



BHP Billiton Petroleum

Howard Weil Energy Conference

J. Michael Yeager
Chief Executive, BHP Billiton Petroleum

29 March 2011



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 2010 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.

Agenda



- BHP Billiton Corporation
- BHP Billiton Petroleum overview
- Major projects and exploration activities
- Fayetteville Shale acquisition
- Volume outlook
- Summary

A global upstream portfolio



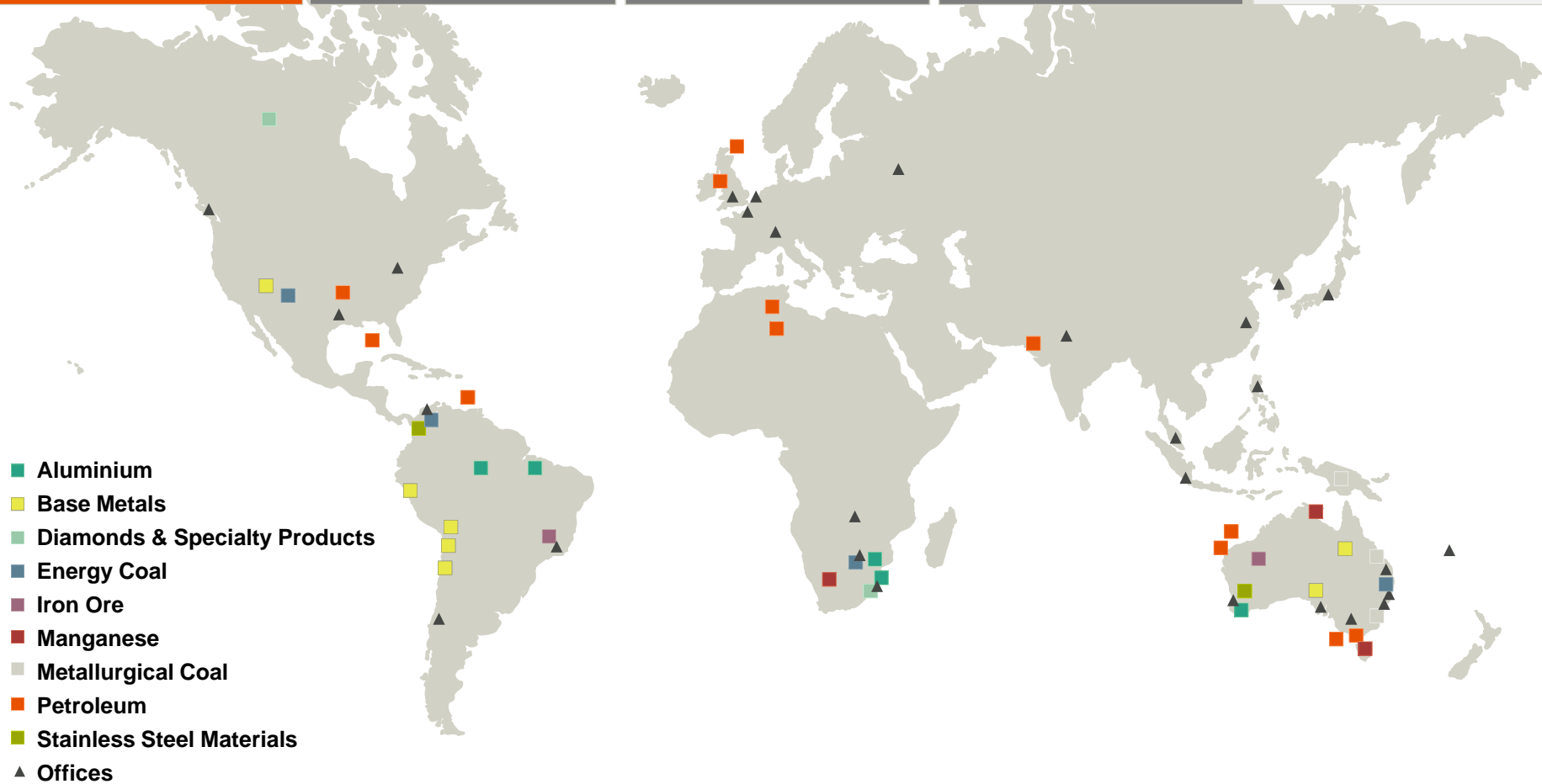
Petroleum: a 500mbd oil and gas exploration and production business

Iron Ore: one of the world's premier suppliers of iron ore

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

Metallurgical Coal: largest global supplier of seaborne traded hard coking coal

Other: Aluminium, Diamonds & SP, Stainless Steel Materials, Manganese, Energy Coal

