

Marketing Briefing

London and Sydney
16 September 2009

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This presentation includes forward-looking statements within the meaning of the U.S. Securities Litigation Reform Act of 1995 regarding future events and the future financial performance of BHP Billiton. These forward-looking statements are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, and which may cause actual results to differ materially from those expressed in the statements contained in this presentation. For more detail on those risks, you should refer to the sections of our annual report on Form 20-F for the year ended 30 June 2008 entitled “Risk factors”, “Forward looking statements” and “Operating and financial review and prospects” filed with the U.S. Securities and Exchange Commission.

No Offer of Securities

Nothing in this release should be construed as either an offer to sell or a solicitation of an offer to buy or sell BHP Billiton securities in any jurisdiction.

Non-GAAP Financial Information

BHP Billiton results are reported under International Financial Reporting Standards (IFRS). References to Underlying EBIT and EBITDA exclude any exceptional items. A reconciliation to statutory EBIT is contained within the profit announcement, available at our website www.bhpbilliton.com.

Agenda

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- Introduction
- The Steel Complex: Iron Ore and Met Coal
- The Energy Complex: Emerging Market Story
- Copper: a Growing Deficit Market
- Why We Prefer Floating Price Mechanisms
- Freight: Why We Charter and Don’t Own
- Summary of Key Messages

Marketing – Actively Managing the Revenue Line

- Responsible for BHP Billiton's total revenue line of ~$50 billion
- Accountable for maximising the value we receive for our products
- Owns and manages the relationships with our customers
- Develops market views to optimise:
  – Shorter term marketing of products, and
  – Longer term price formation for asset and infrastructure development

Marketing – The Hague

A Centralised Marketing Model

- Centralised marketing organisation built on a common platform
- Marketing manages:
  - The physical product flow from when it is in saleable form to customer stockyard
  - The financial exposure including price risk, commercial risk and cash collection
- The marketing model is scalable and caters for quick integration of organic and inorganic growth

Hay Point Coal Terminal

One View Internally and One View Externally

- One view of production and inventories
- One view of total business with our customers
- One view of price risk, performance risk and credit risk
- Cash collected and managed from the centre
- Shared knowledge of market dynamics across the commodity portfolio
- Ensure we get the market price for our products
- One "house view" on the macro-economic environment

