

NEWS RELEASE



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BHP BILLITON EXPLORATION AND DEVELOPMENT REPORT FOR THE YEAR ENDED 30 JUNE 2013

This report covers the Group's exploration and development activities for the June 2013 quarter. 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

The majority of BHP Billiton's 18 low risk, largely brownfield, major projects are scheduled to deliver first production before the end of the 2015 financial year.

Our Western Australia Iron Ore (WAIO) business achieved several milestones during the 2013 financial year, which included an increase in port capacity to 220 million tonnes per annum (100 per cent basis) following the successful installation of all major infrastructure associated with the WAIO Port Hedland Inner Harbour Expansion project. In addition, WAIO Orebody 24 delivered first production during the period.

The WAIO Jumblebar Mine Expansion, which will increase supply chain capacity to 220 million tonnes per annum (100 per cent basis), is now expected to achieve first production in the December 2013 quarter, ahead of schedule. The project is on budget in local currency, although the capital cost in US dollars is expected to be 10 per cent, or US\$340 million higher than the original budget. This increase has been more than offset by a change in scope and US\$400 million reduction in the budget for the WAIO Port Blending and Rail Yard Facilities project, which reflects the decision to prioritise capital efficient growth in the inner harbour. As a result, WAIO remains well positioned to deliver 220 million tonnes per annum of supply chain capacity ahead of schedule and on budget.

The Daunia and Broadmeadow Life Extension projects (both metallurgical coal) also delivered first production during the 2013 financial year, ahead of schedule. In addition, first coal was loaded from the Newcastle Third Port Stage 3 project (energy coal) during the June 2013 quarter. The WAIO Port Hedland Inner Harbour Expansion, WAIO Orebody 24 and Daunia projects will not be reported in future Exploration and Development Reports.

BHP Billiton's Onshore US drilling and development expenditure totalled US\$4.8 billion in the 2013 financial year and reflected a higher working interest across several fields and an increase in drilling speed, which delivered more wells per rig and a higher rate of completion activity. Over 80 per cent of our Onshore US expenditure was directed towards the Eagle Ford and Permian, as planned. An improvement in drilling productivity is expected to facilitate a reduction in our rig count in the 2014 financial year, while a lower level of capital expenditure for Onshore US will be increasingly focused on our liquids rich acreage in the Eagle Ford.

BHP Billiton continued to simplify its portfolio during the period. On 20 June 2013 the Company announced an extension of its WAIO long term joint venture relationship with ITOCHU Corporation (ITOCHE) and Mitsui & Co., Ltd (Mitsui). This transaction was completed in July 2013 and has aligned interests across the WAIO supply chain. Under the terms of the agreement, ITOCHU and Mitsui invested approximately US\$0.8 billion and US\$0.7 billion, respectively, in shares and loans of BHP Iron Ore (Jimblebar) Pty Ltd, representing an eight per cent and seven per cent interest in the Jimblebar mining hub and resource. The consideration included a share of capital costs associated with the Jimblebar Mine Expansion project.

During the June 2013 quarter, BHP Billiton also completed the sale of its 8.33 per cent interest in the East Browse Joint Venture and 20 per cent interest in the West Browse Joint Venture, located offshore Western Australia, to PetroChina International Investment (Australia) Pty Ltd for US\$1.63 billion plus customary purchase price adjustments.

Project and ownership	Share of approved capex (US\$m)	Initial production target date	Production capacity (100%)	Quarterly progress
Petroleum projects				
Macedon (Australia) 71.43% Operator Gas	1,050	CY13	200 million cubic feet gas per day.	On schedule and budget. Commissioning activities are progressing and the overall project is 99% complete.
Bass Strait Turrum ^(a) (Australia) 50% Non operator Gas/Gas Liquids	1,350	CY13	11,000 bpd condensate and processing capacity of 200 million cubic feet gas per day.	On revised schedule and budget. The overall project is 91% complete.
Bass Strait Longford Gas Conditioning Plant (Australia) 50% Non operator Gas	520	CY16	Designed to process approximately 400 million cubic feet per day of high CO ₂ gas.	On schedule and budget. The overall project is 4% complete.
North West Shelf North Rankin B Gas Compression (Australia) 16.67% Non operator LNG	850	CY13	2,500 million cubic feet gas per day.	On budget. Commissioning activities are progressing and the overall project is 99% complete.
North West Shelf Greater Western Flank-A (Australia) 16.67% Non operator LNG	400	CY16	To maintain LNG plant throughput from the North West Shelf operations.	On schedule and budget. The overall project is 51% complete.
Minerals projects				
Escondida Organic Growth Project 1 (Chile) 57.5% Copper	2,207	H1 CY15	Replaces the Los Colorados concentrator with a new 152,000 tpd plant.	On schedule and budget. The overall project is 41% complete.