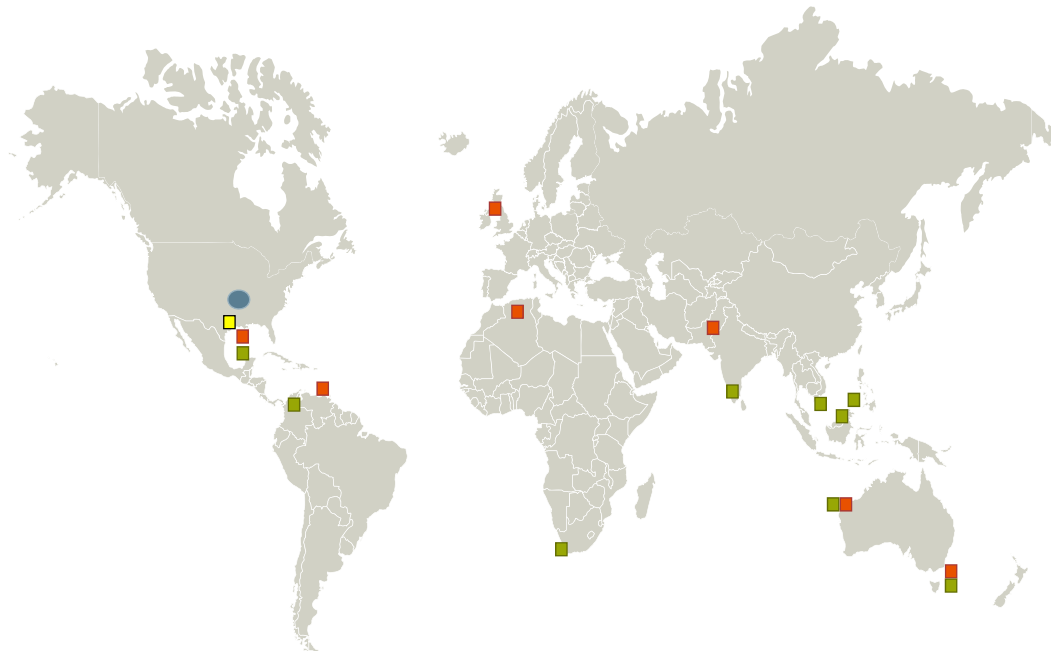


Agenda



- BHP Billiton Corporation
- **BHP Billiton Petroleum overview**
- Major projects and exploration activities
- Fayetteville Shale acquisition
- Volume outlook
- Summary

Clear strategy



- Petroleum HQ
- Exploration
- Production and Development
- Acquired Fayetteville Shale Asset

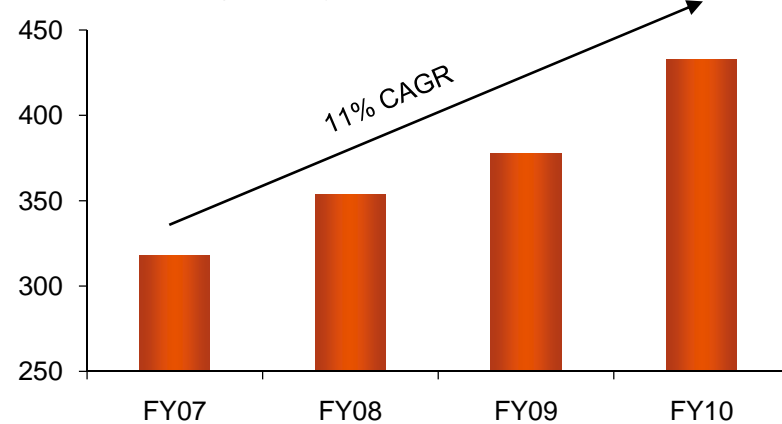
- Be **functionally strong** where we compete
- **Fundamentals focus** – safety, volume, cost
- Take **large, operated positions** with multiple long life opportunities
- **Explore globally**, but with an emphasis on proven basins
- **Pursue commercial opportunities** that fit and add to corporate diversification

Outstanding metrics



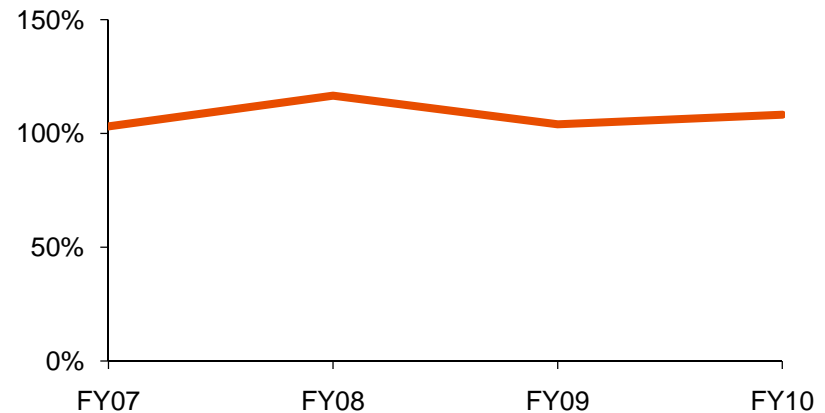
Industry-Leading Volume Growth

Net Production (Mboe/d)



