



BHP Billiton Petroleum

Barclays CEO Energy and Power Conference

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September 2010



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Non-GAAP Financial Information

BHP Billiton results are reported under International Financial Reporting Standards (IFRS). References to Underlying EBIT and EBITDA exclude any exceptional items. A reconciliation to statutory EBIT is contained within the profit announcement, available at our website www.bhpbilliton.com.

Agenda

- BHP Billiton Corporation FY2010 results
- Petroleum overview
- Petroleum performance
- Near term outlook
- Longer term opportunities
 - High impact pre-development projects
 - Exploration program

BHP Billiton Corporation

A global upstream portfolio



Petroleum
A 450mbd oil and gas exploration and production business

Diamonds & Specialty Products
EKATI Diamond Mine is one of the world's largest gem quality diamond producers

Manganese
Operations produce a combination of ores, alloys and metal

Aluminium
#4 global producer of bauxite and #4 aluminium company based on net third party sales

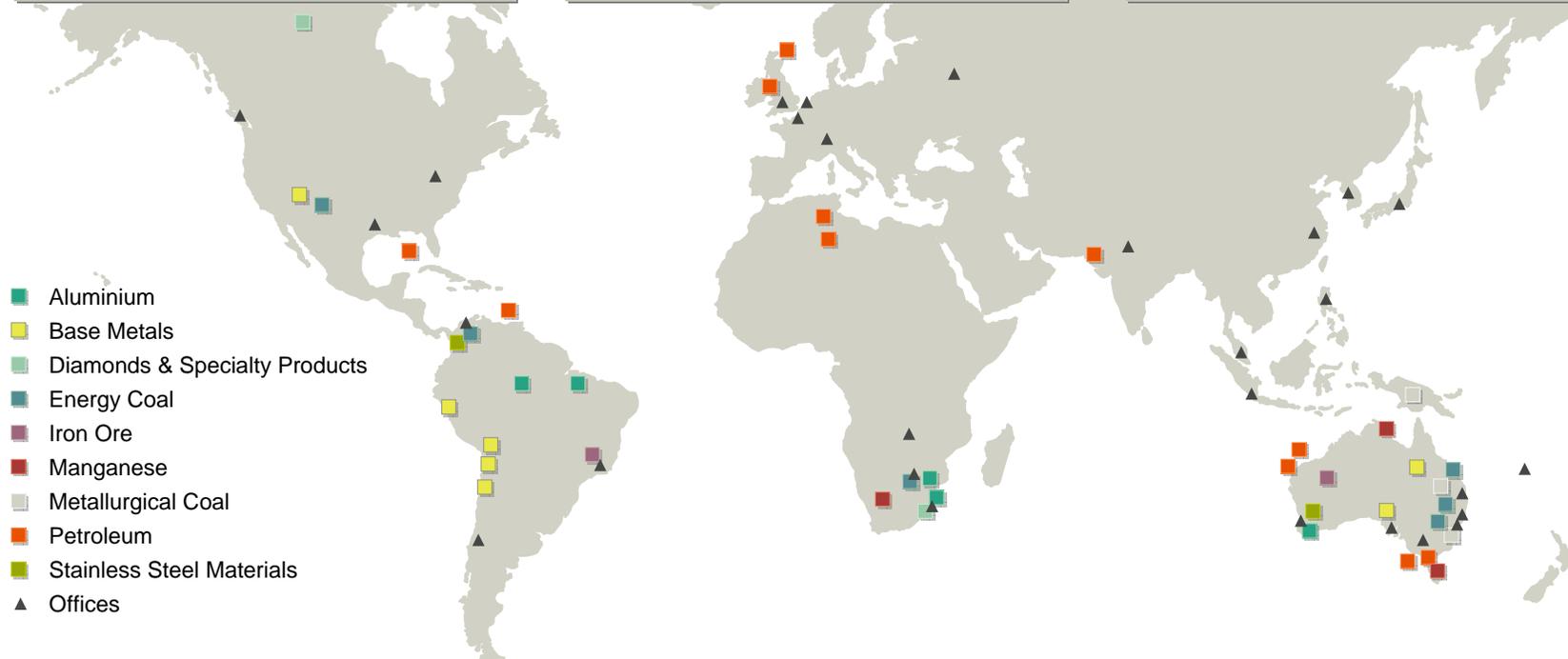
Stainless Steel Materials
#3 global nickel producer

Metallurgical Coal
Produce and market high quality hard coking coals for the international steel industry

Base Metals
#3 global producer of copper, silver and lead

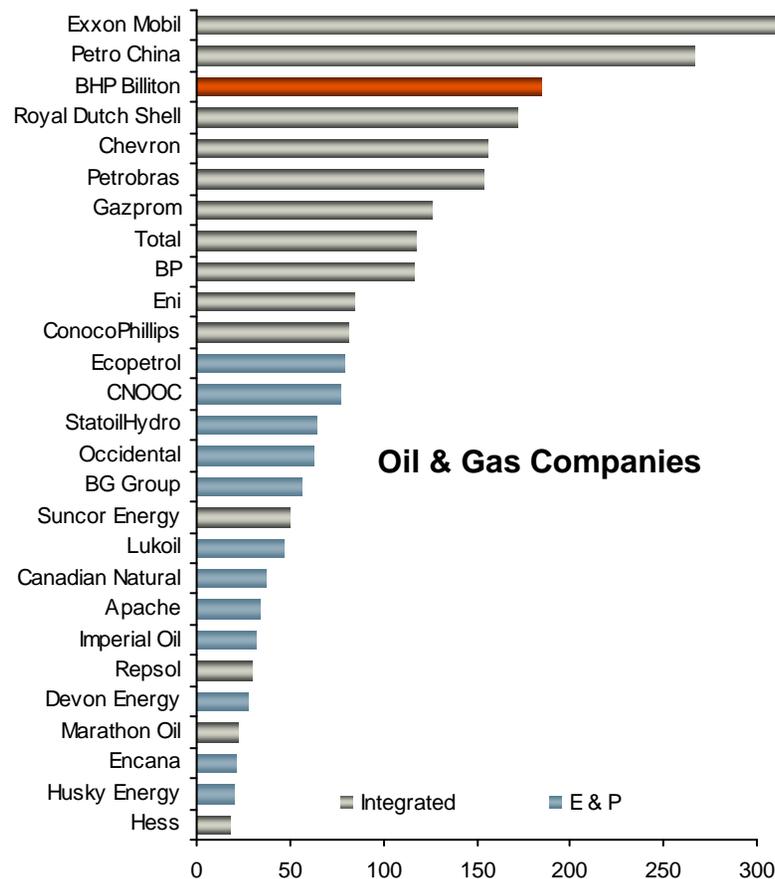
Iron Ore
One of the world's premier suppliers of iron ore

Energy Coal
One of the world's largest producers and marketers of export thermal coal



The power and reach of a super major behind BHP Billiton Petroleum

Market Capitalisation (US\$bn, 3 September 2010)



Source: Bloomberg.

- BHP Billiton has the balance sheet to undertake large and complex projects
 - Diversified portfolio balances risk and provides flexibility
 - Long term view with continued investment through the cycles
- Petroleum has significant capability as a part of the BHP Billiton Group

BHP Billiton Corporation FY2010 results



- **Underlying EBIT** of US\$19.7 billion, up 8%
- **Attributable profit** (excluding exceptionals) of US\$12.5 billion, up 16%
- **Net operating cash flow** of US\$17.9 billion
- **Earnings per share** (excluding exceptionals) of 224.1 US cents
- **Final dividend** of 45 US cents per share
- Strong financial position – **Net gearing** at 6%

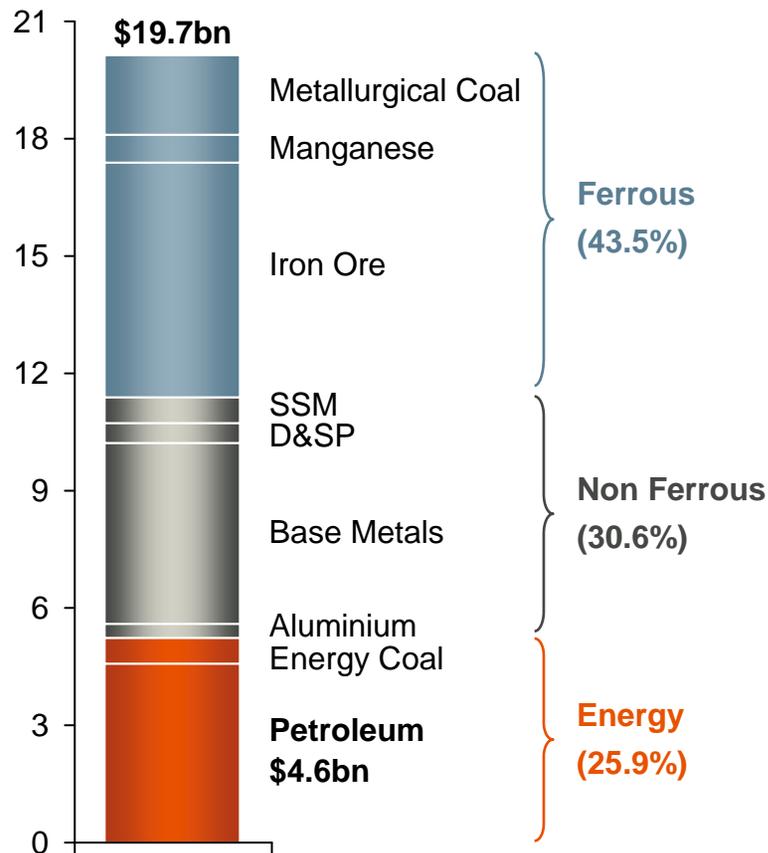
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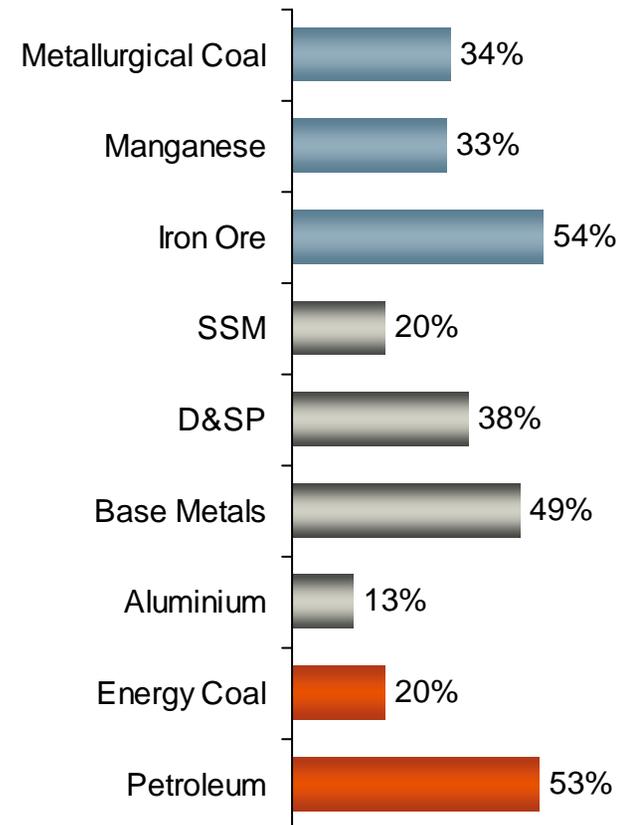
Petroleum is a significant contributor to the BHP Billiton Group



Underlying EBIT^(a)
(FY2010, US\$ billion)



Underlying EBIT margin^(a)
(FY2010, %)



(a) Excludes third party trading.

