BHP

Delivering value and returns

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Presentation of data

Base value reflects the current planning forecasts before the addition of a broad suite of upside opportunities. Unless specified otherwise; value represents BHP share of risked discounted cash flows at consensus prices; and numbers presented may not add up precisely to the totals provided due to rounding.

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Value and returns are at the centre of everything we do

Simple portfolio

- Diversified commodities
- Tier 1 upstream assets
- Attractive geographies
- Valuable growth options

Shareholder value and returns

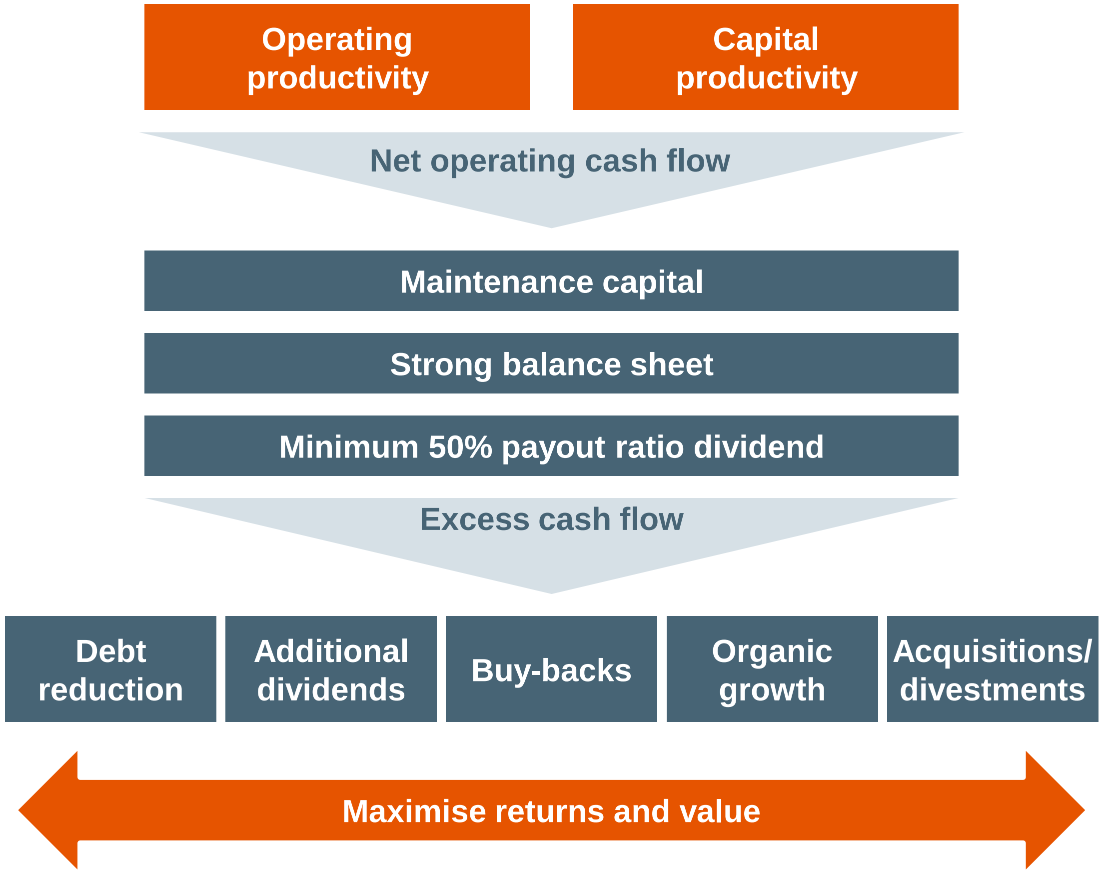
Licence to operate

Distinctive enablers

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

Disciplined and transparent capital allocation

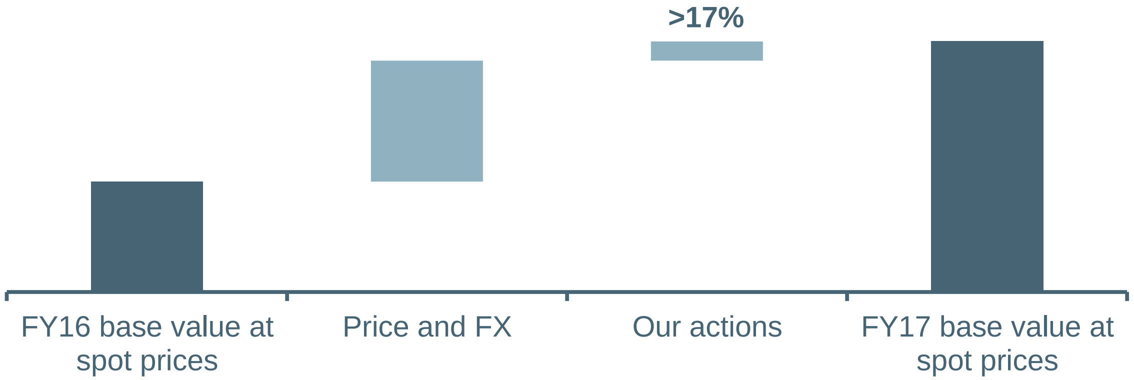
- Our Capital Allocation Framework is embedded in every capital decision we make
  - facilitates optimal balance between value accretive investments and cash returns
- Framework aligned with cyclical nature of the industry
  - underpins a strong balance sheet through the cycle
  - flexibility at the bottom of the cycle
  - discipline and increased cash returns at the top of the cycle
- Transparent competition for capital ensures all investment decisions are tested against additional returns to shareholders



