Petroleum Year End Review FY2008

4 September 2008

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Lehman Brothers CEO Energy / Power Conference
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BHP Billiton results are reported under International Financial Reporting Standards (IFRS). References to Underlying EBIT and Underlying EBITDA exclude any exceptional items. A reconciliation to profit from operations is contained within the profit announcement.

References in this presentation to “$” are to United States dollars unless otherwise specified.
Today’s agenda

FY2008 Financial Results – BHP Billiton and Petroleum

How We Run BHP Billiton Petroleum

FY2008 Petroleum Performance

— Safety/Environment
— Volumes
— Costs
— Growth-Replenishment

Results
## BHP Billiton financial highlights

<table>
<thead>
<tr>
<th>Year ended June (US$m)</th>
<th>2008</th>
<th>2007</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>59,473</td>
<td>47,473</td>
<td>25.3</td>
</tr>
<tr>
<td>Underlying EBITDA</td>
<td>28,031</td>
<td>22,950</td>
<td>22.1</td>
</tr>
<tr>
<td>Underlying EBIT</td>
<td>24,282</td>
<td>20,067</td>
<td>21.0</td>
</tr>
<tr>
<td>Attributable profit (excluding exceptionals)</td>
<td>15,368</td>
<td>13,675</td>
<td>12.4</td>
</tr>
<tr>
<td>Attributable profit</td>
<td>15,390</td>
<td>13,416</td>
<td>14.7</td>
</tr>
<tr>
<td>Net operating cash flow</td>
<td>18,159</td>
<td>15,957</td>
<td>13.8</td>
</tr>
<tr>
<td>EPS (excluding exceptionals) (US cents)</td>
<td>274.9</td>
<td>233.9</td>
<td>17.5</td>
</tr>
<tr>
<td>Dividend per share (US cents)</td>
<td>70.0</td>
<td>47.0</td>
<td>48.9</td>
</tr>
</tbody>
</table>
BHP Billiton results driven by strategy and execution

Underlying EBIT\textsuperscript{(a)}

\begin{align*}
\text{(US$bn)} & \\
\text{FY2002} & 3.1 \\
\text{FY2003} & 3.5 \\
\text{FY2004} & 5.5 \\
\text{FY2005} & 9.9 \\
\text{FY2006} & 15.3 \\
\text{FY2007} & 20.1 \\
\text{FY2008} & 24.3 \quad \text{H2} \\
\end{align*}

Notes:
\begin{itemize}
\item[a)] FY2002 to FY2005 calculated on the basis of UKGAAP. Subsequent periods calculated under IFRS.
\end{itemize}
BHP Billiton portfolio performance

Underlying EBIT (FY2008, US$bn)

- Energy (27%)
  - Energy Coal
  - Aluminium
  - Base Metals
- Non Ferrous (44%)
  - Diamonds and Specialty Products
  - Stainless Steel Materials
- Steelmaking Materials (29%)
  - Iron Ore
  - Manganese
  - Metallurgical Coal
- Petroleum

Underlying EBIT Margin\textsuperscript{(a)} (FY2008)

- Petroleum: 67%
- Energy Coal: 30%
- Aluminium: 31%
- Base Metals: 62%
- Diamonds and Specialty Products: 20%
- Stainless Steel Materials: 25%
- Iron Ore: 51%
- Manganese: 58%
- Metallurgical Coal: 24%
- Group: 48%

Notes:
\textsuperscript{a}) EBIT Margin excludes third party trading activities.
Petroleum is a key element of the growth portfolio.
An E&P player with the power and reach of a super-major

Market capitalization (US$bn, August 2008)