Core strategy

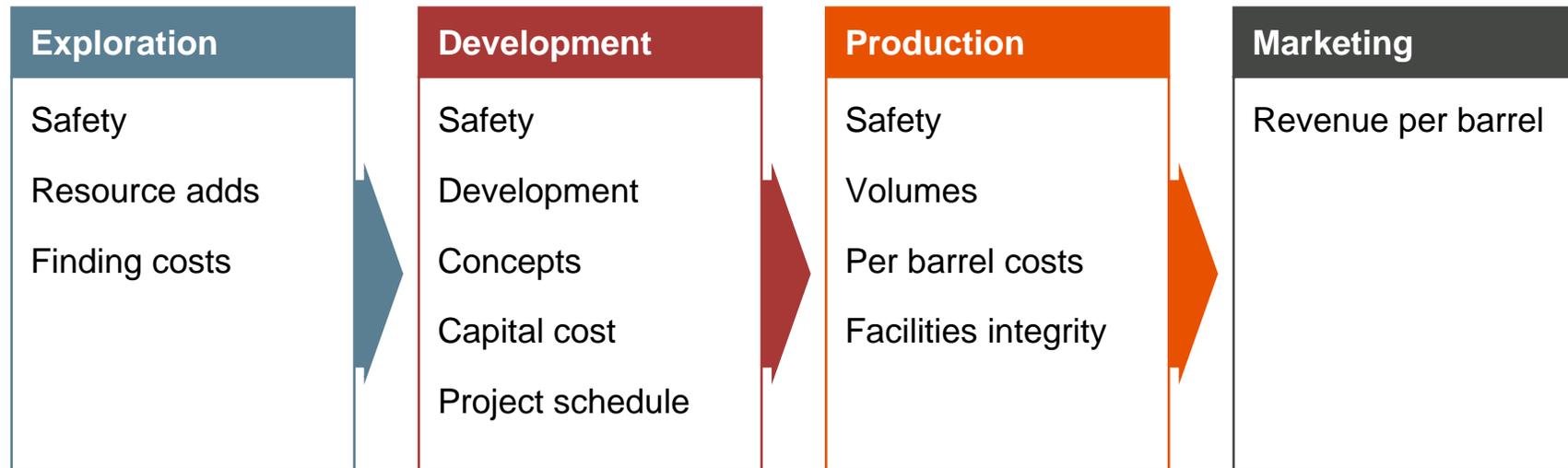
- Be functionally strong where we compete
- Fundamentals focus – safety, volume, cost
- Take large, operated positions with multiple long life opportunities
- Explore globally, but with an emphasis on proven basins
- Pursue commercial opportunities that fit and add to corporate diversification

Large positions



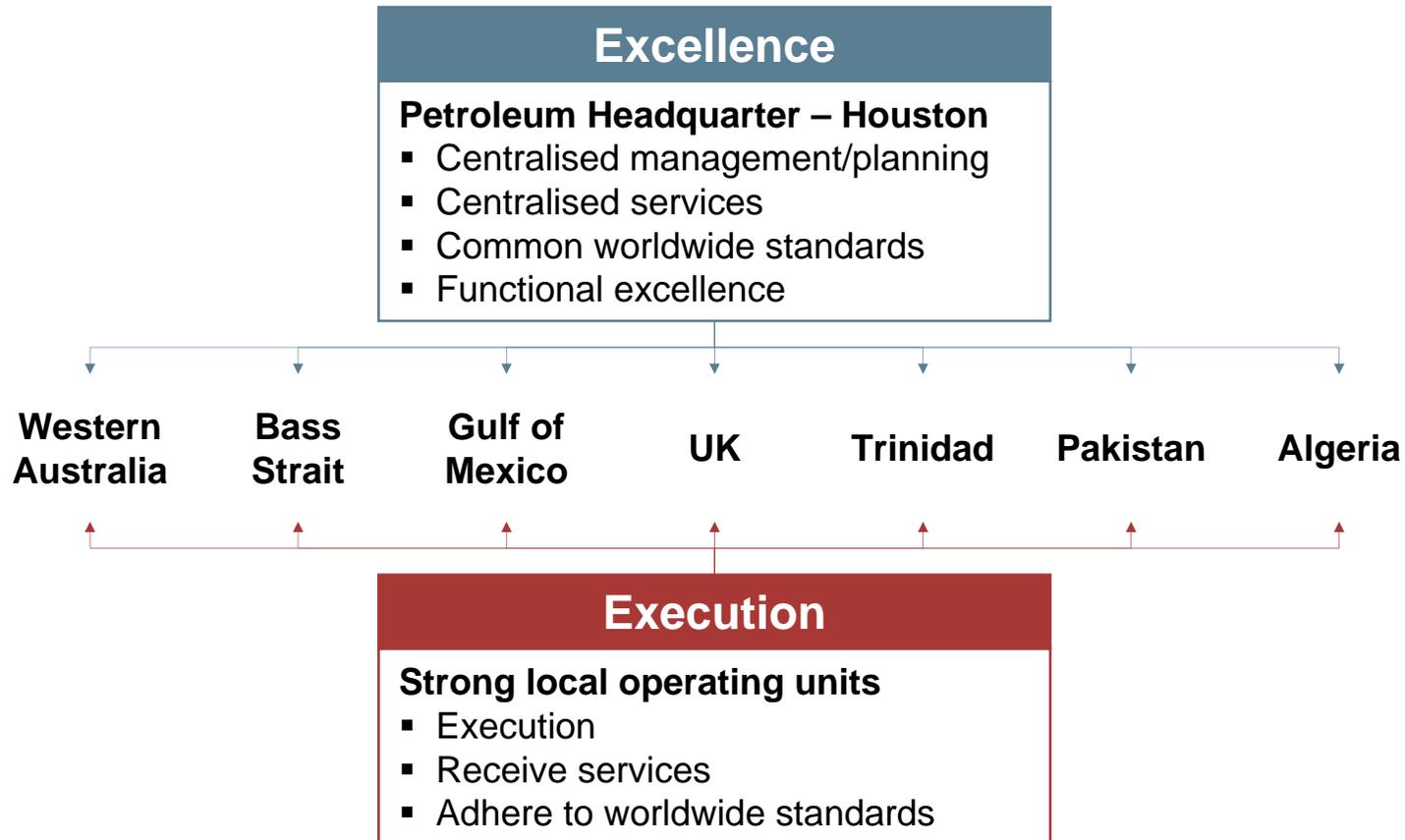
Very simple organisational model

Global functional organisation



Global Support Functions
(HSEC, Planning, Human Resources, Finance, Legal, External Affairs and Information Technology)

Two organisational principles



	mboed	Employees	Employees/mboed
2007	310	1,350	4.3
2010	450+	1,566	3.4

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Outstanding performance metrics across the board



Four years of annual gains ...

- Excellent safety performance
- 11% CAGR volume growth since FY2007
- 100% reserves replacement FY2007-FY2010
- Low operating cost/boe
- Low depreciation per barrel for international independent oil and gas
- High quality barrels for top EBIT/boe margin
- Delivering excellent EBIT return on capital employed

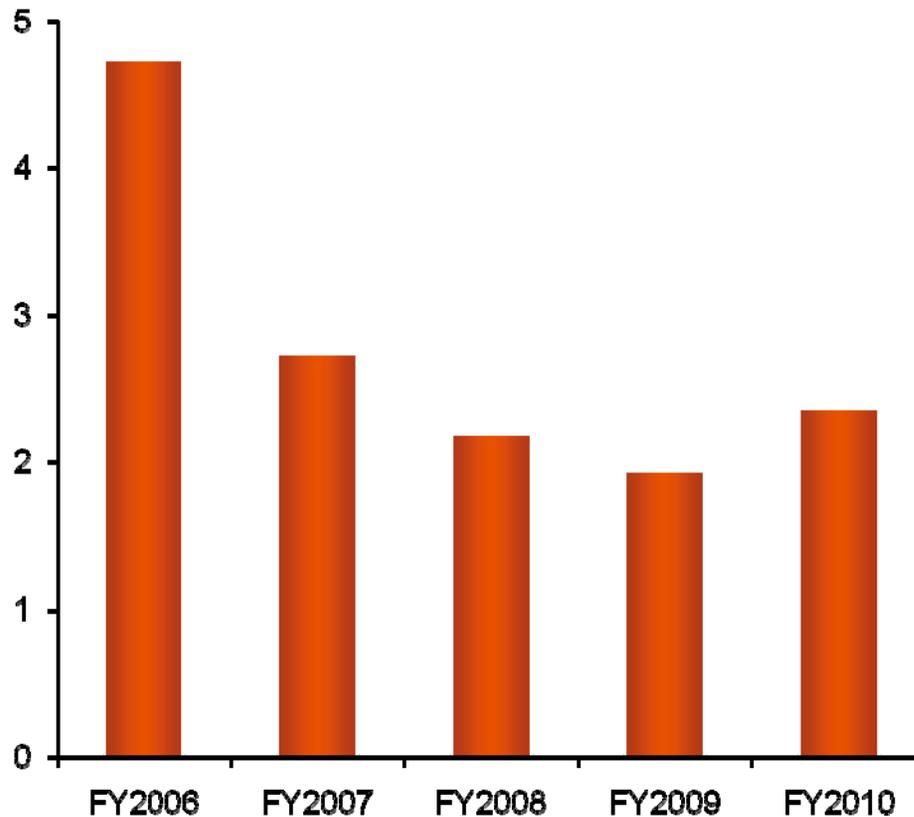
Safety

Continued focus



Total Recordable Incident Frequency Rate (TRIFR)

(Incidents per million hours worked)