Key Macroeconomic Indicators

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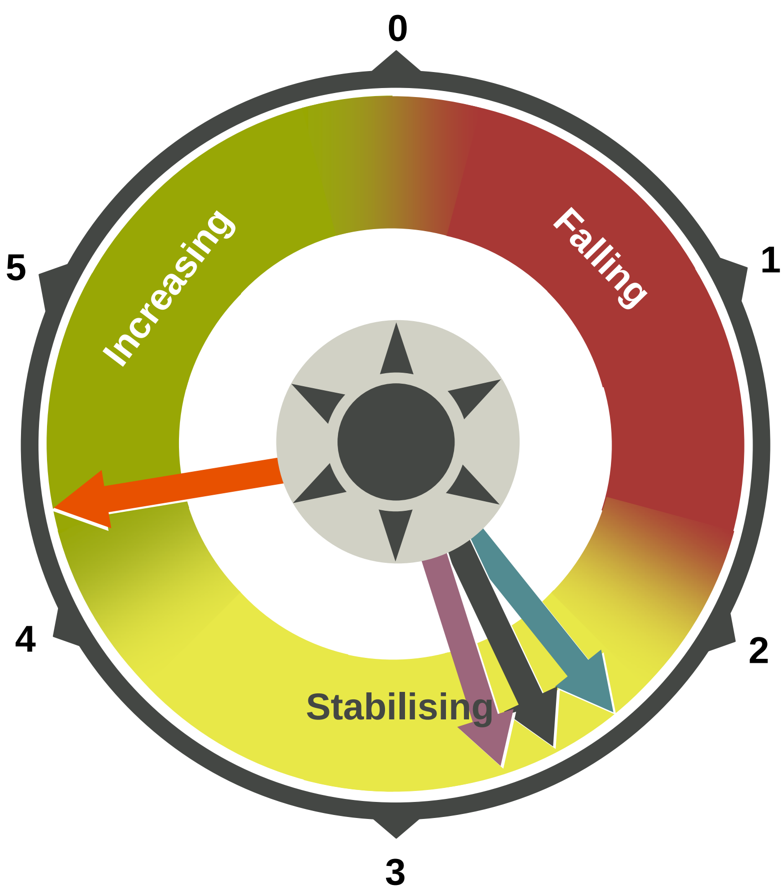
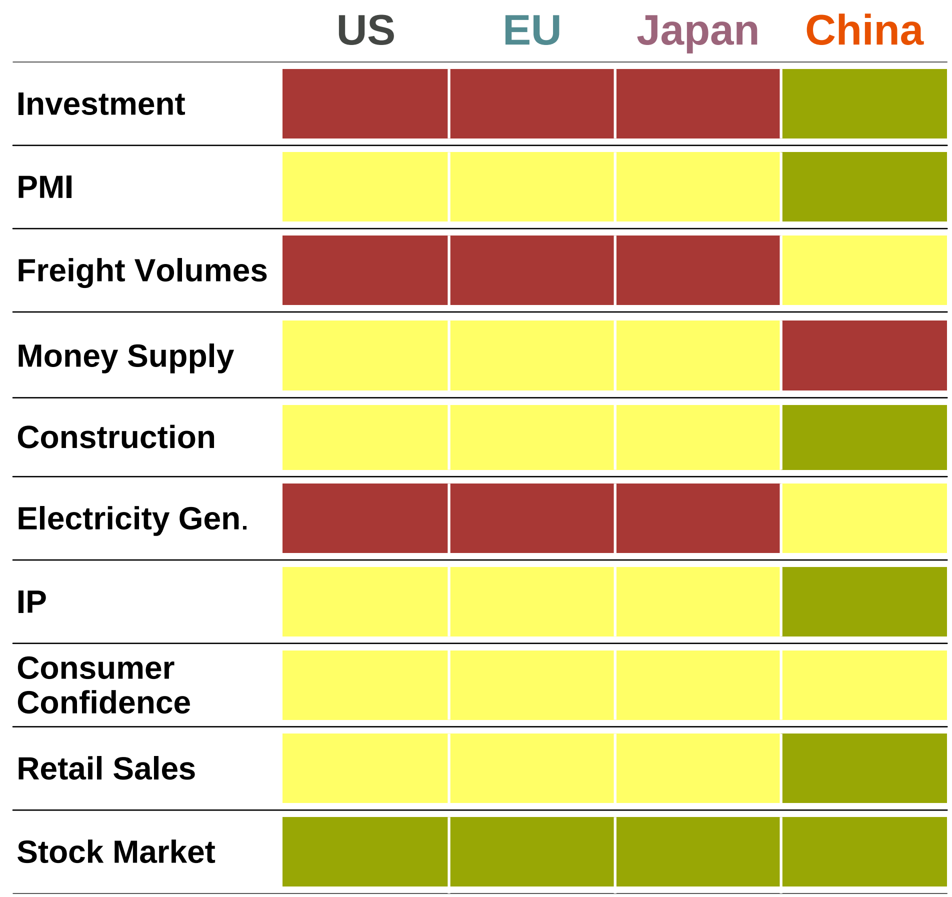
Economic Barometer



