



**BHP BILLITON FINANCE LIMITED**  
*(incorporated with limited liability in Australia)*

**BHP BILLITON FINANCE PLC**  
*(incorporated with limited liability in England and Wales)*

**€20,000,000,000**  
**Euro Medium Term Note Programme**  
**guaranteed**  
**in respect of Notes issued by BHP Billiton Finance Limited**  
**by**  
**BHP BILLITON LIMITED**  
*(incorporated with limited liability in Australia)*

**and guaranteed in respect of Notes issued by BHP Billiton Finance Plc**  
**by**  
**BHP BILLITON PLC**  
*(incorporated with limited liability in England and Wales)*

On 19 June 2002, each of BHP Billiton Finance Limited and BHP Billiton Finance B.V., as issuers, and BHP Billiton Limited and BHP Billiton Plc, as issuers and guarantors, entered into a U.S.\$1,500,000,000 Euro Medium Term Note Programme. This Prospectus supersedes all previous offering circulars or prospectuses issued in connection with the Programme. Any Notes (as defined below) issued after the date hereof under the Programme are issued subject to the provisions set out herein. This does not affect any Notes issued prior to the date hereof.

Under the Euro Medium Term Note Programme described in this Prospectus (the "Programme"), each of BHP Billiton Finance Limited and BHP Billiton Finance Plc, subject to compliance with all relevant laws, regulations and directives, may from time to time issue Euro Medium Term Notes (the "Notes") guaranteed by BHP Billiton Limited (in the case of Notes issued by BHP Billiton Finance Limited) and BHP Billiton Plc (in the case of Notes issued by BHP Billiton Finance Plc) (each such guarantee a "Guarantee" and together, the "Guarantees"). Notes also have the benefit of deed poll guarantees dated 29 June 2001 (each a "Cross Guarantee" and together, the "Cross Guarantees") entered into by each of BHP Billiton Limited and BHP Billiton Plc, pursuant to which each of BHP Billiton Limited and BHP Billiton Plc has guaranteed the relevant contractual obligations of the other Guarantor (and thereby the relevant obligations of other persons that are guaranteed by the other Guarantor). The aggregate nominal amount of Notes outstanding will not at any time exceed €20,000,000,000 (or the equivalent in other currencies).

Application has been made to the Financial Services Authority (the "FSA") in its capacity as competent authority under the Financial Services and Markets Act 2000 (the "FSMA") (the "UK Listing Authority") for Notes issued under the Programme during the period of 12 months from the date of this Prospectus to be admitted to the Official List of the UK Listing Authority (the "Official List") and to the London Stock Exchange plc (the "London Stock Exchange") for such Notes to be admitted to trading on the London Stock Exchange's Regulated Market (the "Market"). References in this Prospectus to Notes being "listed" (and all related references) shall mean that such Notes have been admitted to the Official List and have been admitted to trading on the Market. The Market is a regulated market for the purposes of Directive 2004/39/EC (the "Markets in Financial Instruments Directive"). The Programme provides that Notes may be listed on such other or further stock exchange(s) as may be agreed between the relevant Issuer and the relevant Dealer(s). The Issuers may also issue unlisted Notes.

Notes may be issued in bearer form ("Bearer Notes") or in registered form ("Registered Notes") or in bearer form exchangeable for Registered Notes ("Exchangeable Bearer Notes"). Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche (as defined herein) of Notes will be set out in a final terms document (the "Final Terms") which, with respect to Notes to be listed on the Official List and traded on the Market, will be delivered to the UK Listing Authority and the London Stock Exchange. Copies of each Final Terms will be available for viewing, subject as provided below, on weekdays during normal business hours at the principal office of the Trustee (as defined below) and the specified offices of the Paying Agents and the Transfer Agents (each as defined herein) as set out at the end of this Prospectus. In addition, copies of each Final Terms relating to Notes which are either admitted to trading on the Market or offered in the United Kingdom in circumstances where a prospectus is required to be published under the Prospectus Directive (as defined below) will also be published on the website of the London Stock Exchange through a regulatory information service. Copies of each Final Terms relating to Notes which are admitted to trading on any other regulated market in the European Economic Area or offered in any other Member State of the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive will be published in accordance with Article 14(2) of the Prospectus Directive and the rules and regulations of the relevant regulated market. Copies of each Final Terms relating to any other Notes will only be available for inspection by a holder of such Notes upon production of evidence satisfactory to the Trustee, the relevant Paying Agent or the relevant Transfer Agent, as the case may be, as to the identity of such holder.

**Prospective investors should consider carefully the risks set forth herein under "Risk Factors" prior to making investment decisions with respect to the Notes.**

The Notes, the Guarantees and the Cross Guarantees have not been registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") and are being offered only outside the United States to non-U.S. persons in compliance with Regulation S under the Securities Act.

Each Series (as defined herein) of Bearer Notes will be represented on issue by a temporary global note in bearer form (each a "Temporary Global Note") or a permanent global note in bearer form (each a "Permanent Global Note" and, together with a Temporary Global Note, the "Global Notes"). Interests in a Temporary Global Note will be exchangeable, in whole or in part, for interests in a Permanent Global Note on or after the date 40 days after the later of the commencement of the offering and the relevant issue date (the "Exchange Date"), upon certification as to non-U.S. beneficial ownership. Each Series of Registered Notes will be represented by registered certificates (each a "Certificate"), one Certificate being issued in respect of each Noteholder's entire holding of Registered Notes of one Series. Certificates representing Registered Notes that are registered in the name of a nominee for one or more clearing systems are referred to herein as "Global Certificates". Global Notes will (i) if the Global Notes are intended to be issued in new global note ("NGN") form, as specified in the relevant Final Terms, be deposited on or prior to the issue date of the Tranche with a common safekeeper (the "Common Safekeeper") on behalf of Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking, société anonyme ("Clearstream, Luxembourg") and (ii) if the Global Notes are not intended to be issued in NGN form but are intended to be issued in classic global note ("CGN") form, be deposited on or prior to the issue date of the Tranche with a common depository (the "Common Depository") on behalf of Euroclear and Clearstream, Luxembourg. Global Certificates will be deposited on or prior to the issue date of the Tranche with a common depository on behalf of Euroclear and Clearstream, Luxembourg. Notes denominated in Canadian dollars settling and clearing through CDS Clearing and Depository Services Inc. ("CDS"), and such Notes "Canadian Notes" will be represented on issue by a Permanent Global Note in CGN form or a Global Certificate which, in each case, will be deposited on or prior to the issue date of the Tranche with CDS or a nominee of CDS. The provisions governing the exchange of interests in Global Notes for other Global Notes and/or definitive Notes are described in "Summary of Provisions Relating to the Notes While in Global Form".

The BHP Billiton Group has a long term/short term debt rating of A1/P-1 by Moody's Investors Service Pty. Limited ("Moody's Australia") and A+/A-1 by Standard & Poor's (Australia) Pty. Ltd. ("Standard & Poor's Australia"). Notes to be issued under the Programme have been rated (P)A1 by Moody's Australia and A+ by Standard & Poor's Australia. Neither Moody's Australia nor Standard & Poor's Australia is established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the "CRA Regulation"). The ratings of Moody's Australia are expected to be endorsed by Moody's Investors Service Ltd in accordance with the CRA Regulation. Moody's Investors Service Ltd is established in the European Union and registered under the CRA Regulation. The ratings of Standard & Poor's Australia are expected to be endorsed by Standard & Poor's Credit Market Services Europe Limited in accordance with the CRA Regulation. Standard & Poor's Credit Market Services Europe Limited is established in the European Union and registered under the CRA Regulation. Notes issued under the Programme may be rated or unrated by either of the rating agencies referred to above. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the rating assigned to the Programme by the relevant rating agency. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

**Arranger for the Programme**

**DEUTSCHE BANK**

**Dealers**

**BARCLAYS**  
**DEUTSCHE BANK**

**BNP PARIBAS**  
**THE ROYAL BANK OF SCOTLAND**

**UBS INVESTMENT BANK**

## IMPORTANT INFORMATION

This Prospectus comprises a base prospectus for the purposes of Article 5.4 of Directive 2003/ 71/EC (the “Prospectus Directive”).

Each of BHP Billiton Finance Limited, BHP Billiton Finance Plc, BHP Billiton Limited and BHP Billiton Plc (each an “Obligor” and together, the “Obligors”) accepts responsibility for the information contained in this Prospectus and the Final Terms relating to any Tranche of Notes. To the best of the knowledge of each Obligor (each having taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

In this Prospectus, references to the “Issuer” are to either BHP Billiton Finance Limited or BHP Billiton Finance Plc, as the case may be, as the issuer or proposed issuer of Notes under the Programme as specified in the relevant Final Terms and references to the “relevant Issuer” shall be construed accordingly. References to the “Guarantor” are to either BHP Billiton Limited in relation to Notes issued by BHP Billiton Finance Limited or BHP Billiton Plc in relation to Notes issued by BHP Billiton Finance Plc and references to the “relevant Guarantor” shall be construed accordingly.

No person has been authorised to give any information or to make any representation other than those contained in this Prospectus in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by any of the Obligors or any of the Dealers or the Arranger (as defined in “Overview of the Programme”) or the Trustee. Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of any of the Obligors since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of any of the Obligors since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The Obligors, the Dealers and the Trustee do not represent that this Prospectus may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Obligors, the Dealers or the Trustee which would permit a public offering of the Notes or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations.

The distribution of this Prospectus and any Final Terms and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus or any Final Terms comes are required by the Obligors, the Dealers, the Arranger and the Trustee to inform themselves about and to observe any such restriction. The Notes, the Guarantees and the Cross Guarantees have not been and will not be registered under the Securities Act and the Notes include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes, the Guarantees and the Cross Guarantees may not be offered, sold or delivered within the United States or to or for the account or benefit of U.S. persons. For a description of certain restrictions on offers and sales of Notes and on distribution of this Prospectus, see “Subscription and Sale”.

This Prospectus does not constitute an offer of, or an invitation by or on behalf of, any Obligor, the Arranger, the Dealers or the Trustee to subscribe for, or purchase, any Notes.

This Prospectus shall be read and construed in conjunction with any amendment or supplement hereto and with all documents which are deemed to be incorporated herein by reference (see “Documents

Incorporated by Reference” below). Furthermore, in relation to any Series of Notes, this Prospectus should be read and construed together with the relevant Final Terms.

The Arranger, the Dealers and the Trustee have not independently verified the information contained in this Prospectus. None of the Dealers, the Arranger and the Trustee makes any representation, express or implied, or accepts any responsibility or liability, with respect to the accuracy or completeness of any of the information contained or incorporated in this Prospectus or any other information provided by any and/or all of the Obligors in connection with the Programme. None of the Dealers, the Arranger and the Trustee accepts any liability in relation to the information contained or incorporated by reference in this Prospectus or any other information provided by any and all of the Obligors in connection with the Programme. Neither this Prospectus nor any financial statements or any other information supplied in connection with the Programme or any Notes (i) are intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation or a statement of opinion (or a report on either of those things) by any of the Obligors, the Arranger, the Dealers or the Trustee that any recipient of this Prospectus or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Prospective investors should have regard to the factors described under the section headed “Risk Factors” in this Prospectus. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness of the relevant Issuer and the Guarantors. None of the Dealers, the Arranger and the Trustee undertakes to review the financial condition and affairs or the creditworthiness of any of the Obligors during the life of the Programme or to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers, the Arranger or the Trustee.

Neither this Prospectus nor any Final Terms nor any financial statements or any other information supplied in connection with the Programme or the Notes constitutes an offer or invitation by or on behalf of the Obligors, any of the Dealers or the Trustee to any person to subscribe for or to purchase any Notes.

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the currency in which such investor’s financial activities are principally denominated;
- (iv) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

## **STABILISATION**

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) acting as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and regulations.

## **PRESENTATION OF INFORMATION**

In this Prospectus, unless otherwise specified or the context otherwise requires, references to “€” and “euros” are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended, references to “pounds”, “sterling”, “GBP”, “£” or “STG” are to pounds sterling, references to “U.S.\$”, “USD”, “U.S. dollars” and “\$” are to United States dollars, references to “C\$”, “CAD” and “CDN” are to Canadian dollars and references to “AUS\$”, “AUD” or “A\$” are to Australian dollars.

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents, which have previously been published, or are published simultaneously with this Prospectus, and have been approved by the FSA or filed with it or notified to it, shall be deemed to be incorporated in, and to form part of, this Prospectus:

- (1) the audited annual financial statements of BHP Billiton Finance Limited on an entity basis, and including the auditors' reports thereon and notes thereto in respect of the financial years ended 30 June 2012 and 30 June 2011 (respectively, the "BHP Billiton Finance Limited — Accounts 2012" and the "BHP Billiton Finance Limited — Accounts 2011");
- (2) the audited annual financial statements of BHP Billiton Finance Plc on an entity basis, and including the auditors' reports thereon and notes thereto in respect of the financial years ended 30 June 2012 and 30 June 2011 (respectively, the "BHP Billiton Finance Plc — Accounts 2012" and the "BHP Billiton Finance Plc — Accounts 2011");
- (3) the BHP Billiton Annual Report 2012, including the audited financial statements of the BHP Billiton Group (accounting for the consolidation of BHP Billiton Plc, BHP Billiton Limited and their respective subsidiaries in accordance with IFRS as adopted by the EU), and including the auditors' report thereon and notes thereto in respect of the financial year ended 30 June 2012 (the "BHP Billiton Financial Statements 2012" on page 168 to page 255 of the BHP Billiton Annual Report 2012);
- (4) the audited financial statements of the BHP Billiton Group including the auditors' report thereon and notes thereto in respect of the financial year ended 30 June 2011 (the "BHP Billiton Financial Statements 2011" on page 160 to page 243 of the BHP Billiton Annual Report 2011); and
- (5) the Terms and Conditions of the Notes contained in the previous Prospectuses dated 20 October 2011 (on page 20 to page 39), 20 October 2010 (on page 20 to page 39), 5 October 2009 (on page 19 to page 38), 7 October 2008 (on page 18 to page 38), 18 December 2007 (on page 18 to page 38) and 1 December 2006 (on page 21 to page 41).

Following publication of this Prospectus, a supplement may be prepared by the Obligors and approved by the UK Listing Authority in accordance with Article 16 of the Prospectus Directive. Any statement made in any such supplement or in a document incorporated therein by reference shall, to the extent applicable, be deemed to modify or supersede statements contained in this Prospectus or in a document which is incorporated by reference in this Prospectus. Any such statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Prospectus shall not form part of this Prospectus.

The parts of the above-mentioned documents which are not incorporated by reference into this Prospectus are either not relevant for investors or are covered elsewhere in this Prospectus.

Each Obligor will provide, without charge, to each person to whom a copy of this Prospectus has been delivered, upon the oral or written request of such person, a copy of any or all of the financial information which is incorporated herein by reference. Written or oral requests for such financial information should be directed to the relevant Obligor at its registered office set out at the end of this Prospectus and marked for the attention of the Company Secretary. In addition, copies of all documents incorporated by reference will also be published on the website of the London Stock Exchange through a regulatory information service.

## SUPPLEMENTAL PROSPECTUS

The Obligors will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Prospectus which is capable of affecting the assessment of any Notes, prepare a supplement to this Prospectus or publish a new prospectus in accordance with the Prospectus Directive for use in connection

with any subsequent issue of Notes. The Obligors have undertaken to the Dealers in the Dealer Agreement (as defined in "Subscription and Sale") that they will comply with section 87G of the FSMA.

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## OVERVIEW OF THE PROGRAMME

*The following overview does not purport to be complete and is taken from, and is qualified by, the remainder of this Prospectus and, in relation to the Terms and Conditions of any particular Tranche of Notes, Part A of the relevant Final Terms. Words and expressions defined in “Summary of Provisions Relating to the Notes While in Global Form” and “Terms and Conditions of the Notes” below shall have the same meanings in this overview, and reference to a numbered “Condition” shall be to the relevant Condition under “Terms and Conditions of the Notes” below.*

<b>Issuers:</b> .....	BHP Billiton Finance Limited BHP Billiton Finance Plc
<b>Guarantors:</b> .....	BHP Billiton Limited, in respect of Notes issued by BHP Billiton Finance Limited BHP Billiton Plc, in respect of Notes issued by BHP Billiton Finance Plc
<b>Description:</b> .....	Euro Medium Term Note Programme
<b>Size:</b> .....	Up to €20,000,000,000 (or the equivalent in other currencies) outstanding at any one time.
<b>Arranger:</b> .....	Deutsche Bank AG, London Branch
<b>Dealers:</b> .....	Barclays Bank PLC BNP Paribas Deutsche Bank AG, London Branch The Royal Bank of Scotland plc UBS Limited
	The Issuers may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme.
<b>Trustee:</b> .....	Citicorp Trustee Company Limited
<b>Issuing and Paying Agent:</b> .....	Citibank, N.A., London Branch
<b>Registrar:</b> .....	Citibank, N.A., New York Branch
<b>Transfer Agent:</b> .....	Citibank, N.A., New York Branch
<b>Canadian Authentication Agent:</b> ...	Citi Trust Company Canada
<b>Cross Guarantees:</b> .....	The Notes also have the benefit of the Cross Guarantees, pursuant to which each of BHP Billiton Limited and BHP Billiton Plc has guaranteed the relevant contractual obligations of the other Guarantor (and the relevant obligations of other persons that are guaranteed by the other Guarantor).
<b>Method of Issue:</b> .....	The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a “Series”) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a “Tranche”) on the same or different issue dates.



<b>Issue Price:</b> .....	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount.
<b>Form of Notes:</b> .....	<p>The Notes may be issued in bearer form (“Bearer Notes”), in registered form (“Registered Notes”) or in bearer form exchangeable for Registered Notes (“Exchangeable Bearer Notes”). Registered Notes may not be exchanged for Bearer Notes and Bearer Notes that are not Exchangeable Bearer Notes may not be exchanged for Registered Notes.</p> <p>Each Tranche of Bearer Notes and Exchangeable Bearer Notes having an initial maturity of more than one year and being issued in compliance with the D Rules (as defined in “Subscription and Sale”) will initially be represented on issue by a Temporary Global Note, otherwise such Tranche will be represented by a Permanent Global Note. Global Notes may be issued in CGN form or in NGN form. The provisions governing the exchange of interests in Global Notes for other Global Notes and/or definitive Notes are described in “Summary of Provisions Relating to the Notes While in Global Form”.</p> <p>Each Tranche of Registered Notes will be represented by a Certificate, one Certificate being issued in respect of each Noteholder’s entire holding of Registered Notes of one Series. Certificates representing Registered Notes that are registered in the name of a nominee for one or more clearing systems are referred to as “Global Certificates”.</p>
<b>Clearing Systems:</b> .....	Clearstream, Luxembourg, Euroclear, CDS and any other clearing system as may be specified in the relevant Final Terms.
<b>Currencies:</b> .....	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency agreed between the relevant Issuer and the relevant Dealers.
<b>Maturities:</b> .....	Subject to compliance with all relevant laws, regulations and directives, any maturity.
<b>Denomination:</b> .....	Definitive Notes will be in such denominations as may be specified in the relevant Final Terms save that, unless otherwise permitted by then current laws and regulations, (i) Notes which must be redeemed before the first anniversary of their date of issue will have a minimum denomination of £100,000 (or its equivalent in other currencies) and (ii) the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency and the minimum denomination of each Note admitted to trading on a regulated market within the European Economic Area and/or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive will be €100,000 (or, if the Notes are denominated in a

currency other than euro, the equivalent amount in such currency at the time of issue).

**Fixed Rate Notes:** ..... Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms.

**Floating Rate Notes:**..... Floating Rate Notes will bear interest determined separately for each Series as follows:

- (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2000 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the issue date of the first Tranche of Notes of the relevant Series; or
- (ii) by reference to LIBOR, LIBID, LIMEAN, EURIBOR, BBSW or CAD-BA-CDOR as adjusted for any applicable margin.

Interest periods will be specified in the relevant Final Terms.

**Interest Periods and Interest Rates:**..... The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Final Terms.

**Zero Coupon Notes:** ..... Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.

**Redemption:** ..... The relevant Final Terms will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer (either in whole or in part) and/or the holders upon giving notice to the holders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer. See "Terms and Conditions of the Notes — Redemption, Purchase and Options".

Unless permitted by then current laws and regulations, Notes which have a maturity of less than one year from their date of issue must have a minimum redemption amount of £100,000 (or its equivalent in other currencies).

**Status of Notes and Guarantees:..** The Notes and each Guarantee will constitute unsubordinated and unsecured obligations of the relevant Issuer and the relevant Guarantor, respectively, all as described in "Terms and Conditions of the Notes — Guarantees and Status".

<b>Negative Pledge:</b> .....	See “Terms and Conditions of the Notes — Negative Pledge”.
<b>Cross Default:</b> .....	See “Terms and Conditions of the Notes — Events of Default”.
<b>Withholding Tax:</b> .....	All payments of principal and interest in respect of the Notes by the relevant Issuer or the relevant Guarantor, as the case may be, will be made free and clear of withholding taxes of Australia or the United Kingdom, as the case may be, subject to certain exceptions, all as described in “Terms and Conditions of the Notes — Taxation”.
<b>Governing Law:</b> .....	English. The Cross Guarantee given by BHP Billiton Limited is governed by English law. The Cross Guarantee given by BHP Billiton Plc is governed by the laws of New South Wales.
<b>Listing and Admission to Trading:</b>	Application has been made for Notes issued under the Programme to be admitted to the Official List and to trading on the Market. The Notes may also be listed, traded and/or quoted on such other or further listing authorities, stock exchanges or quotation systems as may be agreed between the relevant Issuer and the relevant Dealer(s) in relation to each issue. Unlisted Notes may also be issued. The Final Terms relating to each issue will state whether or not, and, if so, on what stock exchange(s), the Notes are to be listed and references to listing shall be construed accordingly.
<b>Selling Restrictions:</b> .....	United States, the European Economic Area, the United Kingdom, Australia, Canada, France and Japan. See “Subscription and Sale”.

## RISK FACTORS

*The Issuers and the Guarantors believe that the following factors may affect their ability to fulfil their respective obligations under the Notes issued under the Programme. Most of these factors are contingencies which may or may not occur and the Issuers and the Guarantors are not in a position to express a view on the likelihood of any such contingency occurring. In addition, risk factors which are specific to the Notes are also described below.*

*The Issuers and the Guarantors believe that the factors described below represent the principal risks inherent in investing in the Notes issued under the Programme, but the inability of the Issuers and the Guarantors to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons and the Issuers and the Guarantors do not represent that the statements below regarding the risks of holding any Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.*

*Words and expressions defined in the “Terms and Conditions of the Notes” below or elsewhere in this Prospectus have the same meanings in this section.*

### **Factors that may affect the Issuers’ and the Guarantors’ ability to fulfil their obligations under Notes issued under the Programme**

We believe that, because of the international scope of our operations and the industries in which we are engaged, there are numerous factors which may have an effect on our results and operations. Unless otherwise specified by reference to BHP Billiton Finance Limited or BHP Billiton Finance Plc, the risks apply in the BHP Billiton Group context, and are also applicable to each of BHP Billiton Finance Limited and BHP Billiton Finance Plc.

