Goldman Sachs JBWere
Australasian Investment Forum

Marcus Randolph Chief Executive Officer – Ferrous and Coal
11-12 March 2010
Disclaimer

Reliance on Third Party Information
The views expressed here contain information that has been derived from publicly available sources that have not been independently verified. No representation or warranty is made as to the accuracy, completeness or reliability of the information. This presentation should not be relied upon as a recommendation or forecast by BHP Billiton.

Forward Looking Statements
This presentation includes forward-looking statements within the meaning of the U.S. Securities Litigation Reform Act of 1995 regarding future events and the future financial performance of BHP Billiton. These forward-looking statements are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, and which may cause actual results to differ materially from those expressed in the statements contained in this presentation. For more detail on those risks, you should refer to the sections of our annual report on Form 20-F for the year ended 30 June 2009 entitled “Risk factors”, “Forward looking statements” and “Operating and financial review and prospects” filed with the U.S. Securities and Exchange Commission.

No Offer of Securities
Nothing in this release should be construed as either an offer to sell or a solicitation of an offer to buy or sell BHP Billiton securities in any jurisdiction.

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.

Cautionary Note to US Investors
The SEC generally permits mining companies in their filings with the SEC to disclose only those mineral deposits that the company can economically and legally extract. Certain terms in this presentation, including "mineral resources", "measured resources", "indicated resources", "inferred resources", "resource life" and "potential mineralisation" would not generally be permitted in an SEC filing. The material denoted by such terms is not proven or probable reserves as such terms are used in the SEC's Industry Guide 7, and there can be no assurance that BHP Billiton will be able to convert such material to proven or probable reserves or extract such material economically. BHP Billiton urges investors to refer to its Annual Report or Form 20-F for the fiscal year ended 30 June 2009 for its most recent statement of mineral reserves calculated in accordance with Industry Guide 7.
Agenda

- BHP Billiton Overview
  - Chinese Steel Industry
  - Strong Basin Positions
  - Our Focus on Market Clearing Prices
Diversified and balanced across high margin commodities

Underlying EBIT (1H10, US$bn)

- **Metallurgical Coal**
- **Manganese**
- **Iron Ore**
- **SSM**
- **D&SP**
- **Base Metals**
- **Aluminium**
- **Energy Coal**
- **Petroleum**

Underlying EBIT margin\(^{(a)}\) (1H10, %)

- **Metallurgical Coal**
- **Manganese**
- **Iron Ore**
- **SSM**
- **D&SP**
- **Base Metals**
- **Aluminium**
- **Energy Coal**
- **Petroleum**

\(^{(a)}\) EBIT margin excludes third party trading.
Progressive growth and income

Investments (US$bn)

- Non Organic\(^{(a)}\)
- Organic

Organic Growth CAGR: 20%

Cash Dividends\(^{(b)}\) (US$bn)

- H1
- H2

CAGR: 25%

---

\(^{(a)}\) Reflecting announced transactions only. FY11F relates to Western Australia Iron Ore Production Joint Venture equalisation payment to Rio Tinto which is subject to finalisation adjustments.

\(^{(b)}\) H2 FY10 payment includes dividend declared on 10 February 2010. Calculated on the basis of UKGAAP for periods prior to FY05.
Agenda

- BHP Billiton Overview
- Chinese Steel Industry
- Strong Basin Positions
- Our Focus on Market Clearing Prices
China drives the Global Steel Industry

**Chinese crude steel production & global share**
- **Chinese production, Mt (LHS)**
- **Share of global, % (RHS)**

**Chinese iron ore import & domestic production**
- **Import (Mt, LHS)**
- **Chinese production (Mt, LHS)**
- **Share of China (%) (RHS)**

**Source:** World Steel Association.

**Source:** China Customs, CISA, BHP Billiton Analysis, China production basis 62% equivalent Fe.
Steel intensity per capita grows strongly as a nation becomes wealthier

Source: CISA, WMM, Global Insight, BHP Billiton.

Industrial development & finished steel consumption growth

- China/India steel intensity
- Other country steel intensities
- Possible path range for China by 2025

Real GDP per Capita (US$'000)
Agenda

- BHP Billiton Overview
- Chinese Steel Industry
- Strong Basin Positions
- Our Focus on Market Clearing Prices
Australia is the natural supplier to Asia: Iron Ore

2009 Major Trade Flows (Mt) – Iron Ore

<table>
<thead>
<tr>
<th>Country</th>
<th>Production (Mt) / Net Exports (Mt)</th>
</tr>
</thead>
<tbody>
<tr>
<td>India</td>
<td>204 / 114</td>
</tr>
<tr>
<td>China</td>
<td>258 / (629)</td>
</tr>
<tr>
<td>S. America</td>
<td>336 / 276</td>
</tr>
<tr>
<td>Australia</td>
<td>371 / 365</td>
</tr>
<tr>
<td>CIS</td>
<td>149 / 32</td>
</tr>
<tr>
<td>JKT</td>
<td>0 / (160)</td>
</tr>
</tbody>
</table>

Source: Trade statistics, AME, BHPB Billiton Analysis. All data is for the year ended 2009. Location of the arrows are indicative.
BHP Billiton

Ore Reserve
Mineral Resource
Potential Mineralisation

>2bt
1 – 2bt
0.5 – 1bt
<0.5bt

Basin strength - Iron ore, Pilbara

- 12.5bt of high quality Mineral Resource (100% basis)
- Significant additional Potential Mineralisation
- Large tonnages of Marra Mamba and Brockman ores, available for blending, at both Central and East Pilbara hubs
- Benefits of concentrated resources
  - Infrastructure scale efficiencies
  - More resource unlocked by local blending
  - Smaller environmental footprint