Petroleum Peer Group

Mining Peer Group

<table>
<thead>
<tr>
<th>Name</th>
<th>Market Capitalization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exxon Mobil</td>
<td>E&amp;P</td>
</tr>
<tr>
<td>Petrochina</td>
<td></td>
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<tr>
<td>Gazprom</td>
<td></td>
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<tr>
<td>Royal Dutch</td>
<td></td>
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<tr>
<td>Petrobras</td>
<td></td>
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<tr>
<td>BHP Billiton</td>
<td></td>
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<tr>
<td>BP</td>
<td></td>
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<tr>
<td>Chevron</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
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<tr>
<td>ENI</td>
<td></td>
</tr>
<tr>
<td>ConocoPhillips</td>
<td></td>
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<tr>
<td>StatoilHydro</td>
<td></td>
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<tr>
<td>Rosneft</td>
<td></td>
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<tr>
<td>BG Group</td>
<td></td>
</tr>
<tr>
<td>Occidental</td>
<td></td>
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<tr>
<td>CNOOC</td>
<td></td>
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<tr>
<td>Lukoil</td>
<td></td>
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<tr>
<td>Encana</td>
<td></td>
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<tr>
<td>Suncor Energy</td>
<td></td>
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<tr>
<td>Oil &amp; Natural Gas</td>
<td></td>
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<tr>
<td>Ecopetrol</td>
<td></td>
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<tr>
<td>Devon Energy</td>
<td></td>
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<tr>
<td>Imperial Oil</td>
<td></td>
</tr>
<tr>
<td>Canadian Natural</td>
<td></td>
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<tr>
<td>Husky Energy</td>
<td></td>
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<tr>
<td>Apache</td>
<td></td>
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<tr>
<td>Repsol</td>
<td></td>
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<tr>
<td>Hess</td>
<td></td>
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<tr>
<td>Woodside</td>
<td></td>
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<tr>
<td>Marathon Oil</td>
<td></td>
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</tbody>
</table>

*Rio Tinto Market Cap = Market Cap of Rio Tinto Plc + 62.6% of Market Cap of Rio Tinto Ltd (due to Rio Tinto Plc's approximate 37.4% holding of Rio Tinto Ltd, as per www.riotinto.com/investors/590_data_book.asp)

**Market value may be unreliable due to a high percentage of non free-float shares.

Sources: Datastream, Bloomberg
Petroleum financial highlights

<table>
<thead>
<tr>
<th>Year ended June (US$m)</th>
<th>2008</th>
<th>2007</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production(^{(a)}) (mmboe)</td>
<td>129.5</td>
<td>115</td>
<td>13</td>
</tr>
<tr>
<td>Revenue Ex 3rd Party Products</td>
<td>8,128</td>
<td>4,964</td>
<td>64</td>
</tr>
<tr>
<td>Underlying EBIT</td>
<td>5,489</td>
<td>3,014</td>
<td>82</td>
</tr>
<tr>
<td>EBIT Margin(^{(b)}) (%)</td>
<td>67.5</td>
<td>60.6</td>
<td>11</td>
</tr>
<tr>
<td>EBIT ROCE (%)</td>
<td>68</td>
<td>50</td>
<td>36</td>
</tr>
<tr>
<td>Capital Expenditure</td>
<td>2,116</td>
<td>1,703</td>
<td>24</td>
</tr>
<tr>
<td>Exploration (net)</td>
<td>692</td>
<td>395</td>
<td>75</td>
</tr>
<tr>
<td>Reserve Replacement Ratio (%)</td>
<td>&gt;100</td>
<td>103</td>
<td></td>
</tr>
</tbody>
</table>

Notes:
(a) Production from continuing operations.
(b) EBIT margin excludes revenue and EBIT from third party trading activities.
Today’s agenda

FY2008 Financial Results – BHP Billiton and Petroleum

How We Run BHP Billiton Petroleum

FY2008 Petroleum Performance

- Safety/Environment
- Volumes
- Costs
- Growth-Replenishment

Results
Global operational focus

- Gulf of Mexico
- Algeria
- Pakistan
- North West Shelf
- W Australia
- Bass Strait
- Colombia
- Trinidad
- E Canada
- UK
- Malaysia
- The Falklands

Exploration
Producing and development
Our core strategy and competitive advantages