In this context the following specific risks have been identified as areas of focus:

#### **External risks**

##### ***Fluctuations in commodity prices and impacts of ongoing global economic volatility may negatively affect our results***

The prices we obtain for our oil, gas, minerals and other commodities are determined by, or linked to, prices in world markets, which have historically been subject to substantial volatility. Our usual policy is to sell our products at the prevailing market prices. The diversity provided by our broad portfolio of commodities does not fully insulate the effects of price changes. Fluctuations in commodity prices can occur due to sustained price shifts reflecting underlying global economic and geopolitical factors, industry demand and supply balances, product substitution and national tariffs. The ongoing global economic volatility following the global financial and European sovereign debt crises has negatively affected commodity market prices and demand. Sales into European countries generated U.S.\$8.4 billion (FY2011: U.S.\$9.4 billion), or 11.6 per cent (FY2011: 13.1 per cent), of our revenue in the year ended 30 June 2012. The ongoing uncertainty and impact on global economic growth, particularly in the developed economies, may adversely affect future demand and prices for commodities. The impact of potential longer-term sustained price shifts and shorter-term price volatility creates the risk that our financial and operating results and asset values will be materially and adversely affected by unforeseen declines in the prevailing prices of our products.

##### ***Our financial results may be negatively affected by currency exchange rate fluctuations***

Our assets, earnings and cash flows are influenced by a wide variety of currencies due to the geographic diversity of the countries in which we operate. Fluctuations in the exchange rates of those currencies may have a significant impact on our financial results. The US dollar is the currency in which the majority of our sales are denominated. Operating costs are influenced by the currencies of those countries where our mines and processing plants are located and also by those currencies in which the costs of imported equipment and services are determined. The Australian dollar, South African rand, Chilean peso, Brazilian real and US

dollar are the most important currencies influencing our operating costs. The appreciation in recent years of currencies in which the majority of our operating costs are incurred, (in particular the Australian dollar, if sustained relative to US dollar denominated commodity prices), has and may continue to adversely impact our profit margins. Given the dominant role of the US currency in our affairs, the US dollar is the currency in which we present financial performance. It is also the natural currency for borrowing and holding surplus cash. We do not generally believe that active currency hedging provides long-term benefits to our shareholders. From time to time, we consider currency protection measures appropriate in specific commercial circumstances, subject to strict limits established by our Board. Therefore, in any particular year, our financial results may be negatively affected by currency exchange rate fluctuations.

***Reduction in Chinese demand may negatively impact our results***

The Chinese market has become a significant source of global demand for commodities. In CY2011, China represented 61 per cent of global seaborne iron ore demand, 39 per cent of copper demand, 40 per cent of nickel demand, 43 per cent of aluminium demand, 48 per cent of energy coal demand and 10 per cent of oil demand. China's demand for these commodities has been driving global materials demand and price increases over the past decade. Sales into China generated U.S.\$21.6 billion (FY2011: U.S.\$20.3 billion), or 29.9 per cent (FY2011: 28.2 per cent), of our revenue in the year ended 30 June 2012. A slowing in China's economic growth could result in lower prices and demand for our products and negatively impact our results.

In response to its increased demand for commodities, China is increasingly seeking strategic self-sufficiency in key commodities, including investments in existing businesses or new developments in other countries. These investments may adversely impact future commodity demand and supply balances and prices.

***Actions by governments, political events or changes to government policy in the countries in which we operate could have a negative impact on our business***

We have operations in many countries around the globe, which have varying degrees of political and commercial stability. We operate in emerging markets, which may involve additional risks that could have an adverse impact upon the profitability of an operation. These risks could include terrorism, civil unrest, nationalisation, renegotiation or nullification of existing contracts, leases, permits or other agreements, restrictions on repatriation of earnings or capital and changes in laws and policy, as well as other unforeseeable risks. Risks relating to bribery and corruption, including possible delays or disruption resulting from a refusal to make so-called facilitation payments, may be prevalent in some of the countries in which we operate. If any of our major projects are affected by one or more of these risks, it could have a negative effect on the operations in those countries, as well as the Group's overall operating results and financial condition.

Our operations are based on material long-term investments that anticipate long-term fiscal stability. Following the global financial and European sovereign debt crises, some governments face increased debt and funding obligations and have sought additional sources of revenue and economic rent by increasing rates of taxation, royalties or resource rent taxes such as the Minerals Resource Rent Tax ("MRRT") and Petroleum Resource Rent Tax ("PRRT") extension in Australia. These may continue to levels that are globally uncompetitive to the resource industry. Such taxes may negatively impact the financial results of existing businesses and reduce the anticipated future returns and overall level of prospective investment in those countries. By way of further example, the Australian Government through the Business Tax Working Group is considering measures to reform tax law to provide relief for certain industry sectors. The basis of any law change is a revenue neutral outcome and as such, it is possible the mining and petroleum industries may be negatively impacted by disproportionately funding any measures that may eventually become law. The Business Tax Working Group will make its recommendations to the Australian government by the end of CY2012, with any potential law change happening thereafter.

Our business could be adversely affected by new government regulations, such as controls on imports, exports and prices. Increasing requirements relating to regulatory, environmental and social approvals can potentially result in significant delays in construction and may adversely affect the economics of new mining

and oil and gas projects, the expansion of existing operations and results of our operations. Government regulations of this sort are complex, difficult to predict and outside of our control and could negatively affect our business and results. For example, we have oil and gas operations located in the Gulf of Mexico region of the United States. In October 2010, the United States Government lifted the deepwater drilling moratorium in the Gulf of Mexico initially put in place in May 2010 in response to the oil spill from BP's Macondo well. Although the moratorium was lifted, and BHP Billiton was among the first to return to drilling in the Gulf of Mexico, the industry now faces more stringent permitting requirements. Delays or additional costs may occur in receiving future permits for deepwater drilling activities in the Gulf of Mexico.

Infrastructure, such as rail, ports, power and water, is critical to our business operations. We have operations or potential development projects in countries where government provided infrastructure or regulatory regimes for access to infrastructure, including our own privately operated infrastructure, may be inadequate or uncertain. These may adversely impact the efficient operations and expansion of our businesses. For example, on 30 June 2010, the Australian Competition Tribunal granted declaration of BHP Billiton's Goldsworthy rail line, but rejected the application for declaration of our Newman rail line under Part IIIA of the Trade Practices Act. Following the Tribunal's decision, access seekers may now negotiate for access to the Goldsworthy railway. These negotiations, and the availability and terms of access, are governed by the Part IIIA statutory framework, and either the access seeker or BHP Billiton can refer disputed matters to the Australian Competition and Consumer Commission for arbitration. The outcome of this process will govern whether access will be provided and on what terms.

We operate in several countries where ownership of land is uncertain and where disputes may arise in relation to ownership. In Australia, the Native Title Act (1993) provides for the establishment and recognition of native title under certain circumstances. In South Africa, the Extension of Security of Tenure Act (1997) and the Restitution of Land Rights Act (1994) provide for various landholding rights. Such legislation could negatively affect new or existing projects. By way of specific example, our Cerro Matoso Operation in Colombia operates under mining concessions that expired on 30 September 2012 and we have applied, in accordance with the law and its contracts, for an extension of these mining concessions. The Colombian Government has granted an extension to 31 December to further negotiate the terms of future extension. If this extension is not granted, Cerro Matoso has an underlying agreement with the Colombian Government that grants it rights to continue mining and producing through to 2029 under a lease arrangement, with a further extension of 15 years possible. While our operating rights are maintained, there is no established precedent in Colombia for bringing a reversion of title under contract and therefore the situation remains uncertain.

## **Business risks**

### ***Failure to discover new reserves, maintain or enhance existing reserves or develop new operations could negatively affect our future results and financial condition***

The demand for our products and production from our operations results in existing reserves being depleted over time. As our revenues and profits are derived from our oil and gas and minerals operations, our results and financial condition are directly related to the success of our exploration and acquisition efforts, and our ability to replace existing reserves. Exploration activity occurs adjacent to established operations and in new regions, in developed and less developed countries. These activities may increase land tenure, infrastructure and related political risks. A failure in our ability to discover new reserves, enhance existing reserves or develop new operations in sufficient quantities to maintain or grow the current level of our reserves could negatively affect our results, financial condition and prospects.

Future deterioration in commodities pricing may make drilling some acreage and existing reserves uneconomic. Our actual drilling activities and future drilling budget will depend on drilling results, commodity prices, drilling and production costs, availability of drilling services and equipment, lease expirations, gathering system pipeline transportation and other infrastructure constraints, regulatory approvals and other factors.

There are numerous uncertainties inherent in estimating ore and oil and gas reserves, and geological, technical and economic assumptions that are valid at the time of estimation may change significantly when new information becomes available. The uncertain global financial outlook may affect economic assumptions related to reserve recovery and require reserve restatements. Reserve restatements could negatively affect our results and prospects.

***We may not be able to successfully complete acquisitions or integrate our acquired businesses***

We have grown our business in part through acquisitions. We expect that some of our future growth will stem from acquisitions. There are numerous risks encountered in business combinations. These include adverse regulatory conditions and obligations, commercial objectives not achieved due to minority interests, unforeseen liabilities arising from the acquired businesses, retention of key staff, sales revenues and operational performance not meeting our expectations, anticipated synergies and cost savings being delayed or not being achieved, uncertainty in sales proceeds from planned divestments, and planned acquisition projects being cancelled, delayed or costing more than anticipated. These factors could negatively affect our future results and financial condition.

***We may not be able to attract and retain the necessary people***

Our existing operations and especially our pipeline of development projects in regions of numerous large projects, such as Western Australia, Queensland and the United States, if activated, require many highly skilled staff with relevant industry and technical experience. In the competitive labour markets that exist in these regions, the inability of the Group to attract and retain such people may adversely impact our ability to complete projects under development on time and budget or successfully respond to new development opportunities. The lack of short- and long-term suitable accommodation in regional centres and townships adjacent to development projects and community reactions to development and potential workforce fly in, fly out arrangements may impact costs and the ability to optimise construction and operating workforces. Skills shortages in engineering, technical service, construction and maintenance may adversely impact the cost and schedule of current development projects, the cost and efficiency of existing operations and our ability to execute on development opportunities.

***Increased costs and schedule delays may adversely affect our development projects***

Although we devote significant time and resources to our project planning, approval and review process, and have established a number of project hubs to provide continuity to capital programs, we may underestimate the cost or time required to complete a project. In addition, we may fail to manage projects as effectively as we anticipate and unforeseen challenges may emerge.

Any of these may result in increased capital costs and schedule delays at our development projects, adversely affecting our development projects and impacting anticipated financial returns.

**Financial risks**

***If our liquidity and cash flow deteriorate significantly it could adversely affect our ability to fund our major capital programs***

We seek to maintain a solid 'A' credit rating as part of our strategy; however, fluctuations in commodity prices and the ongoing global economic volatility, and European sovereign debt crises, may continue to adversely impact our future cash flows and ability to access capital from financial markets at acceptable pricing. Despite our portfolio risk management strategies and monitoring of cash flow volatility, if our key financial ratios and credit rating were not maintained, our liquidity and cash reserves, interest rate costs on borrowed debt, future access to financial capital markets and the ability to fund current and future major capital programmes could be adversely affected.

***We may not recover our investments in mining and oil and gas projects***

Our strategy is to maintain an asset portfolio diversified by commodity, geography and market. Despite the benefits arising from this diversification, one or more of our assets may be impacted by changed market or

industry structures, commodity prices, technical operating difficulties, inability to recover our mineral, oil or gas reserves and increased operating cost levels. These may cause us to fail to recover all or a portion of our investment in mining and oil and gas projects and may require financial write-downs adversely impacting our financial results.

***The commercial counterparties we transact with may not meet their obligations which may negatively impact our results***

We contract with a large number of commercial and financial counterparties, including customers, suppliers and financial institutions. The ongoing global economic volatility and European sovereign debt crises have placed strains on global financial markets, reduced liquidity and adversely affected business conditions generally. We maintain a 'one book' approach with commercial counterparties to ensure that all credit exposures are quantified. Our existing counterparty credit controls may not prevent a material loss due to credit exposure to a major customer or financial counterparty. In addition, customers, suppliers, contractors or joint venture partners may fail to perform against existing contracts and obligations. Non-supply of key inputs, such as tyres, mining and mobile equipment and other key consumables, may unfavourably impact costs and production at our operations. These factors could negatively affect our financial condition and results of operations.

**Operational risks**

***Operating cost pressures, reduced productivity and labour shortages could negatively impact our operating margins and expansion plans***

Increasing cost pressures and shortages in skilled personnel, contractors, materials and supplies that are required as critical inputs to our existing operations and planned developments have occurred and may continue to occur across the resources industry. As the prices for our products are determined by the global commodity markets in which we operate, we do not generally have the ability to offset these operating cost increases through corresponding price increases, which can adversely affect our operating margins. Notwithstanding our efforts to reduce costs and a number of key cost inputs being commodity price-linked, the inability to reduce costs and a timing lag may adversely impact our operating margins for an extended period.

Our Australian-based operations may continue to be affected by the Australian Fair Work Act 2009 as labour agreements expire and businesses are required to negotiate labour agreements with unions. In some instances labour unions are pursuing claims in the bargaining process about union access and involvement in some areas of operational decision-making. These claims may adversely affect workplace flexibility, productivity and costs. Industrial action in pursuit of claims associated with the bargaining process has occurred in some businesses, in particular our BHP Billiton Mitsubishi Alliance coal operation in Queensland (Australia), and is likely to continue to occur as unions press for new claims as part of the negotiation process.

A number of our operations, such as aluminium and copper, are energy or water intensive and, as a result, the Group's costs and earnings could be adversely affected by rising costs or by supply interruptions. These could include the unavailability of energy, fuel or water due to a variety of reasons, including fluctuations in climate, significant increases in costs, inadequate infrastructure capacity, interruptions in supply due to equipment failure or other causes and the inability to extend supply contracts on economical terms.

These factors could lead to increased operating costs at existing operations and could negatively impact our operating margins and expansion plans.

***Unexpected natural and operational catastrophes may adversely impact our operations***

We operate extractive, processing and logistical operations in many geographic locations both onshore and offshore. Our operational processes may be subject to operational accidents such as port and shipping incidents, underground mine and processing plant fire and explosion, open-cut pit wall failures, loss of power



supply, railroad incidents, loss of well control, environmental pollution and mechanical critical equipment failures. Our key port facilities are located at Port Hedland and Hay Point in Australia. We have 13 underground mines, including seven underground coal mines. Our operations may also be subject to unexpected natural catastrophes such as earthquakes, flood, hurricanes and tsunamis. Our Western Australia Iron Ore, Queensland coal and Gulf of Mexico oil and gas operations are located in areas subject to cyclones or hurricanes. Our Chilean copper operations are located in a known earthquake and tsunami zone. Based on our claims, insurance premiums and loss experience, our risk management approach is not to purchase insurance for property damage, business interruption and construction related risk exposures. Existing business continuity plans may not provide protection for all of the costs that arise from such events. The impact of these events could lead to disruptions in production, increased costs and loss of facilities more than offsetting premiums saved, which would adversely affect our financial results and prospects. Third party claims arising from these events may exceed the limit of liability insurance policies we have in place.

***Our non-controlled assets may not comply with our standards***

Some of our assets are controlled and managed by joint venture partners or by other companies. Management of our non-controlled assets may not comply with our management and operating standards, controls and procedures (including our health, safety, environment and community (“HSEC”) standards). Failure to adopt equivalent standards, controls and procedures at these assets could lead to higher costs and reduced production and adversely impact our results and reputation.

***Breaches in our information technology security processes may adversely impact the conduct of our business activities***

We maintain global information technology (IT) and communication networks and applications to support our business activities. Our extensive IT infrastructure and network may experience service outages that may adversely impact the conduct of our business activities. IT security processes protecting these systems are in place and subject to regular monitoring and assessment, and are included as part of the review of internal control over financial reporting. These security processes may not prevent future malicious action or fraud by individuals, groups or organisations resulting in the corruption of operating systems, theft of commercially sensitive data, including commercial price outlooks, mergers and acquisitions and divestment transactions, misappropriation of funds and disruptions to our business operations.

**Sustainability risks**

***HSEC impacts, incidents or accidents and related regulations may adversely affect our people, operations and reputation or licence to operate***

We are a major producer of carbon-related products such as energy and metallurgical coal, oil, gas, and liquefied natural gas. Our oil and gas operations are both onshore and offshore.

The nature of the industries in which we operate means that many of our activities are highly regulated by health, safety and environmental laws. As regulatory standards and expectations are constantly developing, we may be exposed to increased litigation, compliance costs and unforeseen environmental rehabilitation expenses.

Potential safety events that may have a material adverse impact on our operations include fire, explosion or rock fall incidents in underground mining operations, personnel conveyance equipment failures in underground operations, aircraft incidents, incidents involving light vehicles and mining mobile equipment, ground control failures, well blowouts, explosions or gas leaks, isolation, working from heights or lifting operations.

Environmental incidents that have the potential to create a material impact include uncontrolled tailings breaches, subsidence from mining activities, escape of polluting substances, and uncontrolled releases of hydrocarbons.

Our operations by their nature have the potential to impact biodiversity, water resources and related ecosystem services. Changes in scientific understanding of these impacts, regulatory requirements or stakeholder expectations may prevent or delay project approvals and result in increased costs for mitigation, offsets or compensatory actions.

We provide for operational closure and site rehabilitation. Our operating and closed facilities are required to have closure plans. Changes in regulatory or community expectations may result in the relevant plans not being adequate. This may impact financial provisioning and costs at the affected operations.

We contribute to the communities in which we operate by providing skilled employment opportunities, salaries and wages, taxes and royalties and community development programs including a commitment to one per cent of pre-tax profits invested in community programs. Notwithstanding these actions, local communities may become dissatisfied with the impact of our operations or oppose our new development projects, including through litigation, potentially affecting costs and production, and in extreme cases viability. Community related risks may include community protests or civil unrest, delays to proposed developments and inadvertent breaches of human rights or other international laws or conventions.

Health risks faced include fatigue and occupational exposure to noise, silica, manganese, diesel exhaust particulate, fluorides, coal tar pitch, nickel and sulphuric acid mist. Longer-term health impacts may arise due to unanticipated workplace exposures or historical exposures to hazardous substances by employees or site contractors. These effects may create future financial compensation obligations.

We invest in workplace and community health programs, where indicated by risk assessment. However, infectious diseases such as HIV and malaria may have a material adverse impact upon our workers or on our communities, primarily in Africa. Because we operate globally, we may be affected by potential pandemic influenza outbreaks, such as A(H1N1) and avian flu, in any of the regions in which we operate.

Legislation requiring manufacturers, importers and downstream users of chemical substances, including metals and minerals, to establish that the substances can be used without negatively affecting health or the environment may impact our operations and markets. These potential compliance costs, litigation expenses, regulatory delays, rehabilitation expenses and operational costs could negatively affect our financial results.

During FY2011, BHP Billiton acquired Chesapeake Energy Corporation's interests in the Fayetteville Operation in the United States, and in August 2011, acquired Petrohawk Energy Corporation, a US shale development company. Both businesses include operations that involve hydraulic fracturing, an essential and common practice in the oil and gas industry to stimulate production of natural gas and oil from dense subsurface rock formations. Hydraulic fracturing involves using water, sand and a small amount of chemicals to fracture the hydrocarbon-bearing rock formation to allow flow of hydrocarbons into the wellbore. We routinely apply hydraulic fracturing techniques in our drilling and completion programs.

Increased regulation and attention given to the hydraulic fracturing process could lead to greater opposition to oil and gas production activities using hydraulic fracturing techniques, including regulations that could impose more stringent permitting, public disclosure and well construction requirements on hydraulic fracturing operations. Additional legislation or regulation could also lead to operational delays or increased operating costs in the production of oil and natural gas, including from the developing shale plays, or could make it more difficult to perform hydraulic fracturing. The adoption of any federal, state or local laws or the implementation of regulations regarding hydraulic fracturing could potentially cause a decrease in the completion of new oil and gas wells, increased compliance costs and time, and potential class action claims, all of which could adversely affect our business.

Due to the nature of our operations HSEC incidents or accidents and related regulations may adversely affect our reputation or licence to operate.

***Climate change and greenhouse effects may adversely impact our operations and markets***

Carbon-based energy is a significant input in a number of the Group's mining and processing operations and we have significant sales of carbon-based energy products.

A number of governments or governmental bodies have introduced or are contemplating regulatory change in response to the impacts of climate change. Under the December 2009 Copenhagen Accord, developed countries established individual greenhouse gas targets and developing countries established national mitigation actions. The European Union Emissions Trading System ("EU ETS"), which came into effect on 1 January 2005, has had an impact on greenhouse gas and energy-intensive businesses based in the EU. Our Petroleum assets in the United Kingdom are currently subject to the EU ETS, as are our EU based customers. Elsewhere, there is current and emerging climate change regulation that will affect energy prices, demand and margins for carbon intensive products. The Australian Government's plan of action on climate change which commenced on 1 July 2012, includes a fixed price on carbon emissions and converting to an emissions trading scheme after three years, and a mandatory renewable energy target of 20 per cent by the year 2020. From a medium to long-term perspective, we are likely to see some changes in the cost position of our greenhouse-gas-intensive assets and energy-intensive assets as a result of regulatory impacts in the countries in which we operate. These proposed regulatory mechanisms may impact our operations directly or indirectly through our suppliers and customers. Inconsistency of regulations particularly between developed and developing countries may also change the competitive position of some of our assets. Assessments of the potential impact of future climate change regulation are uncertain given the wide scope of potential regulatory change in the many countries in which we operate. The South African Government plans to introduce a carbon tax beginning in 2013, however the details are not yet finalised. Carbon pricing has also been discussed as part of a broader tax reform package in Chile.

The physical impacts of climate change on our operations are highly uncertain and will be particular to the geographic circumstances. These may include changes in rainfall patterns, water shortages, rising sea levels, increased storm intensities and higher average temperature levels. These effects may adversely impact the productivity and financial performance of our operations.

***A breach of our governance processes may lead to regulatory penalties and loss of reputation***

We operate in a global environment straddling multiple jurisdictions and complex regulatory frameworks. Our governance and compliance processes, which include the review of internal control over financial reporting and specific internal controls in relation to offers of things of value to government officials and representatives of state owned enterprises, may not prevent future potential breaches of law, accounting or governance practice. The BHP Billiton Code of Business Conduct, together with our mandatory policies, such as the anti-corruption and the anti-trust policies, may not prevent instances of fraudulent behaviour and dishonesty nor guarantee compliance with legal or regulatory requirements. This may lead to regulatory fines, litigation, loss of operating licences or reputational damage.

**Risks relating specifically to the Issuers and the Guarantors**

***The Issuers have no material assets or sources of revenue except for claims against, and advances made to it by, other Group companies under intercompany loans and assets or liabilities under certain hedging arrangements.***

The Issuers are not operating companies. The principal activities of the Issuers are to issue bonds in the external market, raise finance by other methods and to provide finance to companies in the Group. The ability of the Issuers to satisfy their obligations in respect of the Notes is influenced by amounts payable in respect of interest on certain intercompany loans, support from other members of the Group and movements in the mark-to-market of fair value hedging arrangements due to the market volatility in interest rates.