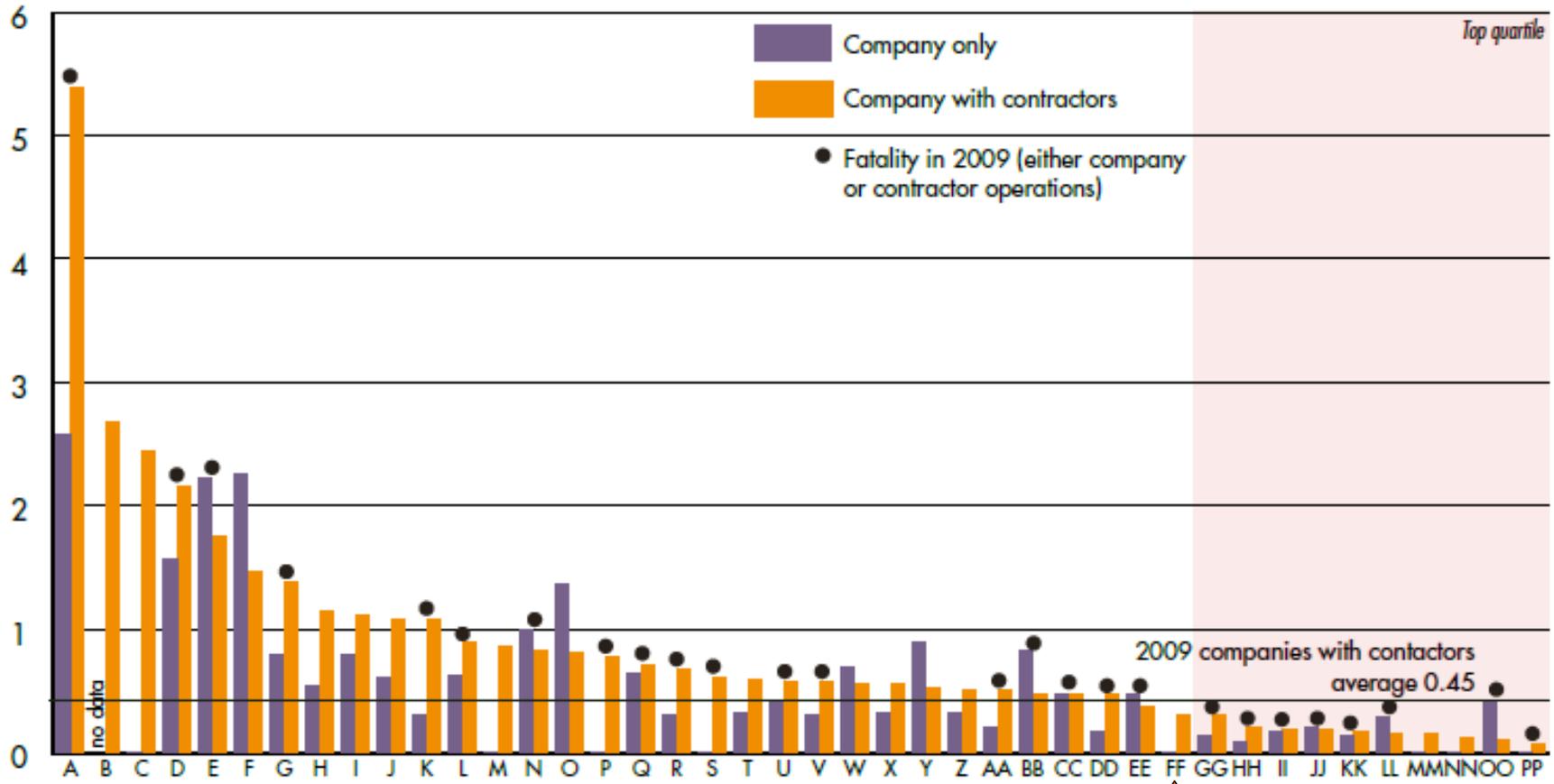
- 2.36 Total Recordable Incident Rate in FY2010
- Follows best ever Petroleum performance in FY2009
- Part of functional excellence approach
- Zero fatalities
- 3 LTIs during CY2009, with 9.7 million man hours worked

Safety

Lost Time Injury performance



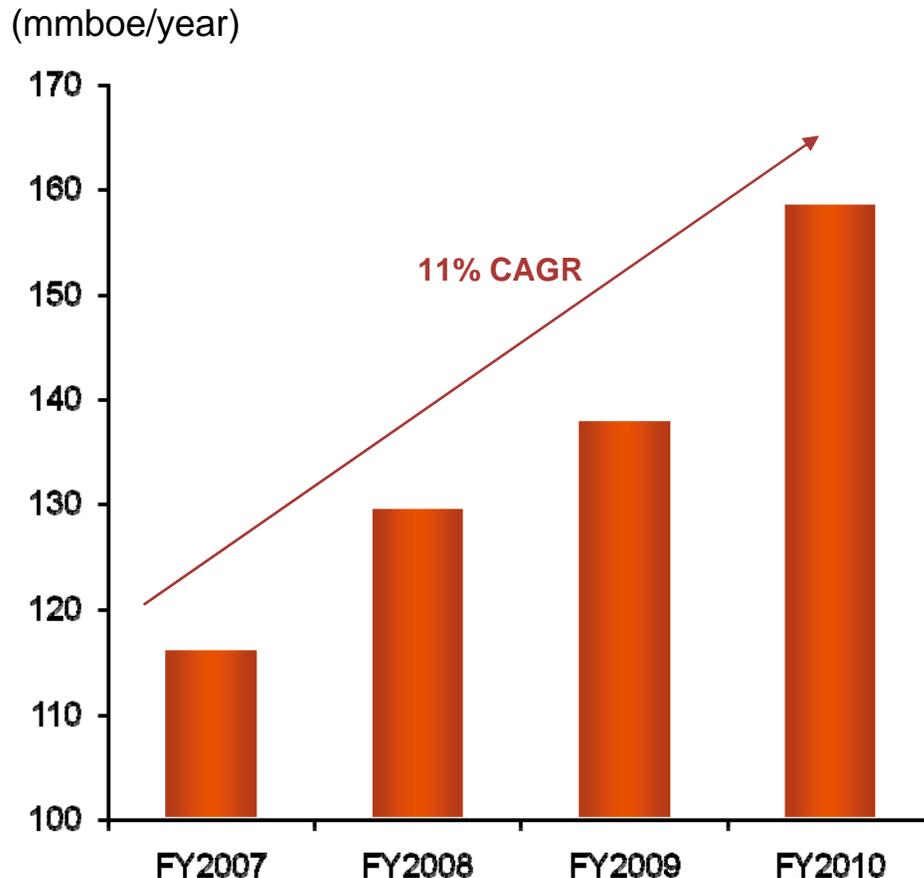
Performance ranking of companies jointly with contractors – lost time injury frequency per million hours worked



BHP Billiton (FF)

Source: OGP Independent Study 2009.

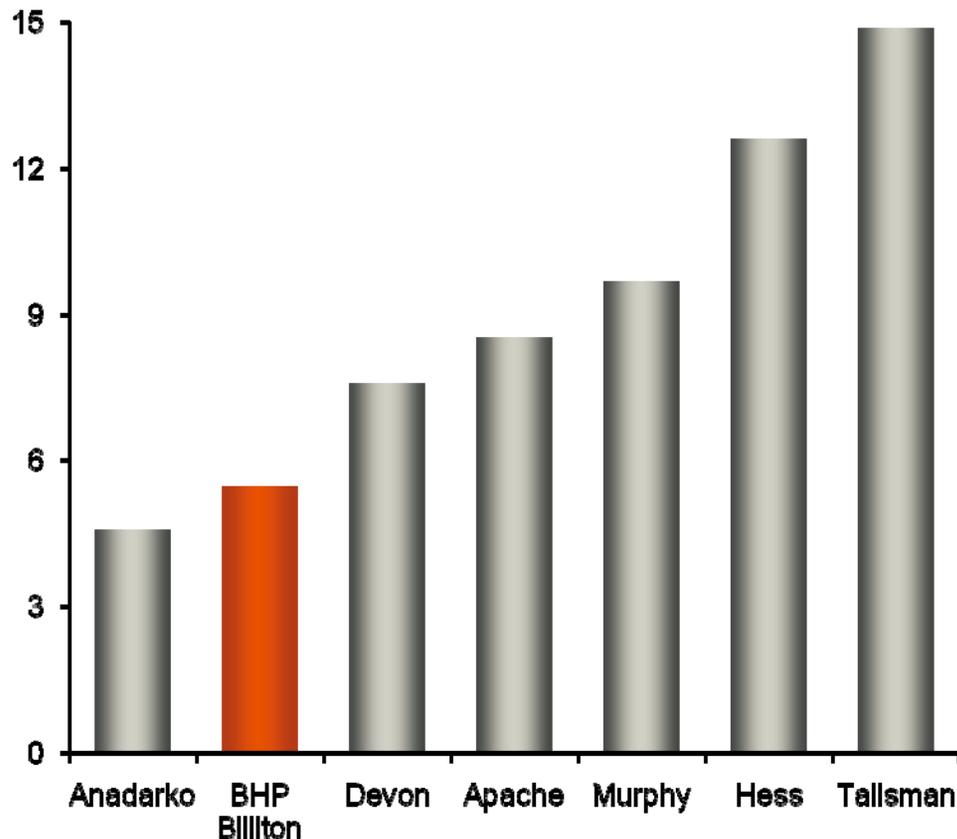
Volume history



- Excellent FY2010 result
 - Volume up 15% year on year
 - Base production well managed with > 93% operated uptime
 - 91.3% uptime overall, including non-operated
- Growth leveraged towards liquids and excellent fiscal terms
- Average 11% growth per year since FY2007
- At top of industry performance

Operating cost

3 year average operating cost per boe, FY2008–FY2010
(US\$/boe)

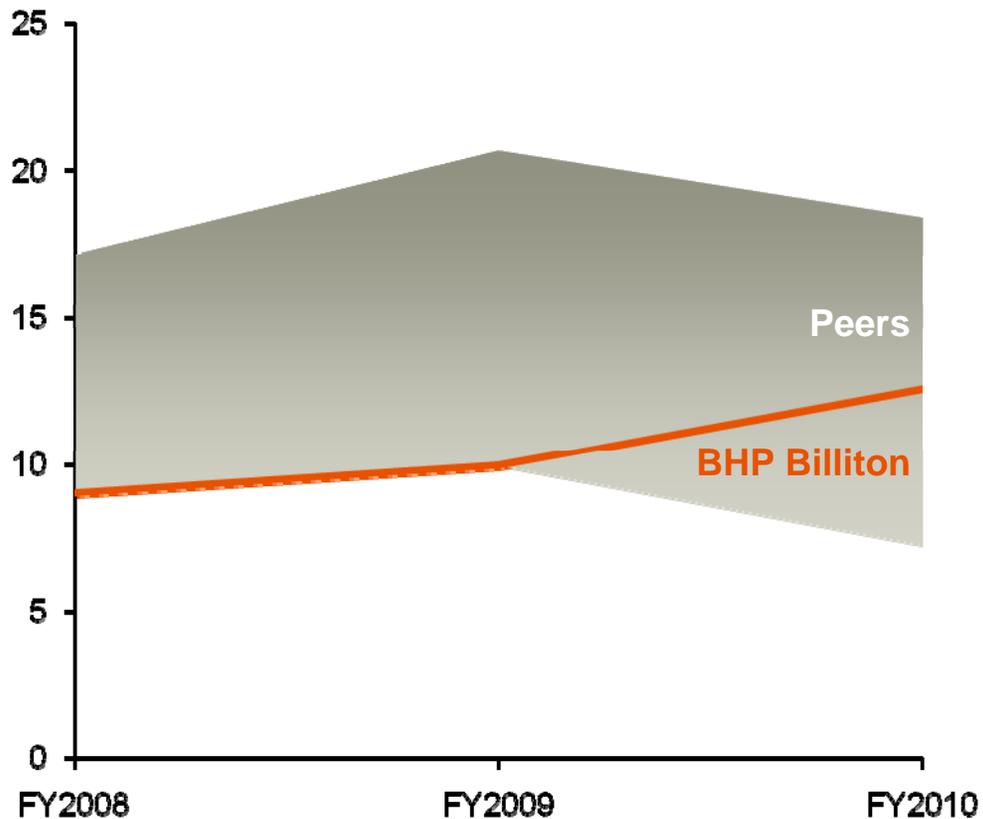


- Highly competitive unit operating costs
- Well controlled in a difficult environment
- Significant focus on the fundamentals
 - Equipment reliability / uptime
 - Maintenance / shutdowns
 - Aviation and marine logistics
 - Product transportation

Source: Company reports. Data presented on a normalised basis to exclude one-off events and activities that were not considered part of E&P operations.