• The core strategy
  – Large, long-life upstream assets with multiple options – that we operate
  – Target organic growth opportunities that are material to BHP Billiton
  – Balanced proven plays and frontier exploration
  – Functional organizational model to achieve top quartile performance

• Our competitive advantages
  – Balance sheet strength of a super major, with the energy of a start-up
  – Able to compete technically with super majors in chosen locations
  – Industry leading geoscience imaging technology in deepwater subsalt
  – Trusted and dynamic partner
  – Speed of decisions versus competitors
The functional organization

- Very simple organizational model – worldwide functional accountability
- Management focus on the parts of the business which are critical to success

Global Support Functions
(Planning, HSEC, Human Resources, Finance, Legal, External Affairs and Information Technology)
Management team in place to execute

J. Michael Yeager
Chief Executive
Petroleum

Stephen O'Rourke
President
Exploration

Nigel Smith
President
Development

Timothy Cutt
President
Production

Renee Klimczak
President
Gas Marketing

Alex Green
Marketing Director
Crude Marketing

Zlatko Todorcevski
Chief Financial Officer
## Today’s agenda

- **FY2008 Financial Results – BHP Billiton and Petroleum**
- **How We Run BHP Billiton Petroleum**
- **FY2008 Petroleum Performance**
  - Safety/Environment
  - Volumes
  - Costs
  - Growth-Replenishment
- Results
Delivered significant HSEC improvements despite significant ramp-up in drilling and construction activities

- Achieved 9% reduction in TRIFR and 43% reduction in LTIFR between FY07 and FY08
  - 3 LTIs in FY08 vs 20 in FY06
  - No fatalities
  - LTIFR in industry top quartile
- Reduced hydrocarbon spills by 74% between FY07 and FY08
- Reduced high potential near miss incidents by 45%
- Good Safety = Good Business
Today’s agenda

FY2008 Financial Results – BHP Billiton and Petroleum

How We Run BHP Billiton Petroleum

FY2008 Petroleum Performance

— Safety/Environment

— Volumes

— Costs

— Growth-Replenishment

Results
Produced 355 kboed in FY08, up 13% from FY07

- Base production well managed
  - 93.8% uptime vs. 100, 100, 100
  - Significant improvements
    FY08: 93.8% vs 1QFY07: 89.0%
  - 1% improved uptime = ~1.5 mmboe (~4 kboed)

- Start-up of new projects
  - Stybarrow, Genghis Khan, Atlantis
  - Zamzama Phase 2
  - Neptune (July 2008)
  - NWS Train V (September 2008)

- Record production ramp-ups from new projects
  - Stybarrow and Neptune
  - Multiple high rate wells

Production efficiency\(^{(a)}\)

- Uptime

<table>
<thead>
<tr>
<th>Q1FY07</th>
<th>Q2FY07</th>
<th>Q3FY07</th>
<th>Q4FY07</th>
<th>FY08</th>
</tr>
</thead>
<tbody>
<tr>
<td>89.0%</td>
<td>93.6%</td>
<td>92.0%</td>
<td>94.6%</td>
<td>93.8%</td>
</tr>
</tbody>
</table>

Notes:
\(a\) Excludes Atlantis as it is currently in ramp-up stage.
Stybarrow (50% working interest, BHP Billiton operated)

Performance highlights

- FPSO and subsea wells
- Brought on-stream in November 2007 approximately two months ahead of schedule
- Achieved sustained production at design capacity of 80 ktpd (gross)
- Record-setting single well flow rates of approximately 32 ktpd
Genghis Khan (44% working interest, BHP Billiton operated)

**Performance highlights**

- Subsea wells tied back to Marco Polo platform
- Design capacity of 55 kbdp (gross)
- Brought on-stream in October 2007, bringing Shenzi production forward by ~ 2 years
- Two wells completed
Zamzama Phase II (38.5 % working interest, BHP Billiton operated)

Performance highlights
- Plant expansion started up February 2008
- Gas plant expansion design capacity of 150 mmcf/d (gross)
- Currently optimizing production systems
Atlantis (44% working interest, non-operated)