***The ability of the Guarantors to make payments pursuant to the Guarantees is dependent on the availability of cash flows from their subsidiaries***

The Guarantors are organised as holding companies and substantially all of their operations are carried on through subsidiaries. Their principal source of income is the dividends and distributions they receive from their subsidiaries. The ability of the Guarantors to meet their financial obligations is dependent upon the availability of cash flows from their subsidiaries and affiliated companies through dividends, intercompany advances, management fees and other payments. The ability of their subsidiaries and affiliated companies to make such distributions and payments may be subject to applicable laws.

**Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme**

***Risks related to the structure of a particular issue of Notes***

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features:

*If the relevant Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return*

An optional redemption feature is likely to limit the market value of Notes. During any period when the relevant Issuer may elect to redeem Notes, the market value of such Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The relevant Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

*If the relevant Issuer has the right to convert the interest rate on any Notes from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes concerned*

Fixed/Floating Rate Notes are Notes which bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the relevant Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Notes since the relevant Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the relevant Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the relevant Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing market rates.

*Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates*

The market values of securities issued at a substantial discount (such as Zero Coupon Notes) or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for more conventional interest-bearing securities. Generally, the longer the remaining term of such securities, the greater the price volatility as compared to more conventional interest-bearing securities with comparable maturities.

### ***Risks related to Notes generally***

Set out below is a brief description of certain risks relating to the Notes generally:

*The Notes may be subject to withholding taxes in circumstances where the relevant Issuer or the relevant Guarantor is not obliged to make gross up payments and this would result in holders receiving less interest than expected and could significantly adversely affect their return on the Notes*

#### ***EC Savings Directive***

The European Commission has adopted a Directive (Directive 2003/48/EC) regarding the taxation of savings income. The Directive provides for the tax authorities of the Member States to provide each other with details of payments of interest and similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident in that other Member State or certain limited types of entities established in that other Member State. However, for a transitional period, Austria and Luxembourg (unless during that period they elect otherwise) are required to impose a withholding tax of 35 per cent on such payments (although the Directive also provides that no such withholding tax should be levied where the beneficial owner of the payment authorises an exchange of information and/or where the beneficial owner presents a certificate from the tax authority of the Member State in which the beneficial owner is resident). The transitional period is to terminate at the end of the first fiscal year following agreement by certain non-EU countries to the exchange of information relating to interest or similar payments. A number of non-EU countries and certain dependent or associated territories of certain Member States including Switzerland have agreed to adopt similar measures (in certain cases on a reciprocal basis) to those implemented by the Directive (a withholding system in the case of Switzerland). The Directive does not preclude Member States from levying other types of withholding tax.

The European Commission has proposed certain amendments to the Directive which may, if implemented, amend or broaden the scope of the requirements described above.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the relevant Issuer, the relevant Guarantor nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. The relevant Issuer is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Directive.

#### ***U.S. Foreign Account Tax Compliance Withholding***

The relevant Issuer, the relevant Guarantor and any financial institutions through which payments on the Notes are made may be required to withhold U.S. tax at a rate of 30 per cent on all, or a portion of, payments made after 31 December 2016 in respect of (i) any Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or after the date (the "grandfathering date") that is six months after the date on which the final U.S. Treasury regulations define the term "foreign passthru payment", or are materially modified on or after the grandfathering date and (ii) any Notes characterised as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued, pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code ("FATCA"), an intergovernmental agreement between the United States and another jurisdiction to improve tax compliance and to implement FATCA (an "IGA"), or any law or regulation implementing an IGA ("FATCA Withholding"). In addition, if Notes are issued before the grandfathering date and additional Notes of the same series are issued on or after that date, the additional Notes may not be treated as exempt from FATCA Withholding, which may have negative consequences to the existing Notes, including a negative impact on market price.

FATCA Withholding may be triggered if (i) the relevant Issuer and/or the relevant Guarantor is a foreign financial institution ("FFI") (as defined by FATCA) that is required to report to the U.S. Internal Revenue Service ("IRS") or other applicable authority certain information on its account holders (making the relevant

Issuer and/or the relevant Guarantor a “Participating FFI”) and (ii)(a) an investor does not provide information sufficient for the relevant Participating FFI to determine whether or the extent to which the investor is subject to FATCA Withholding, or (b) any FFI through or to which payment on such Notes is made, is not a Participating FFI or otherwise exempt from or in deemed-compliance with FATCA.

The application of FATCA Withholding to interest, principal or other amounts paid with respect to the Notes is not clear. If an amount in respect of FATCA Withholding were to be deducted or withheld from interest, principal or other payments on the Notes, neither the relevant Issuer, the relevant Guarantor nor any paying agent nor any other person would, pursuant to the Terms and Conditions of the Notes, be required to pay additional amounts as a result of such FATCA Withholding. As a result, investors may receive less interest or principal than expected.

FATCA Withholding is particularly complex and its application is uncertain at this time. The above description is based in part on proposed regulations and official guidance that is subject to change.

*The Terms and Conditions of the Notes contain provisions which may permit their modification without the consent of all investors and confer significant discretions on the Trustee which may be exercised without the consent of the Noteholders and without regard to the individual interests of particular Noteholders*

The Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Terms and Conditions of the Notes also provide that the Trustee may, without the consent of Noteholders and without regard to the interests of particular Noteholders, (i) agree to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or (ii) determine that any Event of Default or potential Event of Default shall not be treated as such or (iii) agree to the substitution of another company as principal debtor under any Notes in place of the relevant Issuer, in the circumstances described in Condition 11 of the Notes.

*The value of the Notes could be adversely affected by a change in English law or administrative practice*

The Terms and Conditions of the Notes are based on English law in effect as at the date of issue of the relevant Notes. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of issue of the relevant Notes and any such change could materially adversely impact the value of any Notes affected by it.

*Investors who purchase Bearer Notes in denominations that are not an integral multiple of the Specified Denomination may be adversely affected if definitive Bearer Notes are subsequently required to be issued*

In relation to any issue of Bearer Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Bearer Note in respect of such holding (should definitive Bearer Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

If definitive Bearer Notes are issued, holders should be aware that definitive Bearer Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

### ***Risks related to the market generally***

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

*An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell his Notes*

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

*If an investor holds Notes which are not denominated in the investor's home currency, he will be exposed to movements in exchange rates adversely affecting the value of his holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes*

The relevant Issuer will pay principal and interest on the Notes and the relevant Guarantor will make any payments under the Guarantee in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "Investor's Currency") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency-equivalent value of the principal payable on the Notes and (iii) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the relevant Issuer or the relevant Guarantor to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

*The value of Fixed Rate Notes may be adversely affected by movements in market interest rates*

Investment in Fixed Rate Notes involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Notes, this will adversely affect the value of the Fixed Rate Notes.

*Credit ratings assigned to the BHP Billiton Group or any Notes may not reflect all the risks associated with an investment in those Notes*

One or more independent credit rating agencies may assign credit ratings to the BHP Billiton Group or the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies,

unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). Certain information with respect to the credit rating agencies and ratings is set out on the front cover of this Prospectus. Where a Tranche of Notes is rated, such rating will be specified in the relevant Final Terms and not necessarily be the same as the rating assigned to the Programme by the relevant rating agency.



## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions (the “Conditions”) that, subject to completion in accordance with the provisions of the relevant Final Terms, shall be applicable to the Notes and/or Certificates in definitive form (if any) issued in exchange for the Global Note(s) and/or Global Certificates representing each Series. Either (i) the full text of these Conditions together with the relevant provisions of the relevant Final Terms or (ii) these Conditions as so completed, shall be endorsed on such Notes and/or Certificates in definitive form. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Final Terms. Those definitions will be endorsed on the definitive Notes or definitive Certificates, as the case may be. References in the Conditions to “Notes” are to the Notes of one Series only, not to all Notes that may be issued under the Programme.*

This Note is one of a series (“Series”) of Notes issued by, as specified in the relevant Final Terms, either BHP Billiton Finance Limited or BHP Billiton Finance Plc and guaranteed by, as specified in the relevant Final Terms, BHP Billiton Limited (in respect of the Notes issued by BHP Billiton Finance Limited) or BHP Billiton Plc (in respect of the Notes issued by BHP Billiton Finance Plc) (in such capacity each a “Guarantor” and together, the “Guarantors”, the Issuers and the Guarantors each being an “Obligor” and together the “Obligors”).

References herein to the “relevant Issuer” shall be to the Issuer of the Notes named in the relevant Final Terms and references herein to the “relevant Guarantor” shall be to either BHP Billiton Limited in respect of Notes issued by BHP Billiton Finance Limited, or BHP Billiton Plc in respect of Notes issued by BHP Billiton Finance Plc, as specified in the relevant Final Terms.

The Notes are constituted by a Trust Deed (as amended and/or supplemented and/or restated from time to time, the “Trust Deed”) dated 19 June 2002 between the Obligors and Citicorp Trustee Company Limited (the “Trustee”, which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the Noteholders (as defined below). These Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Notes, Global Notes, Certificates, Coupons and Talons referred to below. An Amended and Restated Agency Agreement (as amended and/or supplemented and/or restated from time to time, the “Agency Agreement”) dated 9 November 2012 has been entered into in relation to the Notes between the Obligors, the Trustee, Citibank, N.A., London Branch as initial issuing and paying agent, Citibank, N.A., New York Branch as registrar, Citi Trust Company Canada as Canadian authentication agent and the other agents named in it. The issuing and paying agent, the paying agents, the registrar, the transfer agents, the calculation agent(s) and the Canadian authentication agent for the time being (if any) are referred to below respectively as the “Issuing and Paying Agent”, the “Paying Agents” (which expression shall, unless the context requires otherwise, include the Issuing and Paying Agent and any other paying agents which may be appointed), the “Registrar”, the “Transfer Agents” (which expression shall, unless the context requires otherwise, include the Registrar and any other transfer agents which may be appointed), the “Calculation Agent(s)” and the “Canadian Authentication Agent”. Copies of the Trust Deed, the deed poll guarantees dated 29 June 2001 each entered into by each of BHP Billiton Limited and BHP Billiton Plc (each a “Cross Guarantee” and together, the “Cross Guarantees”) and the Agency Agreement are available during usual business hours at the registered office of BHP Billiton Plc in London, the principal office of the Trustee (at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB) and at the specified offices of the Paying Agents and the Transfer Agents. Copies of the Final Terms are available for viewing, subject as provided below, on weekdays during normal business hours at the principal office of the Trustee and at the specified offices of the Paying Agents and the Transfer Agents. In addition, copies of each Final Terms relating to Notes which are either admitted to trading on the London Stock Exchange’s Regulated Market or offered in the United Kingdom in circumstances where a prospectus is required to be published under Directive 2003/71/EC (the “Prospectus Directive”) will also be published on the website of the London Stock Exchange plc through a regulatory information service. Copies of each Final Terms relating to Notes which are admitted to trading on any other regulated market in the

European Economic Area or offered in any other Member State of the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive will be published in accordance with the Prospectus Directive and the rules and regulations of the relevant regulated market. Copies of each Final Terms relating to any other Notes will only be available for inspection by a holder of such Notes upon production of evidence satisfactory to the Trustee, the relevant Paying Agent or the relevant Transfer Agent, as the case may be, as to the identity of such holder.

The Noteholders, the holders (the "Couponholders") of the interest coupons (the "Coupons") relating to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the "Talons") are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of those provisions applicable to them of the Agency Agreement. References herein to the "Notes" shall be references to the Notes of this Series only.

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Note which complete these Conditions for the purposes of this Note. References to the "relevant Final Terms" are to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note.

## **1 Form, Denomination and Title**

The Notes are issued in bearer form ("Bearer Notes", which expression includes Notes that are specified to be Exchangeable Bearer Notes), in registered form ("Registered Notes") or in bearer form exchangeable for Registered Notes ("Exchangeable Bearer Notes") in each case in the Specified Denomination(s) shown hereon.

*All Registered Notes shall have the same Specified Denomination. Where Exchangeable Bearer Notes are issued, the Registered Notes for which they are exchangeable shall have the same Specified Denomination as the lowest denomination of Exchangeable Bearer Notes.*

This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note or a combination of any of the foregoing, depending upon the Interest and Redemption/Payment Basis shown hereon.

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable.

Registered Notes are represented by registered certificates ("Certificates") and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes of the same holder.

Title to the Bearer Notes and the Coupons and Talons shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the relevant Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "Register"). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder.

In these Conditions, "Noteholder" means the bearer of any Bearer Note or the person in whose name a Registered Note is registered (as the case may be), "holder" (in relation to a Note, Coupon or Talon) means the bearer of any Bearer Note, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be) and capitalised terms have the meanings given

to them hereon, the absence of any such meaning indicating that such term is not applicable to the Notes.

## **2 Exchanges of Exchangeable Bearer Notes and Transfers of Registered Notes**

### **(a) Exchange of Exchangeable Bearer Notes**

Subject as provided in Condition 2(f), Exchangeable Bearer Notes may be exchanged for the same nominal amount of Registered Notes at the request in writing of the relevant Noteholder (in substantially the form set out in Part 2 of Schedule 1 to the Agency Agreement) and upon surrender of each Exchangeable Bearer Note to be exchanged, together with all unmatured Coupons and Talons relating to it, at the specified office of any Transfer Agent; provided, however, that where an Exchangeable Bearer Note is surrendered for exchange after the Record Date (as defined in Condition 7(b)) for any payment of interest, the Coupon in respect of that payment of interest need not be surrendered with it. Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes that are not Exchangeable Bearer Notes may not be exchanged for Registered Notes.

### **(b) Transfer of Registered Notes**

One or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the relevant Issuer), duly completed and executed and any other evidence as the Registrar or the relevant Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the relevant Issuer, with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be made available free of charge by the Registrar to any Noteholder upon request and are available for inspection at the specified office of the Issuing and Paying Agent.

### **(c) Partial Redemption in Respect of Registered Notes**

In the case of a partial redemption of a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder in respect of the balance of the holding not redeemed. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

### **(d) Delivery of New Certificates**

Each new Certificate to be issued pursuant to Conditions 2(a), (b) or (c) shall be available for delivery within three business days of receipt of the request for exchange, form of transfer or Exercise Notice (as defined in Condition 6(e)) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such request for exchange, form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant request for exchange, form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), "business day"

means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

(e) *Exchange Free of Charge*

Exchange and transfer of Notes and Certificates on registration, transfer, exercise of an option or partial redemption and the issue of any new Certificates in connection therewith shall be effected without charge by or on behalf of the relevant Issuer, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the Transfer Agent may reasonably require).

(f) *Closed Periods*

No Noteholder may require the transfer of a Registered Note to be registered or an Exchangeable Bearer Note to be exchanged for one or more Registered Note(s) (i) during the period of 15 days ending on the due date for redemption of that Note, (ii) during the period of 15 days prior to any date on which Notes may be called for redemption by the relevant Issuer at its option pursuant to Condition 6(d), (iii) after any such Note has been called for redemption or (iv) during the period of seven days ending on (and including) any Record Date. An Exchangeable Bearer Note called for redemption may, however, be exchanged for one or more Registered Note(s) in respect of which the Certificate is simultaneously surrendered not later than the relevant Record Date.

### **3 Guarantees and Status**

(a) *Guarantees*

BHP Billiton Limited has unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by BHP Billiton Finance Limited under the Trust Deed, the Notes and the Coupons. BHP Billiton Plc has unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by BHP Billiton Finance Plc under the Trust Deed, the Notes and the Coupons. Their respective obligations in that respect (each a "Guarantee" and together the "Guarantees") are contained in the Trust Deed.

(b) *Status of Notes and Guarantees*

The Notes and any relevant Coupons constitute (subject to Condition 4) direct, unsubordinated and unsecured obligations of the relevant Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the relevant Issuer under the Notes and any relevant Coupons and of the relevant Guarantor under the relevant Guarantee shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4, at all times rank at least equally with all other unsecured and unsubordinated indebtedness of the relevant Issuer or, as the case may be, the relevant Guarantor, present and future.

### **4 Negative Pledge**

For so long as any of the Notes remains outstanding (as defined in the Trust Deed) neither the relevant Issuer nor either Guarantor shall create or permit to subsist any Security (as defined below) (other than Permitted Security (as defined below)) upon the whole or any part of its present or future assets or revenues to secure any Relevant Indebtedness (as defined below) or any guarantee of or indemnity in respect of any Relevant Indebtedness, unless prior to or simultaneously therewith the relevant Issuer's obligations under the Notes or, as the case may be, the relevant Guarantor's obligations under the Guarantee, either

- (i) are secured equally and rateably therewith to the satisfaction of the Trustee; or
- (ii) have the benefit of such other Security as the Trustee in its absolute discretion shall deem to be not materially less beneficial to the interests of the Noteholders or as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

For the purposes of this Condition 4:

“Permitted Security” means:

- (a) any Security over or affecting any asset or project established, acquired, developed or expanded after 19 June 2002 where the Security was created to secure the purchase price, or the financing of the establishment, acquisition, development, expansion or operation of, that asset or project and the principal amount secured by that Security does not exceed the purchase price or financing (and any costs of establishment, acquisition, development, expansion or operation);
- (b) any Security in substitution for any Security permitted under paragraph (a) where the Relevant Indebtedness secured is refinancing the Relevant Indebtedness secured by the Security being substituted; or
- (c) any Security created in connection with convertible or exchangeable bonds or notes, where the Security is created over assets into which the convertible or exchangeable bonds or notes may be converted or exchanged and secures only the obligation of the issuing entity to effect the conversion or exchange of the bonds or notes into such assets;

“Relevant Indebtedness” means any present or future indebtedness in the form of, or represented by, bonds, notes, debentures, loan stock, or other debt securities which, in each case, are, or are capable of being, listed, quoted, ordinarily dealt in or traded on any stock exchange, recognised automated trading system, over-the-counter or other securities market, other than any such indebtedness with an original maturity of less than one year; and

“Security” means a mortgage, charge, pledge, lien or other security interest.

## **5 Interest and other Calculations**

### **(a) *Interest on Fixed Rate Notes***

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(f).

### **(b) *Interest on Floating Rate Notes***

#### **(i) Interest Payment Dates**

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(f). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which falls the number of months or other period shown hereon as the Specified Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

#### **(ii) Business Day Convention**

If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention and such date would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business

Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(iii) Rate of Interest for Floating Rate Notes

The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon.

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate plus or minus (as indicated in the relevant Final Terms) the Margin (if any). For the purposes of this sub-paragraph (A), "ISDA Rate" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (x) the Floating Rate Option is as specified hereon;
- (y) the Designated Maturity is a period specified hereon; and
- (z) the relevant Reset Date is the day specified hereon.

For the purposes of this sub-paragraph (A), "Floating Rate", "Calculation Agent", "Floating Rate Option", "Designated Maturity", "Reset Date" and "Swap Transaction" have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent at or about the Relevant Time on the Interest Determination Date in respect of such Interest Accrual Period in accordance with the following:

- (x) if the Primary Source for Floating Rate is a Page, subject as provided below, the Rate of Interest shall be:
  - (I) the Relevant Rate (where such Relevant Rate on such Page is a composite quotation or is customarily supplied by one entity); or
  - (II) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Page,

in each case appearing on such Page at the Relevant Time on the Interest Determination Date plus or minus (as indicated in the relevant Final Terms) the Margin (if any);

- (y) if the Primary Source for the Floating Rate is Reference Banks or if sub-paragraph (x)(I) applies and no Relevant Rate appears on the Page at the Relevant Time on the Interest Determination Date or if sub-paragraph (x)(II) above applies and fewer than two Relevant Rates appear on the Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest (subject as provided in Condition 5(e)) shall be the arithmetic mean of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre at the Relevant Time on the Interest Determination Date plus or minus (as indicated in the relevant Final Terms) the Margin (if any), as determined by the Calculation Agent; and
- (z) if paragraph (y) above applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Relevant Rates, subject as provided below, the Rate of Interest (subject as provided in Condition 5(e)) shall be the arithmetic mean of the rates per annum (expressed as a percentage) (plus or minus (as indicated in the relevant Final Terms) the Margin (if any)) that the Calculation Agent determines to be the rates (being the nearest equivalent to the Benchmark) in respect of a Representative Amount of the Specified Currency that at least two out of five leading banks selected by the Calculation Agent in the principal financial centre of the country of the Specified Currency or, if the Specified Currency is euro, in the Euro-zone as selected by the Calculation Agent (the "Principal Financial Centre") are quoting at or about the Relevant Time on the date on which such banks would customarily quote such rates for a period commencing on the Effective Date for a period equivalent to the Specified Duration (I) to leading banks carrying on business in Europe, or (if the Calculation Agent determines that fewer than two of such banks are so quoting to leading banks in Europe) (II) to leading banks carrying on business in the Principal Financial Centre; except that, if fewer than two of such banks are so quoting to leading banks in the Principal Financial Centre, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date (after readjustment for any difference between any Margin, Rate Multiplier or Maximum or Minimum Rate of Interest applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period).

(c) *Zero Coupon Notes*

Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 6(b)(i)).

(d) *Accrual of Interest*

Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (as well after as before judgment) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date (as defined in Condition 8).

(e) *Margin, Maximum/Minimum Rates of Interest and Redemption Amounts, Rate Multipliers and Rounding*

- (i) If any Margin or Rate Multiplier is specified hereon (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with Condition 5(b) above by adding (if a positive number) or subtracting (if a negative

number) the absolute value of such Margin or multiplying by such Rate Multiplier, subject always to the next paragraph.

(ii) If any Maximum or Minimum Rate of Interest or Redemption Amount is specified hereon, then any Rate of Interest or Redemption Amount shall be subject to such maximum or minimum, as the case may be.

(iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes "unit" means the lowest amount of such currency that is available as legal tender in such currency.

(f) *Calculations*

The Interest Amount payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified hereon and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated. Where the Specified Denomination comprises more than one Calculation Amount, the amount of interest payable in respect of such Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination.

(g) *Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts and Optional Redemption Amounts*

As soon as practicable after the Relevant Time on each Interest Determination Date or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, it shall determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount to be notified to the Trustee, the relevant Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange or admitted to listing or trading by any other relevant authority and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made with the consent of the Trustee by way of



adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 10, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made unless the Trustee otherwise requires. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest or proven error) be final and binding upon all parties.

(h) *Determination or Calculation by Trustee*

If the Calculation Agent does not at any time for any reason determine or calculate the Rate of Interest for an Interest Period or any Interest Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, the Trustee shall do so (or shall appoint an agent on its behalf to do so) and such determination or calculation shall be deemed to have been made by the Calculation Agent. In doing so, the Trustee shall apply the foregoing provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

(i) *Definitions*

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

“Benchmark” means the benchmark rate of interest used in calculating the Relevant Rate, being (i) LIBOR, (ii) EURIBOR, (iii) LIBID, (iv) LIMEAN, (v) BBSW or (vi) CAD-BA-CDOR, as specified in the relevant Final Terms.

“Business Day” means:

- (i) in the case of a Specified Currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre for such currency (which, if the Specified Currency is Canadian dollars, shall be Toronto except where the Benchmark is LIBOR in which event the principal financial centre shall be deemed to be Toronto and London); or
- (ii) in the case of euro, a day on which the TARGET2 System is operating (a “TARGET2 Business Day”); and
- (iii) in the case of one or more Additional Business Centres, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the Additional Business Centre(s).