Heat Index September, 2009



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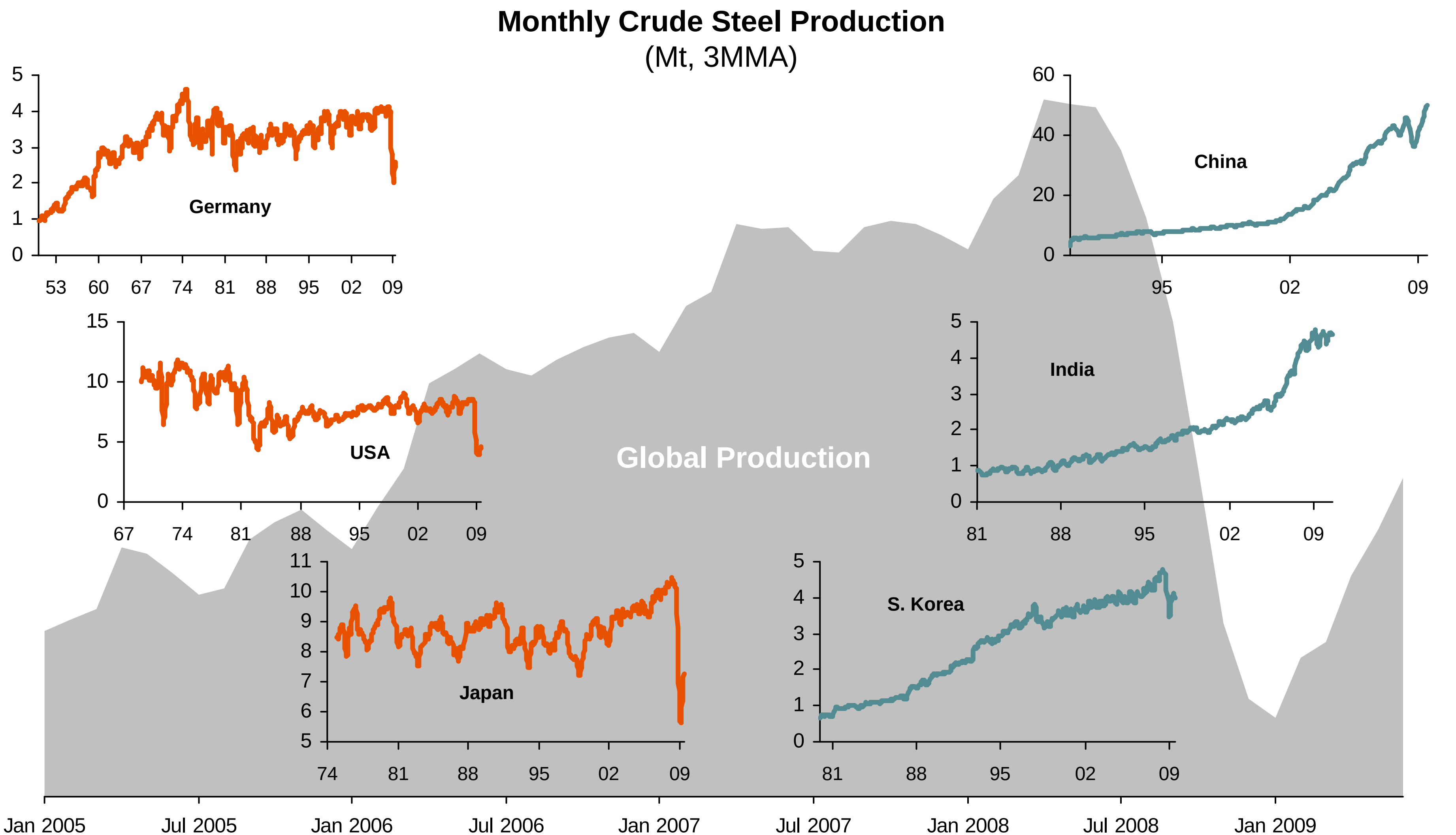
The Divergent Worlds of Steel Production