<table>
<thead>
<tr>
<th>Performance highlights</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Semi-submersible platform with deepwater subsea wells</td>
</tr>
<tr>
<td>- Brought on-stream in October (crude) &amp; December 2007 (gas)</td>
</tr>
<tr>
<td>- Design capacity of 200 kbdp; 180 mmcf/d (gross)</td>
</tr>
<tr>
<td>- 8 wells currently producing at 85 kbdp (gross), 2 additional wells planned on-stream by end of Q2 FY2009</td>
</tr>
<tr>
<td>- Initiation of Water Injection planned by end of FY2009</td>
</tr>
<tr>
<td>- Atlantis North Startup (1 well) by H2 CY09</td>
</tr>
</tbody>
</table>
Neptune (35% working interest, BHP Billiton operated)

Performance highlights
- Tension leg platform and subsea wells
- 4,250ft water depth
- 50 kbd and 50mmcfd capacity (gross)
- Hull remediation completed with no incidents
- Startup July 2008; currently producing oil at facility capacity with 6 wells available
Today’s agenda

- FY2008 Financial Results – BHP Billiton and Petroleum
- How We Run BHP Billiton Petroleum
- FY2008 Petroleum Performance
  - Safety/Environment
  - Volumes
  - Costs
  - Growth-Replenishment

Results
Cost – unit cost structure is highly competitive among peers

- Cost focus is on unit cost per barrel oil equivalent
- Unit operating costs holding steady ~US$5.00/boe
  - Lower year-on-year price and fx adjusted
- Unit DD&A at ~US$9.00/boe worldwide
  - Forecast to rise as major projects come on-line
- Both unit operating costs and unit DD&A are highly competitive vs. peers

Peer group includes: Anadarko, Apache, Devon, Hess, Murphy, Noble, Talisman, and Woodside.

Peer Group is Calendar Year

Source: BHP Billiton, John S. Herold, Inc. and annual reports.
Today’s agenda

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Results
Projects in execution

Petroleum HQ

Petroleum HQ Algeria Pakistan

Trinidad

Gulf of Mexico

Shenzi (44%)

- 100 kbpd / 50mmcmd deepwater development
- 2 wells drilled & completed; 3rd well drilling
- Start-up anticipated mid CY09

Atlantis North (44%)

- 1-3 well subsea tie back to Atlantis South
- Start-up anticipated H2 CY09

North West Shelf

Train V (16.67%)

- 4.4 mtpa LNG processing train
- Start-up announced 1 September 2008

Angel (16.67%)

- 800mmcmd / 50 kbpd condensate development
- Topsides installed
- Start-up anticipated end CY08

North Rankin B (16.67%)

- 2.5 bcfd gas facility
- Start-up anticipated CY12

W Australia

Pyrenees (71.43%)

- 96 kbpd / 60mmcmd FPSO development
- FPSO conversion underway
- Start-up anticipated H1 CY10

Bass Strait

Kipper (32.5%)

- 80mmcmd / 10 kbpd condensate development
- Subsea contracts executed
- Start-up anticipated CY11

Turrum (50%)

- 200mmcmd / 11 kbpd condensate development
- Start-up anticipated CY11

Note: All production rates are gross production basis
Shenzi (44% working interest, BHP Billiton operated)

**Project overview**

- TLP and subsea wells
- 4,300ft water depth – 2nd deepest TLP in the world
- 100 kbd and 50mmcfd capacity (gross)
- Fabrication in progress; 2 wells drilled & completed; 3rd well being drilled
- Start-up mid CY09
Pyrenees (71.43% working interest, BHP Billiton operated)

- FPSO and subsea wells
- 96 kbdp and 60 mmcf/d capacity (gross)
- FPSO conversion underway
- Drilling to commence December 2008
- Start-up H1 CY10
Kipper (32.5% working interest, non-operated)

- Subsea tie-back
- 10 kbd and 80 mmcf/d capacity (gross)
- Subsea contracts executed
- Start-up CY11
Turrum (50% working interest, non-operated)