“Day Count Fraction” means, in respect of the calculation of an amount of interest on any Note for any period of time from (and including) the first day of such period to (but excluding) the last (whether or not constituting an Interest Period or Interest Accrual Period, the “Calculation Period”):

- (i) if “Actual/365” or “Actual/Actual — ISDA” is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

- (ii) if “Actual/365 (Fixed)” is specified hereon, the actual number of days in the Calculation Period divided by 365;
- (iii) if “Actual/360” is specified hereon, the actual number of days in the Calculation Period divided by 360;
- (iv) if “30/360”, “360/360” or “Bond Basis” is specified hereon, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (a) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month));
- (v) if “30E/360” or “Eurobond Basis” is specified hereon, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of the final Calculation Period, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month);
- (vi) if “Actual/Actual Canadian Compound Method” is specified hereon, whenever it is necessary to compute any amount of accrued interest in respect of the Notes for a period of less than one full year, other than in respect of any regular semi-annual interest payments, such interest will be calculated on the basis of the actual number of days in the Calculation Period and a year of 365 days; and
- (vii) if “Actual/Actual-ICMA” is specified hereon,
  - (a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
  - (b) if the Calculation Period is longer than one Determination Period during which such Calculation Period ends, the sum of:
    - (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
    - (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where:

“Determination Period” means the period from (and including) a Determination Date in any year to (but excluding) the next Determination Date; and

“Determination Date” means the date(s) specified as such hereon or, if none is so specified, the Interest Payment Date(s).

“Effective Date” means, with respect to any Floating Rate to be determined on an Interest Determination Date, the date specified as such hereon or, if none is so specified, the first day of the Interest Accrual Period to which such Interest Determination Date relates.

“Euro-zone” means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended.

“Interest Accrual Period” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

“Interest Amount” means:

- (i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes, and unless otherwise specified hereon, shall mean the Fixed Coupon Amount or Broken Amount specified hereon as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and
- (ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period.

“Interest Commencement Date” means the Issue Date or such other date as may be specified hereon.

“Interest Determination Date” means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (ii) the day falling two London Banking Days prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro or (iii) the day falling two TARGET2 Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro.

“Interest Period” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

“Interest Period Date” means each Interest Payment Date unless otherwise specified hereon.

“ISDA Definitions” means the 2000 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc.

“London Banking Day” means a day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London.

“Page” means such page, section, caption, column or other part of a particular information service (including, but not limited to, Reuters Markets 3000 (“Reuters”) and Bridge/Moneyline Telerate (“Telerate”)) as may be specified for the purpose of providing a Relevant Rate, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or

sponsoring the information appearing there for the purpose of displaying rates or prices comparable to that Relevant Rate.

“Rate of Interest” means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions hereon.

“Reference Banks” means the institutions specified as such hereon or, if none, four major banks selected by the Calculation Agent in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the Benchmark (which, if EURIBOR is the relevant Benchmark, shall be the Euro-zone) or, if CAD-BA-CDOR is the relevant Benchmark, four major Canadian Schedule 1 chartered banks selected by the Calculation Agent.

“Relevant Financial Centre” means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the financial centre as may be specified as such hereon or, if none is so specified, the financial centre with which the relevant Benchmark is most closely connected (which, in the case of EURIBOR, shall be the Euro-zone) or, if none is so connected, London.

“Relevant Rate” means the Benchmark for a Representative Amount of the Specified Currency for a period (if applicable or appropriate to the Benchmark) equal to the Specified Duration commencing on the Effective Date.

“Relevant Time” means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre specified hereon or, if no time is specified, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Specified Currency in the interbank market in the Relevant Financial Centre and for this purpose “local time” means, with respect to Europe and the Euro-zone as a Relevant Financial Centre, 11.00 hours, Brussels time.

“Representative Amount” means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the amount specified as such hereon or, if none is specified, an amount that is representative for a single transaction in the relevant market at the time.

“Specified Currency” means the currency specified as such hereon or, if none is specified, the currency in which the Notes are denominated.

“Specified Duration” means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the duration specified hereon or, if none is specified, a period of time equal to the relative Interest Accrual Period, ignoring any adjustment pursuant to Condition 5(b)(ii).

“TARGET2 System” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System which utilises a single shared platform and which was launched on 19 November 2007 or any successor thereto.

(j) *Calculation Agent and Reference Banks*

The relevant Issuer shall procure that there shall at all times be four Reference Banks (or such other number as may be specified hereon) with offices in the Relevant Financial Centre and one or more Calculation Agents if provision is made for them hereon and for so long as any Note is outstanding. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank, then the relevant Issuer shall (with the prior written approval of the Trustee) appoint another Reference Bank with an office in the Relevant Financial Centre to act as such in its place.

Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent defaults in its obligation to establish the Rate of Interest for an Interest Period or Interest Accrual Period or to calculate any Interest Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the relevant Issuer shall (with the prior written approval of the Trustee) appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

(k) *Certificates to be Final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5, whether by the Issuing and Paying Agent or, if applicable, any Calculation Agent or the Trustee, shall (in the absence of wilful default, bad faith or manifest or proven error) be binding on the relevant Issuer, the relevant Guarantor, the Issuing and Paying Agent, the Calculation Agent (if applicable), the other Paying Agents (if applicable) and all Noteholders and Couponholders and (in the absence of wilful default, bad faith or manifest error) no liability to the relevant Issuer, the Noteholders or the Couponholders shall attach to the Issuing and Paying Agent or, if applicable, any Calculation Agent or the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(l) *Yearly Rate of Interest*

For the purposes of the Interest Act (Canada) and disclosure thereunder, whenever any interest to be paid hereunder or in connection herewith is to be calculated on the basis of a 360-day or 365-day year, the yearly rate of interest to which the rate used in such calculation is equivalent is the rate so used multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by 360 or 365, as applicable. The foregoing sentence is for the purposes of disclosure under the Interest Act (Canada) only and not for any other purpose and shall not otherwise affect the terms of the Notes.

**6 Redemption, Purchase and Options**

(a) *Final Redemption*

Unless previously redeemed or purchased and in each case cancelled as provided below or its maturity is extended pursuant to any relevant Issuer's or Noteholder's option in accordance with Condition 6(d) or 6(e), each Note shall be finally redeemed on the Maturity Date specified hereon at its Final Redemption Amount (which, unless otherwise provided hereon, is its nominal amount).

(b) *Early Redemption*

(i) *Zero Coupon Notes*

(A) The Early Redemption Amount payable in respect of any Zero Coupon Note, upon redemption of such Note pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10, shall be the Amortised Face Amount (calculated as provided below) of such Note.

(B) Subject to the provisions of sub-paragraph (C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised

Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.

- (C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (as well after as before judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 5(c).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

- (ii) **Other Notes**  
The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10, shall be the Final Redemption Amount unless otherwise specified hereon.
- (c) ***Redemption for Taxation Reasons***  
The Notes may be redeemed at the option of the relevant Issuer in whole, but not in part, on any Interest Payment Date or, if so specified in the relevant Final Terms, at any time, on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable) and the Trustee at their Early Redemption Amount (as described in Condition 6(b) above) (together with interest accrued to the date fixed for redemption), if (i) the relevant Issuer or the relevant Guarantor, as the case may be satisfies the Trustee immediately before the giving of such notice that it has or will become obliged to pay additional amounts as described under Condition 8 or the relevant Guarantor would be unable for reasons outside its control to procure payment by the relevant Issuer and in making payment itself would be required to pay such additional amounts, in each case as a result of any change in, or amendment to, the laws or regulations of the relevant Tax Jurisdiction (as defined in Condition 8) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes, and (ii) such obligation cannot be avoided by the relevant Issuer or, as the case may be, the relevant Guarantor, taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the relevant Issuer or the relevant Guarantor, as the case may be, would be obliged to pay such additional amounts were a payment in respect of the Notes (or the relevant Guarantee, as the case may be) then due. Before the publication of any notice of redemption pursuant to this paragraph, the relevant Issuer shall deliver to the Trustee a certificate signed by an authorised officer of the relevant Issuer or the relevant Guarantor, as the case may be, stating that the obligation referred to in (i) above cannot be avoided by the relevant Issuer or the relevant Guarantor, as the case may be, taking reasonable measures available to it and the Trustee shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the condition precedent set out in (ii) above in which event it shall be conclusive and binding on the Noteholders and Couponholders.

(d) *Redemption at the Option of the Issuer*

If Call Option is specified hereon, the relevant Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice to the Noteholders and to the Trustee redeem all or, if so provided, some of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption. Any such redemption must relate to Notes of a nominal amount at least equal to the minimum nominal amount to be redeemed specified hereon and no greater than the maximum nominal amount to be redeemed specified hereon.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption, the notice to Noteholders shall also contain the certificate numbers of the Notes to be redeemed which shall have been drawn in such place as the Trustee may approve and in such manner as it deems appropriate, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements. So long as the Notes are listed or admitted to trading on any stock exchange and the rules and/or regulations of the relevant stock exchange or listing authority so require, the relevant Issuer shall, once in each year in which there has been a partial redemption of the Notes, cause to be published in a leading newspaper as required by such stock exchange or listing authority or its rules and/or regulations, a notice specifying the aggregate nominal amount of Notes outstanding and a list of the Notes drawn for redemption but not surrendered.

(e) *Redemption at the Option of Noteholders*

If Put Option is specified hereon, the relevant Issuer shall, at the option of the holder of any such Note, upon the holder of such Note giving not less than 15 nor more than 30 days' notice to the relevant Issuer redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued to the date fixed for redemption.

To exercise such option the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice ("Exercise Notice") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the notice period. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the relevant Issuer.

(f) *Purchases*

The Obligors and any of their respective Subsidiaries (as defined in the Trust Deed) may at any time purchase Notes (provided that all unmatured Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price.

(g) *Cancellation*

All Notes redeemed by the relevant Issuer (together with all unmatured Coupons and unexchanged Talons surrendered therewith) shall be cancelled forthwith. All Notes purchased by or on behalf of the Obligors or any of their respective subsidiaries may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Coupons and all unexchanged Talons to the Issuing and Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, may (i) be cancelled forthwith (together with all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith) and the obligations of the relevant Issuer and the relevant Guarantor, as the case may be, in respect of any such Notes shall be discharged or (ii) may be held or reissued or resold.

## **7 Payments and Talons**

### **(a) *Bearer Notes***

Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Notes (in the case of all payments of principal and, in the case of interest, as specified in Condition 7(f)(iv)) or Coupons (in the case of interest, save as specified in Condition 7(f)(ii)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a Bank. "Bank" means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET2 System.

### **(b) *Registered Notes***

(i) Payments of principal in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (ii) below.

(ii) Interest on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the "Record Date"). Payments of interest on each Registered Note shall be made in the relevant currency by cheque drawn on a Bank and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a Bank.

### **(c) *Payments in the United States***

Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid only if (i) the relevant Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the relevant Issuer, any adverse tax consequence to the relevant Issuer.

### **(d) *Payments subject to Fiscal Laws***

All payments are subject in all cases to (i) any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 8; and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "Code") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments. Any such amounts withheld or deducted will be treated as paid for all purposes under the Notes, and no additional amounts will be paid on the Notes with respect to any such withholding or deduction.

### **(e) *Appointment of Agents***

The Issuing and Paying Agent, the Paying Agents, the Registrar, the Transfer Agents the Calculation Agent and the Canadian Authentication Agent initially appointed by the Obligors and their respective specified offices are listed below. The Issuing and Paying Agent, the Paying Agents, the Registrar, the Transfer Agents, the Calculation Agent and the Canadian Authentication Agent act solely as agents of the Obligors and, in certain limited circumstances provided in the Trust Deed and the Agency Agreement, of the Trustee and do not assume any obligation or relationship of agency or



trust for or with any Noteholder or Couponholder. The Obligors reserve the right at any time with the prior written approval of the Trustee to vary or terminate the appointment of the Issuing and Paying Agent, any other Paying Agent, the Registrar, any Transfer Agent, the Calculation Agent(s) or the Canadian Authentication Agent and to appoint additional or other Paying Agents or Transfer Agents, provided that the relevant Issuer shall at all times maintain (i) an Issuing and Paying Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes, (iv) one or more Calculation Agent(s) where the Conditions so require, (v) a Paying Agent having its specified office in at least one major European city, (vi) such other agents as may be required by any stock exchange or listing authority (or the rules and/or regulations thereof) on which the Notes may be listed or admitted to trading in each case as approved by the Trustee, (vii) a Paying Agent with a specified office in a Member State of the European Union that is not obliged to withhold or deduct tax pursuant to any law implementing or complying with, or introduced in order to conform to, European Council Directive 2003/48/EC (the "Directive") and (viii) so long as any Notes denominated in Canadian dollars settled and cleared through CDS Clearing and Depository Services Inc. are outstanding, a Canadian authentication agent.

In addition, the Obligors shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in paragraph (c) above.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders.

(f) *Unmatured Coupons and unexchanged Talons*

- (i) Unless the Notes provide that the relative Coupons are to become void upon the due date for redemption of those Notes, Bearer Notes should be surrendered for payment together with all unexpired Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).
- (ii) If the Notes so provide, upon the due date for redemption of any Bearer Note, unexpired Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.

(g) *Talons*

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent in exchange for a further Coupon sheet (and if

necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9).

(h) *Non-Business Days*

If any date for payment in respect of any Note or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, "business day" means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for business in the relevant place of presentation (in the case of Notes in definitive form only) and (in the case of payment by transfer as referred to above) in such jurisdictions as shall be specified as "Additional Financial Centres" hereon, and:

- (i) (in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency (which, if the Specified Currency is Canadian dollars, shall be Toronto); or
- (ii) (in the case of a payment in euro) which is a TARGET2 Business Day.

**8 Taxation**

All payments of principal and interest in respect of the Notes and the Coupons or under the Guarantees shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the relevant Tax Jurisdiction unless such withholding or deduction is required by law. In that event, the relevant Issuer or, as the case may be, the relevant Guarantor shall pay such additional amounts as shall result in receipt by the Noteholders and Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note or Coupon:

(a) *Other connection*

to, or to a third party on behalf of, a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of his having some connection with the relevant Tax Jurisdiction other than the mere holding of the Note or Coupon; or

(b) *Lawful avoidance of withholding*

to, or to a third party on behalf of, a holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the relevant Note (or the Certificate representing it) or Coupon is presented for payment; or

(c) *Presentation more than 30 days after the Relevant Date*

presented (or in respect of which the Certificate representing it is presented) for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the thirtieth day; or

- (d) *Payment to individuals*  
where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to any law implementing or complying with, or introduced in order to conform to, the Directive (as defined in Condition 7(e)); or
- (e) *Supply of Australian tax file number, Australian Business Number or exemption details*  
to, or to a third party on behalf of, an Australian resident holder or non-resident holding the Notes through an Australian permanent establishment, if such withholding or deduction is imposed on a payment because that person has not supplied an appropriate tax file number, Australian Business Number or exemption details; or
- (f) *Payment by another Paying Agent*  
(except in the case of Registered Notes) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a Member State of the European Union; or
- (g) *Associates of BHP Billiton Finance Limited*  
issued by BHP Billiton Finance Limited to, or to a third party on behalf of, a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of his being an associate of BHP Billiton Finance Limited, for the purposes of section 128F of the Income Tax Assessment Act 1936 of Australia.

As used in these Conditions,

“Relevant Date” in respect of any Note or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note (or relative Certificate) or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

References in these Conditions to (i) “principal” shall be deemed to include any premium payable in respect of the Notes, all Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 or any amendment or supplement to it, (ii) “interest” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 or any amendment or supplement to it and (iii) “principal” and/or “interest” shall be deemed to include any additional amounts that may be payable under this Condition or any undertaking given in addition to or in substitution for it under the Trust Deed.

“Tax Jurisdiction” means, in the case of payments by the relevant Issuer where the relevant Issuer is BHP Billiton Finance Limited, Australia or, where the relevant Issuer is BHP Billiton Finance Plc, the United Kingdom, or, in either case, any political subdivision or any authority thereof or therein having power to tax or, in the case of payments by BHP Billiton Limited as Guarantor (in relation to Notes issued by BHP Billiton Finance Limited), Australia or, in the case of payments by BHP Billiton Plc as Guarantor (in relation to Notes issued by BHP Billiton Finance Plc), the United Kingdom or, in either case, any political subdivision or any authority thereof or therein having power to tax.

## **9 Prescription**

Claims against the relevant Issuer and/or the relevant Guarantor, as the case may be, for payment in respect of the Notes and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

## 10 Events of Default

If any of the following events (each an "Event of Default") occurs and shall be continuing the Trustee at its discretion may, and if so requested in writing by holders of at least one-quarter in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders shall (subject in each case to being indemnified and/or secured to its satisfaction), give notice to the relevant Issuer that the Notes are, and they shall thereupon immediately become, due and payable at their Early Redemption Amount (as described in Condition 6(b)) together with accrued interest as provided in the Trust Deed:

- (a) if there is failure to pay any amount in respect of the Notes of the relevant Series or any of them and such failure to pay continues for a period of five Business Days in the case of payment of principal or 10 Business Days in the case of a payment of interest; or
- (b) the relevant Issuer or either Guarantor fails to perform or observe any of its other obligations under these Conditions or the Trust Deed or a Guarantee and (except in any case where the Trustee considers the failure to be incapable of remedy when no such continuation as is hereinafter mentioned will be required) such default continues for a period of 30 days (or such longer period as the Trustee may permit) next following service of a notice by the Trustee on the Issuer and the relevant Guarantor requiring the same to be remedied; or
- (c) any present or future indebtedness of any Obligor in connection with moneys borrowed or raised
  - (i) is not satisfied when due or at the end of any originally applicable grace period; or
  - (ii) becomes prematurely payable as a result of a default by the Obligor,except to the extent in any instance that the existence or enforceability of the relevant obligation is being disputed in good faith by it by appropriate proceedings provided that the aggregate amount of such indebtedness in respect of which one or more of the events mentioned above in this paragraph (c) involving one or more Obligors have occurred and is continuing equals or exceeds U.S.\$100,000,000 (or its equivalent in any other currency or currencies); or
- (d) a judgment or order is enforced against any property of any Obligor; and
  - (i) such judgment or order is not discharged, or a stay of execution is not obtained, within 90 days; or
  - (ii) a stay of execution having been so obtained, the execution or process is not discharged within a reasonable time after the issue or levy of the execution or process, as the case requires provided that the aggregate amount in respect of which one or more of the events mentioned in this paragraph (d) involving one or more Obligors have occurred and is continuing equals or exceeds U.S.\$100,000,000 (or its equivalent in any other currency or currencies); or
- (e) an order being made or an effective resolution passed for the winding-up or dissolution of the relevant Issuer or either Guarantor except a winding-up for the purposes of or pursuant to a consolidation, amalgamation, merger, reorganisation or reconstruction the terms of which have previously been approved by the Trustee in writing or by an Extraordinary Resolution of the Noteholders; or

- (f) an encumbrancer taking possession or the appointment of an administrative or other receiver or administrator or other similar official or an administrative or other receiver, manager, administrator or other similar official being appointed in respect of the whole or any substantial part of the assets or undertaking of the relevant Issuer or either Guarantor or a distress, execution or other process being levied or enforced upon or sued out against a substantial part of the property or assets of the relevant Issuer or either Guarantor and in any case not being discharged, removed or stayed within 60 days; or
- (g) except for the purposes of a solvent reconstruction, union, transfer, merger or amalgamation which is effected with the prior written consent of the Trustee or which is approved by an Extraordinary Resolution of the Noteholders, the relevant Issuer or either Guarantor ceases or suspends the conduct of all or substantially all of its business; or
- (h) the relevant Issuer or either Guarantor stops payment of all or a class of its debts as they fall due or makes a general assignment for the benefit of its creditors; or
- (i) either Guarantee or either Cross Guarantee is not (or is claimed by the applicable Guarantor not to be) in full force and effect in relation to the Notes,

provided that, in the case of each of paragraphs (b), (c), (d), (e), (f), (g) and (h) above, the Trustee shall have certified that, in its opinion, such event has a Material Adverse Effect.

“Material Adverse Effect” means a material adverse effect on the ability of the Obligors, taken as a whole, to comply with their payment obligations under the Notes as and when they fall due for performance or the relevant Guarantee in a timely manner.

## **11 Meetings of Noteholders, Modification, Waiver and Substitution**

### **(a) Meetings of Noteholders**

The Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Trust Deed. Such a meeting shall be convened by the Issuer upon a request by Noteholders holding not less than 10 per cent in nominal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be one or more persons holding or representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the dates of maturity or redemption of the Notes or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the nominal amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes, (iv) if a Minimum and/or a Maximum Rate of Interest or Redemption Amount is shown hereon, to reduce any such Minimum and/or Maximum, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or denomination of the Notes, (vii) to take any steps that as specified hereon may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply, (viii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution or (ix) to modify or cancel the Guarantee, in which case the necessary quorum shall be one or more persons holding or representing not less than 75 per cent, or at any adjourned meeting not less than 20 per cent in nominal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or

not they were present at the meeting at which such resolution was passed) and on all Couponholders.

(b) *Modification of the Trust Deed*

The Trustee may agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of the provisions of these Conditions or the Trust Deed that is of a formal, minor or technical nature or is made to correct a manifest error or an error which, in the opinion of the Trustee, is proven, and (ii) any other modification, and any waiver or authorisation of any breach or proposed breach, of any of the provisions of these Conditions or the Trust Deed that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification waiver or authorisation shall be binding on the Noteholders and the Couponholders and, if the Trustee so requires, any such modification shall be notified to the Noteholders as soon as practicable.

(c) *Substitution*

The Trust Deed contains provisions permitting the Trustee to agree, without the consent of the Noteholders or the Couponholders, to the substitution of the relevant Issuer's successor in business (as defined in the Trust Deed) or any Holding Company (as defined in the Trust Deed) of the relevant Issuer or its successor in business or of the relevant Guarantor or its successor in business in place of the relevant Issuer as principal debtor under the Trust Deed and the Notes subject to the Trustee being satisfied that the interests of the Noteholders will not be materially prejudiced by the substitution and certain other conditions set out in the Trust Deed being complied with. In the case of such a substitution the Trustee may agree, without the consent of the Noteholders or the Couponholders, to a change of the law governing the Notes, the Coupons, the Talons and/or the Trust Deed provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders.

(d) *Entitlement of the Trustee*

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation or substitution) the Trustee shall have regard to the general interests of the Noteholders as a class but shall not have regard to any interests arising from circumstances particular to individual Noteholders or Couponholders (whatever their number) and, in particular but not without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the relevant Issuer, the relevant Guarantor, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders except to the extent already provided for in Condition 8 and/or any undertaking given in addition to, or in substitution for, Condition 8 pursuant to the Trust Deed.

**12 Enforcement**

The Trustee may, at its discretion and without further notice, institute such proceedings against the relevant Issuer and/or the relevant Guarantor, as the case may be, as it may think fit to enforce the provisions of the Trust Deed, the Notes and the Coupons, but it need not take any such proceedings or any other action under the Trust Deed unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Noteholders holding at least one-quarter in nominal amount of the Notes outstanding, and (b) it shall have been indemnified and/or secured to its satisfaction. No Noteholder or Couponholder may proceed directly against the relevant Issuer or the relevant Guarantor, as the case may be, unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

**13 Indemnification of the Trustee**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility. The Trustee is entitled to enter into business transactions with the Obligors and any entity related to the Obligors without accounting for any profit.