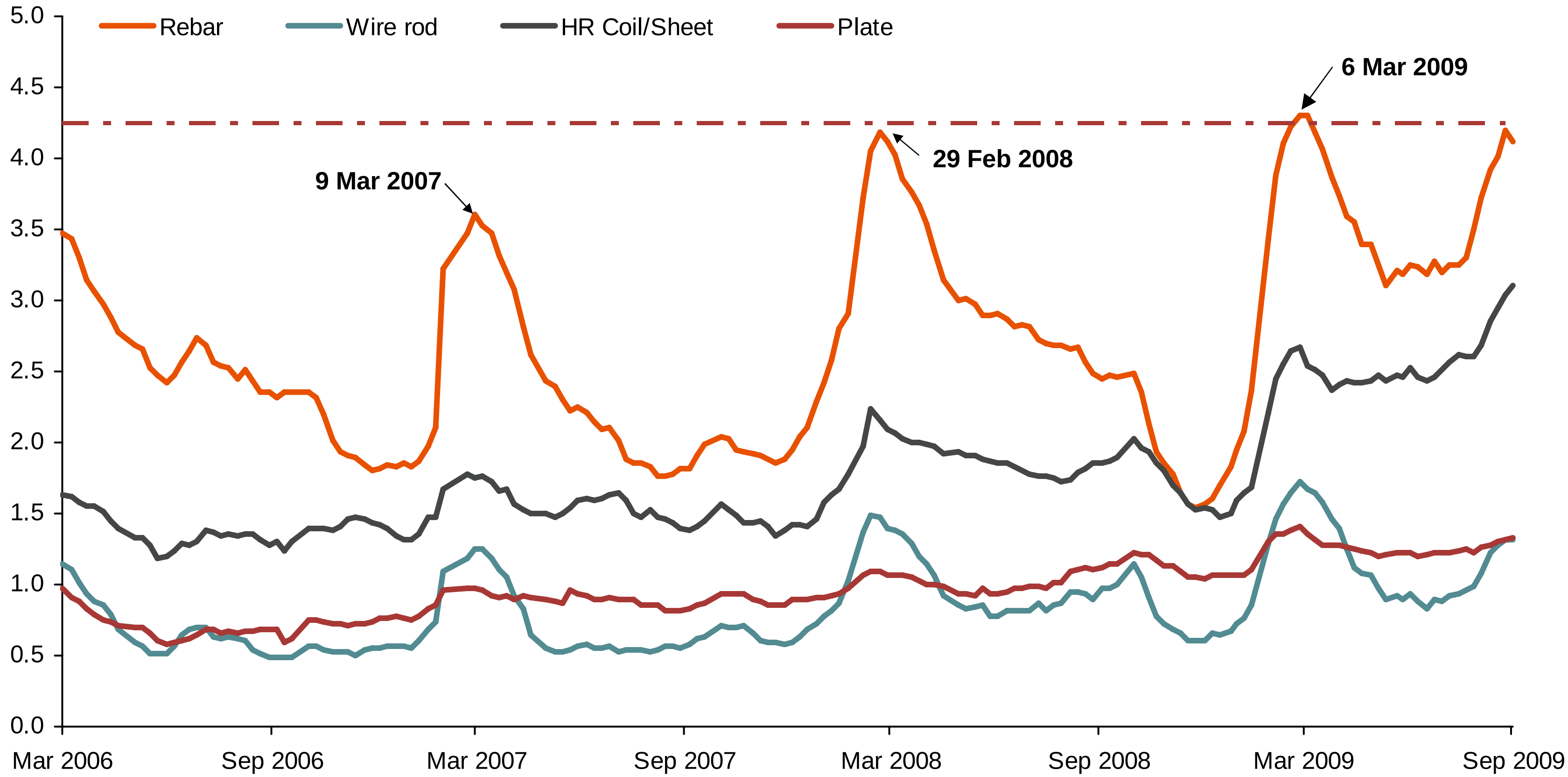


Sources: WSA, EcoWin, BHP Billiton.

Chinese Market Steel Inventories: Sentiment Reversal

Chinese Steel Distributor Stock Levels (11 Sep 2009)

(Mt)



Note: 23 major steel warehousing centres: Shanghai, Fuzhou, Hangzhou, Hefei, Nanjing, Jinan, Wuxi, Changshu, Taiyuan, Changzhou, Changsha, Zhenzhou, Wuhan, Guangzhou, Chengdu, Chongqing, Beijing, Tianjin, Lanzhou, Harbin, Changchun, Shenyang.