Depreciation

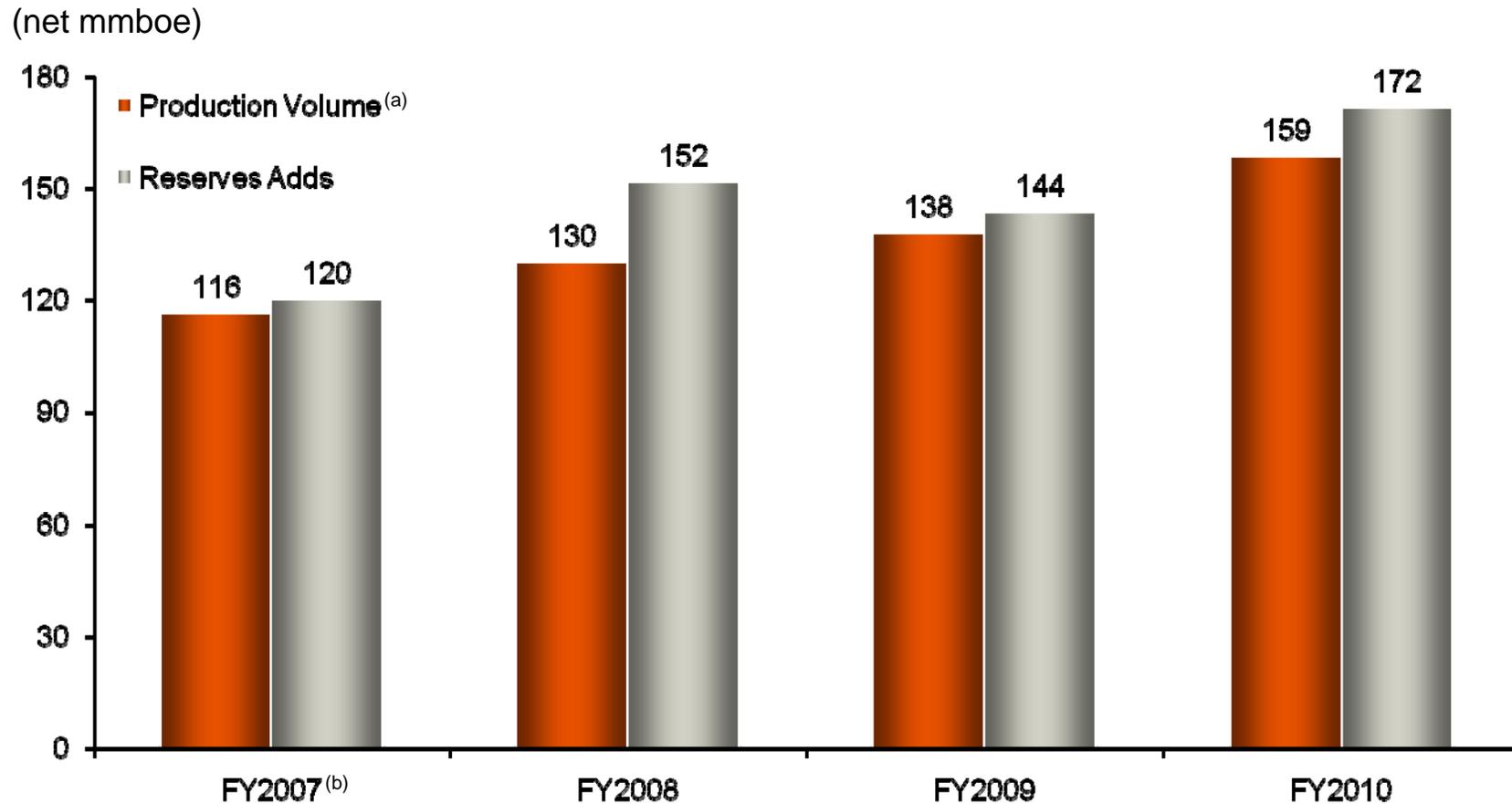
Depreciation per boe vs Peer Group, FY2008 - FY2010
(US\$/boe)



- Competitive depreciation per boe despite recent higher cost developments
- Depreciation per boe remains below US\$13 into FY2011

Source: Company reports. Data presented on a normalised basis to exclude one-off events and activities that were not considered part of E&P operations.

Reserve replacement



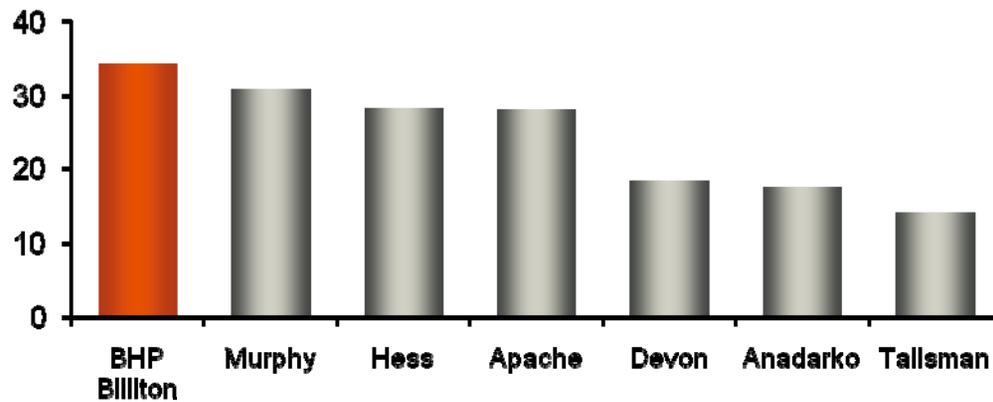
(a) Restated Production Volumes between Gas & NGLs.

(b) Excludes asset sales.

EBIT margin

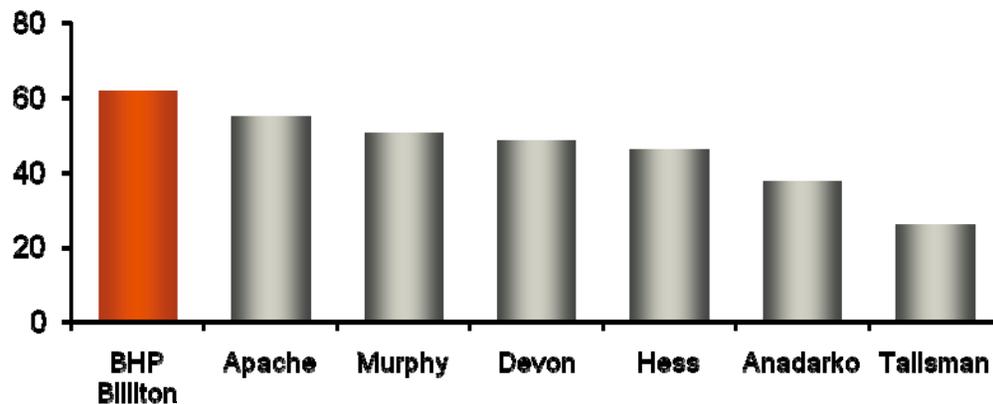
3 year average EBIT per boe, FY2008–FY2010

(US\$/boe)



3 year average EBIT margin, FY2008–FY2010

(% of revenue)

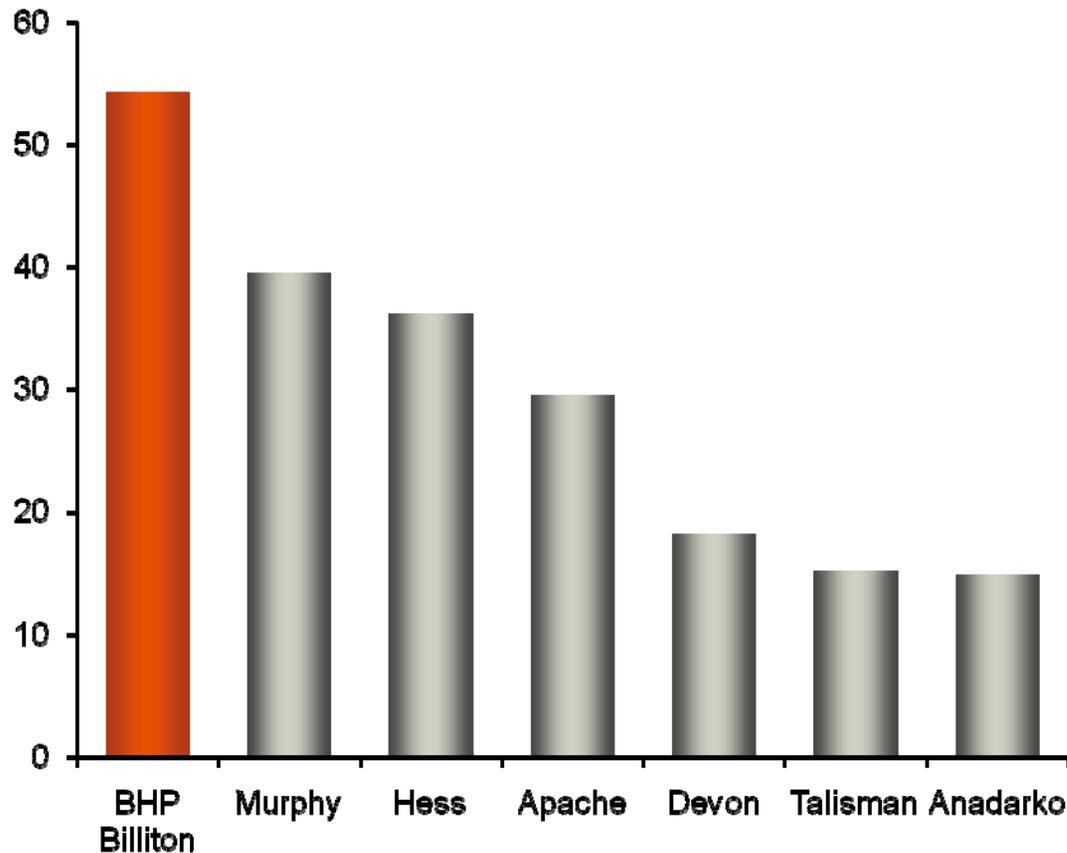


- Liquids priced barrels
 - FY2006: 62% of 310 mbd
 - FY2010: 73% of 434 mbd
- Top quality barrels for high realisations
- Combined with low cash and non-cash costs for excellent margin

Source: Company reports. Data presented on a normalised basis to exclude one-off events and activities that were not considered part of E&P operations.