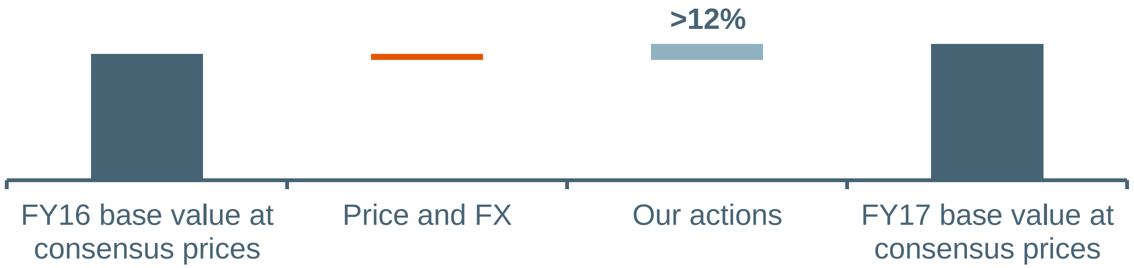
Delivery of our plans has increased base value

- Our actions have increased the base value[1] of our operations over the past 12 months
  - at spot prices, we have added over 17%
  - at consensus prices, we have added over 12%
- This value uplift includes
  - continued reduction in unit costs
  - globalisation of procurement activities
  - incremental capacity at Jimblebar
  - approval of Los Colorados Extension and Caval Ridge Southern Circuit
  - Mad Dog 2 sanctioned by all joint venture partners
  - implementation of coal Integrated Remote Operations Centre
  - optimised rail scheduling at WAIO

Our actions increased base value by over 17% at spot prices
(Value at spot prices[2])



Our actions increased base value by over 12% at consensus prices
(Value at consensus prices[3])

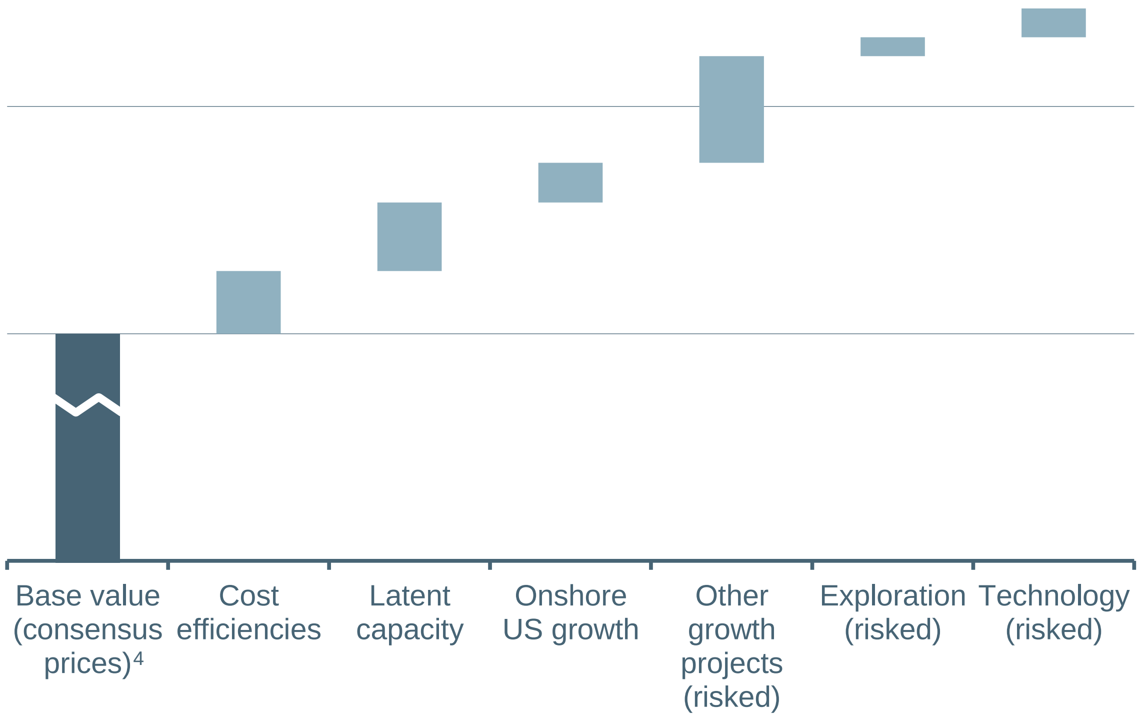


1. Base value reflects the current planning forecasts before the addition of upside opportunities.
2. FY16 base value at 19 April 2016 spot prices; valuation and base date 1 July 2016; FY17 base value at 19 April 2017 spot prices; valuation and base date 1 July 2017; BHP share.
3. FY16 base value at 2016 analyst consensus price forecasts; valuation and base date 1 July 2016; FY17 base value at 2017 analyst consensus price forecasts; valuation and base date 1 July 2017; BHP share.

