Disciplined delivery of value and returns

Andrew Mackenzie
Chief Executive Officer
15 May 2018
Forward-looking statements

This presentation contains forward-looking statements, including statements which may include: trends in commodity prices and currency exchange rates; demand for commodities; plans; strategies and objectives of management; closure or divestment of certain operations or facilities (including associated costs); anticipated production or construction commencement dates; capital costs and scheduling; productivity gains; cost reductions; operating costs and shortages of materials and skilled employees; anticipated productive lives of projects, mines and facilities; provisions and contingent liabilities; tax and regulatory developments.

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Presentation of data

Base value reflects the current planning forecasts before the addition of a broad suite of upside opportunities. Some of these remain subject to receipt of internal and third party approvals. Unless specified otherwise: value represents BHP share of risked discounted cash flows at consensus prices; copper equivalent production based on 2017 financial year average realised prices (as published in BHP’s Results for the year ended 30 June 2017 on 22 August 2017); data from subsidiaries are shown on a 100 per cent basis and data from equity accounted investments and other operations are presented reflecting BHP’s share; medium term refers to our five year plan. Queensland Coal comprises the BHP Billiton Mitsubishi Alliance (BMA) asset, jointly operated with Mitsubishi, and the BHP Billiton Mitsui Coal (BMC) asset, operated by BHP. Numbers presented may not add up precisely to the totals provided due to rounding. References to disciplined supply refer to lower levels of investment across the industry. All footnote content contained on slide 18.

No offer of securities

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Andrew Mackenzie, Chief Executive Officer
15 May 2018
Key messages

**Maximise cash flow**
- Constructive outlook
  - strong demand; disciplined supply
- US$2 bn productivity
  - gains targeted by end FY19

**Capital discipline**
- Net debt in target range
  - of US$10-15 bn
- <US$8 bn p.a. to FY20
  - capital and exploration guidance

**Value and returns**
- ~20% ROCE
  - targeted by FY22e
- Up to 40% upside
  - potential in base value

Andrew Mackenzie, Chief Executive Officer
15 May 2018
Value and returns are at the centre of everything we do

Simple portfolio
- Diversified commodities
- Tier 1 upstream assets
- Attractive geographies
- Valuable options

Distinctive enablers
- Charter Values and culture of connectivity
- Safety, productivity and operational excellence
- Technology and globalised systems
- Capital Allocation Framework and balance sheet strength

Shareholder value and returns
Licence to operate
Our plans are delivering

Returns (ROCE\(^2\), nominal %)

<table>
<thead>
<tr>
<th></th>
<th>FY16</th>
<th>FY17</th>
<th>FY18e</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY17 average realised prices</td>
<td>5.2%</td>
<td>10.0%</td>
<td>~14%</td>
</tr>
<tr>
<td>Actual/forecast</td>
<td>2.4%</td>
<td>10.0%</td>
<td></td>
</tr>
</tbody>
</table>

Note: FY17 average realised prices are compared to actual/forecast to illustrate the performance.

Base value\(^4,5\) (Index, FY16=100)

<table>
<thead>
<tr>
<th></th>
<th>FY16 plan</th>
<th>FY17 plan</th>
<th>FY18 plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY17 average realised prices</td>
<td>100%</td>
<td>110%</td>
<td>130%</td>
</tr>
<tr>
<td>Consensus prices</td>
<td>100%</td>
<td>110%</td>
<td>130%</td>
</tr>
</tbody>
</table>

Note: Base value reflects the current planning forecasts before the addition of a broad suite of upside opportunities.

Andrew Mackenzie, Chief Executive Officer
15 May 2018
We have built base value over the last two years

<table>
<thead>
<tr>
<th>Cost efficiencies</th>
<th>Technology</th>
<th>Latent capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt;15%</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>Unit cost reduction$^6$</td>
<td>New IROCs implemented or in progress at our operated Minerals assets</td>
<td>Projects sanctioned at average returns$^7$ of ~60%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Future options</th>
<th>Exploration</th>
<th>Onshore US</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>4</td>
<td>Exit</td>
</tr>
<tr>
<td>Projects sanctioned; Mad Dog 2, Spence Growth Option</td>
<td>Conventional petroleum discoveries; Caicos, Wildling, LeClerc, Ruby; successful Trion bid</td>
<td>For value and to increase returns; supportive environment, encouraging bidder interest</td>
</tr>
</tbody>
</table>