- New bridge linked platform
- 11 kbd and 200 mmcfdd capacity (gross)
- Currently in execution
- Start-up CY11
North West Shelf (16.67% working interest, non-operated)

Train 5, Angel, North Rankin B

- **Train 5**: 4.4 mpta (gross) LNG train – Start-up announced 1 September 2008
- **Angel**: 50 kbd and 800 mmcf/d (gross) - end CY08
- **NRB**: 2,500 mmcf/d (gross) - CY12
- All currently in execution
By 2012, ~60% of gas and LNG production will have price reopener mechanisms available

- Most current long-term LNG contracts contain regular price reopeners
- Old LNG contracts were negotiated at lower prevailing crude prices
- LNG contract reopeners are leading to large price increases - tied to crude
- Also our new, large volume LNG contracts capture current crude price terms
- Significant revenue upside from old and new contracts

Notes:
- a) Includes pricing structures closely linked to uncapped market indices
Projects – Pre-execution

- **Gulf of Mexico**
  - Mad Dog West: Subsea tie-back
  - Puma: Subsea tie-back
  - Shenzi N: Subsea tie-back
  - Neptune N: Subsea tie-back
  - Knotty Head: Deepwater development

- **Trinidad**
  - Angostura Gas (45%):
    - Gas field development
    - Startup anticipated H1 CY11

- **UK**
  - Liverpool Bay: Development Drilling

- **Pakistan**
  - Zamzama: Development Drilling

- **North West Shelf**
  - NWS CWLH: Replacement of FPSO and associated subsea facilities
  - NWS WFGH: Gas field development

- **W Australia**
  - Macedon: Subsea wells and gas plant
  - Thebe: LNG development
  - Scarborough: LNG development
  - Browse LNG: LNG development

- **Eastern Australia**
  - Bass Strait: Development Drilling
Exploration FY2008 results
A rejuvenated exploration program is now underway

- Increased spending by 75% to US$692m in FY08 from US$395m in FY07 (net)
- Spent US$284m to capture 84 GoM blocks
  - Total of 376 Blocks, 264 Operated
- Progressed multiple 3D seismic programs
  - Malaysia offshore
  - Western Australia offshore
  - Colombia offshore
- Captured large acreage offshore Falklands Islands
- Progressed strategy to own higher working interest and operate
Key exploration and appraisal wells anticipated over coming years

- **Canadian Laurentian**: 1 well planned
- **Gulf of Mexico**: 8 wells planned
- **Falklands**: 2 wells planned
- **NW Australia**: 6 wells planned
- **Malaysia**: 4 wells planned
- **Gippsland**: 1 well planned

**Exploration Strategy**
- Material in size to BHP Billiton
- Balance proven plays and frontier exploration
- Opportunities with potential for multiple successes
- Control and Operatorship
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Results
## Delivering results in FY08

### Financial Results
- Underlying EBIT of US$5.5bn, 22% of BHP Billiton, 82% year-on-year growth
- EBIT ROCE of 68%
- EBIT margin of 67.5%, highest in BHP Billiton

### How we run BHP Billiton Petroleum
- Functional business model has been established
- An experienced management team is in place and executing
- The core strategy is clear and simple

### Performance
- Top quartile industry safety performance
- Produced 355 kboed, 13% increase over FY07
- 93.8% production uptime
- Low cost operations
- Gas and LNG contract reopeners, coupled with new volumes, capture current prices

### Growth-Replenishment
- Capital expenditure of US$2.1bn, 27% of BHP Billiton
- Deep inventory of development projects
- Over 100% reserve replacement two years in a row
- Exploration portfolio has been rejuvenated with new acreage acquired
- 75% increase in exploration expenditure to US$692m (net)
- Increased working interest equity and Operatorship
- Forecast volume growth of ~10% CAGR to FY11, underpinned by projects in execution
Forecast volume growth of ~10% CAGR to FY11, underpinned by projects in execution.