Sources: Mysteel, BHP Billiton.

Emerging Markets Urbanisation is the Key Driver

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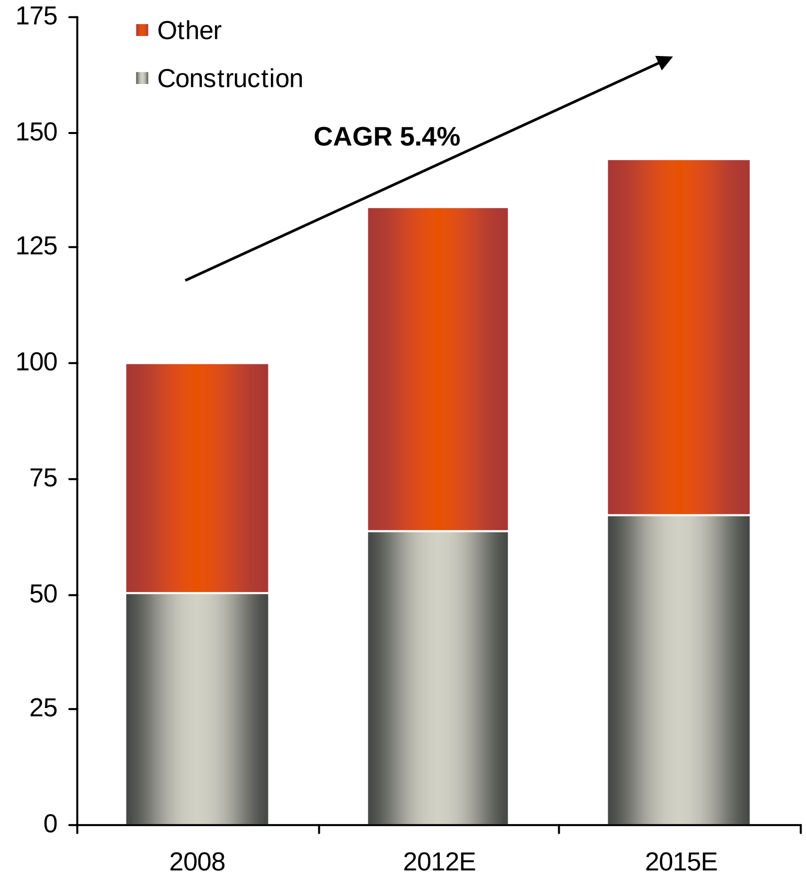
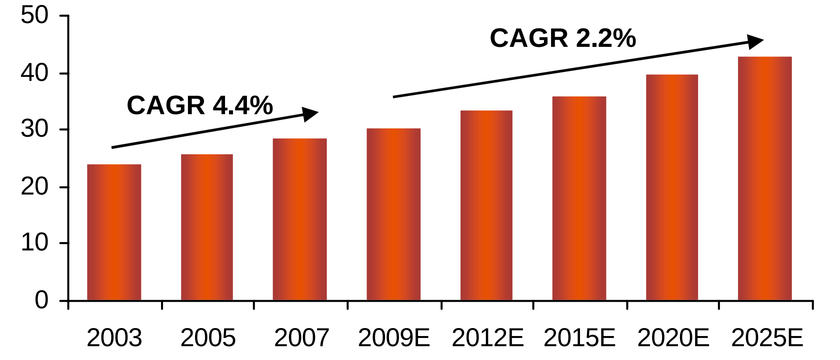
Chinese Finished Steel Demand
(Index, 2008 = 100)