**14 Replacement of Notes, Certificates, Coupons and Talons**

If a Note, Certificate, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Issuing and Paying Agent (in the case of Bearer Notes, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the relevant Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the relevant Issuer on demand the amount payable by the relevant Issuer in respect of such Notes, Certificates, Coupons or further Coupons) and otherwise as the relevant Issuer may require. Mutilated or defaced Notes, Certificates, Coupons or Talons must be surrendered before replacements will be issued.

**15 Further Issues**

The relevant Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further notes shall be consolidated and form a single Series with the outstanding Notes. References in these Conditions to the Notes include (unless the context requires otherwise) any further notes issued pursuant to this Condition and forming a single Series with the Notes of any Series. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of notes of other Series where the Trustee so decides.

**16 Notices**

Notices to the holders of Registered Notes shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notices to the holders of Notes shall be valid if published in a daily newspaper of general circulation in London (which is expected to be the *Financial Times*). If in the opinion of the Trustee any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition.

**17 Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999 but this does not affect any rights or remedy of any person which exists or is available apart from that Act.

**18 Governing Law and Jurisdiction**

**(a) Governing Law**

The Trust Deed (including the Guarantees), the Notes, the Coupons and the Talons and any non-contractual obligations arising therefrom or in connection therewith shall be governed by, and

construed in accordance with, English law.

(b) *Jurisdiction*

The Courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with any Notes, Coupons or Talons or the Guarantees (including a dispute relating to any non-contractual obligations arising therefrom or in connection therewith) and accordingly any legal action or proceedings arising out of or in connection with any Notes, Coupons or Talons or the Guarantees ("Proceedings") may be brought in such courts. BHP Billiton Finance Limited and BHP Billiton Limited have in the Trust Deed irrevocably submitted to the jurisdiction of such courts.

(c) *Service of Process*

Each of BHP Billiton Finance Limited and BHP Billiton Limited have irrevocably appointed BHP Billiton Plc at Neathouse Place, London SW1V 1BH, United Kingdom to receive, for it and on its behalf, service of process in any Proceedings in England.



## **SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM**

### **Initial Issue of Notes**

If the Global Notes issued in respect of any Tranche are specified in the relevant Final Terms to be issued in NGN form, the Global Notes will be delivered on or prior to the original issue date of the Tranche to a Common Safekeeper for Euroclear and Clearstream, Luxembourg and the relevant clearing system(s) will be notified whether or not such Global Notes are intended to be held in a manner which would allow Eurosystem eligibility. Depositing the Global Notes with the Common Safekeeper and/or notifying the relevant clearing systems that such Global Notes are intended to be held in a manner which would allow Eurosystem eligibility does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

Global Notes which are issued in CGN form and Global Certificates may be delivered on or prior to the original issue date of the Tranche to a Common Depository for Euroclear and Clearstream, Luxembourg or a depository for such other clearing system indicated in the relevant Final Terms including CDS (each a "Clearing System"). Canadian Notes settling and clearing through CDS will be represented on issue by a Permanent Global Note in CGN form or a Global Certificate which, in each case, will be deposited on or prior to the issue date of the Tranche with CDS or a nominee of CDS.

If the Global Note is a CGN, upon the initial deposit of a Global Note with a Common Depository or other depository or registration of Registered Notes in the name of any nominee for the relevant Clearing System and delivery of the relative Global Certificate to the Common Depository or other depository, the relevant Clearing System will credit each subscriber with a principal amount of Notes equal to the principal amount thereof for which it has subscribed and paid.

If the Global Note is a NGN, the nominal amount of the Notes shall be the aggregate amount from time to time entered in the records of Euroclear or Clearstream, Luxembourg. The records of such clearing system shall be conclusive evidence of the nominal amount of Notes represented by the Global Note and a statement issued by such clearing system at any time shall be conclusive evidence of the records of the relevant clearing system at that time.

Notes that are initially deposited with the Common Depository, other depository or Common Safekeeper may also be credited to the accounts of subscribers with (if indicated in the relevant Final Terms) other clearing systems through direct or indirect accounts with the relevant Clearing System held by such other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with the relevant Clearing System.

Whilst any Note is represented by a Temporary Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date will be made against presentation of the Temporary Global Note if in CGN form only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and (in the case of a Temporary Global Note delivered to a Common Depository or Common Safekeeper for Euroclear and Clearstream, Luxembourg) Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Issuing and Paying Agent.

### **Relationship of Accountholders with Clearing Systems**

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or any other Clearing System as the holder of a Note represented by a Global Note or a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg or such other Clearing System (as the case may be) for his share of each payment made by the relevant Issuer or the relevant Guarantor, as the case may be, to the bearer of

such Global Note or the holder of the underlying Registered Notes, as the case may be, and in relation to all other rights arising under the Global Notes or Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg or such other Clearing System (as the case may be). Such persons shall have no claim directly against the relevant Issuer or the relevant Guarantor, as the case may be, in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of the relevant Issuer or the relevant Guarantor, as the case may be, will be discharged by payment to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, in respect of each amount so paid.

## **Exchange**

### ***Temporary Global Notes***

Each Temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole or in part upon certification as to non-U.S. beneficial ownership substantially in the form set out in the Agency Agreement for interests in a Permanent Global Note or, if so provided in the relevant Final Terms, for Definitive Notes.

Each Temporary Global Note that is also an Exchangeable Bearer Note will be exchangeable for Registered Notes in accordance with the Conditions in addition to any Permanent Global Note or Definitive Notes for which it may be exchangeable and, before its Exchange Date, will also be exchangeable in whole or in part for Registered Notes only.

If the relevant Final Terms indicate that the Temporary Global Note may be exchanged for Definitive Notes, trading of such Notes in Euroclear and Clearstream, Luxembourg will only be permitted in amounts which are an integral multiple of the minimum Specified Denomination.

### ***Permanent Global Notes***

Each Permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under "Partial Exchange of Permanent Global Notes", in part for Definitive Notes or, in the case of (c) below, Registered Notes:

- (a) by the relevant Issuer giving notice to the Noteholders, the Issuing and Paying Agent and the Trustee of its intention to effect such exchange;
- (b) if the relevant Final Terms provide that such Permanent Global Note is exchangeable for Definitive Notes at the request of the holder, by the holder giving notice to the Issuing and Paying Agent of its election for such exchange;
- (c) if the Permanent Global Note is an Exchangeable Bearer Note, then, subject to Condition 2(f), by the holder giving notice to the Issuing and Paying Agent of its election to exchange the whole or a part of such Permanent Global Note for Registered Notes; and
- (d) otherwise, (i) if the Permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg or any other Clearing System and any such Clearing System is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so and no other clearing system satisfactory to the Trustee is available or, if the Permanent Global Note is held by or on behalf of CDS and (A) CDS has notified the relevant Issuer that it is unwilling or unable to continue to act as a depository for the Notes and a successor depository is not appointed by the relevant Issuer within 90 working days after receiving such notice; or (B) CDS ceases to be a recognised clearing agency under the Securities Act (Ontario) or a self-regulatory organisation under the Securities Act (Québec) or other applicable Canadian securities legislation and no successor clearing system satisfactory to the Trustee is available within 90 working days after the relevant Issuer becoming aware that CDS is no longer so recognised, or (ii) if principal in respect of any Notes is not paid when

due or (iii) with the consent of the relevant Issuer, by the holder giving notice to the Issuing and Paying Agent of its election for such exchange, provided that sub-paragraph (iii) shall not apply to Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount.

The exchange upon notice option described in paragraphs (a) and (b) above should not be expressed to be applicable if the relevant Notes have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount.

### ***Global Certificates***

If the relevant Final Terms state that the Notes are to be represented by a Global Certificate on issue, the following will apply in respect of transfers of Notes held in Euroclear or Clearstream, Luxembourg or any other Clearing System. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system.

Transfers of the holding of Notes represented by any Global Certificate pursuant to Condition 2(b) may only be made in part:

- (a) if the Global Certificate is held on behalf of Euroclear or Clearstream, Luxembourg or any other Clearing System, if the relevant Clearing System is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so and no other clearing system satisfactory to the Trustee is available, or, if the Global Certificate is held by or on behalf of CDS and (A) CDS has notified the relevant Issuer that it is unwilling or unable to continue to act as a depository for the Notes and a successor depository is not appointed by the relevant Issuer within 90 working days after receiving such notice; or (B) CDS ceases to be a recognised clearing agency under the Securities Act (Ontario) or a self-regulatory organisation under the Securities Act (Québec) or other applicable Canadian securities legislation and no successor clearing system satisfactory to the Trustee is available within 90 working days after the relevant Issuer becoming aware that CDS is no longer so recognised; or
- (b) if principal in respect of any Notes is not paid when due; or
- (c) with the consent of the relevant Issuer

provided that, in the case of the first transfer of part of a holding pursuant to (a) or (b) above, the Registered Holder has given the Registrar not less than 30 days' notice at its specified office of the registered holder's intention to effect such transfer. Where a Global Certificate is only transferable in its entirety the Certificate issued to the transferee upon transfer of such holding shall be a Global Certificate. Where transfers are permitted in part, Certificates issued to transferees shall not be a Global Certificate unless the transferee so requests and certifies to the Registrar that it is, or is acting as a nominee for, the relevant Clearing System.

### ***Partial Exchange of Permanent Global Notes***

For so long as a Permanent Global Note is held on behalf of a Clearing System and the rules of that Clearing System permit, such Permanent Global Note will be exchangeable in part on one or more occasions for Registered Notes if the Permanent Global Note is an Exchangeable Bearer Note and the part submitted for exchange is to be exchanged for Registered Notes.

### ***Delivery of Notes and Certificates***

If the Global Note is a CGN, on or after any due date for exchange, the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Issuing and Paying Agent. In exchange for any Global Note, or the part thereof to be exchanged,

the relevant Issuer will (i) in the case of a Temporary Global Note exchangeable for a Permanent Global Note, deliver, or procure the delivery of, a Permanent Global Note in an aggregate nominal amount equal to that of the whole or that part of a Temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a Permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes or Registered Notes, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Notes and/or Certificates, as the case may be or, if the Global Note is a NGN, the relevant Issuer will procure that details of such exchange be entered *pro rata* in the records of the relevant Clearing System. In this Prospectus, “Definitive Notes” means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons in respect of interest that have not already been paid on the Global Note and a Talon). Definitive Notes will be security printed and Certificates will be printed in accordance with any applicable legal and stock exchange or other relevant listing authority requirements in or substantially in the form set out in the Schedules to the Trust Deed. On exchange in full of each Permanent Global Note, the relevant Issuer will, if the holder so requests, procure that it is cancelled.

### **Exchange Date**

“Exchange Date” means, in relation to a Temporary Global Note, the day falling after the expiry of 40 days after the later of the commencement of the offering and its issue date and, in relation to a Permanent Global Note, a day falling not less than 60 days or, in the case of an exchange for Registered Notes, five days or, in the case of failure to pay principal in respect of any Notes when due, 30 days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Issuing and Paying Agent is located and in the city in which the relevant Clearing System is located.

### **Amendment to Conditions**

The Temporary Global Notes, Permanent Global Notes and Global Certificates contain provisions that apply to the Notes that they represent, some of which modify the effect of the terms and conditions of the Notes set out in this Prospectus. The following is a summary of certain of those provisions:

### **Payments**

No payment falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a Permanent Global Note or for Definitive Notes or Registered Notes is improperly withheld or refused. Payments on any Temporary Global Note issued in compliance with the D Rules before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership substantially in the form set out in the Agency Agreement. All payments in respect of Notes represented by a Global Note (other than Canadian Notes) will be made, if in CGN form, against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Issuing and Paying Agent or any other Paying Agent. If the Global Note is a CGN, a record of each payment so made will be endorsed on each Global Note, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Notes. Condition 8(f) will apply to the Definitive Notes only.

If the Global Note is a NGN, the relevant Issuer shall procure that details of each such payment shall be entered *pro rata* in the records of the relevant Clearing System and the nominal amount of the Notes recorded in the records of the relevant Clearing System and represented by the Global Note will be reduced accordingly. Each payment so made will discharge the relevant Issuer’s obligations in respect thereof. Any failure to make the entries in the records of the relevant Clearing System shall not affect such discharge.

In the case of a Global Certificate, with respect to the definition of “Record Date” in Condition 7(b)(ii), the words “on the fifteenth day before” shall be deemed to be deleted and replaced by “on the Clearing System Business Day before” where “Clearing System Business Day” means any day on which Euroclear and Clearstream, Luxembourg or any other Clearing System indicated in the relevant Final Terms including CDS are open for business.

Payments of principal and interest in respect of Canadian Notes represented by a Global Note or a Global Certificate will be made in Canadian dollars on behalf of the relevant Issuer by the Issuing and Paying Agent (through a Canadian dollar wire transfer) to CDS or any nominee appointed by CDS, and such payments will be forwarded by CDS to CDS participants and thereafter to holders in accordance with and subject to the rules and procedures of CDS from time to time.

### **Prescription**

Claims against the relevant Issuer and/or the relevant Guarantor, as the case may be, for payment in respect of Notes that are represented by a Permanent Global Note shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 8) in respect of them.

### **Meetings**

The holder of a Global Note or of the Notes represented by a Global Certificate shall (unless such Global Note or Global Certificate represents only one Note) be treated as being one person for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, the holder of a Global Note or Global Certificate shall be treated as having one vote in respect of each integral currency unit of the Specified Currency of the Notes. All holders of Registered Notes are entitled to one vote in respect of each integral currency unit of the Specified Currency of the Notes comprising such Noteholder's holding, whether or not represented by a Global Certificate.

### **Cancellation**

Cancellation of any Note represented by a Global Note or a Global Certificate that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the nominal amount of the relevant Global Note or Global Certificate.

### **Issuer's Option**

Any option of the relevant Issuer provided for in the Conditions of any Notes while such Notes are represented to a Global Note or a Global Certificate shall be exercised by such Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required. In the event that any option of the relevant Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of account holders with a clearing system in respect of the Notes will be governed by the standard procedures of Euroclear, Clearstream, Luxembourg or any other Clearing System, as the case may be (to be reflected in the records of Euroclear and Clearstream, Luxembourg or such other Clearing System as either a pool factor or a reduction in nominal amount, at their discretion).

### **Noteholders' Options**

Any option of the Noteholders provided for in the Conditions of any Notes while such Notes are represented by a Global Note or a Global Certificate may be exercised by giving notice to the Issuing and Paying Agent within the time limits relating to the deposit of Notes with a Paying Agent set out in the Conditions substantially in the form of the notice available from any Paying Agent, except that the notice shall not be required to contain the serial numbers of the Notes in respect of which the option has been exercised, and stating the nominal amount of Notes in respect of which the option is exercised and at the same time, where the Permanent Global Note is in CGN form, presenting the Global Note or Global Certificate to the Issuing and Paying Agent for notation. Where the Global Note is a NGN, the relevant Issuer shall procure that details of such exercise shall be entered *pro rata* in the records of the relevant Clearing System and the nominal amount of the Notes recorded in those records will be reduced accordingly. Any such notice to the Issuing and Paying Agent must be in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg or any other relevant Clearing System (which may include notice being given on his instruction by Euroclear and Clearstream, Luxembourg or such other Clearing System or any Common Depository or

depository for them to the Issuing and Paying Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg and such other Clearing System from time to time.

### ***NGN Nominal Amount***

Where the Global Note is a NGN, the relevant Issuer shall procure that any exchange, payment, cancellation, exercise of any option or any right under the Notes, as the case may be, in addition to the circumstances set out above shall be entered in the records of the relevant Clearing Systems and upon any such entry being made, the nominal amount of the Notes represented by such Global Note shall be adjusted accordingly.

### ***Trustee's Powers***

In considering the interests of Noteholders while any Global Note is held on behalf of, or Registered Notes are registered in the name of any nominee for, a Clearing System, the Trustee may have regard to any information provided to it by such Clearing System or its operator as to the identity (either individually or by category) of its accountholders with entitlements to such Global Note or Registered Notes and may consider such interests as if such accountholders were the holders of the Notes represented by such Global Note or Global Certificate.

### ***Notices***

So long as any Notes are represented by a Global Note or a Global Certificate and such Global Note or Global Certificate is held on behalf of a Clearing System, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that Clearing System for communication by it to entitled accountholders in substitution for publication as required by the Conditions except that so long as the Notes are listed or admitted to trading on any stock exchange and the rules of that exchange or the relevant listing authority so require, notices shall also be published in a leading newspaper as required by such stock exchange or listing authority or its rules and/or regulations. In the case of notices delivered to a Clearing System, such notices shall be deemed to be received on the date such notices are delivered to such Clearing System.

### ***Calculation of Interest***

So long as any Notes are represented by a Global Note or a Global Certificate and such Global Note or Global Certificate is held on behalf of a clearing system, interest shall be calculated:

- (i) in the case of a Fixed Rate Note, in respect of any period by applying the Rate of Interest to the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note or Global Certificate; and
- (ii) in the case of a Floating Rate Note, in respect of each Interest Accrual Period by applying the Rate of Interest to the aggregate outstanding nominal amount of the Notes represented by such Global Note or Global Certificate,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

## CLEARING AND SETTLEMENT THROUGH CDS

### **CDS**

CDS was formed in November 2006 pursuant to the restructuring of The Canadian Depository for Securities Limited (“CDS Ltd.”). CDS is wholly owned by CDS Ltd. CDS Ltd. was incorporated in 1970 and remains the holding company for CDS and two other operating subsidiaries and is Canada’s national securities clearing and depository services organisation. CDS Ltd. was acquired in August 2012 by Maple Group Acquisition Corporation (renamed TMX Group Limited).

Functioning as a service utility for the Canadian financial community, CDS provides a variety of computer automated services for financial institutions and investment dealers active in domestic and international capital markets. CDS participants (“CDS Participants”) include banks (including the Canadian Subcustodians (defined below)), investment dealers and trust companies and may include the Dealers or affiliates of the Dealers. Indirect access to CDS is available to other organisations that clear through or maintain a custodial relationship with a CDS Participant. Transfers of ownership and other interests, including cash distributions, in Notes in CDS may only be processed through CDS Participants and will be completed in accordance with existing CDS rules and procedures. CDS operates in Montreal, Toronto, Calgary and Vancouver to centralise securities clearing functions through a central securities depository.

CDS is the exclusive clearing house for equity trading on the Toronto Stock Exchange and also clears a substantial volume of over the counter trading in equities and bonds. The address for CDS is 85 Richmond Street West, Toronto, ON, Canada, M5H 2C9.

### ***Global Clearance and Settlement Procedures***

Initial settlement for Notes settling in CDS will be made in immediately available Canadian dollar funds. Such Notes will be held by CDS & CO., as nominee of CDS. Beneficial interests in the relevant Global Note or Global Certificate will be represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in CDS. If the relevant Final Terms indicate that the Notes may clear in Euroclear and Clearstream, Luxembourg, investors may elect to hold interests in the Global Note directly through any of CDS (in Canada) or Clearstream, Luxembourg or Euroclear (in Europe) if they are participants of such systems, or indirectly through organisations which are participants in such systems. Links have been established among CDS, Euroclear and Clearstream, Luxembourg to facilitate issuance of Notes and cross-market transfers of Notes associated with secondary market trading. Clearstream, Luxembourg and Euroclear will hold interests on behalf of their participants through customers’ securities accounts in their respective names on the books of their respective Canadian subcustodians, each of which is a Canadian Schedule 1 chartered bank (“Canadian Subcustodians”), which in turn will hold such interests in customers’ securities accounts in the names of the Canadian Subcustodians on the books of CDS. CDS will be directly linked to Euroclear and Clearstream, Luxembourg through the CDS accounts of their respective Canadian Subcustodians.

Secondary market trading between CDS Participants will be in accordance with market conventions applicable to transactions in book-based Canadian domestic bonds. Secondary market trading between Euroclear and/or Clearstream, Luxembourg participants will occur in the ordinary way in accordance with the applicable rules and operating procedures of Euroclear and Clearstream, Luxembourg and will be settled using the procedures applicable to conventional Eurobonds in immediately available funds.

### ***Transfers between CDS and Euroclear or Clearstream, Luxembourg***

Cross-market transfers between persons holding directly or indirectly through CDS Participants, on the one hand, and directly or indirectly through Euroclear participants or Clearstream, Luxembourg participants, on the other, will be effected in CDS in accordance with CDS rules; however, such cross-market transactions will require delivery of instructions to the relevant clearing system by the counterparty in such system in accordance with its rules and procedures and within its established deadlines. The relevant clearing system

will, if the transaction meets its settlement requirements, deliver instructions to CDS directly or through its Canadian Subcustodian to take action to effect final settlement on its behalf by delivering or receiving Notes in CDS, and making or receiving payment in accordance with normal procedures for settlement in CDS. Euroclear participants and Clearstream, Luxembourg participants may not deliver instructions directly to CDS or the Canadian Subcustodians.

Because of time-zone differences, credits of Notes received in Euroclear or Clearstream, Luxembourg as a result of a transaction with a CDS Participant will be made during subsequent securities settlement processing and dated the business day following the CDS settlement date. Such credits or any transactions in such Notes settled during such processing will be reported to the relevant Euroclear participants or Clearstream, Luxembourg participants on such business day. Cash received in Euroclear or Clearstream, Luxembourg as a result of sales of Notes by or through a Euroclear participant or a Clearstream, Luxembourg participant to a CDS Participant will be received with value on the CDS settlement date but will be available in the relevant Euroclear or Clearstream, Luxembourg cash account only as of the business day following settlement in CDS.



## **USE OF PROCEEDS**

The net proceeds from each issue of Notes will be applied by the relevant Issuer for its general corporate purposes.

## DESCRIPTION OF THE ISSUERS AND THE GUARANTORS

### BHP BILLITON LIMITED AND BHP BILLITON PLC

#### History and Structure of the BHP Billiton Group

BHP Billiton Limited and BHP Billiton Plc are the two parent companies of the BHP Billiton Group of companies. BHP Billiton Limited is incorporated under the name “BHP Billiton Limited” and is registered in Australia with Australian Business Number 49 004 028 077. BHP Billiton Limited was incorporated on 13 August 1885 under the name of The Broken Hill Proprietary Company Limited. The registered office of BHP Billiton Limited is at 180 Lonsdale Street, Melbourne, Victoria 3000, Australia and its telephone number is 1300 55 4757 (within Australia) or +61 3 9609 3333 (outside Australia). BHP Billiton Plc is incorporated under the name “BHP Billiton Plc” and is registered in England and Wales with registered number 3196209. BHP Billiton Plc was incorporated on 9 May 1996 under the name Hackplimco (No. Thirty-Three) Public Limited Company. The registered office of BHP Billiton Plc is Neathouse Place, London, SW1V 1BH, United Kingdom and its telephone number is +44 20 7802 4000.

On 29 June 2001, BHP Limited and Billiton Plc merged by way of a Dual Listed Companies structure (“DLC”). BHP Limited changed its name to BHP Billiton Limited and Billiton Plc changed its name to BHP Billiton Plc. To effect the DLC, BHP Limited and Billiton Plc entered into certain contractual arrangements, namely the Sharing Agreement, the Special Voting Shares Deed and two Deed Poll Guarantees. These are designed to place the shareholders of both companies in a position where they effectively have an interest in a single group that combines the assets and is subject to all the liabilities of both companies.