Equity basis: The Mineral Resource of 12.5bt in 100% terms translates to an attributable Mineral Resource of 11.1bt. This BHP Billiton Mineral Resource information was sourced from and should be read together with and subject to the notes set out in the BHP Billiton 2009 Annual Report. This document can be viewed at http://bhpbilliton.com. The mineral resource information in this slide was compiled by Heath Arvidson, a Member of the AusIMM and full time employee of BHP Billiton who has sufficient experience to qualify as a Competent Person and who consents to publication of the estimates in the form and context in which they appear above.
Continuing to increase production and develop new mines

BHP Billiton WA Iron Ore Production History
(Mt, Year ended June 2000 - 2009)

Area C & PACE +15Mt
Accel. Expansion +7Mt
RGP1 +10Mt
RGP2 +8Mt
RGP3 +20Mt
RGP4 +26Mt
RGP5 +50Mt
RGP6 +35Mt

Long-term growth to 350Mtpa under study

Notes: 100% share; Ramp up towards RGP4 installed capacity of 155Mtpa is currently underway. All studies and estimated capacity remain under review until they are approved for execution. Forecast production in the first full year at capacity.
Iron Ore: Unlocking scale benefits from a world class resource basin

- Exciting new joint venture with Rio Tinto announced on 5 June 2009

- Binding agreement to form 50:50 joint venture of Pilbara iron ore assets to leverage benefits of scale finalised early December 2009

Expected benefits include:

- Substantial and unique production and development synergies of over $10 billion NPV (100% basis)
  - Efficient use of infrastructure
  - Blending opportunities
  - Optimising future growth
Australia is the natural supplier to Asia: Met Coal

2009 Major Trade flows (Mt) – Met Coal

Country
Production / Net Exports

Asia
16

Canada
23 / 22

USA
46 / 33

EA16
4 / (35)

Russia
55 / 11

JKT
0 / (80)

China
471 / 41

India
8 / (25)

Australia
139 / 134

Source: Trade statistics and BHP Billiton estimates.
Note: Production and trade flow figures are in million tonnes per year. All data is for the year ended 2009. Location of the arrows are indicative.
Sustainability of Chinese coking coal demand

Coastal focus on growth coupled with push for larger Blast Furnaces

- 70% steel capacity and >70% planned steel capacity growth is in coastal provinces of China
- Steel mills are building larger blast furnaces to improve productivity and reduce costs
- Larger blast furnaces require better quality coke, hence more high quality hard coking coal

Source: BHP Billiton.

Chinese Pig Iron Output Capacity by Blast Furnace Size (Mt)

- >2000m³
- 1000-2000m³
- <1000m³

Source: BHP Billiton.
We are well positioned

Chinese net coking coal imports

- Coking Coal Imports
- Coal in Coke Exports
- Coking Coal Exports
- Net Imports

(a) Bubble size depicts relative coal resource size on a 100% basis. On an equity basis, as at end June 2009, BMA/BMC’s Marketable coal reserves total 1,145mt, Measured plus Indicated plus Inferred coal resources total 6,925mt. FY09 production was 30.1mt on BHP Billiton share basis.

(b) ‘Resource Life’ is indicative only and is calculated on the basis of [(Total Resource x Estimated Saleable Conversion Factor) / current mining rate].

(c) The resource and reserve information in this slide was compiled from the BHP Billiton 2009 Annual Report by Douglas Dunn, a Member of the AusIMM and full time employee of BMA who has sufficient experience to qualify as a Competent Person and who consents to publication of the estimates in the form and context in which they appear above.

Source: Chinese coal imports - China Customs Statistics.
Agenda

- BHP Billiton Overview
- Chinese Steel Industry
- Strong Basin Positions
- Our Focus on Market Clearing Prices
Market evolution in volatile business environments

I. Rise of spot sales
- Fixed priced commodities to 'market based' pricing
- Greater volatility
- Single reference product to simplify trades

II. Supported by financial markets
- Financial market follows physical spot, driven by a volatile spot market
- Intermediaries enter to facilitate transactions
- Forward/futures facilitate financial instruments e.g. options, swaps

III. Development of adjacent markets
- Electricity and energy coal. Trading the “dark” and the “spark”

Indicative positions
- Coking Coal
- Steel
- Electricity
- Oil
- Gold
- Uranium
- Manganese
- Iron ore
- Thermal Coal
- Natural gas
- LME

Standardisation, price transparency enable evolution

Fully evolved

Source: Press searches, BCG experience.
Iron Ore: Evolution continues

Seaborne + China iron ore demand (Mt)

- China Captive
- China LTC Imports
- China Floating Price Imports
- China Domestic Spot
- ROW Seaborn

Global floating price market close to 500Mt in 2009

Monthly variance iron ore price ($/dmt)

- September 2007
- October 2008
- September 2009

Source: BCG analysis, CRU, BHP Billiton.

Sources: BHP Billiton.
A one-way buyers option: why benchmark pricing doesn’t work

**Thermal coal prices**
(US$/t FOB, 6700Kcal/kg)

**Iron ore prices**
(US$/t FOB, 63.5%/62% Fe)

Source: Bloomberg and BHP Billiton Estimates.
(a) Japanese power utilities fixed contract price.
Conclusions

- Well situated to major steel growth markets
- Basin strength in manganese, metallurgical coal and iron ore
- Pursuing market based pricing mechanisms
- Balance sheet and cash flow to invest through the cycle

Hay Point Coal Terminal