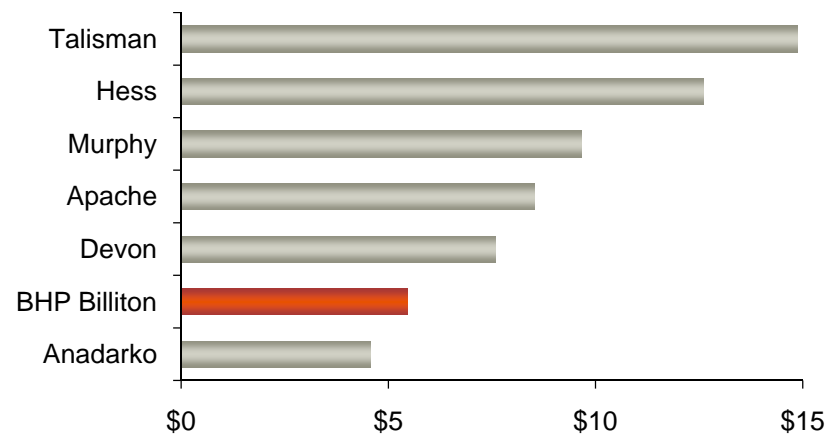
100% Reserve Replacement

Proved Reserve Additions / Volumes Produced



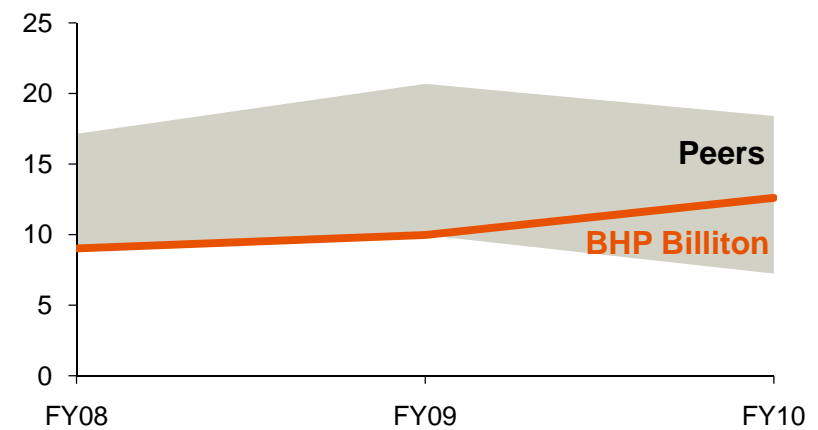
Low Unit Operating Costs

FY08-10 Average Net Operating Cost per BOE (USD/boe)



Highly Competitive Non-Cash Costs

Net DD&A per BOE vs. Peer Group (USD/boe)



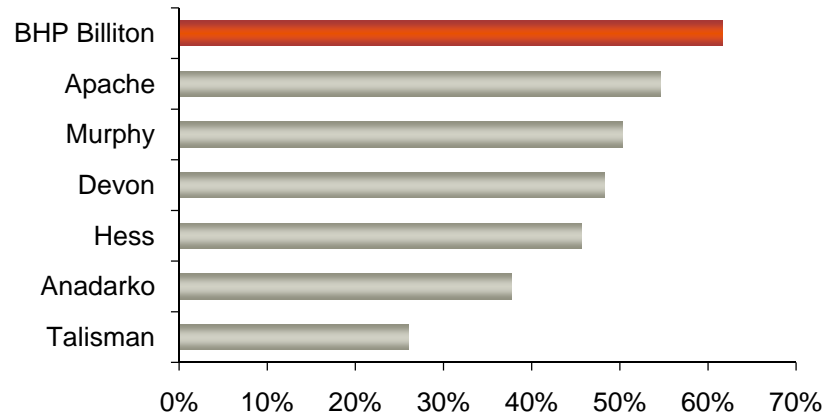
Source: Company reports. Cost data presented on a normalised basis to exclude one-off events and activities that were not considered part of E&P operations.