Andrew Mackenzie, Chief Executive Officer
15 May 2018
Future opportunities offer further upside

Existing suite of options offers potential for a further 40% risked upside to base value

<table>
<thead>
<tr>
<th>Cost efficiencies</th>
<th>Technology</th>
<th>Latent capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>US$2 bn</strong></td>
<td><strong>Fully integrated</strong></td>
<td><strong>&gt;100%</strong></td>
</tr>
<tr>
<td>Productivity gains targeted by end FY19</td>
<td>And highly automated from resource to market by 2025</td>
<td>Average returns from our replenished suite of options</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Future options</th>
<th>Exploration</th>
<th>Onshore US</th>
</tr>
</thead>
<tbody>
<tr>
<td>~17%</td>
<td><strong>US$15 bn</strong></td>
<td><strong>End CY18</strong></td>
</tr>
<tr>
<td>Average returns from our longer term opportunities</td>
<td>Unrisked value of Petroleum exploration and appraisal program</td>
<td>Target for announced transactions</td>
</tr>
</tbody>
</table>
Capital discipline, debt reduction and shareholder returns

Our capital allocation framework provides rigour and discipline to all capital decisions

Operating productivity
Capital productivity
Net operating cash flow
Maintenance capital
Strong balance sheet
Minimum 50% payout ratio dividend
Excess cash flow
Debt reduction Additional dividends Buy-backs Organic development Acquisitions/divestments
Maximise returns and value

Andrew Mackenzie, Chief Executive Officer
15 May 2018
Cost efficiencies – focused on further gains

Productivity gains of US$2 billion targeted by end FY19

### WAIO
- Optimised mine planning
- Equipment/plant utilisation
- Execution of technology initiatives

#### Medium term
- Pre-strip productivity
- Equipment utilisation via IROC
- Optimised mine planning

#### Medium term
- <US$13/t
- ~US$57/t

### Conventional
- Organisational redesign post shale
- Advanced seismic imaging
- Maintenance standardisation

#### Medium term
- <US$13/boe

### Queensland Coal
- Pre-strip productivity
- Equipment utilisation via IROC
- Optimised mine planning

### Escondida
- Three-concentrator productivity
- Increased fleet run time
- Maintenance strategy optimisation

#### Medium term
- <US$1.15/lb
Technology – improves safety, costs and unlocks resource

Integrate and automate the value chain to unlock resource and drive a step change in safety, volume and cost

Benchmark projects
To drive leadership in safety and productivity

Safety and productivity
- Collision avoidance
- Equipment automation
- System integration across value chain
- Robotics process automation
- Machine learning analytics
- Chemical extraction
- Heap leaching

Future value
High value innovation to drive competitive advantage

Accelerate high-value initiatives

- **Mine autonomy**
- **Decision automation**
- **Precision mining**

Proving grounds to trial and de-risk solutions in real conditions

- **Coal**: dynamic supply chain optimisation tools
- **Escondida**: sensor technologies to extraction process
- **Olympic Dam**: heap leach program progressing
- **WAIO**: acceleration of mine automation underway

Fully integrated and highly automated from resource to market by 2025

Andrew Mackenzie, Chief Executive Officer
15 May 2018
### Latent capacity – attractive returns, limited risk

Continuous replenishment of our suite of capital efficient, low risk, high return options supports the next wave of latent capacity.