Broad suite of opportunities to deliver further gains

- Our plans offer the potential to grow base value by 50%
  - further cost reductions support 10% value uplift
  - latent capacity options equivalent to >20% of current production[1,2]
  - larger well completions, hedged Haynesville drilling, Permian acreage swaps and Black Hawk well trials
  - US$25 billion[3] unrisked value in the growth portfolio
  - securing Trion adds upside and drilling has reduced risk of Trinidad & Tobago Gas and Wildling prospects
  - technology initiatives worth up to US$12 billion[3] unrisked to lower costs, unlock resource and further improve safety

Broad suite of opportunities offer 50% potential upside to current base value
(Value at consensus prices[3])

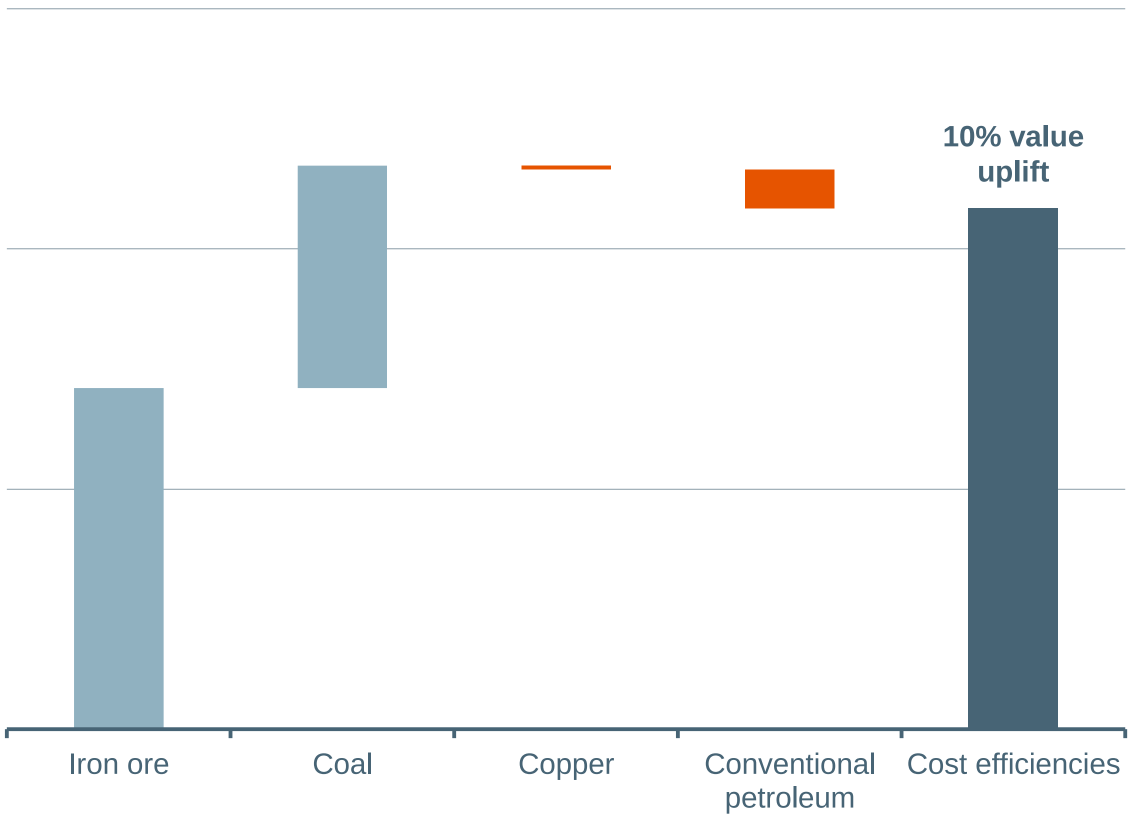


1. Copper equivalent production based on H1 FY17 average realised prices.
2. Represents peak capacity delivered (irrespective of date achieved) relative to FY17 expected copper equivalent production.
3. Values at analyst 2017 consensus price forecasts; valuation date 1 July 2017; BHP share.
4. Base value truncated for illustrative purposes.

Cost efficiencies – focused on further gains

- US$11 billion productivity gains embedded from FY12 to FY16
- Further cost reductions support 10% value uplift
  - significant cost efficiencies expected in iron ore and coal
  - portfolio simplicity, standardised systems and operating model connectivity position us to take the next step
- Underlying Group unit cost reductions expected to more than offset exchange rate movements in FY18[1]
  - WAIO unit costs of <US$14 per tonne
  - Escondida unit costs of ~US$1.00 per pound
  - Conventional unit costs of US$10 per barrel[2]
  - Queensland Coal unit costs under review[3]

Future cost efficiencies underpin significant value creation
(Value at consensus prices[4])