Excellent financial returns



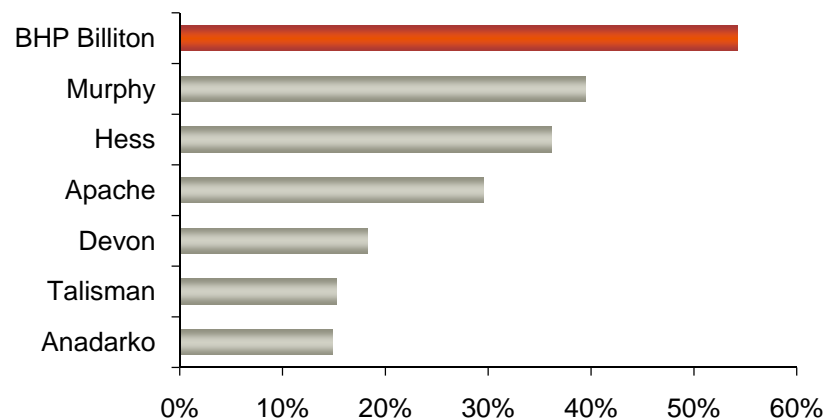
EBIT Margins Greater than 60%

FY08-10 Average EBIT Margin (% of Revenue)



EBIT Return on Capital Greater than 50%

FY08-10 Average EBIT Return on Capital (EROC)



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.

- High margins from a large proportion of liquids-priced barrels, combined with low unit costs
- Efficient capital investment program with world-class operated projects delivered on schedule and budget
- Best-in-class drilling performance continues to add substantial value

Agenda



- BHP Billiton Corporation
- BHP Billiton Petroleum overview
- **Major projects and exploration activities**
- Fayetteville Shale acquisition
- Volume outlook
- Summary