EBIT return on capital employed

3 year average EROC
(%, FY2008–FY2010)



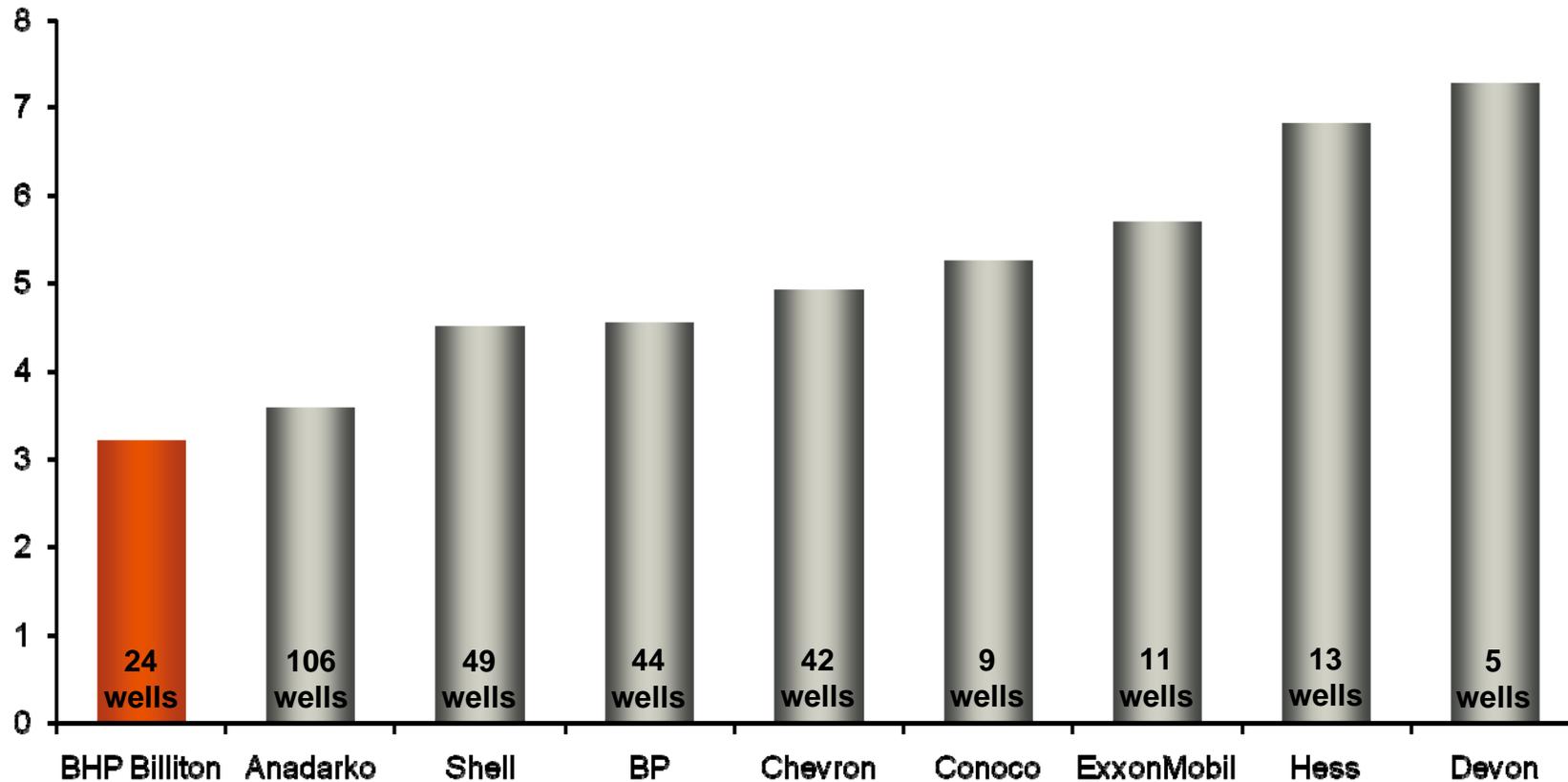
- Efficient capital investment program
 - Project costs as planned
 - Outstanding drilling performance
- All phases of execution handled well

Source: Company reports. Data presented on a normalised basis to exclude one-off events and activities that were not considered part of E&P operations.

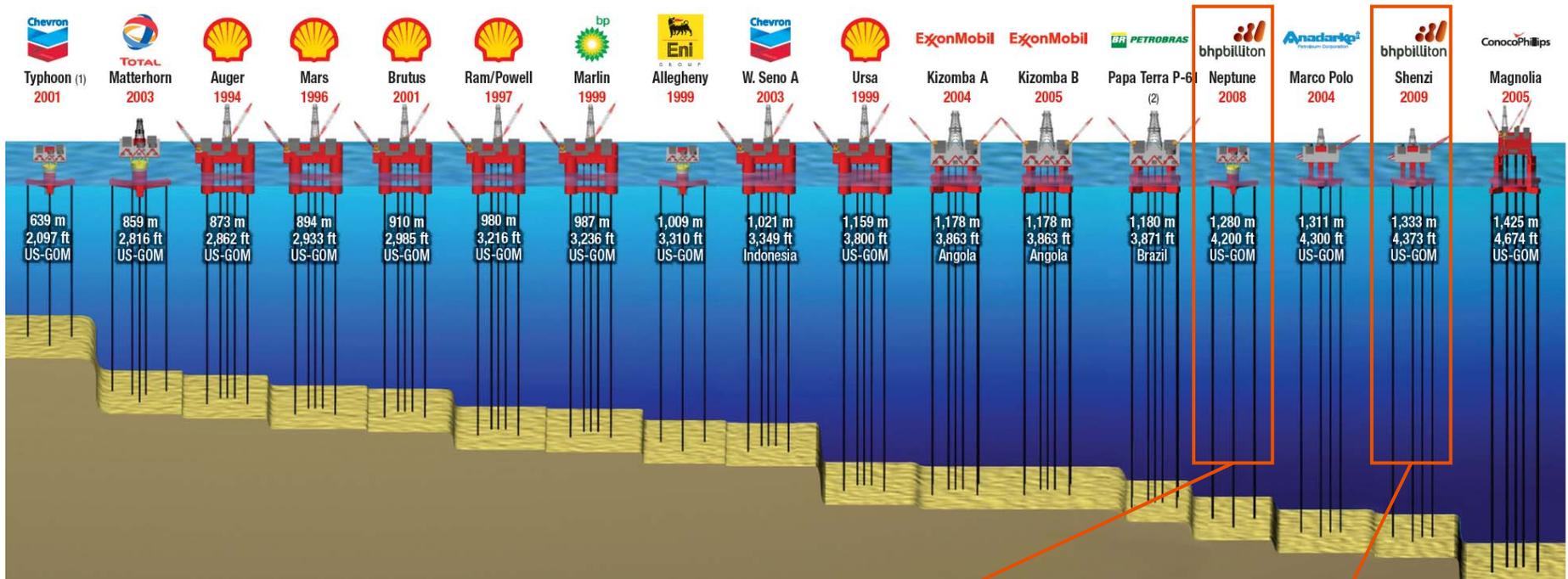
Industry leading drilling performance



Gulf of Mexico deepwater (>2,000 ft water depth) exploration and appraisal wells, Jan 2000 – Nov 2009
(Days per 1,000 ft drilled)



We operate two of the world's deepest TLPs



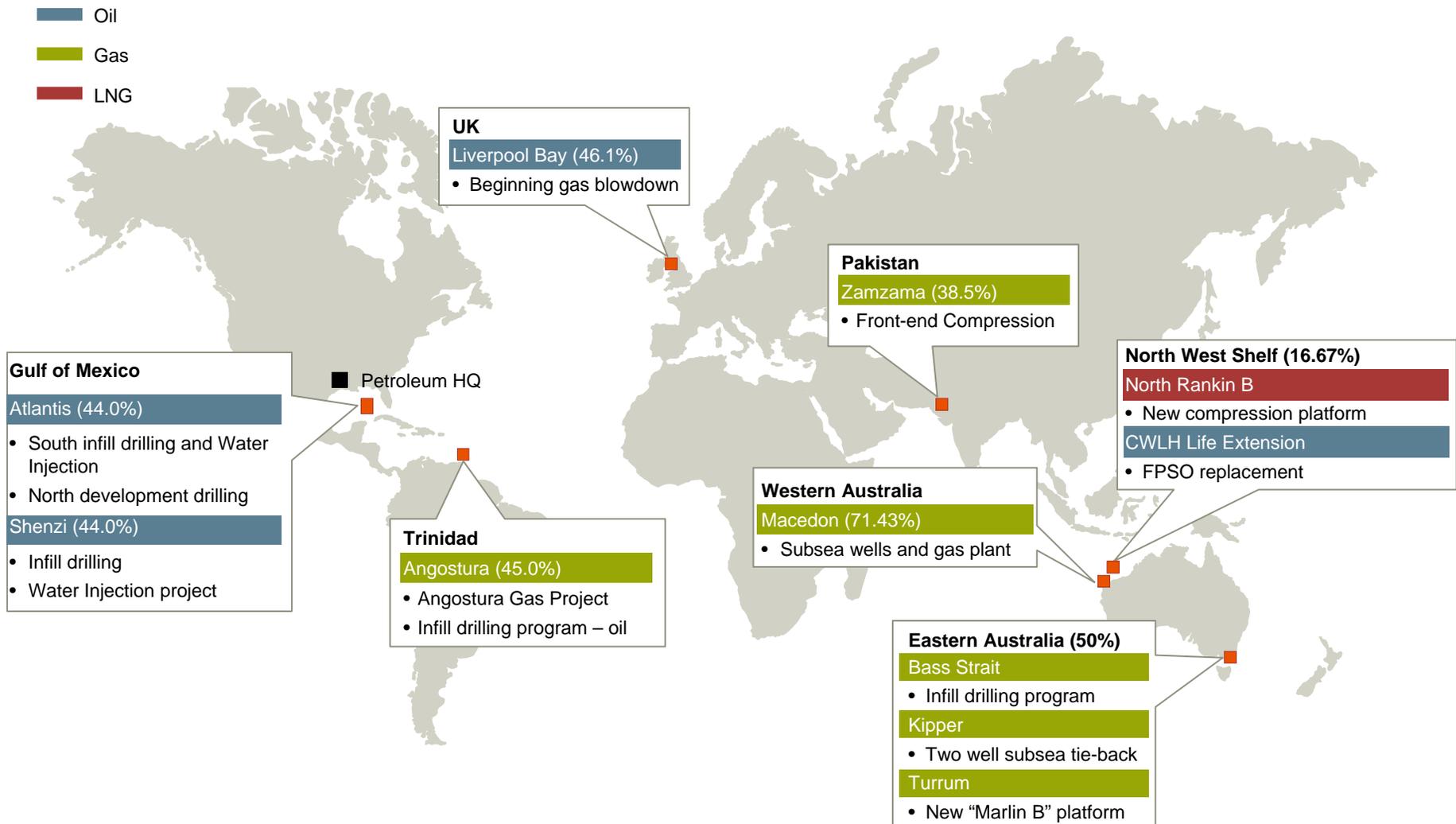
Key messages

- **Scaleable organisation**
 - Low overhead
 - Employee count per boe down with significant volume growth
- **Production growth at 11% CAGR since FY2007**
 - Projects on time and on budget
 - Few delays
- **Cost control**
 - Low operation costs
 - Focused on the basics
- **Excellent EBIT return on capital employed amongst peers**