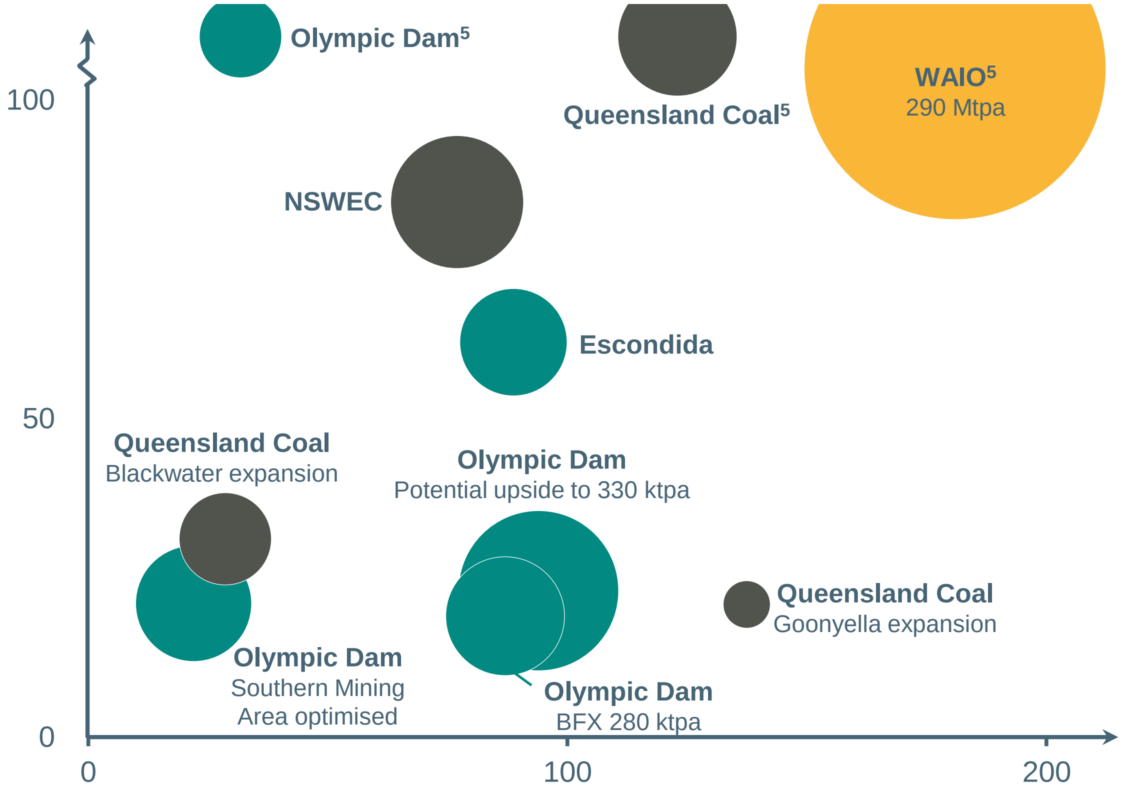
1. Based on analyst consensus exchange rates of AUD/USD 0.75 and USD/CLP 663.
2. Barrel of oil equivalent.
3. Queensland Coal unit costs under review as a result of Cyclone Debbie and impacts on third party rail infrastructure.
4. Values at analyst 2017 consensus price forecasts; valuation date 1 July 2017; BHP share.

Latent capacity – attractive returns, limited risk

- Latent capacity options among our most attractive opportunities
  - potential for 1.8 Mt of incremental copper equivalent volumes[1]
  - equivalent to >20% of current production[1]
  - aggregate capex of US$5 billion
  - average returns of 75%[2]
- Our options[3] include
  - WAIO capacity to reach 290 Mtpa during FY19
  - Escondida copper recovery optimisation, concentrator debottlenecking and low-grade ore leaching
  - Olympic Dam BFX to increase capacity to 280 ktpa in FY22, potential upside to 330 ktpa with capital efficient investment
  - Blackwater Expansion supports 4 Mtpa capacity increase through increased metallurgical coal bypass
  - Goonyella complex options to increase capacity to 24 Mtpa

Highly capital efficient latent capacity options
(Returns[2], %)

Note: Bubble size represents value[4]