Proven project development capability

Pyrenees



Shenzi



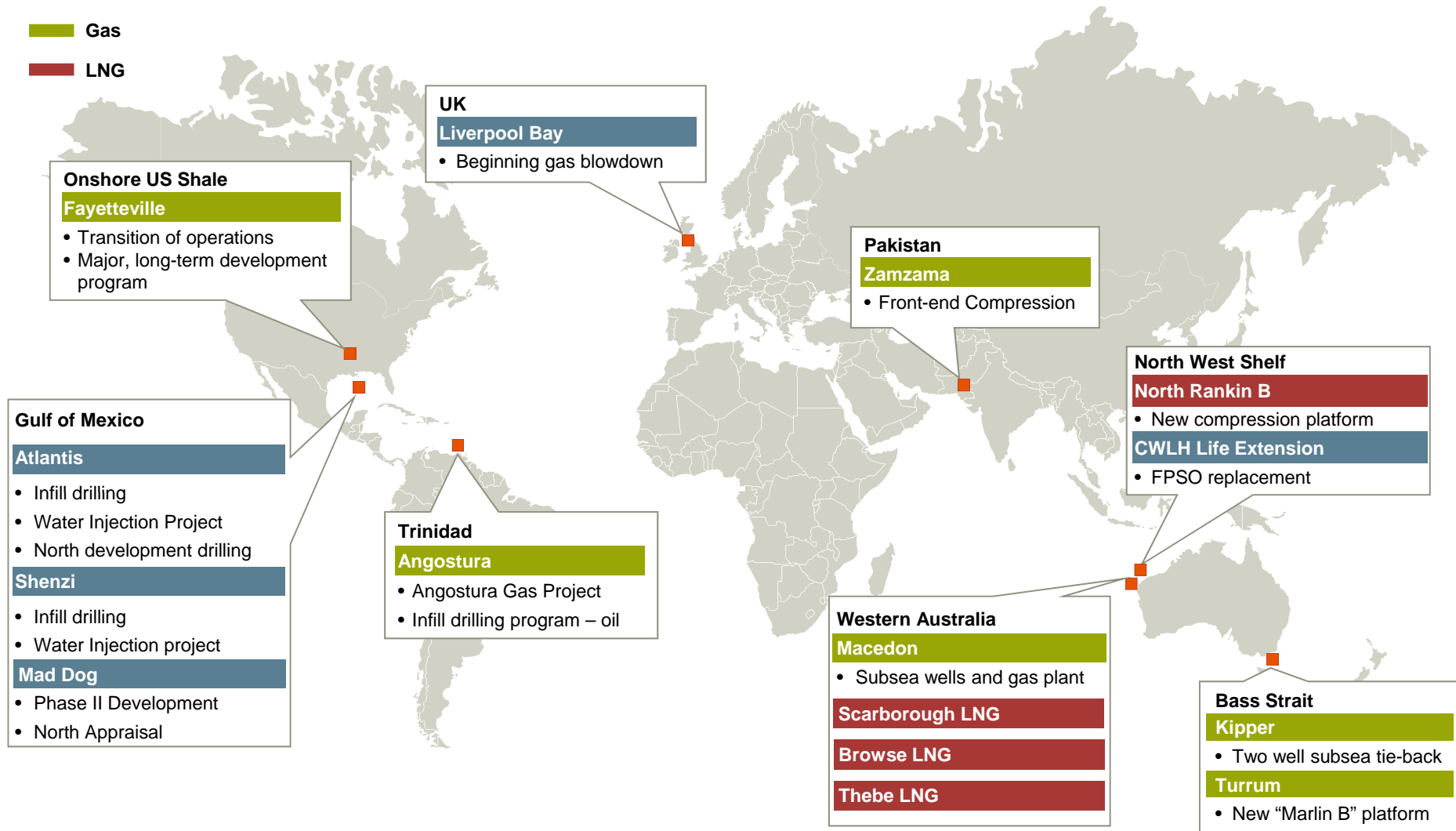
Angostura Gas



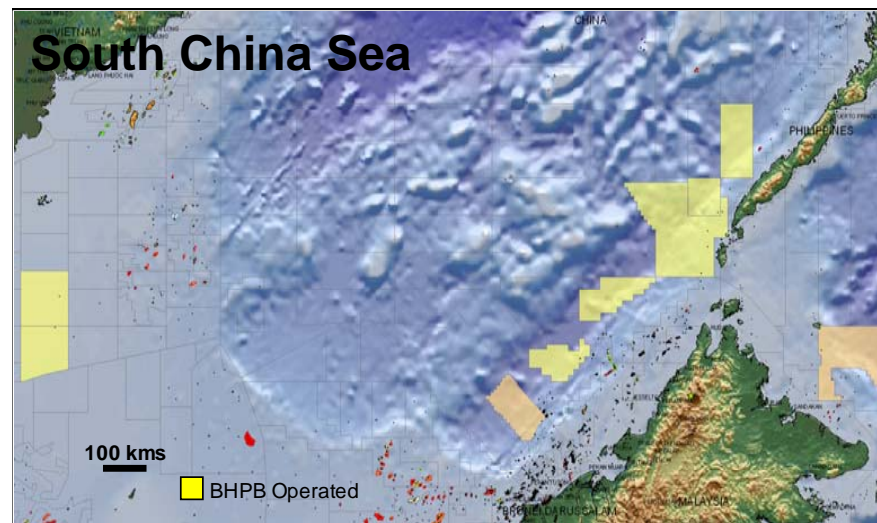
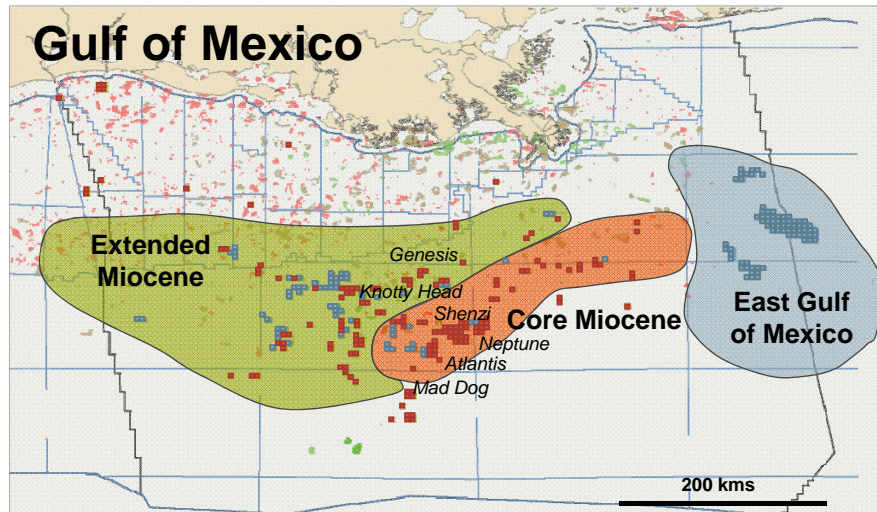
- World-class operated projects consistently delivered on schedule and budget
- Pyrenees (WA)
 - One of Australia's largest subsea projects; ramped up to nameplate capacity (96 Mboe/d) in 11 days
- Shenzi (GOM)
 - One of the world's deepest TLPs; design capacity of 100 Mboe/d with initial production of 140 Mboe/d
- Angostura Gas (Trinidad)
 - Gas volumes triple total production from Trinidad Asset

Deep inventory of projects

- Oil
- Gas
- LNG



Major exploration program underway



- Material to BHP Billiton; primarily operated positions
- Balance of proven plays and frontier exploration with running-room and the potential for multiple successes
- Significant funding (~\$1 billion/year) versus prior years with major activities ahead:
 - Resumption of drilling in the GOM
 - Deepest-ever well in Malaysia
 - Seismic and/or drilling activities in Australia, Colombia, India, South Africa, Brunei and Vietnam