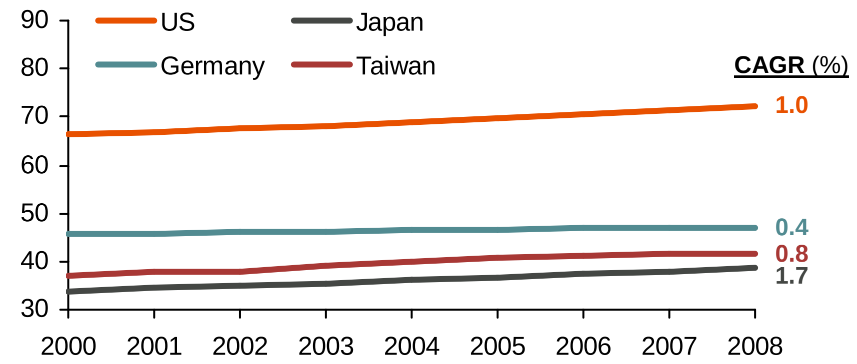


Source: BHP Billiton.

China Urban Residential Floor Space Per Capita
(Square metres/capita)



Global Residential Floor Space Per Capita
(Square metres/capita)



Sources: Country statistics bureau, McKinsey, BHP Billiton.

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Chinese Supply is Price Sensitive

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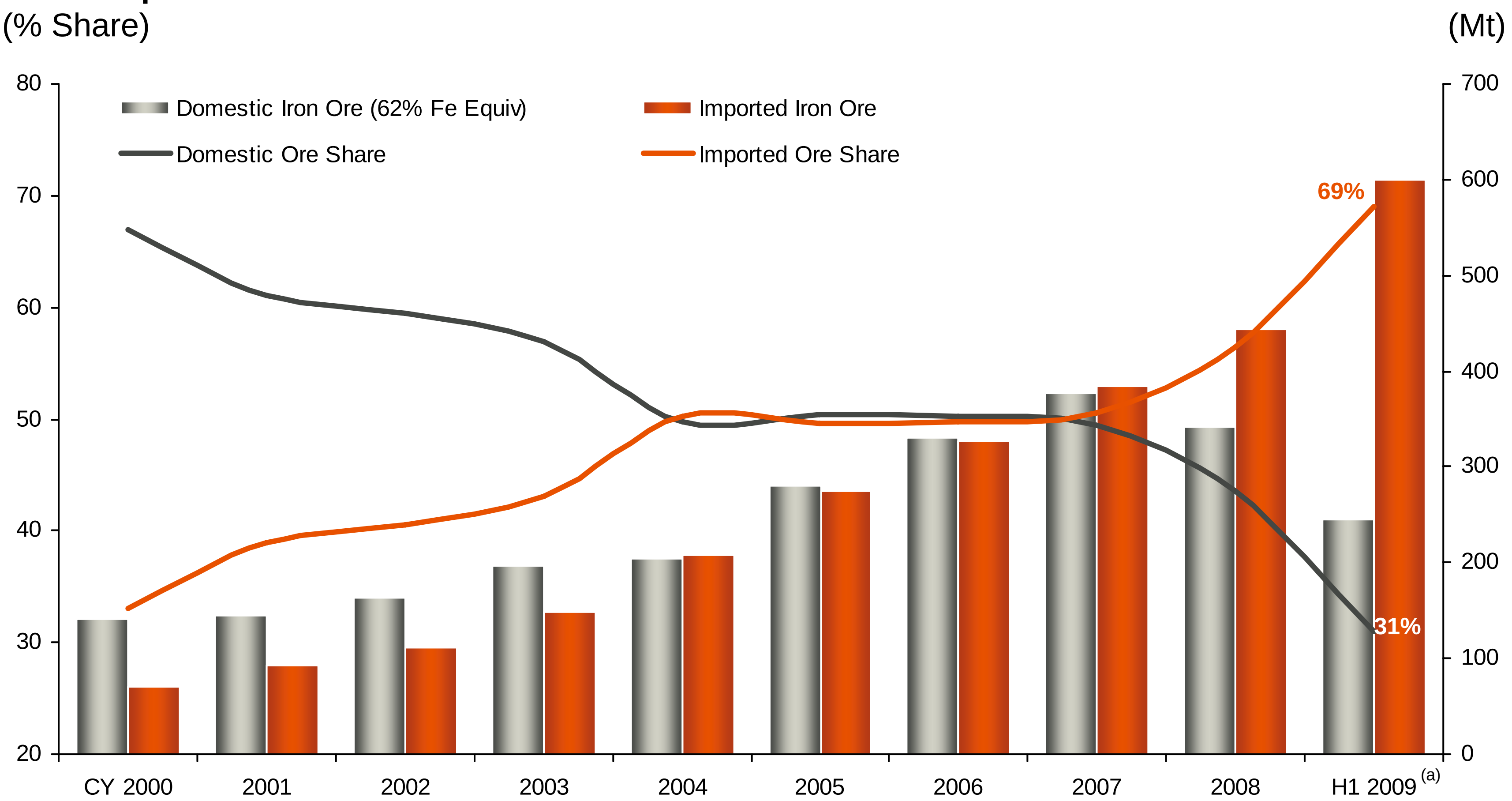
China Imported Iron Ore and Domestic Concentrate Production

