This report covers the Group’s exploration and development activities for the quarter ended 30 September 2009. This report, together with the Production Report, represents the Interim Management Statement for the purposes of the UK Listing Authority’s Disclosure and Transparency Rules. There have been no significant changes to the financial position of the Group in the quarter ended 30 September 2009. Unless otherwise stated, BHP Billiton’s interest in the projects referred to in this report is 100 per cent and references to project schedules are based on calendar years.

Development

During the quarter, we sanctioned the Mt Arthur Coal mine expansion (energy coal), known as the MAC20 Project, in the Hunter Valley, Australia.

<table>
<thead>
<tr>
<th>Project And Ownership</th>
<th>Share Of Approved Capex US$M</th>
<th>Initial Production Target Date</th>
<th>Production Capacity (100%)</th>
<th>Quarterly Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>Petroleum Projects</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pyrenees (Australia)</td>
<td>71.43% Oil/Gas</td>
<td>1,200</td>
<td>H1 CY10</td>
<td>On schedule and budget. Floating Production Storage and Offtake (FPSO) conversion scope has been completed with sea trials and commissioning activities continuing. Installation of subsea facilities continue. All tophole sections drilled. 5 producers and 1 injector well completed.</td>
</tr>
<tr>
<td>Angostura Gas Phase II (Trinidad and Tobago)</td>
<td>45% Gas</td>
<td>180</td>
<td>H1 CY11</td>
<td>280 million cubic feet gas per day On schedule and budget. Platform fabrication continues.</td>
</tr>
<tr>
<td>Project And Ownership</td>
<td>Share Of Approved Capex US$M</td>
<td>Initial Production Target Date</td>
<td>Production Capacity (100%)</td>
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</tr>
<tr>
<td>-----------------------</td>
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<td>---------------------------</td>
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</tr>
<tr>
<td>Bass Strait Kipper (Australia) 32.5% - 50% Gas/Gas Liquids</td>
<td>500</td>
<td>CY11</td>
<td>10,000 bpd condensate and processing capacity of 80 million cubic feet gas per day</td>
<td>On schedule and budget. West Tuna platform retrofit work continuing.</td>
</tr>
<tr>
<td>Bass Strait Turrum (Australia) 50% Gas/Gas Liquids</td>
<td>625</td>
<td>CY11</td>
<td>11,000 bpd condensate and processing capacity of 200 million cubic feet gas per day</td>
<td>On schedule and budget. Platform fabrication continues.</td>
</tr>
<tr>
<td>North West Shelf CWLH Life Extension (Australia) 16.67% Oil</td>
<td>245</td>
<td>CY11</td>
<td>Replacement vessel with capacity of 60,000 bpd oil</td>
<td>On schedule and budget. Floating Production Storage and Offtake (FPSO) conversion continues.</td>
</tr>
<tr>
<td>North West Shelf North Rankin B Gas Compression (Australia) 16.67% LNG</td>
<td>850</td>
<td>CY12</td>
<td>2,500 million cubic feet gas per day</td>
<td>On schedule and budget. Jacket fabrication continuing ahead of schedule.</td>
</tr>
</tbody>
</table>

**Minerals Projects**

| Worsley Efficiency & Growth (Australia) 86% Alumina | 1,900 | H1 CY11 | 1.1 million tpa of additional alumina | On schedule and budget. Engineering is 85% complete and construction has commenced. Procurement and contracting activities are well advanced. |
| Iron Ore (Western Australia) RGP4 86.2% Iron Ore | 1,850 | H1 CY10 | 26 million tpa of additional iron ore system capacity | On schedule and budget. Engineering is complete, construction is essentially complete, and commissioning activities are well advanced. First ore is expected to be produced in Q4 CY09. |
| Iron Ore (Western Australia) RGP5 85% Iron Ore | 4,800 | H2 CY11 | 50 million tpa additional iron ore system capacity | On schedule and budget. Engineering is over 80% complete, procurement and contracting activities are well advanced, and construction has reached 18% complete. |
### Project And Ownership

<table>
<thead>
<tr>
<th>Project And Ownership</th>
<th>Share Of Approved Capex US$M</th>
<th>Initial Production Target Date</th>
<th>Production Capacity (100%)</th>
<th>Quarterly Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>Klipspruit (South Africa)</td>
<td>450</td>
<td>H2 CY09</td>
<td>Incremental 1.8 million tpa export thermal coal. Incremental 2.1 million tpa domestic thermal coal</td>
<td>On schedule and budget. Commissioning of the crushing stream and coal processing plant Module 1 is complete. Project is 98% complete.</td>
</tr>
<tr>
<td>Douglas-Middelburg Optimisation (South Africa)</td>
<td>975</td>
<td>Mid CY10</td>
<td>10 million tpa export thermal coal and 8.5 million tpa domestic thermal coal (sustains current output)</td>
<td>On schedule and budget. Construction activities are progressing well with civil works complete. The erection and installation of the coal processing plant continues. Project is 74% complete.</td>
</tr>
<tr>
<td>Newcastle Third Port Project (Australia)</td>
<td>390</td>
<td>CY10</td>
<td>30 million tpa export coal loading facility</td>
<td>On schedule and budget. Stacker reclaimer commissioning has commenced with the remaining construction activities progressing well. Project is 75% complete.</td>
</tr>
<tr>
<td>MAC20 Project (Australia)</td>
<td>260</td>
<td>H1 CY11</td>
<td>Increases saleable thermal coal production by approximately 3.5 million tpa</td>
<td>Approval announced, see News Release dated 24 July 2009. On schedule and budget. Fixed plant construction underway. Project is 20% complete.</td>
</tr>
</tbody>
</table>

### Minerals Exploration

BHP Billiton continues to identify and prioritise various exploration activities. All of the exploration activities are reviewed regularly to ensure that we are capturing value accretive opportunities for future development.

Grassroots exploration continued on copper targets in Chile, Argentina and Zambia; nickel targets in Australia; manganese targets in Gabon; and diamond targets in Canada. Exploration for iron ore, coal, bauxite and manganese was undertaken in a number of regions including Australia, South America, Russia and West Africa.

For the quarter ended 30 September 2009, BHP Billiton spent US$104 million on minerals exploration, of which US$95 million was expensed.
Petroleum Exploration

Exploration and appraisal wells drilled during the quarter or in the process of drilling as at 30 September 2009.

<table>
<thead>
<tr>
<th>Well</th>
<th>Location</th>
<th>BHP Billiton Equity</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mad Dog South-1</td>
<td>Green Canyon Gulf of Mexico</td>
<td>23.9 % BHP Billiton</td>
<td>Hydrocarbons encountered. See News Release dated 17 July 2009.</td>
</tr>
<tr>
<td></td>
<td>GC 826</td>
<td>(BHP Billiton operator for this well – BP operator for all other activities)</td>
<td></td>
</tr>
</tbody>
</table>

Petroleum exploration expenditure for the quarter ended 30 September 2009 was US$29 million, of which US$26 million was expensed.

Further information on BHP Billiton can be found on our Internet site: [www.bhpbilliton.com](http://www.bhpbilliton.com).

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