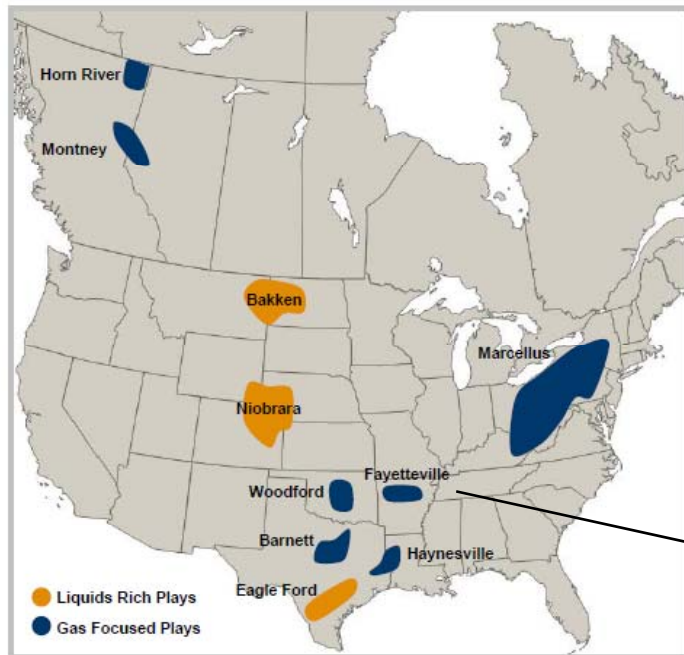
Agenda



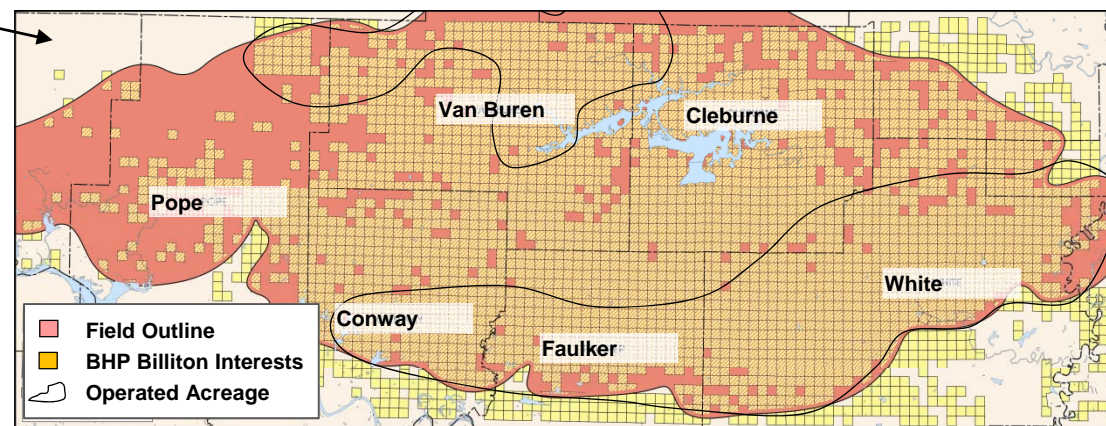
- BHP Billiton Corporation
- BHP Billiton Petroleum overview
- Major projects and exploration activities
- **Fayetteville Shale acquisition**
- Volume outlook
- Summary

Unique opportunity to acquire a leadership position in a major North American shale

