

# NEWS RELEASE



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## BHP BILLITON EXPLORATION AND DEVELOPMENT REPORT FOR THE QUARTER ENDED 30 JUNE 2010

### Development

The Newcastle Third Port Project (energy coal) was completed in June 2010, ahead of schedule and budget. This project will not be reported in future Exploration and Development reports.

During the year ended 30 June 2010 a further three projects achieved first production and two projects were sanctioned for development. The three commissioned projects were Western Australia Iron Ore Rapid Growth Project 4 (iron ore), Klipspruit Expansion (energy coal) and Pyrenees (oil and gas). The sanctioned projects were MAC20 Project (energy coal) and Antamina Expansion (copper).

In addition, US\$2.4 billion of pre-commitment expenditure was approved to accelerate development of Western Australia Iron Ore Rapid Growth Project 6 (iron ore), Caval Ridge and Hay Point Coal Terminal Stage 3 Expansion (both metallurgical coal) and the first stages of the Jansen Potash Project (potash).

| Project And Ownership  | Share Of Approved Capex US\$M | Initial Production Target Date | Production Capacity (100%)  | Quarterly Progress  |
|--|-------------------------------|--------------------------------|---|---|
| Petroleum Projects   |                               |                                |   |   |
| Angostura Gas Phase II (Trinidad and Tobago)<br>45%<br>Gas       | 180                           | H1 CY11                        | 280 million cubic feet gas per day  | On schedule and budget. Installation campaign is ongoing. Compression platform jacket installed. Topsides fabrication continues. The overall project is 69% complete. |
| Bass Strait Kipper (Australia)<br>32.5% - 50%<br>Gas/Gas Liquids | 500                           | CY11                           | 10,000 bpd condensate and processing capacity of 80 million cubic feet gas per day  | Schedule and budget under review following advice from the operator.  |
| Bass Strait Turrum (Australia)<br>50%<br>Gas/Gas Liquids         | 625                           | CY11                           | 11,000 bpd condensate and processing capacity of 200 million cubic feet gas per day | Schedule and budget under review following advice from the operator.  |

| Project And Ownership   | Share Of Approved Capex US\$M | Initial Production Target Date | Production Capacity (100%)   | Quarterly Progress  |
|---|-------------------------------|--------------------------------|--|---|
| North West Shelf<br>CWLH Life Extension<br>(Australia)<br>16.67%<br>Oil               | 245                           | CY11                           | Replacement vessel with capacity of 60,000 bpd oil   | On schedule and budget. Floating Production Storage and Offtake (FPSO) conversion continues. The overall project is 81% complete. |
| North West Shelf<br>North Rankin B Gas<br>Compression<br>(Australia)<br>16.67%<br>LNG | 850                           | CY12                           | 2,500 million cubic feet gas per day   | On schedule and budget. Jacket fabrication continuing ahead of schedule. The overall project is 51% complete.                     |
| <b>Minerals Projects</b>  |                               |                                |  |   |
| Worsley Efficiency & Growth (Australia)<br>86%<br>Alumina                             | 1,900                         | H1 CY11                        | 1.1 million tpa of additional alumina  | On schedule and budget. Construction is 27% complete. The overall project is 44% complete.  |
| Antamina Expansion (Peru)<br>33.75%<br>Copper   | 435                           | Q4 CY11                        | Increases ore processing capacity to 130,000 tpd   | On schedule and budget. Engineering is 75% complete. Construction is 7% complete. The overall project is 18% complete.            |
| Iron Ore (Western Australia)<br>RGP5<br>85%<br>Iron Ore                               | 4,800                         | H2 CY11                        | 50 million tpa additional iron ore system capacity   | On schedule and budget. Engineering is 97% complete. Construction is 61% complete. The overall project is 64% complete.           |
| Douglas-Middelburg Optimisation (South Africa)<br>100%<br>Energy Coal                 | 975                           | Mid CY10                       | 10 million tpa export thermal coal and 8.5 million tpa domestic thermal coal (sustains current output) | On schedule and budget. Commissioning of the coal processing plant is underway. The overall project is 98% complete.              |
| Newcastle Third Port Project (Australia)<br>35.5%<br>Energy Coal                      | 390                           | Mid CY10                       | 30 million tpa export coal loading facility  | Project has been completed ahead of schedule and budget, with the terminal becoming operational in June 2010.                     |
| MAC20 Project (Australia)<br>100%<br>Energy Coal                                      | 260                           | H1 CY11                        | Increases saleable thermal coal production by approximately 3.5 million tpa                            | On schedule and budget. Engineering is complete. Construction is 75% complete. The overall project is 81% complete.               |