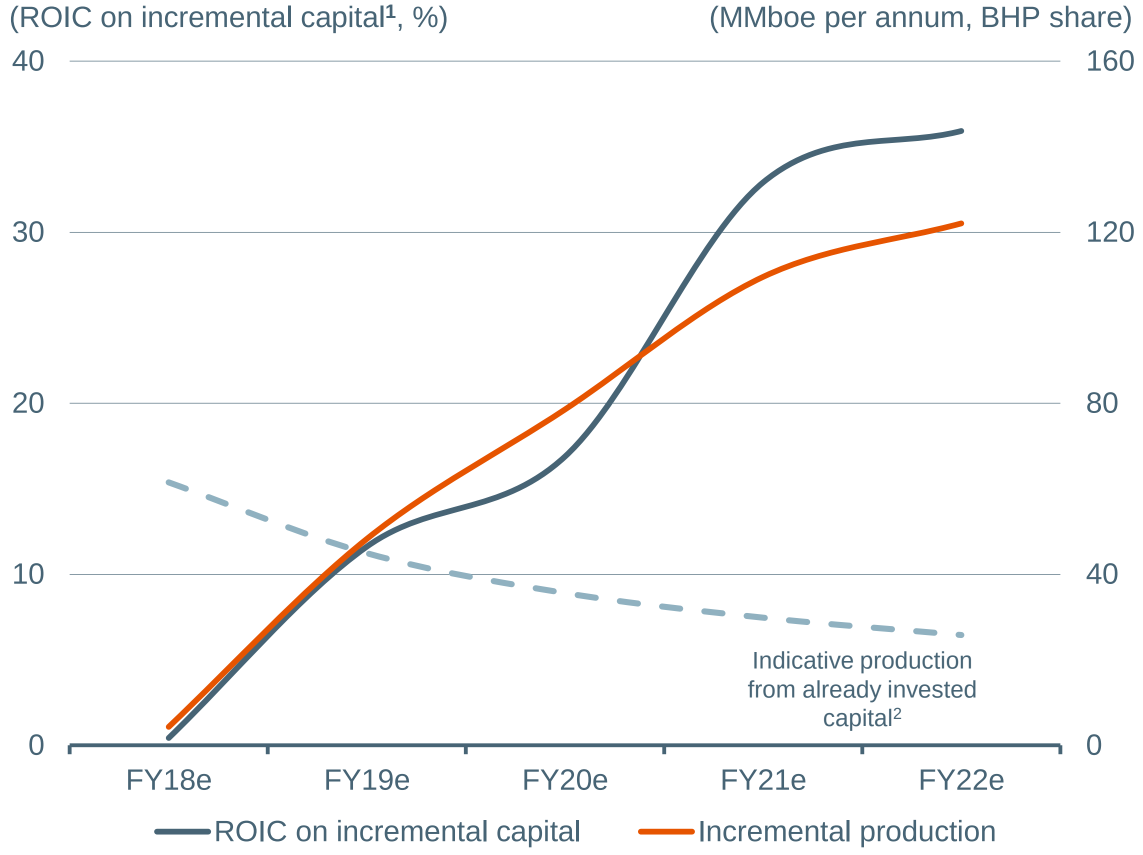
Volumes
(Copper equivalent, kt)[1]

1. Copper equivalent production based on H1 FY17 average realised prices; represents peak capacity delivered (irrespective of date achieved); BHP share.
2. Returns at analyst 2017 consensus price forecasts; ungeared, post-tax, nominal return.
3. Assumes all internal and third party approvals received; volumes shown on a 100% basis.
4. Values at analyst 2017 consensus price forecasts; unrisked value of projects at valuation date 1 July 2017; BHP share.
5. Returns truncated for illustrative purposes.

Onshore US – value and flexibility

- Price and timing of entry were not optimal and initial pace of investment was too rapid
  - subsequent experience has delivered substantial advances in operating capability and capital productivity
  - third party recognition of leading performance in major fields
- Looking forward, Onshore US well placed to compete for capital
  - planned rig activity increases from 4 to 10 in FY18
  - new wells add incremental volumes of up to 120 MMboe
- Multiple approaches to value creation across the portfolio
  - trialling larger well completions in all fields
  - Permian acreage swaps to support longer laterals
  - hedging program accelerates Haynesville development
  - testing prospective resources across all fields
  - continued acreage sales where worth more to others

Incremental investment scenario at consensus prices[1,2]



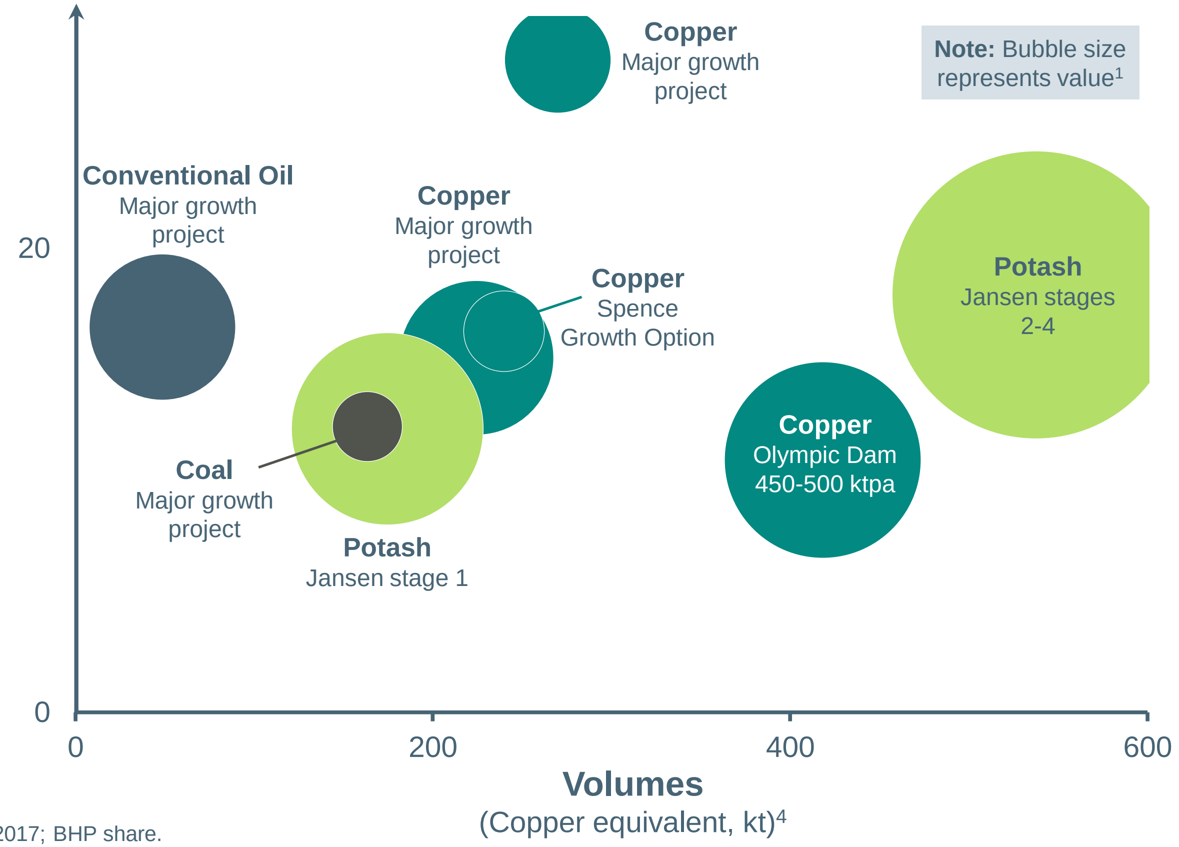
1. Incremental investment excludes sunk capital and acquisition costs. Underlying Return on Invested Capital (ROIC) represents earnings divided by average net operated assets, using analyst 2017 consensus price forecasts; scenario does not constitute guidance.
2. Indicative production from already invested capital at the end of FY17. Includes wells put on line and unfinished wells as at 30 June 2017 (including wells being drilled and drilled but uncompleted wells).