BHP Billiton Limited and BHP Billiton Plc and their respective subsidiaries (together the “BHP Billiton Group”) are run by a unified Board and management team, with headquarters in Melbourne, Australia, and with a significant corporate management centre in London. The existing premium listing of BHP Billiton Plc on the London Stock Exchange and the existing primary listing of BHP Billiton Limited on the Australian Securities Exchange continue to be maintained, as is the secondary listing of BHP Billiton Plc on the Johannesburg Stock Exchange. BHP Billiton Plc and BHP Billiton Limited each maintain an American Depositary Receipt listing on the New York Stock Exchange.

The shareholders of BHP Billiton Limited and BHP Billiton Plc take key decisions on matters affecting the combined group through a procedure set out in the Sharing Agreement in which the shareholders of both companies have equal voting rights per share. Accordingly, shareholders of BHP Billiton Limited and BHP Billiton Plc effectively have an interest in a single group combining the assets of both companies with a unified Board of Directors and management.

#### Cross Guarantees

Each of BHP Billiton Limited and BHP Billiton Plc has executed a Deed Poll Guarantee, pursuant to which creditors that are entitled to the benefit of the Deed Poll Guarantees will, to the extent possible, be placed in the same position as if the relevant debts were owed by both BHP Billiton Limited and BHP Billiton Plc combined. Each of BHP Billiton Limited and BHP Billiton Plc will in respect of obligations subject to its Deed Poll Guarantee, unconditionally and irrevocably guarantee those obligations to creditors of the other company, subject to certain exceptions, and will undertake to each of them that, if for any reason the obligation is not met on its due date, such company will pay the amount due and unpaid to the creditor upon written demand by the creditor.

A demand may not be made under the Deed Poll Guarantee without a demand first having been made on the other company or the relevant principal debtor and/or, if such recourse is required under the terms of the relevant obligation, to any other person. In the context of the Programme, the Notes to be issued under it and the Guarantees of those Notes, this requires a demand first having been made on the relevant Guarantor or the Issuer of the Notes.

The Deed Poll Guarantees may be terminated at any time after the Sharing Agreement is terminated or by agreement of the parties. In the context of the Programme, the Notes to be issued under it and the Guarantee of those Notes, the exceptions referred to in the first paragraph are not applicable and any termination of, or future exclusion of obligations under the Deed Poll Guarantees will not affect any pre-existing obligations under Notes in issue at that time or the Guarantees relating to those Notes.

### **Board of Directors of the BHP Billiton Group**

A unified Board of 13 Directors manages the BHP Billiton Group. The names of Directors and their positions are set out below.

Name	Position	Position in Board Committees
Mr. J.A. Nasser.....	Chairman	Chairman of the Nomination Committee
Mr. M.W. Broomhead.....	Director	Member of the Sustainability Committee and Member of the Finance Committee
Sir J. Buchanan .....	Director	Chairman of the Remuneration Committee and member of the Nomination Committee
Mr. C.A.S. Cordeiro .....	Director	Member of the Remuneration Committee
Mr. D.A. Crawford.....	Director	Chairman of the Finance Committee
Mr. L.P.A. Davies.....	Director	Member of the Remuneration Committee
Ms. C.J. Hewson .....	Director	Member of the Risk and Audit Committee
Mr. M.J. Kloppers.....	Chief Executive Officer and Executive Director	—
Mr. L.P. Maxsted .....	Director	Chairman of the Risk and Audit Committee and Member of the Finance Committee
Mr. W.W. Murdy.....	Director	Member of the Risk and Audit Committee and Member of the Finance Committee
Mr. K.C. Rumble.....	Director	Member of the Sustainability Committee
Dr. J.M. Schubert.....	Director	Member of the Nomination Committee, Member of the Remuneration Committee and Chairman of the Sustainability Committee
Baroness S. Vadera .....	Director	Member of the Risk and Audit Committee

None of the Directors performs activities outside the BHP Billiton Group which are significant with respect to the BHP Billiton Group.

The business address for each of the above Directors is both Neathouse Place, London, SW1V 1BH, United Kingdom and Level 27, 180 Lonsdale Street, Melbourne, Victoria 3000, Australia.

### **Conflicts of Interest**

No potential conflicts of interest exist between the Directors' duties to the Issuers and the Guarantors and their private interests and/or other duties.

## BHP BILLITON FINANCE LIMITED

### History and Structure

BHP Billiton Finance Limited, a company organised under the laws of the Australian Capital Territory, Australia is a wholly-owned finance subsidiary of BHP Billiton Limited and is registered in Australia with Australian Business Number 82 008 519 319. The principal business of BHP Billiton Finance Limited is borrowing on behalf of the BHP Billiton Group and advancing the net proceeds of such borrowings to members of the BHP Billiton Group. BHP Billiton Finance Limited was incorporated on 29 August 1975. The registered office of BHP Billiton Finance Limited is located at Level 25, BHP Billiton Centre, 180 Lonsdale Street, Melbourne, Victoria 3000, Australia and its telephone number is +61 1300 55 4757.

### Board of Directors

The names of Directors and their positions are:

Name	Position
C. Bregman .....	Director
N. Chadwick .....	Director
A.J. Merlo .....	Director

None of the Directors performs activities outside the BHP Billiton Group which are significant with respect to the BHP Billiton Group.

The business address for each of the above Directors is Level 25, BHP Billiton Centre, 180 Lonsdale Street, Melbourne, Victoria 3000, Australia.

### Conflicts of Interest

No potential conflicts of interest exist between the Directors' duties to BHP Billiton Finance Limited and their private interests and/or other duties.

## BHP BILLITON FINANCE PLC

### History and Structure

BHP Billiton Finance Plc, a public limited company incorporated under the laws of England and Wales, is a wholly-owned finance subsidiary of BHP Billiton Plc and was incorporated on 28 August 2008. The principal business of BHP Billiton Finance Plc is borrowing on behalf of the BHP Billiton Group and advancing the net proceeds of such borrowings to members of the BHP Billiton Group. BHP Billiton Finance Plc, registered in England and Wales under number 06683534, has its registered office at Neathouse Place, London, SW1V 1BH, United Kingdom. Its telephone number is +44 20 7802 4000.

### Board of Directors

The names of Directors and their positions are:

Name	Position
H.J. Bogers.....	Director
W.J. Murray.....	Director
A. Persico.....	Director
M. Rowe.....	Director

None of the Directors performs activities outside the BHP Billiton Group which are significant with respect to the BHP Billiton Group.

The business address for each of the above Directors is Neathouse Place, London, SW1V 1BH.

### Conflicts of Interest

No potential conflicts of interest exist between the Directors' duties to BHP Billiton Finance Plc and their private interests and/or other duties.

## BUSINESS OF THE BHP BILLITON GROUP

### **All references herein to “we”, “our” or “us” shall be deemed to be references to the BHP Billiton Group**

BHP Billiton is the world’s largest diversified natural resources company. We are distinguished from other resource companies by the combination of our large, long-life, low-cost, expandable upstream assets diversified by commodity, geography and market; our low risk, largely brownfield projects in execution that underpin the strong near-term momentum that has been established in our major business; our unrivalled portfolio of development options beyond those in execution; our customer-focused marketing; and our petroleum business.

As at 30 June 2012 we had some 125,000 employees and contractors working in more than 100 locations worldwide. Reflecting our aim to be a premier global company, we occupy significant positions in major commodity businesses, including aluminium, energy coal, metallurgical coal, copper, manganese, iron ore, uranium, nickel and silver, and have substantial interests in oil, gas, liquefied natural gas and diamonds.

The central tenet of the BHP Billiton business model is that its diversified portfolio of high quality assets provides stable cash flows and an enhanced capacity to drive growth. As at 30 June 2012, we had a market capitalisation of approximately U.S.\$160.6 billion. During the financial year ended 30 June 2012 we generated revenue of U.S.\$72.2 billion, underlying earnings (which excludes exceptional items) before interest and tax of U.S.\$27.2 billion, attributable profit (excluding exceptional items) of U.S.\$17.1 billion and net operating cash flow of U.S.\$24.4 billion.

BHP Billiton operates eight business units or Customer Sector Groups (“CSGs”), aligned with the commodities which the company extracts and markets.

- The **Petroleum** CSG’s principal activities are oil and gas exploration, production, development and marketing. The CSG has operations in Australia, the United Kingdom, the United States (including onshore U.S. and the Gulf of Mexico), Algeria, Trinidad and Tobago, and Pakistan.
- The **Aluminium** CSG’s principal activities are the mining of bauxite, refining of bauxite into alumina and smelting of alumina into aluminium metal. The CSG has operations in Australia, Brazil, Mozambique and South Africa.<sup>1</sup>
- The **Base Metals** CSG’s principal activities are the mining of copper, silver, lead, zinc, molybdenum, uranium and gold. The Base Metals CSG has operations in Australia, Chile, Peru and the United States.
- The **Diamonds and Specialty Products** CSG’s principal activities are the mining of diamonds and the exploration and the development of a potash business. The CSG has operations in Canada.
- The **Stainless Steel Materials** CSG’s principal activities are producing nickel primarily for the stainless steel industry. The CSG operates a number of mines, concentrators, smelters and refineries in Australia and Colombia.<sup>1</sup>
- The **Iron Ore** CSG’s principal activities are the mining of iron ore from a number of mines. The CSG’s principal operations are based in the Pilbara region of north Western Australia and in Brazil.
- The **Manganese** CSG’s principal activities are the mining of manganese ore and production of manganese metal and alloys. The CSG has operations in Australia and South Africa.

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<sup>1</sup> In May 2012, we announced that our Stainless Steel Materials and Aluminium CSGs would consolidate into a single CSG named Aluminium and Nickel.

- The **Metallurgical Coal** CSG's principal activities are the mining of metallurgical coal in Australia.
- The **Energy Coal** CSG's principal activities are the mining and marketing of thermal (energy) coal to both export and domestic markets. The CSG has operations in Australia, Colombia, South Africa and the United States.

On 27 August 2012, we announced that we had signed an agreement to sell our wholly owned Yeelirrie uranium deposit in Western Australia to Cameco Corporation for U.S.\$430 million. The sale is subject to relevant approvals from the Australian Foreign Investment Review Board and the Government of Western Australia.

On 1 February 2012, we announced that we exercised an option to sell our non-operated interest in Richards Bay Minerals to Rio Tinto and will exit the titanium minerals industry. On 7 September 2012, we announced the sale was complete. The sale price was U.S.\$1.9 billion before adjustments.

### **Legal Proceedings**

We are involved from time to time in legal proceedings and governmental investigations of a character normally incidental to our business, including claims and pending actions against us seeking damages or clarification of legal rights and regulatory inquiries regarding business practices. In many cases, insurance or other indemnification protection afforded to us relates to such claims and may offset the financial impact on the Group of a successful claim.

This section summarises the significant legal proceedings and investigations in which we are currently involved. The legal and arbitration proceedings disclosed below affect the BHP Billiton Group as a whole. Unless otherwise stated we cannot currently predict the manner and timing of the resolution of the legal and arbitration proceedings disclosed below nor are we currently able to reliably quantify the outcome of such proceedings.

### ***Rio Algom Pension Plan***

In June 2003, Alexander E. Lomas, a retired member of the Pension Plan for Salaried Employees of Rio Algom Mines Limited ("Plan"), filed a Notice of Application in a representative capacity in the Ontario Superior Court of Justice Commercial List against Rio Algom Limited ("RAL") and the Plan Trustee alleging certain improprieties in their administration of the Pension Plan and use of Pension Plan funds from January 1966 onward.

Mr Lomas seeks relief, both quantified and unquantified, for himself and those Plan members he purports to represent in respect of a number of alleged breaches committed by RAL, including allegations of breach of employment contracts, breach of trust, and breach of the Trust Agreement underlying the Pension Plan. In particular:

- Mr Lomas seeks U.S.\$117.7 million (C\$121.6 million) on account of monies alleged to have been improperly paid out or withheld from the Pension Plan, together with compound interest calculated from the date of each alleged wrongdoing; and
- punitive, aggravated and exemplary damages in the sum of U.S.\$1.9 million (C\$1.9 million).

Mr Lomas purports to represent members of the defined benefits portion of the Pension Plan. In 2005, the defined contribution members of the Pension Plan were included as parties to this action.

A motion to strike Mr Lomas' request for the winding-up of the Plan was heard on 27 November 2006. The court struck out part of Mr Lomas' claim, but allowed the remainder to proceed. RAL's appeal from that decision was dismissed, but further leave to appeal to the Ontario Court of Appeal was granted. On 10

March 2010, the Ontario Court of Appeal ruled in favour of RAL's motion to strike out that part of the plaintiff's claim that sought a court order to wind up the Plan.

RAL has notified its insurers of the application and has advised other third parties of possible claims against them in respect of matters alleged in the application.

### ***Class actions concerning Cerrejón privatisation***

The non-government organisation, Corporación Colombia Transparente ("CCT"), brought three separate class actions (Popular Actions 1,029, 1,032 and 1,048) against various defendants in connection with the privatisation of 50 per cent of the Cerrejón Zona Norte mining complex in Colombia in 2002. Two of the actions were dismissed leaving only the action against Cerrejón Zona Norte SA ("CZN"). The mining complex is currently owned by CZN and Carbones del Cerrejón Limited ("CDC"). Our subsidiary Billiton Investment 3 BV owns a 33 per cent share in CDC, and our subsidiaries Billiton Investment 3 BV and Billiton Investment 8 BV ("BHP Billiton Shareholders") collectively own a 33.33 per cent share in CZN.

CCT alleges, in part, that the defendants failed to comply with the privatisation process, and that the offer price for shares in CZN between Stages 1 and 2 of the privatisation process was not correctly adjusted for inflation.

Our share of the alleged adjustment of the CZN share price would be approximately U.S.\$4.7 million. In the alternative, CCT seeks declaration that the privatisation is null and void and forfeiture of the transfer price paid, of which our share would be approximately U.S.\$156.7 million. In both instances, CCT also seeks unquantified sanctions, including payment of stamp taxes, an award of 15 per cent of all monies recovered by the defendants, together with interest on all amounts at the maximum rate authorised by law.

The CZN action was dismissed on 18 February 2011, the Court determining that there were no irregularities in the privatisation of the Cerrejón Zona Norte mining complex.

CCT's request for a reconsideration of the judgment was denied. On 15 March 2011 CCT filed an appeal against the dismissal.

A separate class action arising out of the privatisation of the Cerrejón Zona Norte mining complex has been brought by Mr Martín Nicolás Barros Choles, against various defendants including CDC.

Mr Choles claims that the transfer of rights by CDC to CZN was ineffective because it only involved a transfer of shares and not the transfer of the underlying rights in the properties and assets used in the Cerrejón Zona Norte mining complex. Consequently, he is seeking orders that CDC pays for the use and lease of the properties and assets until November 2009, and that from that date the properties and assets of the Cerrejón project revert to the State.

### ***Petroleum Resource Rent Tax litigation***

BHP Billiton Petroleum (Bass Strait) Pty Ltd was involved in litigation in the Federal Court of Australia. The dispute related to whether certain receipts are subject to Petroleum Resource Rent Tax, as well as the Australian Tax Office's ("ATO's") assessment of the taxing point for Petroleum Resource Rent Tax purposes in relation to sales of gas and Liquefied Petroleum Gas produced from the Gippsland Joint Venture, and the treatment of gas used for electricity generation. The Federal Court's decision was handed down in April 2011, finding in favour of the Commissioner in respect of one of the receipts and the taxing point issues. BHP Billiton was successful on other receipts issues and the gas used in electricity generation issue.

Except for the gas used in electricity generation issue that BHP Billiton was successful on, in the Federal Court, both parties appealed the findings on which they were unsuccessful to the Full Federal Court.



The Full Federal Court largely upheld the decision of the Federal Court, but found in favour of BHP Billiton on one other receipts issue.

Petroleum Resource Rent Tax was paid and expensed based on the ATO's assessment. An income tax expense benefit of approximately U.S.\$80 million was recognised in the FY2012 financial statements as a result of the decision.

The Australian Government amended the tax law, with effect from 1 July 1990, to provide greater certainty around how the taxing point is calculated for the purposes of the Petroleum Resource Rent Tax. The amendments provided further statutory support for the Federal Court's judgment in relation to the taxing point.

***North West Shelf Excise on Condensate litigation***

BHP Billiton Petroleum (North West Shelf) Pty Ltd was involved in litigation in both the Federal Court of Australia and the Administrative Appeals Tribunal seeking orders that excise by-laws, enacted in 2008, prescribing a condensate production area for the purposes of the Excise Tariff Act incorrectly defined the relevant fields.

As part of the May 2011 Federal Budget, the Australian Government announced that it would make several technical legislative amendments, with effect from 13 May 2008, to ensure that condensate production is subject to crude oil excise as announced in the 2008-09 Federal Budget. The amendments included changes to the Excise Tariff Act to introduce a statutory definition of the production area 'Rankin Trend', and to ensure that production from 'Rankin Trend' does not represent 'exempt offshore oil and condensate'.

As a result of this amending legislation being enacted, the matter has been discontinued.

## TAXATION

### Australia

*The following is a summary of the Australian taxation treatment under the Income Tax Assessment Acts of 1936 and 1997 of Australia (together, the “Australian Tax Act”) at the date of this Prospectus of payments of interest (as defined in the Australian Tax Act) on the Notes to be issued by the Australian Issuer under the Programme (which in this section are referred to as the “Notes”) and certain other matters. It is not exhaustive, and in particular, does not deal with the position of certain classes of holders of Notes (including without limitation, dealers in securities, custodians or other third parties who hold Notes on behalf of other persons). Prospective holders of Notes should also be aware that particular terms of issue of any Series of Notes may affect the tax treatment of that and other Series of Notes. The following is a general guide and should be treated with appropriate caution. Prospective holders of Notes who are in any doubt as to their tax position should consult their professional advisors on the tax implications of an investment in the Notes for their particular circumstances.*

#### 1 Interest Withholding Tax

An exemption from Australian interest withholding tax (“IWT”) imposed under Division 11A of Part III of the Australian Tax Act is available, in respect of the Notes issued by BHP Billiton Finance Limited (“Australian Issuer”), under section 128F of the Australian Tax Act if the following conditions are met:

- (a) the Australian Issuer is a resident of Australia when it issues those Notes and when interest (as defined in section 128A(1AB) of the Australian Tax Act) is paid. Interest is defined to include amounts in the nature of, or in substitution for, interest and certain other amounts; and
- (b) those Notes are issued in a manner which satisfies the public offer test. There are five principal methods of satisfying the public offer test, the purpose of which is to ensure that lenders in capital markets are aware that the Australian Issuer is offering those Notes for issue. In summary, the five methods are:
  - (i) offers to 10 or more unrelated financiers or securities dealers;
  - (ii) offers to 100 or more investors;
  - (iii) offers of listed Notes;
  - (iv) offers via publicly available information sources; and
  - (v) offers to a dealer, manager or underwriter who offers to sell the Notes within 30 days by one of the preceding methods.

In addition, the issue of any of those Notes and the offering of interests in any of those Notes by one of these methods should satisfy the public offer test; and

- (c) the Australian Issuer does not know, or have reasonable grounds to suspect, at the time of issue, that those Notes or interests in those Notes were being, or would later be, acquired, directly or indirectly, by an “associate” of the Australian Issuer, except as permitted by section 128F(5) of the Australian Tax Act; and
- (d) at the time of the payment of interest, the Australian Issuer does not know, or have reasonable grounds to suspect, that the payee is an “associate” of the Australian Issuer, except as permitted by section 128F(6) of the Australian Tax Act.

### *Associates*

An “associate” of the Australian Issuer for the purposes of section 128F of the Australian Tax Act includes:

- (i) a person or entity which holds more than 50 per cent of the voting shares of, or otherwise controls, the Australian Issuer;
- (ii) any entity in which more than 50 per cent of the voting shares are held by, or which is otherwise controlled by, the Australian Issuer;
- (iii) a trustee of a trust where the Australian Issuer is capable of benefiting (whether directly or indirectly) under that trust; and
- (iv) a person or entity who is an “associate” of another person or company which is an “associate” of the Australian Issuer under any of the foregoing.

However “associate” does not include:

- (A) onshore associates (i.e. Australian resident associates who do not hold the Notes in the course of carrying on business at or through a permanent establishment outside Australia and non-resident associates who hold the Notes in the course of carrying on business at or through a permanent establishment in Australia); or
- (B) offshore associates (i.e. Australian resident associates that hold the Notes in the course of carrying on business at or through a permanent establishment outside Australia and non-resident associates who do not hold the Notes in the course of carrying on business at or through a permanent establishment in Australia) who are acting in the capacity of:
  - (i) in the case of section 128F(5), a dealer, manager or underwriter in relation to the placement of the relevant Notes or a clearing house, custodian, funds manager or responsible entity of a registered managed investment scheme (within the meaning of the Corporations Act); or
  - (ii) in the case of section 128F(6), a clearing house, paying agent, custodian, funds manager or responsible entity of a registered managed investment scheme.

### *Compliance with section 128F of the Australian Tax Act*

The Australian Issuer intends to issue the Notes in a manner which will satisfy the requirements of section 128F of the Australian Tax Act.

### *Exemptions under recent tax treaties*

The Australian Government has signed new or amended double tax conventions (“New Treaties”) with a number of countries including the United States and the United Kingdom, respectively (each a “Specified Country”). In broad terms, the New Treaties effectively prevent Australia from imposing IWT applying to interest derived by:

- the government of the relevant Specified Country and certain governmental authorities and agencies in the Specified Country; and
- a “financial institution” which is a resident of a “Specified Country” and which is unrelated to and dealing wholly independently with the Australian Issuer. The term “financial institution” generally refers to either a bank or any other form of enterprise which substantially derives its profits by carrying on a business of raising and providing finance. (However, interest under a back-to-back loan or an economically equivalent arrangement will not qualify for this exemption.)

#### *Bearer Notes — section 126 of the Australian Tax Act*

Section 126 of the Australian Tax Act imposes a type of withholding tax at the rate of 45 per cent on the payment of interest on Notes in bearer form if the Australian Issuer fails to disclose the names and addresses of the holders to the Australian Taxation Office. Section 126 does not apply to the payment of interest on Notes in bearer form held by non-residents who do not carry on a business at or through a permanent establishment in Australia where the issue of those Notes has satisfied the requirements of section 128F of the Australian Tax Act or IWT is payable. In addition, the Australian Taxation Office has confirmed that for the purpose of section 126 of the Australian Tax Act, the holder of Notes in bearer form is the person in possession of them. Section 126 is therefore limited in its application to persons in possession of Notes in bearer form who are residents of Australia or non-residents who are engaged in carrying on business in Australia at or through a permanent establishment in Australia.

Where interests in Notes in bearer form are held through Euroclear, Clearstream, Luxembourg or CDS, the Australian Issuer intends to treat the operators of those clearing systems as the holders of those Notes for the purposes of section 126 of the Australian Tax Act.

#### *Payment of additional amounts*

As set out in more detail in the Terms and Conditions of the Notes, and unless expressly provided to the contrary in the relevant Final Terms (or another relevant supplement to this Prospectus), if the Australian Issuer or BHP Billiton Limited (the “Australian Guarantor”) is at any time compelled by law to deduct or withhold an amount in respect of any Australian withholding taxes, imposed or levied by the Commonwealth of Australia, the Australian Capital Territory or the country in which the branch of account for the Notes is located, or in each case any political subdivision thereof or any authority therein or thereof, in respect of the Notes, the Australian Issuer or the Australian Guarantor (as the case may be) must, subject to certain exceptions, pay such additional amounts as may be necessary in order to ensure that the net amounts received by the holders of the Notes after such deduction or withholding are equal to the respective amounts which would have been received had no such deduction or withholding been required. If the Australian Issuer or the Australian Guarantor (as the case may be) is compelled by law in relation to any Notes to deduct or withhold an amount in respect of any withholding taxes, the Australian Issuer will have the option to redeem those Notes in accordance with the Terms and Conditions.

