</tr>
<tr>
<td>% of 2006 world</td>
<td></td>
<td>23%</td>
<td>30%</td>
<td>105%</td>
<td>133%</td>
</tr>
<tr>
<td><strong>Nickel</strong></td>
<td>BRICs</td>
<td>0.18</td>
<td>0.34</td>
<td>1.21</td>
<td>1.81</td>
</tr>
<tr>
<td>% of 2006 world</td>
<td></td>
<td>15%</td>
<td>25%</td>
<td>88%</td>
<td>132%</td>
</tr>
<tr>
<td><strong>Oil</strong></td>
<td>BRICs</td>
<td>8.4</td>
<td>13.5</td>
<td>99.4</td>
<td>111.8</td>
</tr>
<tr>
<td>% of 2006 world</td>
<td></td>
<td>11%</td>
<td>16%</td>
<td>121%</td>
<td>136%</td>
</tr>
</tbody>
</table>

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**

- Worsley E&G
- WA Iron Ore RGP 4+
- Newcastle Third Port
- Mt Arthur Coal UG
- Navajo South Mine Ext
- Kipper

**GREENFIELD**

- Atlantis South
- Ravensthorpe
- Shenzi
- Pyrenees
- Maruawai

- Neptune
- Stybarrow
- Genghis Khan
- Cliffs Nickel Project
- Bakhuys
- Maruawai Stage 1

- Aluminium
- Iron Ore
- Petroleum
- Coal

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>Iron Ore</td>
<td>46.3mt</td>
<td>48%</td>
</tr>
<tr>
<td>Nickel</td>
<td>50kt</td>
<td>29%</td>
</tr>
<tr>
<td>Copper</td>
<td>304kt</td>
<td>24%</td>
</tr>
<tr>
<td>Alumina</td>
<td>720kt</td>
<td>17%</td>
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<tr>
<td>Petroleum</td>
<td>68mmboe</td>
<td>59%</td>
</tr>
</tbody>
</table>
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