Project and ownership	Share of approved capex (US\$m)	Initial production target date	Production capacity (100%)	Quarterly progress
Escondida Oxide Leach Area Project (Chile) 57.5% Copper	414	H1 CY14	New dynamic leaching pad and mineral handling system. Maintains oxide leaching capacity.	On schedule and budget. The overall project is 61% complete.
WAIO Jimblebar Mine Expansion (Australia) 96% ^(b) Iron Ore	3,640 ^{(b)(c)}	H2 CY13	Increases mining and processing capacity to 35 million tpa with incremental debottlenecking opportunities to 55 million tpa.	Ahead of schedule and on budget in local currency, although the capital cost in US dollars is expected to be 10% higher than the original budget. The overall project is 89% complete.
WAIO Port Hedland Inner Harbour Expansion (Australia) 85% Iron Ore	1,900 ^(c)	H2 CY12	Increases total inner harbour capacity to 220 million tpa. Debottlenecking opportunities that would add substantial, low cost capacity are being evaluated.	First production was achieved in Q4 CY12. On schedule and budget. The overall project is 92% complete.
WAIO Port Blending and Rail Yard Facilities (Australia) 85% Iron Ore	1,000 ^{(c)(d)}	H2 CY14	Optimises resource and enhances efficiency across the WAIO supply chain.	On schedule and budget on the basis of the revised scope. The overall project is 86% complete.
WAIO Orebody 24 (Australia) 85% Iron Ore	698	H2 CY12	Maintains iron ore production output from the Newman Joint Venture operations.	First production was achieved in Q4 CY12. On schedule and budget. The overall project is 88% complete.
Samarco Fourth Pellet Plant (Brazil) 50% Iron Ore	1,750	H1 CY14	Increases iron ore pellet production capacity by 8.3 million tpa to 30.5 million tpa.	On schedule and budget. The overall project is 90% complete.
Daunia (Australia) 50% Metallurgical Coal	800	Q1 CY13	Greenfield mine development with 4.5 million tpa of export metallurgical coal capacity.	First production was achieved in Q1 CY13, ahead of schedule. Ramp-up is also progressing ahead of plan. The final capital cost is expected to be below budget. The overall project is 97% complete.
Hay Point Stage Three Expansion (Australia) 50% Metallurgical Coal	1,250 ^(c)	CY14	Increases port capacity from 44 million tpa to 55 million tpa and reduces storm vulnerability.	Schedule and budget are under review. The overall project is 66% complete.
Caval Ridge (Australia) 50% Metallurgical Coal	1,870 ^(c)	CY14	Greenfield mine development to produce an initial 5.5 million tpa of export metallurgical coal.	On schedule and budget. The overall project is 71% complete.

Project and ownership	Share of approved capex (US\$m)	Initial production target date	Production capacity (100%)	Quarterly progress
Appin Area 9 (Australia) 100% Metallurgical Coal	845	CY16	Maintains Illawarra Coal's production capacity with a replacement mining domain and capacity to produce 3.5 million tpa of metallurgical coal.	On schedule and budget. The overall project is 44% complete.
Cerrejon P40 Project (Colombia) 33.3% Energy Coal	437	CY13	Increases saleable thermal coal production by 8 million tpa to approximately 40 million tpa.	On schedule and budget. The overall project is 71% complete.
Newcastle Third Port Project Stage 3 (Australia) 35.5% Energy Coal	367	Q2 CY13	Increases total coal terminal capacity from 53 million tpa to 66 million tpa.	First coal was loaded in Q2 CY13, ahead of schedule and on budget. The overall project is 76% complete.

Minerals exploration

Greenfield minerals exploration is focused on advancing copper targets within Chile and Peru. Minerals exploration expenditure for the 2013 financial year was US\$651 million, of which US\$500 million was expensed.

Petroleum exploration

Exploration and appraisal wells drilled during the quarter or in the process of drilling as at 30 June 2013.

Well	Location	BHP Billiton equity	Status
Raptor-1/ST-1	Gulf of Mexico DC535	50% (Anadarko operator)	Drilling ahead
Homevale-1	Western Australia WA-475P	60% (Operator)	Plugged and abandoned Dry hole

Petroleum exploration expenditure for the 2013 financial year was US\$675 million, of which US\$522 million was expensed.

BHP Billiton expanded its Petroleum exploration portfolio with the signing of Production Sharing Contracts for Trinidad and Tobago's deep water Blocks 5, 6, 28 and 29.

- (a) Initial production through the Turrum facilities, scheduled for the 2013 calendar year, will be low CO₂ gas. Additional high CO₂ production from the Turrum reservoir will come online with completion of the Longford Gas Conditioning Plant in the 2016 calendar year.
- (b) Following completion of the ITOCHU and Mitsui transaction in July 2013, BHP Billiton's economic interest in the Jiblebar Mine Expansion project is now 85 per cent and our share of approved capital expenditure is reduced to US\$3,220 million.
- (c) Excludes announced pre-commitment funding.
- (d) The construction of port blending and rail yard facilities at the South Stockyard is no longer included in the scope of the WAIO Port Blending and Rail Yard Facilities project.

Further information on BHP Billiton can be found at: www.bhpbilliton.com

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