<table>
<thead>
<tr>
<th>Options</th>
<th>IRR (%)</th>
<th>Risk</th>
<th>Timing</th>
<th>Capex  (US$m)</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>WAIO</strong> Debottlenecking</td>
<td>&gt;100</td>
<td>●</td>
<td>&lt;2 years</td>
<td>&lt;250</td>
<td>Supply chain debottlenecking initiatives at the port and rail, and releasing latent capacity at Jimblebar to increase production to 290 Mtpa</td>
</tr>
<tr>
<td><strong>Escondida</strong> EWS Expansion</td>
<td>&gt;50</td>
<td>●●</td>
<td>&lt;2 years</td>
<td>~500</td>
<td>Expansion of desalination plant to reduce groundwater usage and maximise concentrator throughput</td>
</tr>
<tr>
<td><strong>Escondida</strong> Debottlenecking</td>
<td>&gt;100</td>
<td>●●</td>
<td>various</td>
<td>&gt;500</td>
<td>Concentrator debottlenecking, sulphide leach reprocessing of ripios, truck and shovel fleet upgrades</td>
</tr>
<tr>
<td><strong>Spence</strong> Ripios processing</td>
<td>~60</td>
<td>●●</td>
<td>2-5 years</td>
<td>250-500</td>
<td>Reprocessing of ripios dumped since the beginning of the Spence operations</td>
</tr>
<tr>
<td><strong>Queensland Coal</strong> Latent capacity</td>
<td>&gt;100</td>
<td>●</td>
<td>&gt;5 years</td>
<td>&gt;500</td>
<td>Investing in stripping capacity and pipeline of productivity initiatives to shift the bottleneck towards the coal handling plants</td>
</tr>
<tr>
<td><strong>Olympic Dam</strong> Material handling system</td>
<td>~20</td>
<td>●</td>
<td>&gt;5 years</td>
<td>~500</td>
<td>Enabling project for BFX, extending materials handling system (MHS) into Southern Mine Area</td>
</tr>
<tr>
<td><strong>Spence</strong> Debottlenecking</td>
<td>&gt;15</td>
<td>●●●</td>
<td>&gt;5 years</td>
<td>&gt;500</td>
<td>Processing lower grade hypogene material with increased recoveries, concentrator debottlenecking, in-pit semi mobile ore conveying</td>
</tr>
</tbody>
</table>

**Average/aggregate**  
>100     
~US$4 bn  
Up to ~2 Mt of incremental Cu eq. capacity with ~US$16 bn unrisked NPV

Note: Risk profile is based on a BHP assessment of each project against defined quantified and non-quantified risk metrics rated out of 5; 5 represents more risk.
### Future options – worked for value, timed for returns

*Investment decisions made in accordance with our capital allocation framework and fully consider the broader market impact*

<table>
<thead>
<tr>
<th>Options</th>
<th>IRR(^3) (%)</th>
<th>Risk(^{12}) (1-5)</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Atlantis Phase 3 Petroleum</td>
<td>~25</td>
<td>Non-operated</td>
<td>Tie back to existing Atlantis facility unlocked through Advanced Seismic Imaging</td>
</tr>
<tr>
<td>Olympic Dam BFX Copper</td>
<td>~20</td>
<td>●●</td>
<td>Accelerated development into the Southern Mine Area, debottlenecking of existing surface infrastructure to increase production to 330 ktpa</td>
</tr>
<tr>
<td>Scarborough Petroleum</td>
<td>&gt;15</td>
<td>Non-operated</td>
<td>Tie back development to existing LNG facility</td>
</tr>
<tr>
<td>Wards Well Metallurgical Coal</td>
<td>~15</td>
<td>●●●●</td>
<td>Long-life, premium hard coking coal resource, greenfield underground longwall mine with proximity to existing operating assets</td>
</tr>
<tr>
<td>Resolution Copper</td>
<td>~15</td>
<td>Non-operated</td>
<td>Underground block cave with attractive grade profile and competitive cost curve position</td>
</tr>
<tr>
<td>Jansen Stage 1(^{14}) Potash</td>
<td>~13</td>
<td>●●●</td>
<td>Tier 1 resource with operating costs of ~US$100/t (FOB Vancouver) and valuable expansion optionality</td>
</tr>
<tr>
<td>Jansen Stage 2-4 Potash</td>
<td>~16</td>
<td>●●</td>
<td>Sequenced brownfield expansions of up to 12 Mtpa (4 Mtpa per stage)</td>
</tr>
</tbody>
</table>

**Average/aggregate**

| ~17                           | Aggregate unrisked value of ~US$15 bn spanning commodities and time periods |

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Note: Risk profile is based on a BHP assessment of each project against defined quantified and non-quantified risk metrics rated out of 5; 5 represents more risk.

Andrew Mackenzie, Chief Executive Officer
15 May 2018
Exploration – focused on petroleum and copper

Momentum building on recent discoveries

Highly prospective Petroleum exploration and appraisal program
- Multi-billion boe risked potential; unrisked NPV of up to US$15 bn
- Potential discoveries commercial at less than US$50/bbl
- Farmed into Samurai prospect north of Wildling discovery

Petroleum and Copper Exploration
(Focus areas and maturity)

Greenfield discoveries can deliver copper for US$0.02-US$0.04/lb
- Focused on porphyries, IOCGs, sediment-hosted copper
- Leveraging expertise and technology from our petroleum teams
- Concessions secured and new office established in Ecuador