#### *Payments under the Guarantee*

If the Australian Issuer fails to pay interest on the Notes, the Australian Guarantor may be required to make payments to the holders of Notes under the Guarantee issued by the Australian Guarantor. Whether such payments would be interest for withholding tax purposes is not clear. The Australian Taxation Office’s view, as reflected in Taxation Determination TD 1999/26, is that such payments under the Guarantee would be interest for withholding tax purposes. However, that Determination also states that guarantee payments would be treated as exempt from withholding tax under section 128F if the requirements of that section are satisfied. Therefore, if the requirements stated in section 128F with respect to the Notes are satisfied as described above (and that section is not otherwise inapplicable), then interest withholding tax should not be payable in relation to any such guarantee payments made by the Australian Guarantor.

As set out in more detail in Condition 8, if the Australian Guarantor is at any time compelled or authorised by law to deduct or withhold an amount in respect of any Australian withholding taxes imposed or levied by the Commonwealth of Australia in respect of payments under the Guarantee, the Australian Guarantor must, subject to certain exceptions, pay such additional amounts as may be necessary in order to ensure that the net amounts received by the holders of those Notes after such deduction or withholding are equal to the respective amounts which would have been received had no such deduction or withholding been required.

#### *Non-Australian Resident Issuer*

So long as BHP Billiton Finance Plc (the “European Issuer”) continues to be a non-resident of Australia and does not carry on business at or through a permanent establishment in Australia, payments of principal and interest made under any Notes issued by it will not be subject to IWT.

## 2 Other Australian tax matters

Subject to paragraph 3, under Australian laws as presently in effect:

- (a) *income tax — offshore holders of Notes* – assuming the requirements of section 128F of the Australian Tax Act are satisfied with respect to the Notes, payment of principal and interest (as defined in section 128A(1AB) of the Australian Tax Act) to a holder on Notes, who is a non-resident of Australia and who, during the taxable year, does not hold the Notes in the course of carrying on business at or through a permanent establishment in Australia (“Offshore Holders”), will not be subject to Australian income taxes;
- (b) *income tax — Australian holders of Notes* – Australian residents or non-Australian residents who hold the Notes in the course of carrying on business at or through a permanent establishment in Australia (“Australian Holders”), will be assessable for Australian tax purposes on income either received or accrued due to them in respect of the Notes. Whether income will be recognised on a cash receipts or accruals basis will depend upon the tax status of the particular holder of Notes, the terms and conditions of the Notes and whether the rules on the taxation of financial arrangements in Division 230 of the Australian Tax Act (“TOFA rules” – see paragraph 3 below) apply to the Noteholders. Special rules apply to the taxation of Australian residents who hold the Notes in the course of carrying on business at or through a permanent establishment outside Australia which vary depending on the country in which that permanent establishment is located;
- (c) *gains on disposal of Notes — Offshore Holders of Notes* – Offshore Holders will not be subject to Australian income tax on gains realised during that year on sale or redemption of those Notes, provided such gains do not have an Australian source. A gain arising on the sale of Notes by a non-Australian resident holder to another non-Australian resident where the Notes are sold outside Australia and all negotiations are conducted, and documentation is executed, outside Australia would not be regarded as having an Australian source. Even if a gain on disposal was to have an Australian source, an Offshore Holder may otherwise be protected from Australian tax having regard to their country of tax residency and the terms of any relevant double tax convention between that country and Australia;
- (d) *gains on disposal of Notes — Australian Holders of Notes* – Australian Holders will generally be required to include any Australian dollar gain realised and may be entitled to deduct any loss incurred on disposal of the Notes in calculating their taxable income. The precise rules which give effect to recognition and timing of such gains and losses will vary depending on the status of the Noteholder and whether the TOFA rules apply to the Noteholder. Special rules apply to the taxation of Australian residents who hold the Notes in the course of carrying on business at or through a permanent establishment outside Australia which vary depending on the country in which that permanent establishment is located;
- (e) *deemed interest* — there are specific rules that can apply to treat a portion of the purchase price of the Notes as interest for IWT purposes when certain Notes originally issued at a discount or with a maturity premium or which do not pay interest at least annually are sold to an Australian resident (who does not acquire them in the course of carrying on trade or business at or through a permanent establishment outside Australia) or a non-resident who acquires them in the course of carrying on trade or business at or through a permanent establishment in Australia. If the Notes are not issued at a discount and do not have a maturity premium, these rules should not apply to the Notes. Further, these rules do not apply in circumstances where deemed interest would have been exempt under section 128F of the Australian Tax Act if the Notes had been held to maturity by a non-resident;
- (f) *death duties*—no Notes will be subject to death, estate or succession duties imposed by Australia, or by any political subdivision or authority therein having power to tax, if held at the time of death;

- (g) *stamp duty and other taxes*—no ad valorem stamp, issue, registration or similar taxes are payable in Australia on the issue or the transfer of any Notes;
- (h) *other withholding taxes on payments in respect of Notes* — section 12-140 of Schedule 1 to the Taxation Administration Act 1953 of Australia (“TAA”) imposes a type of withholding tax at the rate of (currently) 46.5 per cent on the payment of interest on certain registered securities unless the relevant payee has quoted a ‘TFN’, (in certain circumstances) an ABN or proof of some other exception (as appropriate) in respect of the Notes.

Assuming the requirements of section 128F of the Australian Tax Act are satisfied with respect to Notes in registered form, the requirement in section 12-140 does not apply to payments to a holder of registered Notes who is not a resident of Australia for tax purposes and is not holding the registered Notes in the course of carrying on business at or through a permanent establishment in Australia. Payments to other classes of holders of Notes in registered form may be subject to a withholding where the holder of those Notes does not quote a TFN, ABN or provide proof of an appropriate exemption (as appropriate);

- (i) *supply withholding tax* — payments in respect of the Notes can be made free and clear of the “supply withholding tax” imposed under section 12-190 of Schedule 1 to the TAA;
- (j) *goods and services tax (GST)* — neither the issue nor receipt of the Notes will give rise to a liability for GST in Australia on the basis that the supply of Notes will comprise either an input taxed financial supply or (in the case of an offshore subscriber) a GST-free supply. Furthermore, neither the payment of principal or interest by the Australian Issuer, nor the disposal of the Notes, would give rise to any GST liability in Australia;
- (k) *debt/equity rules*—Division 974 of the Australian Tax Act contains tests for characterising debt (for all entities) and equity (for companies) for Australian tax purposes, including for the purposes of dividend withholding tax and IWT. The Australian Issuer intends to issue Notes which are to be characterised as “debt interests” for the purposes of the tests contained in Division 974 and the returns paid on the Notes are to be “interest” for the purpose of section 128F of the Australian Tax Act. Accordingly, Division 974 is unlikely to adversely affect the Australian tax treatment of holders of Notes;
- (l) *additional withholdings from certain payments to non-residents* — section 12-315 of Schedule 1 to the TAA gives the Governor-General power to make regulations requiring withholding from certain payments to non-residents where the Minister is satisfied that each payment set out in the regulation is a payment of a kind that could reasonably be related to assessable income of foreign residents.

However, section 12-315 expressly provides that the regulations will not apply to interest and other payments which are already subject to the current IWT rules or specifically exempt from those rules. Further, regulations may only be made if the responsible minister is satisfied the specified payments are of a kind that could reasonably relate to assessable income of foreign residents. The regulations promulgated prior to the date of this Prospectus are not relevant to any payments in respect of the Notes. Any further regulations should also not apply to repayments of principal under the Notes, as in the absence of any issue discount, such amounts will generally not be reasonably related to assessable income. The possible application of any future regulations to the proceeds of any sale of Notes will need to be monitored; and

- (m) *taxation of foreign exchange gains and losses* — Divisions 775 and 960 of the Australian Tax Act contain rules to deal with the taxation consequences of foreign exchange transactions to taxpayers that are not financial institutions (in relation to whom the foreign exchange rules pre-existing the introduction of the rules in Divisions 775 and 960 continue to apply). The rules concerning foreign

exchange gains and losses are complex and may apply to any holders of Notes who are Australian residents or non-residents that hold Notes that are not denominated in Australian dollars in the course of carrying on business in Australia. Any such holders of Notes should consult their professional advisors for advice as to how to tax account for any foreign exchange gains or losses arising from their holding of those Notes. Where a Noteholder is subject to the TOFA rules, such rules will override the application of Division 775.

### **3 Taxation of Financial Arrangements**

The TOFA rules in Division 230 of the Australian Tax Act contain a number of different methods for bringing to account for tax purposes gains and losses in relation to “financial arrangements” (including the default accruals and realisation methods, and the elective fair value, retranslation, financial reports, and hedging methods). The TOFA rules also effectively remove the capital/revenue distinction for most financial arrangements by treating the gains and losses on revenue account, except where specific rules apply. The TOFA rules only apply on a mandatory basis to certain taxpayers, having regard to turnover and asset thresholds, although other taxpayers may elect-in to the regime.

The TOFA rules apply to qualifying taxpayers on a mandatory basis from the income year of the taxpayer commencing on or after 1 July 2010, unless the taxpayer had elected to apply the TOFA rules to income years commencing on or after 1 July 2009. The TOFA rules only apply to financial arrangements that the taxpayer starts to have on or after the relevant commencement date, although the taxpayer could have elected to bring their pre-existing financial arrangements into the TOFA rules (in which case, the taxpayer may make an assessable or deductible balancing adjustment on entry into TOFA, the assessable/deductible amount to be spread equally over a period of 4 years from the relevant commencement date).

The Explanatory Memorandum accompanying the Bill that introduced the TOFA rules indicates that the Australian Government does not intend for the new rules to apply in a manner which overrides the exemption from IWT that is available under section 128F of the Tax Act.

The TOFA rules are likely to be subject to further amending legislation to refine and fine-tune the regime. In addition, the Australian Taxation Office is likely to issue further interpretative guidance regarding some aspects of the rules. Therefore, holders of the Notes will need to monitor the progress of these potential developments to determine whether they have any implications for their investment.

#### **The United Kingdom**

*The comments below are of a general nature based on current United Kingdom tax law and HM Revenue & Customs published practice as at the date of this Prospectus. They describe only the United Kingdom withholding tax treatment in respect of payments of principal and interest in respect of Notes and do not deal with any other United Kingdom taxation implications of acquiring, holding or disposing of Notes. They do not necessarily apply where the income is deemed for tax purposes to be the income of any other person. They relate only to the position of persons who are the absolute beneficial owners of their Notes and may not apply to certain classes of persons such as dealers or certain professional investors. The United Kingdom tax treatment of prospective Noteholders depends on their individual circumstances and may be subject to change in the future. Any holders who are in doubt as to their own tax position or may be subject to tax in a jurisdiction other than the United Kingdom should consult their professional advisers.*

#### **Interest on the Notes**

##### *Interest Payments by BHP Billiton Finance Limited*

Payments of interest on Notes by BHP Billiton Finance Limited may be made without withholding or deduction for or on account of United Kingdom income tax.

##### *Interest Payments by BHP Billiton Finance Plc*

Payments of interest on the Notes by BHP Billiton Finance Plc may be made without withholding or deduction for or on account of United Kingdom income tax provided that the Notes continue to be listed on a

“recognised stock exchange” within the meaning of section 1005 of the Income Tax Act 2007. The London Stock Exchange is a recognised stock exchange. Securities will be treated as listed on the London Stock Exchange if they are included in the Official List (within the meaning of and in accordance with the provisions of Part VI of the Financial Services and Markets Act 2000) and admitted to trading on the London Stock Exchange.

Interest on the Notes may also be paid without withholding or deduction for or on account of United Kingdom income tax where interest on the Notes is paid by a company and, at the time the payment is made, BHP Billiton Finance Plc reasonably believes (and any person by or through whom interest on the Notes is paid reasonably believes) that the person beneficially entitled to the payment of interest is within the charge to United Kingdom corporation tax as regards that payment of interest; provided that HM Revenue & Customs has not given a direction (in circumstances where it has reasonable grounds to believe that the above exemption is not available in respect of such payment of interest at the time the payment is made) that the interest should be paid under deduction of tax.

Interest on the Notes may also be paid without withholding or deduction for or on account of United Kingdom income tax where the maturity of the Notes is less than 365 days and those Notes do not form part of a scheme or arrangement of borrowing intended to be capable of remaining outstanding for more than 364 days.

In other cases, an amount must generally be withheld from payments of interest on the Notes on account of United Kingdom income tax at the basic rate (currently 20 per cent). However, where an applicable double taxation treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Noteholder, HM Revenue & Customs can issue a notice to BHP Billiton Finance Plc to pay interest to the Noteholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double taxation treaty).

#### ***Guarantee — Payments by BHP Billiton Plc***

If BHP Billiton Plc in its capacity as Guarantor makes any payments in respect of interest on the Notes (or other amounts due under the Notes other than the repayment of amounts subscribed for the Notes) such payments may be subject to UK withholding tax at the basic rate (currently 20 per cent) subject to such relief as may be available under the provisions of any applicable double taxation treaty or to any other exemption which may apply. Where an applicable double taxation treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Noteholder, HM Revenue & Customs can issue a notice to the Issuer to pay interest to the Noteholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double taxation treaty).

Where BHP Billiton Plc makes a payment in respect of the Notes and, at the time the payment is made, BHP Billiton Plc reasonably believes (and any person by or through whom such payment in respect of the Notes is paid reasonably believes) that the person beneficially entitled to the payment is within the charge to United Kingdom corporation tax as regards that payment, such payment may be made without withholding or deduction for or on account of United Kingdom income tax. This, however, is subject to any direction given by HM Revenue & Customs that the payments should be paid under deduction of tax. HM Revenue & Customs may give such a direction if it has reasonable grounds to believe that the above exemption does not apply to the payment at the time it is to be made.

#### ***Provision of Information***

Noteholders may wish to note that, in certain circumstances, HM Revenue & Customs has power to obtain information (including the name and address of the person beneficially entitled to the interest) from any person in the United Kingdom who either pays or credits interest to or receives interest for the benefit of a Noteholder. These provisions apply whether or not the interest has been paid subject to withholding or deduction for or on account of United Kingdom income tax and whether or not the Noteholder is resident in the United Kingdom for taxation purposes. The provisions referred to above may also apply, in certain



circumstances, in relation to payments made on redemption of any Notes which are deeply discounted securities for the purposes of the Income Tax (Trading and Other Income) Act 2005, although HM Revenue & Customs published practice indicates that HM Revenue & Customs will not exercise the power referred to above to require this information in respect of such amounts payable on redemption of deeply discounted securities where such amounts are paid on or before 5 April 2013. Such information may include the name and address of the person beneficially entitled to the amount payable on redemption. Where the Noteholder is not resident in the United Kingdom for tax purposes, any information obtained by HM Revenue & Customs in relation to interest payments may, in certain circumstances, be exchanged with the tax authorities of the jurisdiction in which the holder of the Notes is resident for tax purposes.

Information may also be required to be reported in accordance with regulations made pursuant to the EC Savings Directive (see below).

### **EC Savings Directive**

The European Commission has adopted a Directive (Directive 2003/48/EC) regarding the taxation of savings income. The Directive provides for the tax authorities of the Member States to provide each other with details of payments of interest and similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident in that other Member State or certain limited types of entities established in that other Member State. However, for a transitional period, Austria and Luxembourg (unless during that period they elect otherwise) are required to impose a withholding tax of 35 per cent on such payments (although the Directive also provides that no such withholding tax should be levied where the beneficial owner of the payment authorises an exchange of information and/or where the beneficial owner presents a certificate from the tax authority of the Member State in which the beneficial owner is resident). The transitional period is to terminate at the end of the first fiscal year following agreement by certain non-EU countries to the exchange of information relating to interest or similar payments. A number of non-EU countries and certain dependent or associated territories of certain Member States including Switzerland have agreed to adopt similar measures (in certain cases on a reciprocal basis) to those implemented by the Directive (a withholding system in the case of Switzerland). The Directive does not preclude Member States from levying other types of withholding tax.

The European Commission has proposed certain amendments to the Directive which may, if implemented, amend or broaden the scope of the requirements described above.

## SUBSCRIPTION AND SALE

### **Summary of Dealer Agreement**

Subject to the terms and on the conditions contained in an Amended and Restated Dealer Agreement dated 9 November 2012 (as amended and/or supplemented and/or restated from time to time, the "Dealer Agreement") between the Obligors, the Permanent Dealers (as defined therein) and the Arranger, Notes may be offered on a continuous basis by any of the Issuers to the Permanent Dealers. However, each Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The relevant Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. The Obligors have agreed to reimburse the Arranger for certain of its expenses incurred in connection with the Programme and the Dealers for certain of their activities in connection with the Programme.

The Obligors have agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the relevant Issuer.

### **Selling Restrictions**

#### ***United States***

The Notes, the Guarantees and the Cross Guarantees have not been and will not be registered under the Securities Act. Accordingly, the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Bearer Notes will be issued in compliance with United States Treasury Regulation section 1.163-5(c)(2)(i)(D) (the "D Rules") unless (i) the relevant Final Terms state that Notes are issued in compliance with United States Treasury Regulation section 1.163-5(c)(2)(i)(C) (the "C Rules") or (ii) Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which Notes will not constitute "registration required obligations" under the United States Internal Revenue Code section 163(f), which circumstances will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable.

The Notes are being offered and sold outside of the United States to non-U.S. persons in reliance on Regulation S. Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree that, except as permitted by the Dealer Agreement, it will not offer, sell or, in the case of Bearer Notes and Exchangeable Bearer Notes, deliver the Notes of any identifiable Tranche, (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of such Tranche as determined, and certified to the relevant Issuer, by the Issuing and Paying Agent, or in the case of Notes issued on a syndicated basis, to the relevant Issuer and the Issuing and Paying Agent by the relevant Dealers, within the United States or to, or for the account or benefit of, U.S. persons, and it will send to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

In addition, until 40 days after the commencement of the offering of any identifiable Tranche of Notes, an offer or sale of Notes within the United States by any dealer whether or not participating in the offering, may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

### **European Economic Area**

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member State”), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “Relevant Implementation Date”) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the relevant Issuer for any such offer; or
- (c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (a) to (c) above shall require the relevant Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of Notes to the public” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

### **United Kingdom**

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that:

- (a) in relation to any Notes which have a maturity of less than one year from their date of issue, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of section 19 of the FSMA by the relevant Issuer or the relevant Guarantor;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the relevant Issuer or the relevant Guarantor; and

- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such Notes in, from or otherwise involving the United Kingdom.

### **Australia**

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia) in relation to the Programme or any Notes has been or will be lodged with the Australian Securities and Investments Commission (“ASIC”). Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, unless the relevant Final Terms otherwise provide, it:

- (a) has not offered or invited applications, and will not offer or invite applications, for the issue, sale or purchase of any Notes in Australia (including an offer or invitation which is received by a person in Australia); and
- (b) has not distributed or published, and will not distribute or publish, this Prospectus or any other offering material or advertisement relating to any Notes in Australia,

unless:

- (i) the aggregate consideration payable by each offeree is at least A\$500,000 (or its equivalent in other currencies but disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 or 7.9 of the Corporations Act 2001 of Australia (the “Corporations Act”); and
- (ii) the offer or invitation is not made to a person who is a “retail client” within the meaning of section 761G of the Corporations Act; and
- (iii) such action complies with all applicable laws, regulations and directives; and
- (iv) such action does not require any document to be lodged with the ASIC.

In addition, and unless the Final Terms otherwise provide, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, in connection with the primary distribution of any Notes, it will not sell the Notes or interests in the Notes issued by BHP Billiton Finance Limited in circumstances where employees or officers of the Dealer involved in the sale have either been previously notified in writing by BHP Billiton Finance Limited, or, have reasonable grounds to suspect that any Notes or an interest in any Notes were being, or would later be, acquired (directly or indirectly) by an Offshore Associate (as defined below) of BHP Billiton Finance Limited other than one acting in the capacity of a dealer, manager or underwriter in relation to the placement of those Notes or a clearing house, custodian, funds manager or responsible entity of a registered scheme within the meaning of the Corporations Act 2001 of Australia.

“Offshore Associate” means an associate (as defined in section 128F of the Tax Act) that is either:

- (a) a non-resident of Australia which does not acquire (or would not acquire) the Notes in carrying on a business in Australia at or through a permanent establishment of the associate in Australia; or
- (b) a resident of Australia that acquires (or would acquire) the Notes in carrying on a business in a country outside Australia at or through a permanent establishment of the associate in that country.

“Tax Act” means the Income Tax Assessment Act 1936 of Australia (as amended) and associated regulations and, where applicable, any replacement legislation including but not limited to the Income Tax Assessment Act 1997 of Australia.

## **Canada**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) the sale and delivery of any Notes to any purchaser who is a resident of Canada or otherwise subject to the laws of Canada or who is purchasing for a principal who is a resident of Canada or otherwise subject to the laws of Canada (each such purchaser or principal, a “Canadian Purchaser”) by such Dealer shall be made so as to be exempt from the prospectus filing requirements, and exempt from or in compliance with the dealer registration requirements, of all applicable securities laws and regulations, rulings and orders made thereunder and rules, instruments and policy statements issued and adopted by the relevant securities regulator or regulatory authority, including those applicable in each of the provinces and territories of Canada (the “Canadian Securities Laws”);
- (b) where required under applicable Canadian Securities Laws, (i) it is appropriately registered under the applicable Canadian Securities Laws in each province and territory to sell and deliver the Notes to each Canadian Purchaser that is a resident of, or otherwise subject to the Canadian Securities Laws of, such province or territory, and to whom it sells or delivers any Notes, or (ii) such sale and delivery will be made through an affiliate of it that is so registered if the affiliate is registered in a category that permits such sale and has agreed to make such sale and delivery in compliance with the representations, warranties and agreements set out herein;
- (c) it will comply with all relevant Canadian Securities Laws concerning any resale of the Notes by it and will prepare, execute, deliver and file the report of exempt distribution under NI 45-106 (as defined below) and the Canadian Offering Memorandum (as defined below), if applicable, required by the applicable Canadian Securities Laws to permit each resale by it of Notes to a Canadian Purchaser;
- (d) it will ensure that each Canadian Purchaser purchasing from it (i) has represented to it that such Canadian Purchaser is a resident in, and subject to the Canadian Securities Laws of, a province or territory of Canada, or is a corporation, partnership, or other entity, resident and created in or organised under the laws of Canada or any province or territory thereof, (ii) has represented to it that such Canadian Purchaser is an “accredited investor” as defined in section 1.1 of National Instrument 45-106 Prospectus and Registration Exemptions (“NI 45-106”) and which categories set forth in the relevant definition of “accredited investor” in NI 45-106 correctly describes such Canadian Purchaser, (iii) has represented to it that it is not a person created or used solely to purchase or hold the Notes as an accredited investor as described in Section 2.3(5) of NI 45-106, and (iv) consents to disclosure of all required information about the purchase to the relevant Canadian securities regulatory authorities;
- (e) the offer and sale of the Notes by the Dealer was not made through or accompanied by any advertisement of the Notes, including, without limitation, in printed media of general and regular paid circulation, radio, television, or telecommunications, including electronic display or any other form of advertising or as part of a general solicitation in Canada by the Dealer;
- (f) it has not provided and will not provide to any Canadian Purchaser any document or other material that would constitute an offering memorandum (other than the Canadian Offering Memorandum prepared in connection with the issue of the relevant Notes to be prepared by the relevant Issuer, in form and content satisfactory to the Dealer(s), acting reasonably, and provided to the Dealer(s) (the “Canadian Offering Memorandum”));
- (g) it will ensure that each Canadian Purchaser purchasing from it is advised that no securities commission, stock exchange or other similar regulatory authority in Canada has reviewed or in any way passed upon the Canadian Offering Memorandum or the merits of the Notes described therein, nor has any such securities commission, stock exchange or other similar regulatory authority in

Canada made any recommendation or endorsement with respect to the Notes, provided that a statement to such effect in the Canadian Offering Memorandum delivered to such Canadian Purchaser by the Dealer shall constitute such disclosure;

- (h) it has not made and it will not make any written or oral representations to any Canadian Purchaser (i) that any person will resell or repurchase the Notes purchased by such Canadian Purchaser; (ii) that the Notes will be freely tradeable by the Canadian Purchaser without any restrictions or hold periods; (iii) that any person will refund the purchase price of the Notes; or (iv) as to the future price or value of the Notes; and
- (i) it will inform each Canadian Purchaser purchasing from it (i) that the relevant Issuer is not a “reporting issuer” (as defined under applicable Canadian Securities Laws) and is not, and may never be, a reporting issuer in any province or territory of Canada and there currently is no public market in Canada for any of the Notes, and one may never develop; (ii) that the Notes will be subject to resale restrictions under applicable Canadian Securities Laws; and (iii) such Canadian Purchaser’s name and other specified information will be disclosed to the relevant Canadian securities regulators or regulatory authorities and may become available to the public in accordance with applicable laws, provided that a statement to such effect in the Canadian Offering Memorandum delivered to such Canadian Purchaser by the Dealer shall constitute such disclosure.