North American Shale Gas Plays

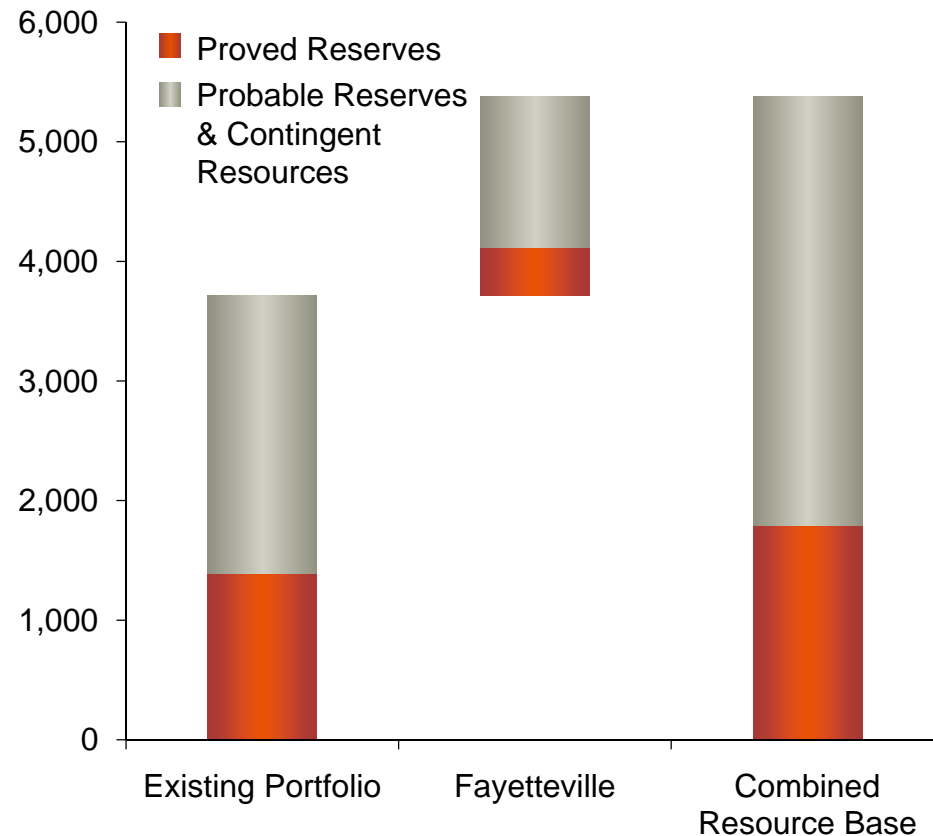


- 100% of Chesapeake's upstream and midstream Fayetteville interests acquired for \$4.75 billion
- Largest U.S. shale gas asset transaction, expected to close very soon
- Single, giant field enables focus and is consistent with our corporate strategy
- Substantive operated entry into shale gas



Major resource addition

Net Resources (MMboe)



- 45% increase to current resource base
- Large percentage of non-proved resources remain to be developed
- Major Fayetteville development program ahead with \$800 million – \$1 billion annual capital spend

*BHP Billiton Petroleum Net Resources as per BHP Billiton's
Production Report for the Half Year Ended December 31, 2010*

*Fayetteville Net Resources as per Chesapeake's Investor
Presentation dated December 2010*

Excellent strategic fit



- World-class accessible resource, material to BHP Billiton
 - Large, long-life, low cost, with significant future development
- Access to the world's largest gas market
- Lower risk due to adequate production history and extensive delineation drilling
- Long term investment matches our financial strength
- Large operated position, leveraging our organisation and expertise
- Stable operating environment and attractive U.S. fiscal terms

Agenda



- BHP Billiton Corporation
- BHP Billiton Petroleum overview
- Major projects and exploration activities
- Fayetteville Shale acquisition
- **Volume outlook**
- Summary

GOM moratorium impacts



- Significant near-term impact due to the deferral of high-rate producers
- **Shenzi:** 3 wells deferred – first new producer now permitted
- **Atlantis:** 6 wells deferred and no new production wells expected until 2H CY11, pending permit approvals
- **Neptune:** 2 wells deferred including Northeast appraisal well
- **Mad Dog:** seeking permit approval for very significant Mad Dog North appraisal well