Andrew Mackenzie, Chief Executive Officer
15 May 2018
Onshore US – exit to maximise value and returns

Process tracking to plan with bids expected by June 2018, potential for announced deal by year-end

Backdrop
Successful well trials, higher oil price, lower tax rate support bidder interest

Process status
All data rooms open, bids expected by June; demerger/IPO assessments in parallel

Impact
Exit has potential to lift Group ROCE by >3% with minimal impact on free cash flow

Andrew Mackenzie, Chief Executive Officer
15 May 2018
Value and returns are at the centre of everything we do

Delivery of our plans will further improve value and returns

Returns
(ROCE\(^2\), nominal %)

<table>
<thead>
<tr>
<th>Year</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18e (forecast)</th>
<th>FY22e (consensus prices)</th>
<th>FY22e (FY17 prices)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>30</td>
<td>30</td>
<td>30</td>
<td>30</td>
<td>30</td>
</tr>
</tbody>
</table>

Base value\(^4,5\)
(Index, FY16=100)

<table>
<thead>
<tr>
<th>Year</th>
<th>FY16 plan</th>
<th>FY17 plan</th>
<th>FY18e plan (consensus prices)</th>
<th>FY22e plan (consensus prices)</th>
<th>FY22e plan (FY17 prices)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>300</td>
<td>300</td>
<td>300</td>
<td>300</td>
<td>300</td>
</tr>
</tbody>
</table>
# Key messages

<table>
<thead>
<tr>
<th>Maximise cash flow</th>
<th>Capital discipline</th>
<th>Value and returns</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Constructive outlook</strong>&lt;br&gt;strong demand; disciplined supply&lt;sup&gt;1&lt;/sup&gt;</td>
<td><strong>Net debt in target range</strong>&lt;br&gt;of US$10-15 bn</td>
<td>~20% ROCE targeted by FY22&lt;sup&gt;2,3&lt;/sup&gt;</td>
</tr>
<tr>
<td><strong>US$2 bn productivity</strong>&lt;br&gt;gains targeted by end FY19</td>
<td><strong>&lt;US$8 bn p.a. to FY20</strong>&lt;br&gt;capital and exploration guidance</td>
<td><strong>Up to 40% upside</strong>&lt;br&gt;potential in base value&lt;sup&gt;4&lt;/sup&gt;</td>
</tr>
</tbody>
</table>
Footnotes

1. Disciplined supply: Reflects lower levels of investment across the industry.
2. ROCE: Represents annualised attributable profit after tax excluding exceptional items and net finance costs (after tax) divided by average capital employed. Capital employed is net assets before net debt. Presentation of future Underlying Return on Capital Employed (ROCE) does not constitute guidance and represents outcomes based on differing price and other scenarios.
3. FY22 ROCE: At FY17 average realised prices.
4. Base value: Reflects the planning forecasts at the time before the addition of upside opportunities.
5. Base value: FY16 plan represents base value as presented on 10 May 2016 (valuation date 1 July 2016; prices reflect either FY17 average realised prices or 2016 analyst consensus price forecasts). FY17 plan represents base value as presented on 16 May 2017 (valuation date 1 July 2017; prices reflect either FY17 average realised prices or 2017 analyst consensus price forecasts). FY18 plan represents base value as presented on 15 May 2018 (valuation date 1 July 2018; prices reflect either FY17 average realised prices or 2018 analyst consensus price forecasts).
6. Unit cost reduction: Copper equivalent unit costs between FY15 and FY17. Copper equivalent production based on FY17 average realised prices.
7. Average returns: Returns at 2016 analyst consensus price forecasts; ungeared, post-tax, nominal return.
8. 40% value uplift: Represents total potential increase in base value from the addition of upside opportunities. Values at 2018 analyst consensus price forecasts; valuation date 1 July 2018; BHP share.
11. Medium term unit cost guidance: Based on an exchange rate of AUD/USD 0.75 and USD/CLP 663. Unit costs are in nominal terms.
12. Risk: Risk profile is based on a BHP assessment of each project against defined quantified and non-quantified risk metrics rated out of 5; 5 represents more risk.
14. Jansen Stage 1: IRR is ~14% excluding the remaining investment for completion of the shafts and installation of essential service infrastructure and utilities.
15. Copper exploration: Based on industry exploration costs and BHP analysis; considers discoveries with an identified resource ≥1 Mt of contained copper.
16. IOCG: Iron ore, copper and gold poly-metallic ore body.