Agenda

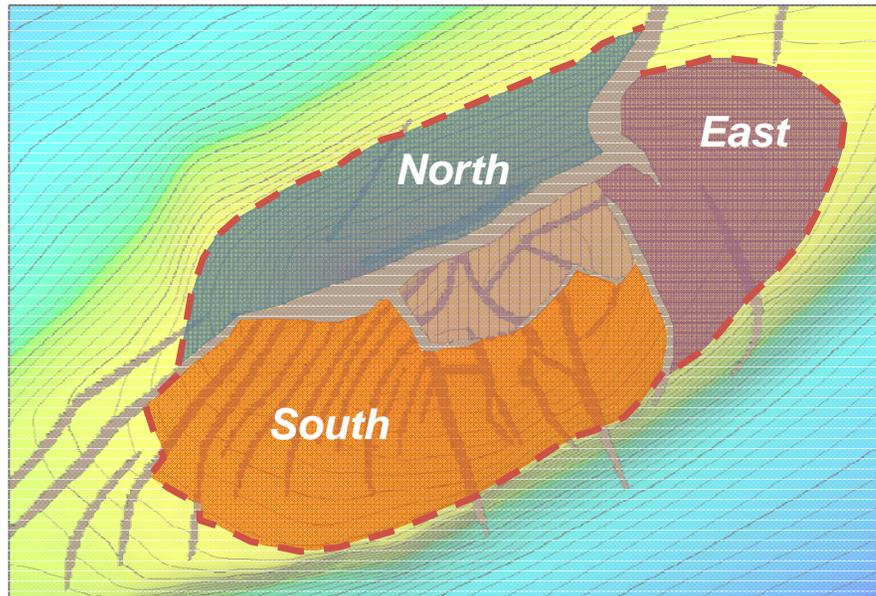
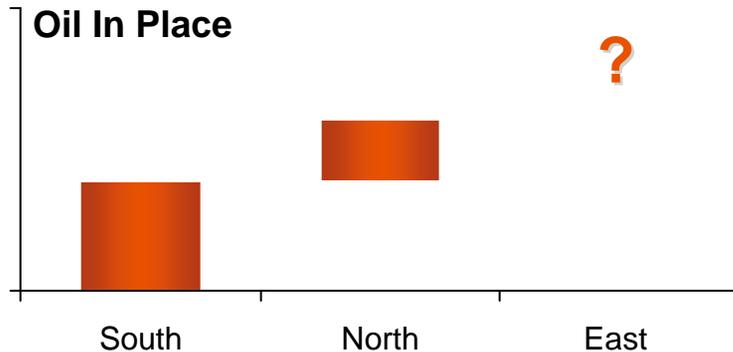
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Ongoing programs and projects



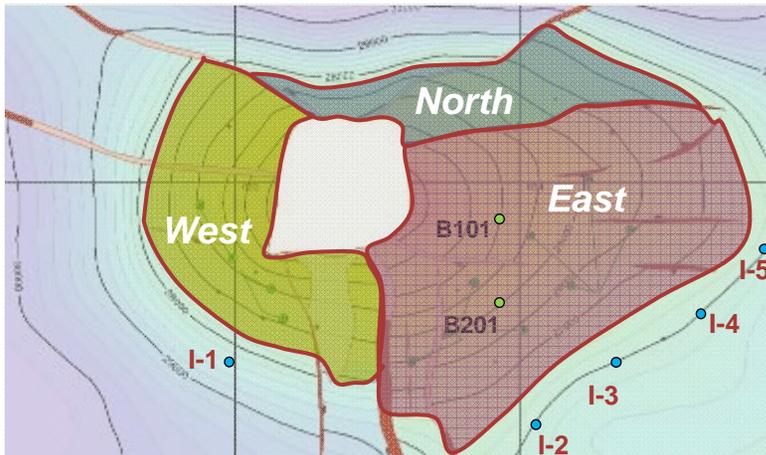
Atlantis

2nd largest field in Gulf of Mexico



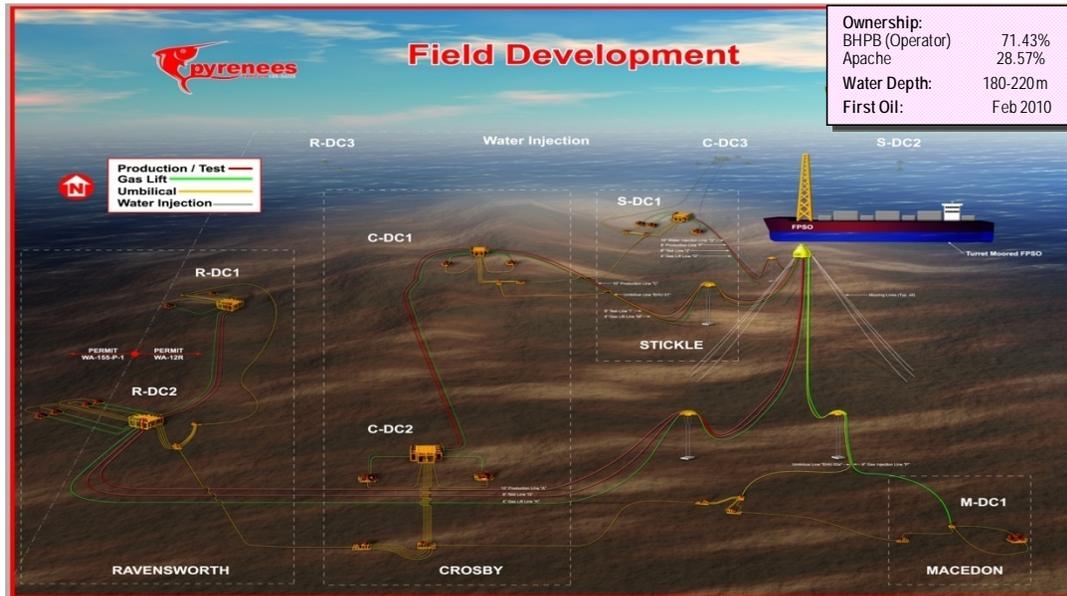
- Development drilling with two rigs will continue in South and North post GOM Moratorium
- Initial two North wells indicate strong production potential
- South water injection project in progress
- East appraisal in FY2012

Shenzi



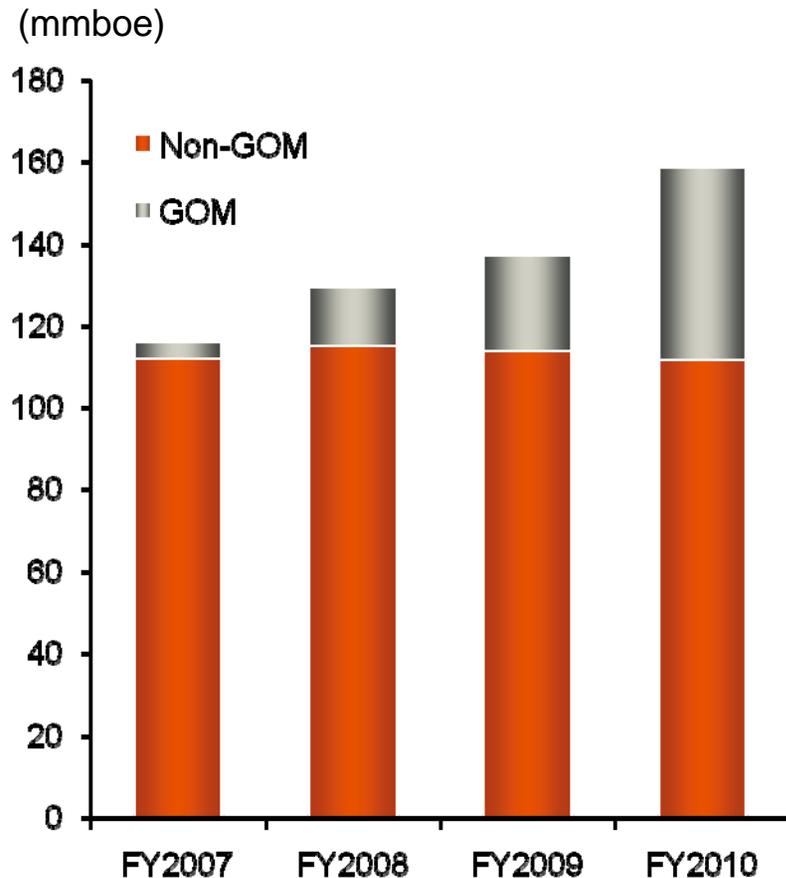
- Design capacity of 100 mbd
- Initial production 140 mbd
- 17 months into production still over 90 mbd
- Drilling of additional up-dip wells into new reservoirs will resume post GOM moratorium
- Water injection project in progress and on schedule

Pyrenees



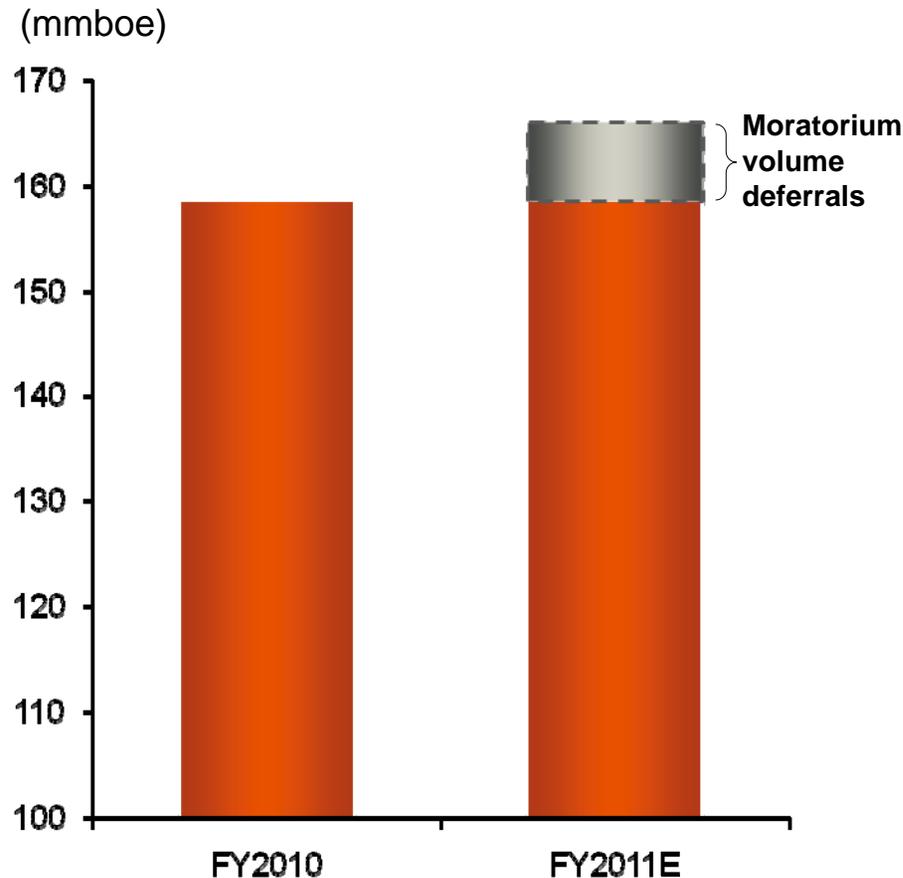
- One of Australia's largest subsea projects
- First BHP Billiton Petroleum FPSO fabricated in China
- Started up in February on schedule and budget
- Ramped up to nameplate capacity (96 mbd) in 11 days

Committed to the Gulf of Mexico



- The Gulf of Mexico (GOM) is one of our core areas and deepwater drilling is the backbone of our business
- Two BHP Billiton operated rigs in the GOM retained under contract during the moratorium period:
 - Positioned to resume drilling activities quickly
 - Preserving learning-curve gains
 - Performing rig inspections and upgrades in the interim
- Majority of anticipated new regulatory requirements already part of BHP Billiton standard operating procedure
- Development and Exploration drilling to commence as soon as possible

FY2011 production outlook



FY2011 outlook

- Full year of Pyrenees volume
- Angostura Gas project start-up
- Continued growth impacted by drilling moratorium in the Gulf of Mexico – high rate wells on hold
- Evaluating options to accelerate potentially allowable drilling activities
- Volumes projected flat for FY2011