Return to work in the Gulf of Mexico

Development Driller I



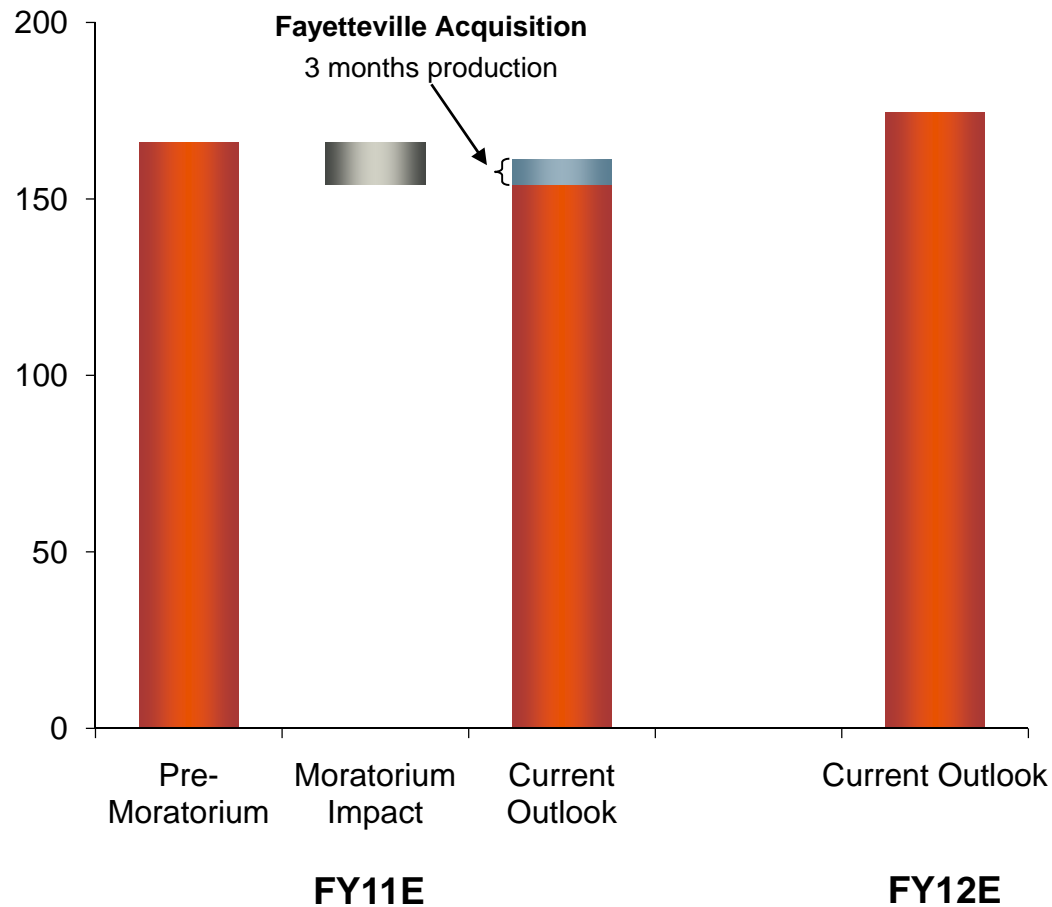
CR Luigs



- Both operated rigs re-certified and safely back to work
- **First** to resume deepwater drilling under new regulations (Shenzi water injector)
- **First** to resume deepwater production well drilling under new regulations (Shenzi infill)
- BHP Billiton has joined the Marine Well Containment Company (MWCC) and remains committed to the GOM for the long-term

Near-term volume impacts offset by Fayetteville acquisition

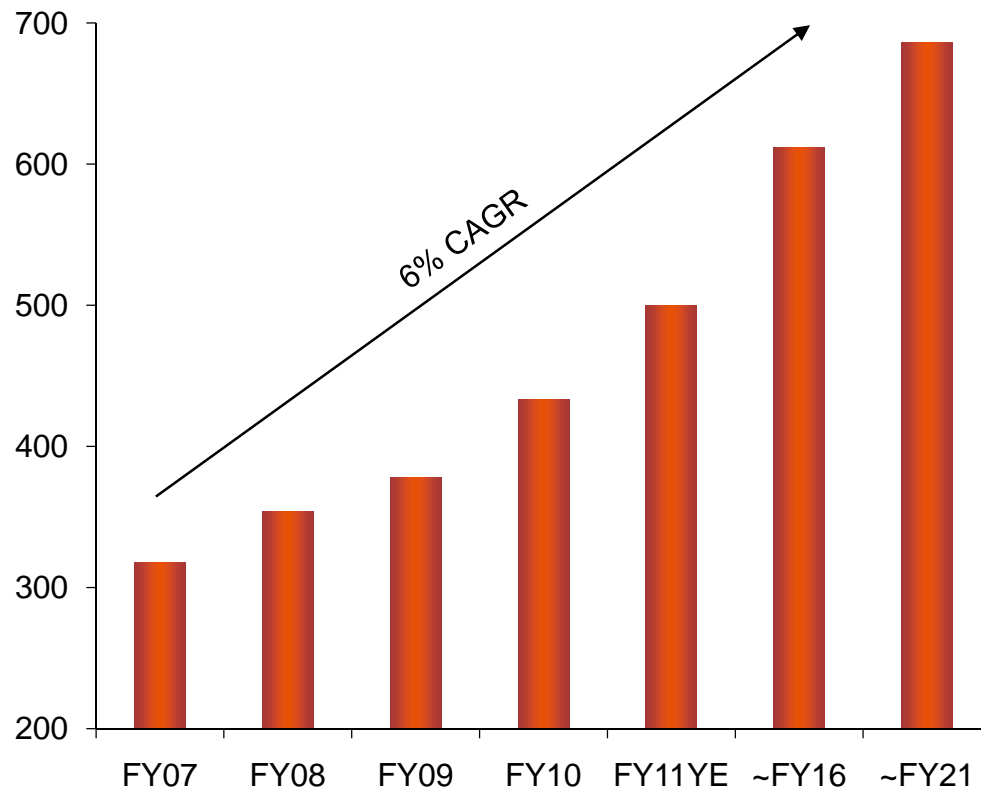
Net Production Volumes (MMboe)



- Production volumes reduced ~12 MMboe in FY11 due to the GOM moratorium
- Fayetteville acquisition offsets majority of FY11 impact and delivers a return to growth in FY12

Sustained, long-term growth

Net Production Rates
(Mboe/d)



- Development plans to triple 65 Mboe/d current Fayetteville production
- Builds upon existing pipeline of major projects including WA LNG and Mad Dog Phase II
- Fayetteville volumes positively impact unit cost and EBIT margin metrics
- All volumes from large fields and balanced liquids and gas

Agenda



- BHP Billiton Corporation
- BHP Billiton Petroleum overview
- Major projects and exploration activities
- Fayetteville Shale acquisition
- Volume outlook
- **Summary**

Summary

- Strong functional capability with focus on the fundamentals
- Highly competitive performance metrics
- Driving investment in multiple development projects and a material, focused Exploration program
- Fayetteville acquisition increases total resources by 45%, positively impacts key metrics, and is fully consistent with our strategy
- GOM moratorium impacts offset by Fayetteville acquisition, with significant volume growth ahead over the next decade
- Safely returning to work in the Gulf of Mexico



bhpbilliton

resourcing the future