Growth projects – timed for value and returns

- Rich opportunity set across commodities and time periods
  - aggregate unrisked value of US$25 billion[1]
  - average project returns of >16%[2]
  - >10% reduction in capital intensity in 12 months
- Projects executed in accordance with Capital Allocation Framework[3]
  - will seek Board approval for Spence Growth Option in August 2017
  - encouraging leaching trials at Olympic Dam
  - phased approach at Jansen increases optionality and reduces risk
    - stage 1: IRR >12%[2]
      - US$4.7 billion incremental capital cost
      - 4 Mtpa capacity
      - possible first production from FY23
    - stages 2-4 deliver significantly higher IRRs

Strong pipeline of growth options aligned with market windows

(Returns[2], %)

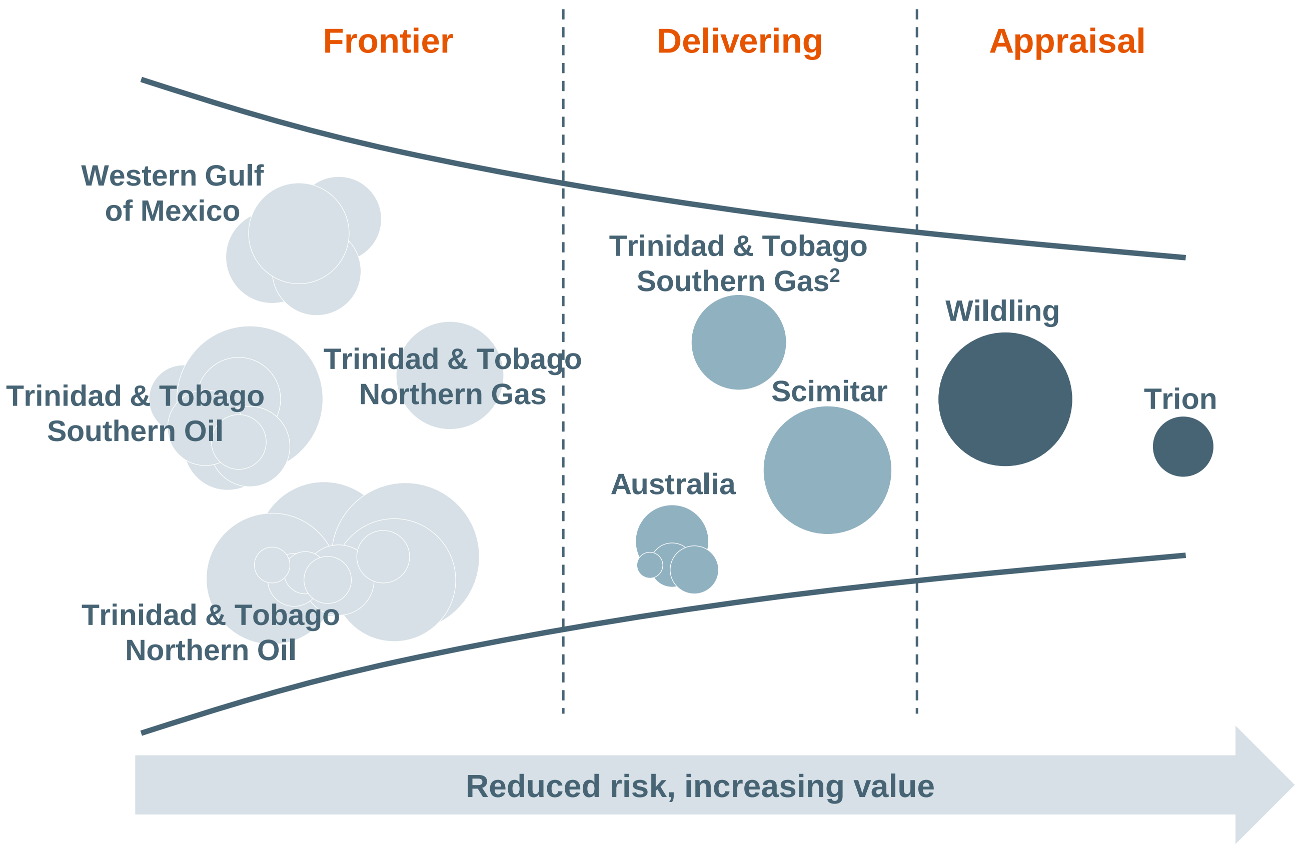


1. Values at analyst 2017 consensus price forecasts; unrisked value of projects (including study costs) at valuation date 1 July 2017; BHP share.
2. Returns at analyst 2017 consensus price forecasts; ungeared, post-tax, nominal return; Spence Growth Project assumes outsourced desalination plant.
3. Assumes all internal and third party approvals received.
4. Copper equivalent production based on H1 FY17 average realised prices; represents peak capacity delivered; BHP share.

Exploration – positive results reduces risk of future wells

- Highly prospective exploration program
  - multi-billion barrel risked potential
  - unrisked value of over US$20 billion[1]
  - unrisked peak production potential over 150 MMboe/pa
  - potential discoveries commercial at less than US$50/bbl
- Encouraging results in Central Gulf of Mexico
  - Shenzi North and Caicos results support Wildling appraisal
  - adjacent Scimitar mini-basin next drilling target
- Progress in Caribbean frontier
  - LeClerc results support multi-tcf gas resource
  - planning Phase 2 oil exploration in Trinidad & Tobago
- Successful Trion bid and Mexico first mover advantage
  - two wells and seismic program over the next 24 months
  - well placed to extend position in future bid rounds

Significant exploration potential over the next three years
(Value[1], BHP share)