Agenda

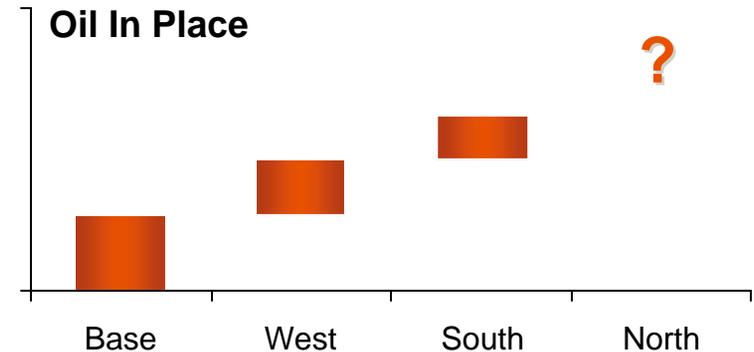
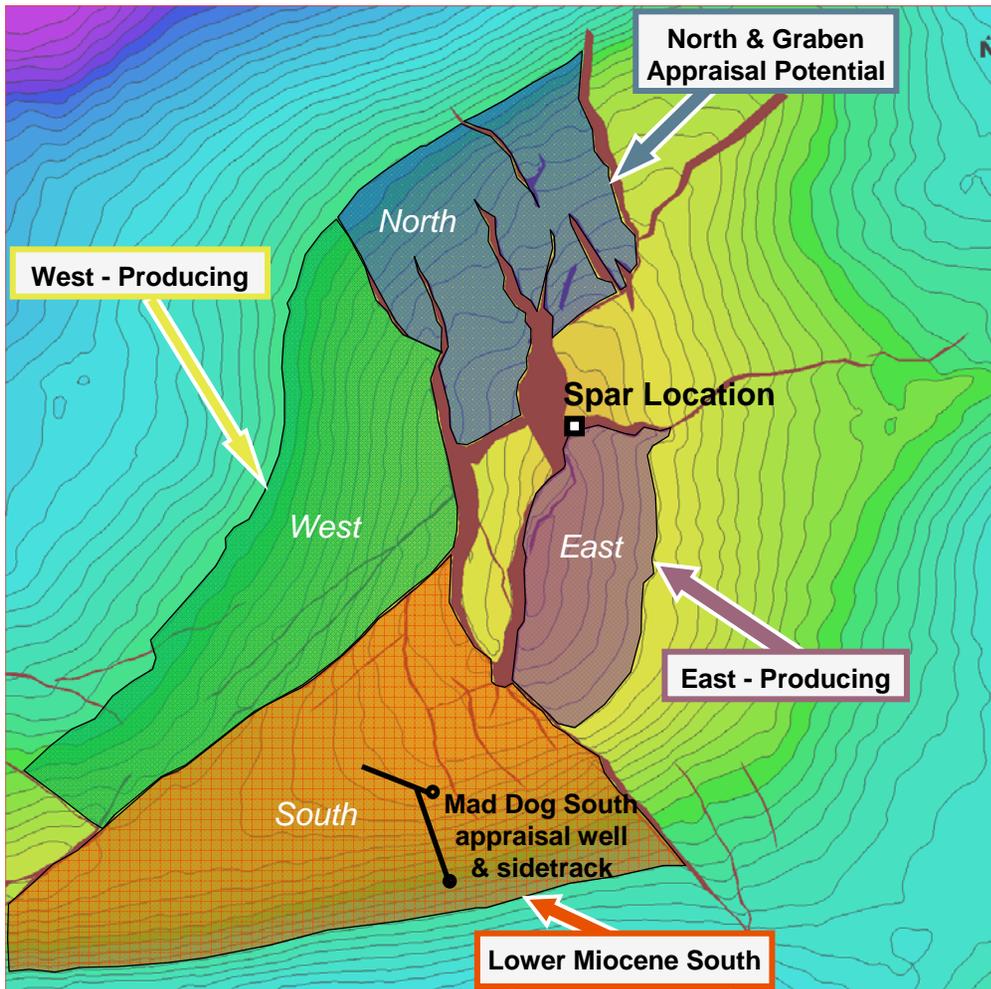
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High impact pre-development projects

- Oil
- Gas
- LNG



Mad Dog Continues to get bigger

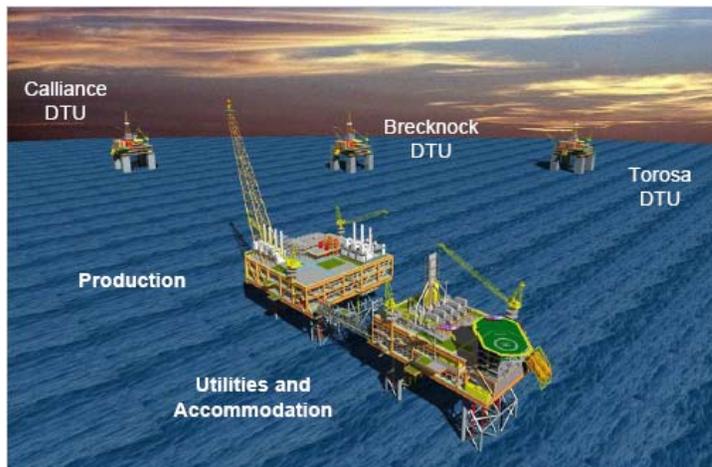


- Current Spar cannot drain all discovered oil to date
 - West and South areas cannot be fully reached
 - Optimised development scheme could double ultimate recovery
 - Evaluating additional development options
- North area to be appraised during FY2011 can be tied into main Spar for near term barrels

Browse LNG – long term growth opportunity

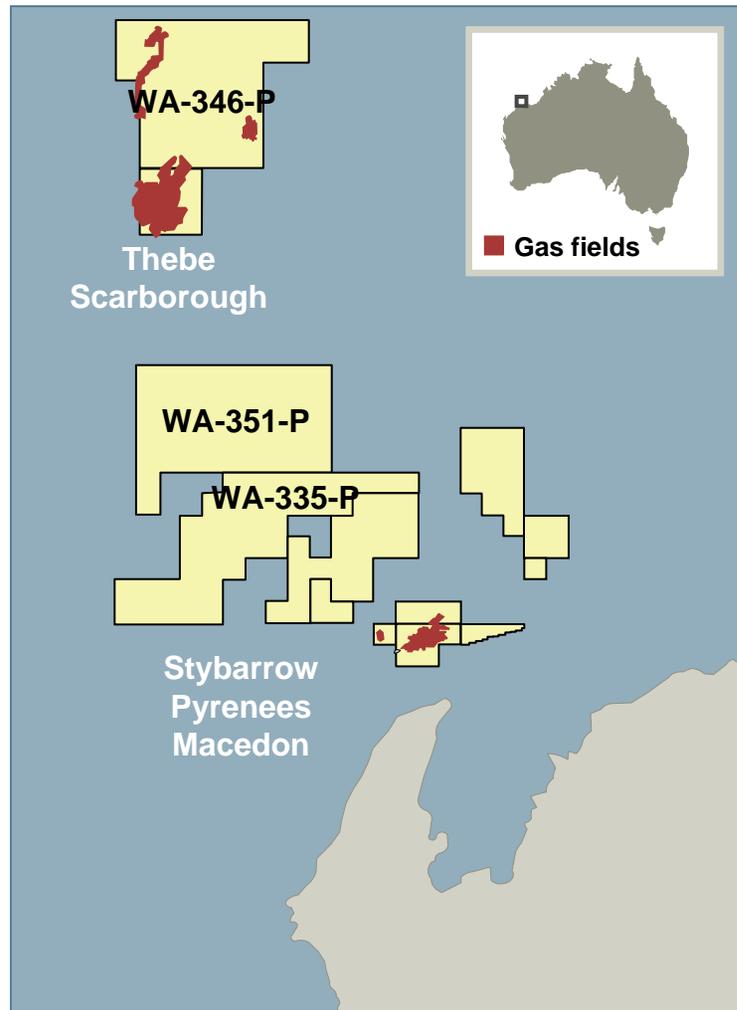


- Three large gas fields with 14 tcf recoverable reserves (Source: Wood Mackenzie)
- Retention Lease accepted with commitment to US\$1.25 billion work program (100%)
- Basis of Design work started for upstream facilities and downstream LNG plant



Source: Woodside.

Scarborough/Thebe – long term growth opportunity



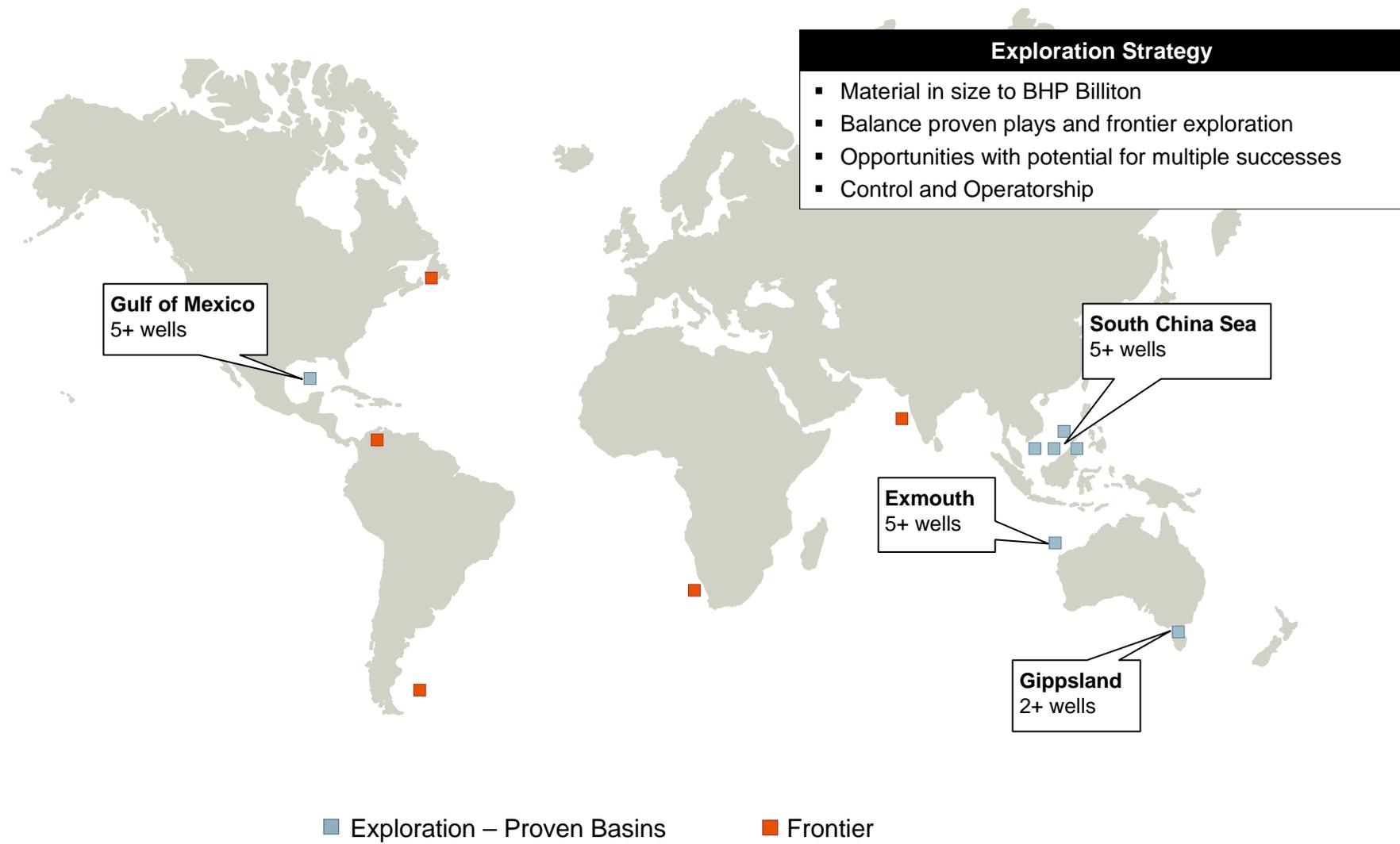
- High equity giant gas fields with 10 tcf recoverable reserves in area
 - Thebe 100% BHP Billiton
 - Scarborough 50% BHP Billiton
- US\$15-20 billion dollar investment (100%) expected for development of upstream facilities and LNG plant
- Concept select studies progressing and site geotechnical survey work commenced
- Planning for FEED commencement FY2011
- Strong BHP Billiton position currently
 - Production
 - Projects
 - Exploration