## Minerals Exploration

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

During the quarter, BHP Billiton confirmed the strength of its position in the Saskatchewan potash basin in Canada with the reporting of an in-situ Mineral Resource<sup>1</sup> of 3,370 million tonnes @ 25.4% K<sub>2</sub>O at its wholly-owned Jansen Potash Project. In addition, the Indonesian Coal Project (ICP) joint venture was formed following Government approvals. PT Adaro Energy TBK has acquired a 25 per cent interest in the ICP joint venture, with BHP Billiton holding the remaining 75 per cent.

For the year ended 30 June 2010, BHP Billiton spent US\$516 million on minerals exploration, of which US\$467 million was expensed. This includes US\$73 million of exploration spend for potash in Saskatchewan, Canada.

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### <sup>1</sup> Competent Person's Statement

The statement of Mineral Resource being presented is based on information compiled by J.McElroy (MAusIMM) BHP Billiton, B.Nemeth (MAusIMM) BHP Billiton, and A. D. Mackintosh (APEGS) A.D.M Consulting and relates to Mineral Resource estimates as at 10 May 2010. A full statement of the Mineral Resource is provided in a BHP Billiton news release dated 7 June 2010. Competent Persons are full time employees of BHP Billiton (unless otherwise stated), have sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity they are undertaking to qualify as a Competent Person as defined in the JORC Code. All Competent Persons are members of either the Australian Institute of Mining & Metallurgy (AusIMM) or a Recognised Overseas Professional Organisation (ROPO). The Competent Persons consent to the inclusion in this report of the matters based on their information in the form and context in which it appears.

## Petroleum Exploration

Exploration and appraisal wells drilled during the quarter or in the process of drilling as at 30 June 2010.

| Well              | Location                              | BHP Billiton Equity                      | Status  |
|-------------------|---------------------------------------|--|---|
| Deep Blue-1       | Green Canyon Gulf of Mexico<br>GC 723 | 31.875% BHP Billiton<br>(Noble operator) | Temporarily suspended<br>Hydrocarbons encountered |
| Double Mountain-1 | Green Canyon Gulf of Mexico<br>GC 555 | 70% BHP Billiton<br>(operator)           | Plugged & abandoned<br>Dry hole                   |
| Firefox-1         | Green Canyon Gulf of Mexico<br>GC 817 | 50% BHP Billiton<br>(operator)           | Plugged & abandoned<br>Dry hole                   |
| Wolverine-1       | Laurentian Basin Canada<br>E.L. 1087R | 45% BHP Billiton<br>(CoP operator)       | Plugged & abandoned<br>Dry hole                   |
| Bel Air-1         | Liverpool Bay<br>110/13b              | 46.1% BHP Billiton<br>(operator)         | Plugged & abandoned<br>Dry hole                   |
| Toroa-1           | East Falkland Basin<br>PL015_02       | 51% BHP Billiton<br>(operator)           | Drilling ahead                                    |
| Furness C-1       | Exmouth Sub-basin<br>WA-255-P         | 50% BHP Billiton<br>(operator)           | Drilling ahead                                    |

Petroleum exploration expenditure for the year ended 30 June 2010 was US\$817 million, of which US\$563 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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