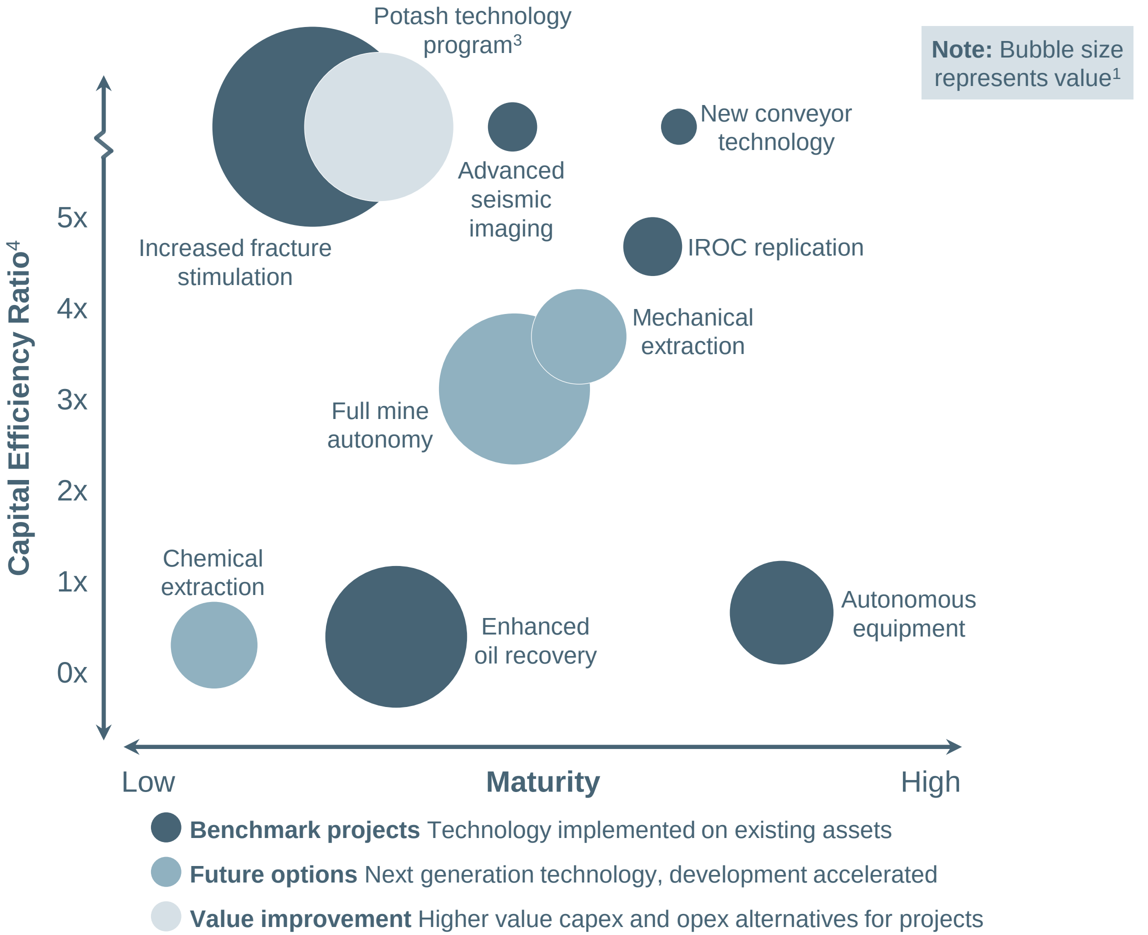


1. Unrisked values at BHP long-term price forecasts.
2. Includes LeClerc.

Technology – lowers costs and unlocks resource

- We have a broad suite of technology initiatives to lower costs, unlock resource and improve safety
  - aggregate unrisked value of US$12 billion[1,2]
  - average capital efficiency ratio of 1.6x
  - the scale of our assets and connectivity of our operations accelerates speed of replication and returns
- Current initiatives include
  - leaching optimisation to increase copper recoveries by 10% and reduce cycle times by 50%
  - mass mining methods to drive a step-change in operating costs
  - precision extraction to improve processing performance and reduce energy and water intensity
  - decision automation to eliminate waste and reduce variability

Technology presents a significant opportunity to create further value

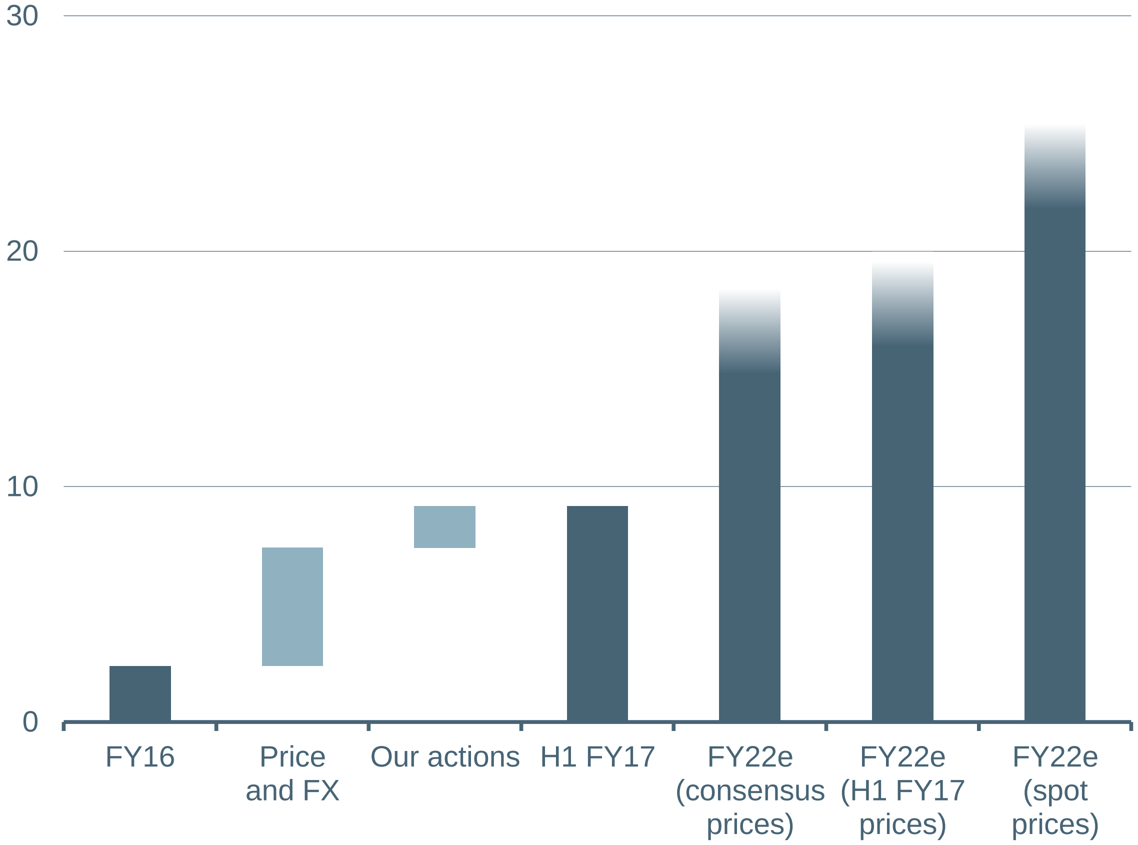


1. Unrisked values at analyst 2017 consensus price forecasts; valuation date 1 July 2017; BHP share.
2. Excludes Olympic Dam Heap Leach as value embedded in Olympic Dam major growth project.
3. Primarily includes greenfield application of technologies tested in other mining operations.
4. Capital Efficiency Ratio calculated as Net Present Value divided by Present Value of Growth Capex.

Value and returns are at the centre of everything we do

- Our plans have delivered value and increased returns over the past year
  - increased the base value of our operations by 12% to 17%
  - significant improvement in Return on Capital Employed[1]
- But we have much more to do and are not standing still
  - broad suite of opportunities to grow base value by 50%
  - delivery of these plans almost doubles current ROCE[1]
- All capital decisions made in accordance with our Capital Allocation Framework
  - facilitates optimal balance between value accretive investments and cash returns to shareholders

We expect our plans to drive significant improvement in returns
(ROCE[1], nominal %)



1. Presentation of future Underlying Return on Capital Employed (ROCE) does not constitute guidance and represents a range of outcomes based on differing price and other scenarios.
   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.

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