### **France**

This Prospectus has not been submitted to the clearance procedures of the *Autorité des marchés financiers* (“AMF”).

Each of the Dealers and the Obligors has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that either:

- (a) it has only made and will only make an offer of Notes to the public in France in the period beginning (i) when a prospectus in relation to those Notes has been approved by the AMF, on the date of its publication or (ii) when a prospectus has been approved by the competent authority of another Member State of the European Economic Area which has implemented the EU Prospectus Directive 2003/71/EC, on the date of notification of such approval to the AMF, and ending at the latest on the date which is 12 months after the date of the approval of the prospectus, all in accordance with Articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and the *Règlement général* of the AMF; or
- (b) it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in France, and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Prospectus, the relevant Final Terms or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (i) providers of investment services relating to portfolio management for the account of third parties and/or (ii) qualified investors (*investisseurs qualifiés*) other than individuals, acting for their own account (subject to any exception provided by law), all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the French *Code monétaire et financier*.

### **Japan**

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the “FIEA”) and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and

otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

**General**

These selling restrictions may be modified by the agreement of the relevant Issuer and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in a supplement to this Prospectus.

No action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of this Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it will comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes this Prospectus, any other offering material or any Final Terms and none of the Obligors nor any other Dealer shall have responsibility therefor.

## FORM OF FINAL TERMS

The form of Final Terms that will be issued in respect of each Tranche, subject only to the deletion of non-applicable provisions, is set out below:

Final Terms dated [●]

**[BHP BILLITON FINANCE LIMITED/  
BHP BILLITON FINANCE PLC]\***

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

under the

**€20,000,000,000**

***Euro Medium Term Note Programme***

*Guaranteed by [BHP Billiton Limited/BHP Billiton Plc]\**

### **PART A — CONTRACTUAL TERMS**

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Prospectus dated [date] (the “Prospectus”) [and the supplement[s] to it dated [date] [and [date]]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “Prospectus Directive”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Prospectus [as so supplemented]. Full information on [BHP Billiton Finance Limited/ BHP Billiton Finance Plc]\* (the “Issuer”) and [BHP Billiton Limited/ BHP Billiton Plc]\* (the “Guarantor”) and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus [as so supplemented]. The Prospectus [and the supplement[s]] [has] [have] been published on the website of [the London Stock Exchange at [www.londonstockexchange.com/exchange/news/market-news/market-news-home.html](http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html)] and copies may be obtained during normal business hours from the registered office of the Issuer and the Guarantor at [address].]

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “Conditions”) set forth in the [Prospectus] dated [original date] which are incorporated by reference into the Prospectus dated [current date]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the “Prospectus Directive”) and must be read in conjunction with the Prospectus dated [current date] [and the supplement[s] to it dated [date] [and [date]]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive. Full information on [BHP Billiton Finance Limited/ BHP Billiton Finance Plc]\* (the “Issuer”) and [BHP Billiton Limited/ BHP Billiton Plc]\* (the “Guarantor”) and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus dated [current date] [as so supplemented]. The Prospectus [and the supplement[s]] [has] [have] been published on the website of [the London Stock Exchange at [www.londonstockexchange.com/exchange/news/market-news/market-news-home.html](http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html)] and copies may be obtained during normal business hours from the registered office of the Issuer and the Guarantor at [address].]

**1** (i) Issuer: [BHP Billiton Finance Limited/BHP Billiton Finance Plc]

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\* Delete as applicable depending on Issuer/Guarantor.



	(ii)	Guarantor:	[BHP Billiton Limited/BHP Billiton Plc]
<b>2</b>	(i)	Series Number:	[●]
	(ii)	Tranche Number:	[●]
	(iii)	Date on which the Notes will be consolidated and form a single Series:	The Notes will be consolidated and form a single Series with [●] on [the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 21(i) below, which is expected to occur on or about [●]] [Not Applicable]
<b>3</b>		Specified Currency:	[●]
<b>4</b>		Aggregate Nominal Amount:	[●]
	(i)	Series:	[●]
	(ii)	Tranche:	[●]
<b>5</b>		Issue Price:	[●] per cent of the Aggregate Nominal Amount [plus accrued interest from [●]]
<b>6</b>	(i)	Specified Denomination(s):	[●]
	(ii)	Calculation Amount:	[●]
<b>7</b>	(i)	Issue Date:	[●]
	(ii)	Interest Commencement Date (if different from the Issue Date):	[Issue Date/[●]/Not Applicable]
<b>8</b>		Maturity Date:	[●]/[Interest Payment Date falling in or nearest to [●]]
<b>9</b>		Interest Basis:	[[●] per cent Fixed Rate] [[ <i>Relevant Rate</i> ] +/- [●] per cent Floating Rate] [Zero Coupon]
<b>10</b>		Redemption/Payment Basis:	Redemption at par
<b>11</b>		Change of Interest or Redemption/Payment Basis:	[●]/[Not Applicable]
<b>12</b>		Put/Call Options:	[Put Option] [Call Option]
<b>13</b>		Date Board approval for issuance of Notes and Guarantee obtained:	The issue of the Notes was authorised pursuant to resolutions of the Board of Directors of the Issuer dated [●]. The Guarantee was authorised pursuant to resolutions of the Board of Directors dated [●] [and a resolution of the Finance Committee of the Guarantor dated [●]].

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

- 14 Fixed Rate Note Provisions** [Applicable/Not Applicable]
- (i) Rate(s) of Interest: [●] per cent per annum payable in arrear on each Interest Payment Date
  - (ii) Interest Payment Date(s): [●] [and [●]] in each year up to and including the Maturity Date
  - (iii) Fixed Coupon Amount(s): [●] per Calculation Amount
  - (iv) Broken Amount(s): [[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]] / [Not Applicable]
  - (v) Day Count Fraction (Condition 5(i)): [●]
  - (vi) Determination Date(s) (Condition 5(i)): [[●] in each year] / [Not Applicable]
- 15 Floating Rate Note Provisions** [Applicable/Not Applicable]
- (i) Specified Period(s)/Specified Interest Payment Dates: [●]
  - (ii) Business Day Convention: [Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
  - (iii) Additional Business Centre(s) (Condition 5(i)): [●]
  - (iv) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination]
  - (v) Interest Period Date(s): [●] / [Not Applicable]
  - (vi) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent): [●]
  - (vii) Screen Rate Determination (Condition 5(b)(iii)(B)): [●]
    - Relevant Time: [●]
    - Interest Determination Date: [[●] [TARGET2] Business Days in [city] for [currency] prior to [the first day in each Interest Accrual Period/each Interest Payment Date]]

- Primary Source for Floating Rate: [Screen page] / [Reference Banks]
  - Reference Banks (if Primary Source is “Reference Banks”): [Four] / [Four major Canadian Schedule 1 chartered banks]
  - Relevant Financial Centre: [●]
  - Benchmark: [●]
  - Representative Amount: [●]
  - Effective Date: [●]
  - Specified Duration: [●]
- (viii) ISDA Determination (Condition 5(b)(iii)(A)):
- Floating Rate Option: [●]
  - Designated Maturity: [●]
  - Reset Date: [●]
- (ix) Margin(s): [ +/- ] [●] per cent per annum
- (x) Minimum Rate of Interest: [●] per cent per annum
- (xi) Maximum Rate of Interest: [●] per cent per annum
- (xii) Day Count Fraction (Condition 5(i)): [●]
- (xiii) Rate Multiplier: [●]
- (xiv) Fall back provisions, rounding provisions, denominator: [●]

**16 Zero Coupon Note Provisions** [Applicable/Not Applicable]

- (i) Amortisation Yield (Condition 6(b)): [●] per cent per annum
- (ii) Day Count Fraction (Condition 5(i)): [●]

**PROVISIONS RELATING TO REDEMPTION**

**17 Call Option** [Applicable/Not Applicable]

- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount(s): [●] per Calculation Amount

- (iii) If redeemable in part:
  - (a) Minimum nominal amount to be redeemed: [●]
  - (b) Maximum nominal amount to be redeemed: [●]

**18 Put Option** [Applicable/Not Applicable]

- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount(s): [●] per Calculation Amount

**19 Final Redemption Amount** [●] per Calculation Amount

**20 Early Redemption Amount**

- (i) Early Redemption Amount(s) payable on redemption for taxation reasons (Condition 6(c)) or an event of default (Condition 10): [●] per Calculation Amount
- (ii) Redemption for taxation reasons permitted only on Interest Payment Dates (Condition 6(c)): [Yes/No]
- (iii) Unmatured Coupons to become void upon early redemption (Bearer Notes only) (Condition 7(f)): [Yes/No/Not Applicable]

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

<b>21 Form of Notes:</b>	<b>Bearer Notes/Exchangeable Notes/Registered Notes]</b>	<b>Bearer Notes/Registered Notes]</b>
(i) Temporary or Permanent Global Note:	[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [●] days' notice/at any time/in the limited circumstances specified in paragraph (d) under "Exchange" in the Permanent Global Note]	[Temporary Global Note exchangeable for Definitive Notes on [●] days' notice]
		[Permanent Global Note exchangeable for Definitive Notes on [●] days' notice/at any time/ in the limited circumstances specified in paragraph (d) under "Exchange" in the Permanent Global Note]
(ii) Applicable TEFRA exemption:	[C Rules/D Rules/Not Applicable]	
(iii) New Global Note:	[Yes] [No]	

**22** Additional Financial Centre(s) (Condition 7(h)):  / [Not Applicable]

**23** Talons for future Coupons to be attached to Definitive Notes:  [Yes/No]

Signed on behalf of the Issuer:

Signed on behalf of the Guarantor:

By: \_\_\_\_\_

Duly authorised  
*[BHP Billiton Finance Limited/  
BHP Billiton Finance Plc]*

By: \_\_\_\_\_

Duly authorised  
*[BHP Billiton Limited/  
BHP Billiton Plc]*

## PART B — OTHER INFORMATION

### 1 LISTING AND ADMISSION TO TRADING

- (i) Listing and admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be listed on the [Official List of the UK Listing Authority] and admitted to trading on [the London Stock Exchange's Regulated Market] / [●] with effect from [●.] / [Not Applicable]
- (ii) Estimate of total expenses related to admission to trading: [●]

### 2 RATINGS

- Ratings: [The Notes to be issued [have been/are expected to be] assigned the following ratings:
- [●] by Standard & Poor's (Australia) Pty. Ltd.  
[●] by Moody's Investors Service Pty. Limited]
- [Not Applicable]

### 3 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.]

### 4 YIELD (Fixed Rate Notes only)

- Indication of yield: [●] / [Not Applicable]

### 5 OPERATIONAL INFORMATION

- (i) ISIN Code: [●]
- (ii) Common Code: [●]
- (iii) Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, société anonyme (together with the address of each such clearing system) and the relevant identification number(s): [●] / [Not Applicable] [CDS Clearing and Depository Services Inc.]
- (iv) Names and addresses of additional Paying Agent(s) (if any): [●] / [Not Applicable]

## **6 THIRD PARTY INFORMATION**

[[●] has been extracted from [●]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.]/ [Not Applicable]

## GENERAL INFORMATION

- (1) Upon admission of the Notes to the Official List, their listing will be expressed as a percentage of their principal amount (exclusive of accrued interest). It is expected that the admission of the Programme in respect of the Notes to the Official List and to trading on the Market will be granted on or about 14 November 2012. Any Tranche of Notes intended to be admitted to the Official List and to trading on the Market will be so admitted upon submission to the UK Listing Authority and the London Stock Exchange of the relevant Final Terms and any other information required by the UK Listing Authority and the London Stock Exchange, subject to the issue of the Notes. Prior to official listing, however, dealings will be permitted by the London Stock Exchange in accordance with its rules. However, Notes may be issued which will not be admitted to the Official List and to trading on the Market or any other exchange.
- (2) The Obligors have obtained all necessary consents, approvals and authorisations in the United Kingdom and Australia in connection with the establishment of the Programme and, to the extent relevant, the Guarantees relating to the Programme and the Cross Guarantees. The establishment and update of the Programme was authorised by resolutions of the Board of Directors of BHP Billiton Finance Limited passed on 13 June 2002, 21 March 2003, 6 January 2006, 17 December 2007, 25 September 2008, 2 October 2009, 20 October 2010, 13 October 2011 and 18 September 2012. The addition of BHP Billiton Finance Plc as a new issuer under the Programme and the update of the Programme was authorised by resolutions of the Board of Directors of BHP Billiton Finance Plc dated 26 September 2008, 29 September 2009, 20 October 2010, 17 October 2011 and 17 September 2012. The establishment and update of the Programme, the giving of its Guarantee and the increase in the Programme limit was authorised by resolutions of the Board of Directors (or a duly authorised sub-committee of the Board of Directors) of BHP Billiton Limited passed on 14 June 2002, 28 November 2002, 18 and 19 August 2005, 6 January 2006, 14 December 2007, 25 September 2008, 2 October 2009, 20 October 2010, 12-14 July 2011, 3 August 2011 and 15, 16 and 22 August 2012 and 14 September 2012. The establishment and update of the Programme, the giving of its Guarantee and the increase in the Programme limit was passed by resolutions of the Board of Directors (or a duly authorised subcommittee of the Board of Directors) of BHP Billiton Plc on 14 June 2002, 28 November 2002, 18 and 19 August 2005, 6 January 2006, 14 December 2007, 25 September 2008, 2 October 2009, 20 October 2010, 12-14 July 2011, 3 August 2011 and 15, 16 and 22 August 2012 and 14 September 2012. A sub-committee of the Board of Directors of each of BHP Billiton Limited and BHP Billiton Plc has approved the substitution of BHP Billiton Finance Plc for BHP Billiton Finance B.V. as an issuer under the Programme.
- (3) There has been no significant change in the financial or trading position of BHP Billiton Finance Limited and BHP Billiton Finance Plc or either Guarantor and its subsidiaries, each taken as a whole, since 30 June 2012 and no material adverse change in the prospects of BHP Billiton Finance Limited and BHP Billiton Finance Plc or either Guarantor and its subsidiaries, each taken as a whole, since 30 June 2012.
- (4) Save as disclosed in this Prospectus on pages 63-65 ("Legal Proceedings"), none of the Issuers and their subsidiaries or the Guarantors and their subsidiaries is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which any of the Issuers or Guarantors are aware) in the 12 months preceding the date of this document which may have or have in the recent past had a significant effect on the financial position or profitability of either Issuer and its subsidiaries, each taken as a whole, or either Guarantor and its subsidiaries, each taken as a whole, or the BHP Billiton Group.
- (5) The issue price and the amount of the relevant Notes will be determined before filing the relevant Final Terms of each Tranche, based on the prevailing market conditions.



- (6) In the case of any Tranche of Bearer Notes or Exchangeable Bearer Notes having an original maturity of more than 1 year, the Notes in global form, the Notes in definitive form and any Coupons and Talons appertaining thereto will bear a legend to the following effect: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code".
- (7) The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg systems (which are the entities in charge of keeping the records). Notes may also be held through CDS. The Common Code and the International Securities Identification Number (ISIN) and (where applicable) the identification number for any other relevant clearing system for each Series of Notes will be set out in the relevant Final Terms. The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of CDS is 85 Richmond Street West, Toronto, ON, Canada, M5H 2C9. The address of any alternative clearing system will be specified in the relevant Final Terms.
- (8) For so long as Notes may be issued pursuant to this Prospectus, the following documents will be available for inspection, and in respect of (iv) and (v), will be obtainable during usual business hours on any weekday (Saturdays and public holidays excepted), at the specified office of the Issuing and Paying Agent:
- (i) the Agency Agreement and the Trust Deed (which includes the form of the Global Notes, the definitive Bearer Notes, the Certificates, the Coupons and the Talons);
  - (ii) the Memorandum and Articles of Association or equivalent constitutional documents of each Obligor;
  - (iii) the most recently published annual report and audited consolidated financial statements and unaudited interim financial information published on a semi-annual and quarterly basis (if any) of the BHP Billiton Group;
  - (iv) the audited annual financial statements of the BHP Billiton Group for the financial years ended 30 June 2011 and 30 June 2012;
  - (v) the audited annual financial statements of BHP Billiton Finance Limited and BHP Billiton Finance Plc for the financial years ended 30 June 2011 and 30 June 2012;
  - (vi) a copy of this Prospectus and any supplement to this Prospectus; and
  - (vii) a copy of each of the Cross Guarantees.

In addition, this Prospectus, any supplement to this Prospectus, any documents incorporated herein by reference and each Final Terms relating to Notes which are either admitted to trading on the Market or offered to the public in the United Kingdom in circumstances where a prospectus is required to be published under the Prospectus Directive will also be published on the website of the London Stock Exchange through a regulatory information service.

Copies of each Final Terms relating to Notes which are either admitted to trading on any other regulated market in the European Economic Area or offered in any other Member State of the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive will be published in accordance with Article 14(2) of the Prospectus Directive and the rules and regulations of the relevant regulated market. Copies of each Final Terms relating to any other Notes will only be available for inspection by a holder of such Notes upon

production of evidence satisfactory to the Trustee, the relevant Paying Agent or the relevant Transfer Agent, as the case may be, as to the identity of such holder.

- (9) KPMG are the independent auditors of BHP Billiton Limited and have audited their accounts for the two financial years ended 30 June 2012 and reported thereon without qualification. KPMG are also the independent auditors of BHP Billiton Finance Limited and have audited their accounts for the two financial years ended 30 June 2012.

KPMG Audit Plc, Statutory Auditors and Chartered Accountants, are the independent auditors of BHP Billiton Plc and have audited their accounts for the two financial years ended 30 June 2012 and reported thereon without qualification. KPMG Audit Plc are also the independent auditors of BHP Billiton Finance Plc and have audited their accounts for the two financial years ended 30 June 2012 and reported thereon without qualification.

The auditors of BHP Billiton Limited, BHP Billiton Plc, BHP Billiton Finance Limited and BHP Billiton Finance Plc have no material interest in any of the Obligors.

- (10) In relation to any Tranche of Fixed Rate Notes, an indication of the yield in respect of such Notes will be specified in the relevant Final Terms. The yield is calculated at the Issue Date of the Notes on the basis of the relevant Issue Price. The yield indicated will be calculated as the yield to maturity as at the Issue Date of the Notes and will not be an indication of future yield.
- (11) The Trust Deed provides that the Trustee may rely on certificates or reports from the auditors in accordance with the provisions of the Trust Deed whether or not any such certificate or report or any engagement letter or other document entered into by the Trustee and the auditors in connection therewith contains any limit on the liability of the auditors.

## REGISTERED OFFICES

### The Obligors

#### **BHP Billiton Finance Limited**

Level 25  
BHP Billiton Centre  
180 Lonsdale Street  
Melbourne  
Victoria 3000  
Australia

#### **BHP Billiton Finance Plc**

Neathouse Place  
London  
SW1V 1BH  
United Kingdom

#### **BHP Billiton Limited**

Level 27  
BHP Billiton Centre  
180 Lonsdale Street  
Melbourne  
Victoria 3000  
Australia

#### **BHP Billiton Plc**

Neathouse Place  
London  
SW1V 1BH  
United Kingdom

### Arranger

#### **Deutsche Bank AG, London Branch**

Winchester House  
1 Great Winchester Street  
London EC2N 2DB  
United Kingdom

### Dealers

#### **Barclays Bank PLC**

5 The North Colonnade  
Canary Wharf  
London E14 4BB  
United Kingdom

#### **BNP Paribas**

10 Harewood Avenue  
London NW1 6AA  
United Kingdom

#### **Deutsche Bank AG, London Branch**

Winchester House  
1 Great Winchester Street  
London EC2N 2DB  
United Kingdom

#### **The Royal Bank of Scotland plc**

135 Bishopsgate  
London EC2M 3UR  
United Kingdom

#### **UBS Limited**

1 Finsbury Avenue  
London EC2M 2PP  
United Kingdom

### Issuing and Paying Agent

#### **Citibank, N.A., London Branch**

Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom

**Registrar and Transfer Agent**

**Citibank, N.A., New York Branch**

388 Greenwich Street  
14th Floor  
New York NY 10013  
USA

**Trustee**

**Citicorp Trustee Company Limited**

Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom

**Canadian Authentication Agent**

**Citi Trust Company Canada**

18th Floor  
123 Front Street West  
Toronto  
Ontario M5J 2M3  
Canada

**Auditors**

*To BHP Billiton Limited and BHP Billiton Finance  
Limited*

**KPMG**

147 Collins Street  
Melbourne, Victoria 3000  
Australia

*To BHP Billiton Plc and BHP Billiton Finance Plc*

**KPMG Audit Plc**

15 Canada Square  
Canary Wharf  
London E14 5GL  
United Kingdom

**Legal Advisers**

*To the Obligors*

*as to English law*  
**Slaughter and May**  
One Bunhill Row  
London EC1Y 8YY  
United Kingdom

*as to Australian law*  
**Herbert Smith Freehills**  
101 Collins Street  
Melbourne  
Victoria 3000  
Australia

*as Australian taxation counsel*  
**Greenwoods &  
Freehills Pty Limited**  
Level 38, MLC Centre  
19-29 Martin Place  
Sydney NSW 2000  
Australia

*To the Dealers and the Trustee as to English law*

**Allen & Overy LLP**  
One Bishops Square  
London E1 6AD  
United Kingdom

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