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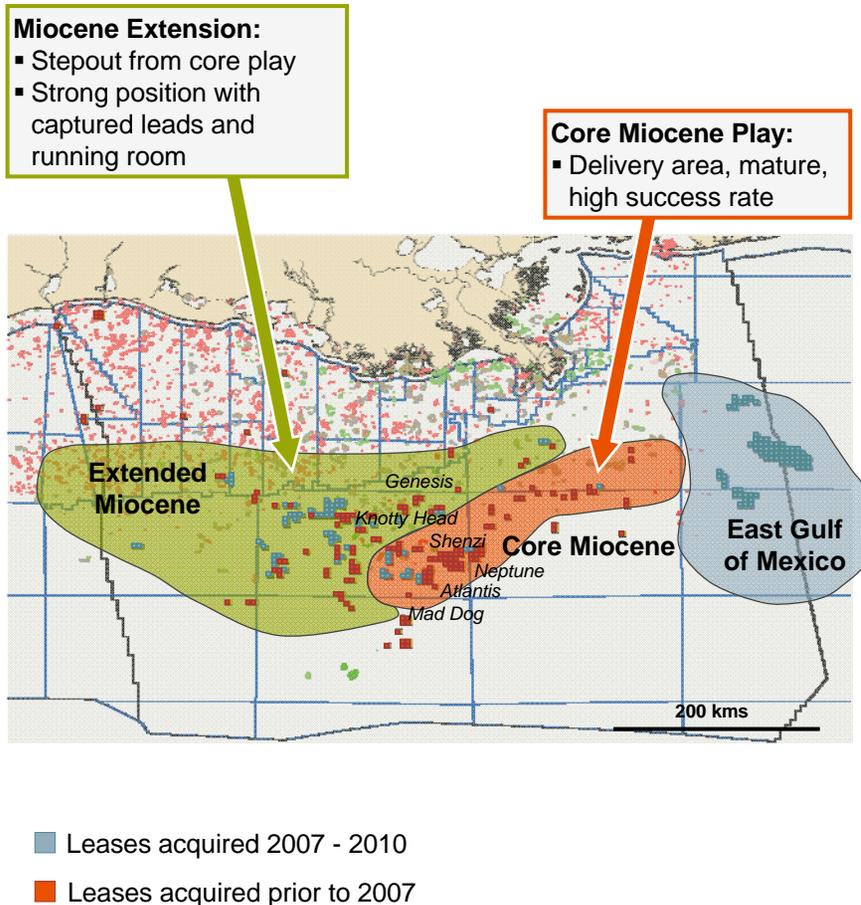
Multi-year drilling program underway

Focus on proven basins



Building material positions in proven basins

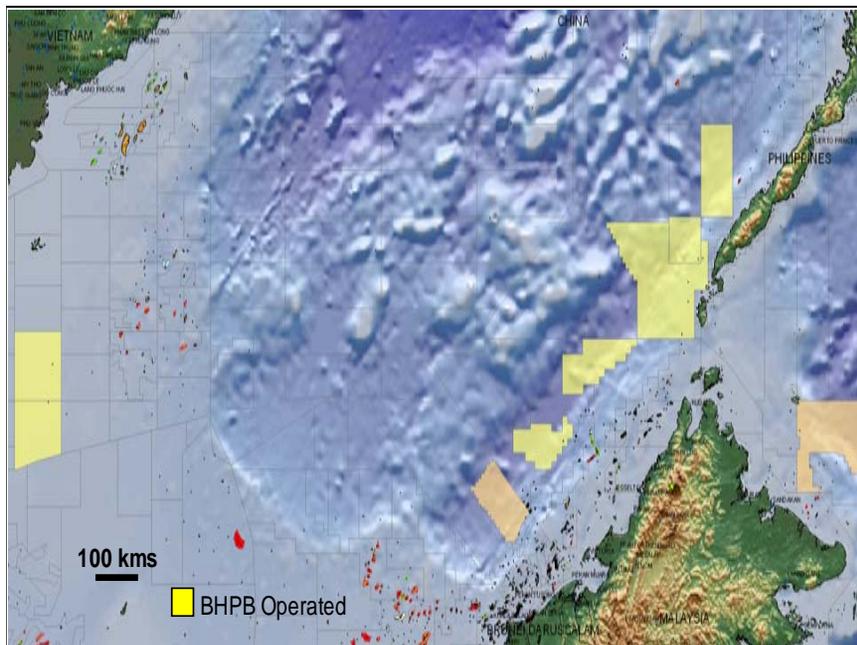
Gulf of Mexico



- **Core Basin – Still Delivering**
 - Strong acreage position
 - Deep Blue first test of Miocene Extension – encouraging
 - Expanded eastern GOM in FY2010
- **Building on success**
 - Deep Blue sidetrack
 - Gunflint appraisal
 - Further tests of the Miocene Extension
 - Several in-field appraisal wells

Building material positions in proven basins

South China Sea Area



- Delivering basin, significant potential (50 billion boe discovered to date)
- Material position captured – majority of acreage BHP Billiton operated
- Multiple countries (Vietnam, Malaysia and Philippines) but same rocks
- Ramping up drilling activity in CY2011 with several wells planned for Malaysia, Philippines and Vietnam
- Significant seismic program scheduled for the Philippines in preparation for FY2012 drilling
- Planning underway for wells in Vietnam and Brunei

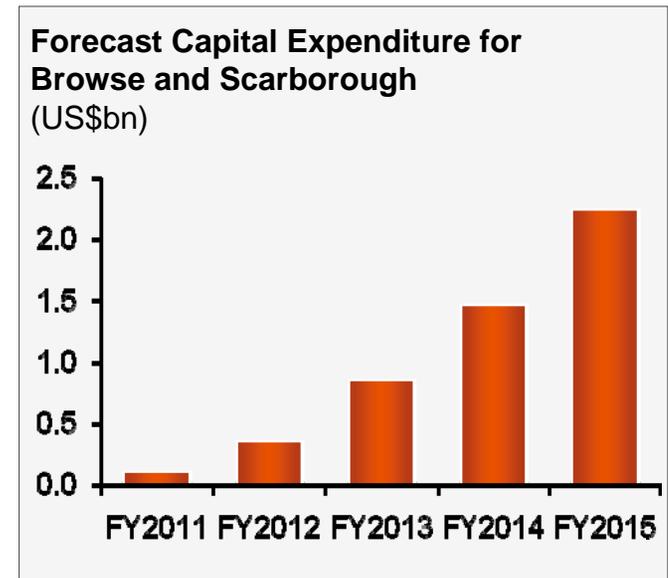
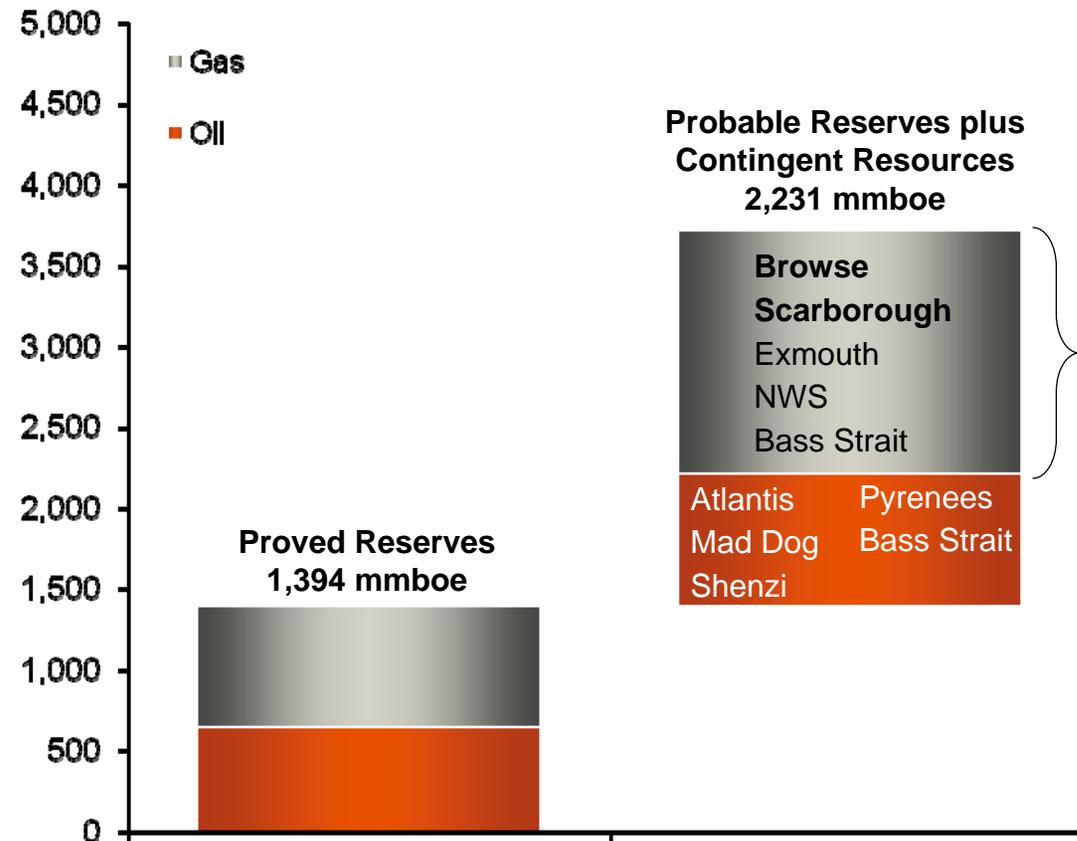
Summary

Significant resource position for long term growth



Reserves and Resources 3,715 mmboe

(mmboe, as at 30 Jun 2010)



Summary

Key messages

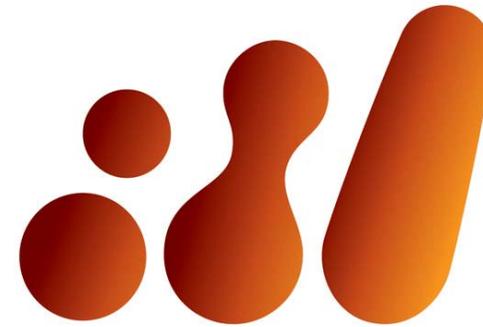


- **An integral part of BHP Billiton Group**
 - Strong performance in key commodity
 - Strong functional capability

- **Performance**
 - Consistent delivery of results in key metrics
 - Highly competitive versus peers

- **Nearer term**
 - Continued volume growth in FY2011 impacted by drilling moratorium in the Gulf of Mexico, but positioned to return to work quickly
 - Driving investment in multiple world class projects and drilling

- **Longer term opportunities**
 - Significant, focused Exploration program
 - Advancing world class resources in Western Australia



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resourcing the future