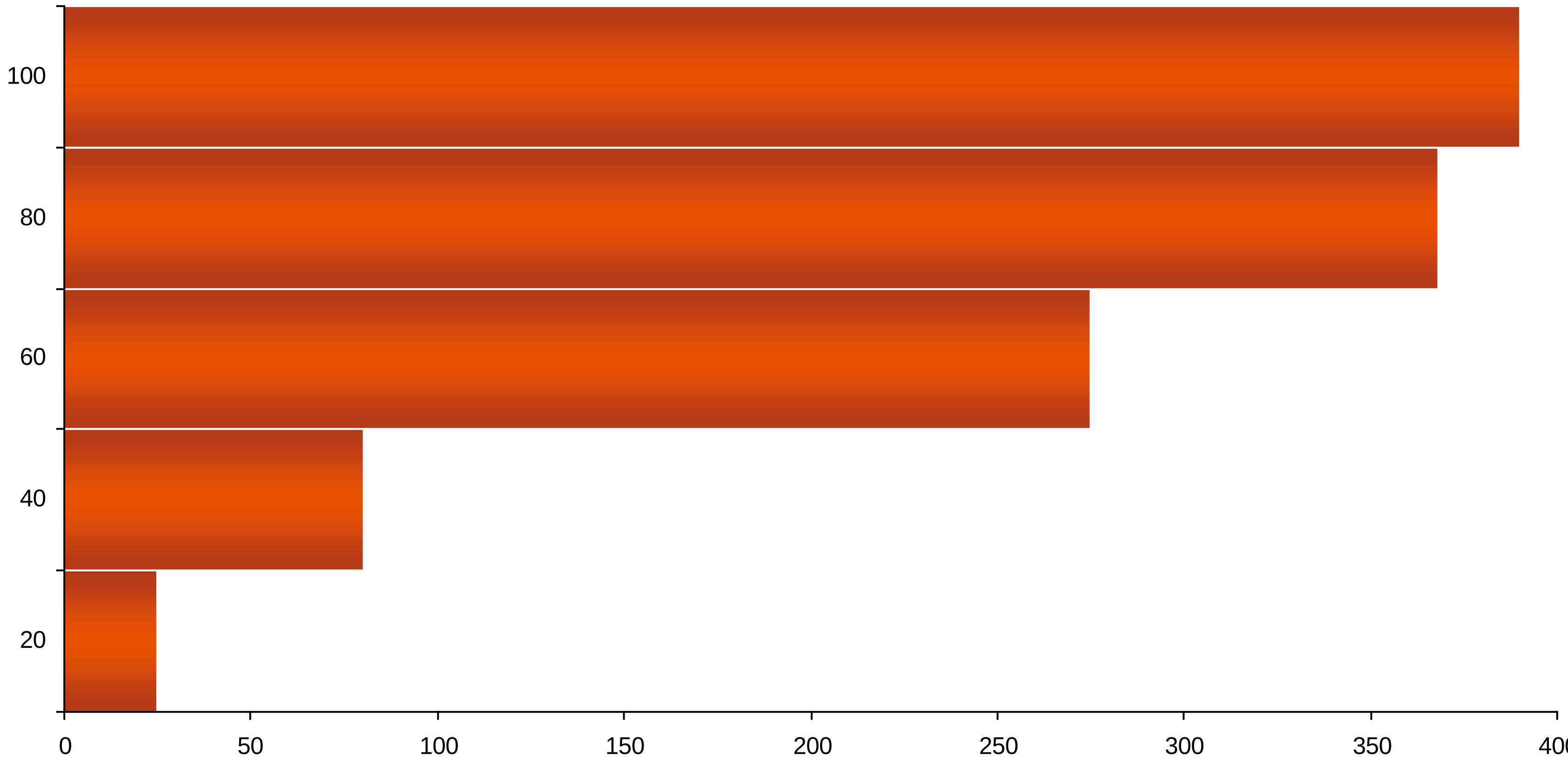


(a) H1 2009 annualized for comparison purposes.
Sources: NBS, China Customs, BHP Billiton.

Chinese Domestic Cash Cost Curve

CY2009 Concentrate Production Capacity

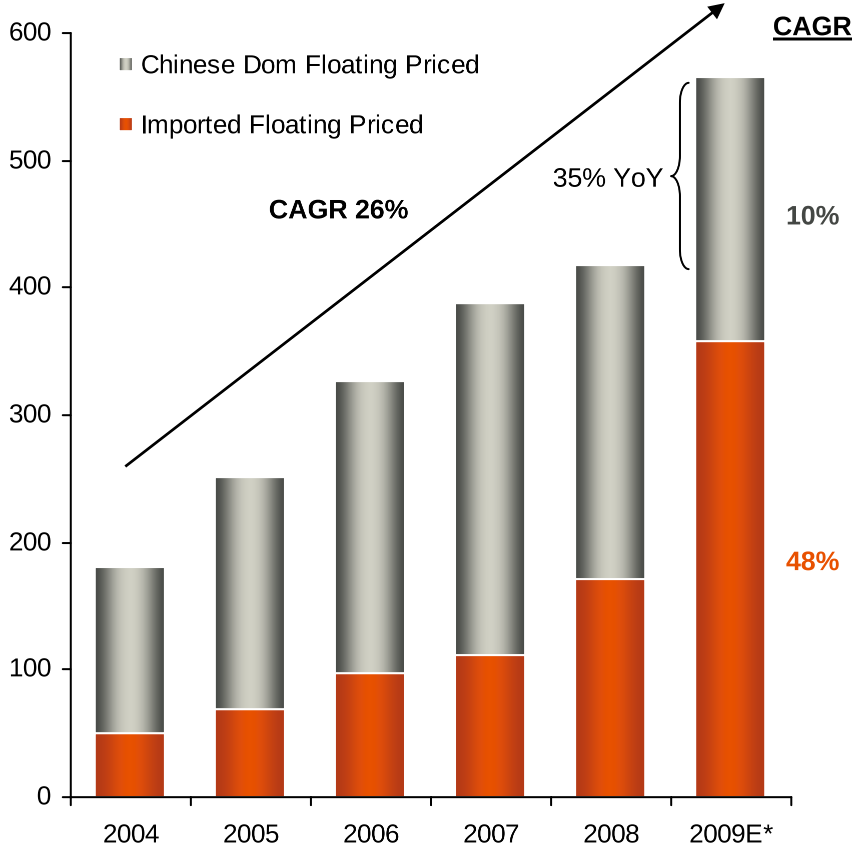
Price/CFR Equivalent Cost Coastal Port (US$/dmt)



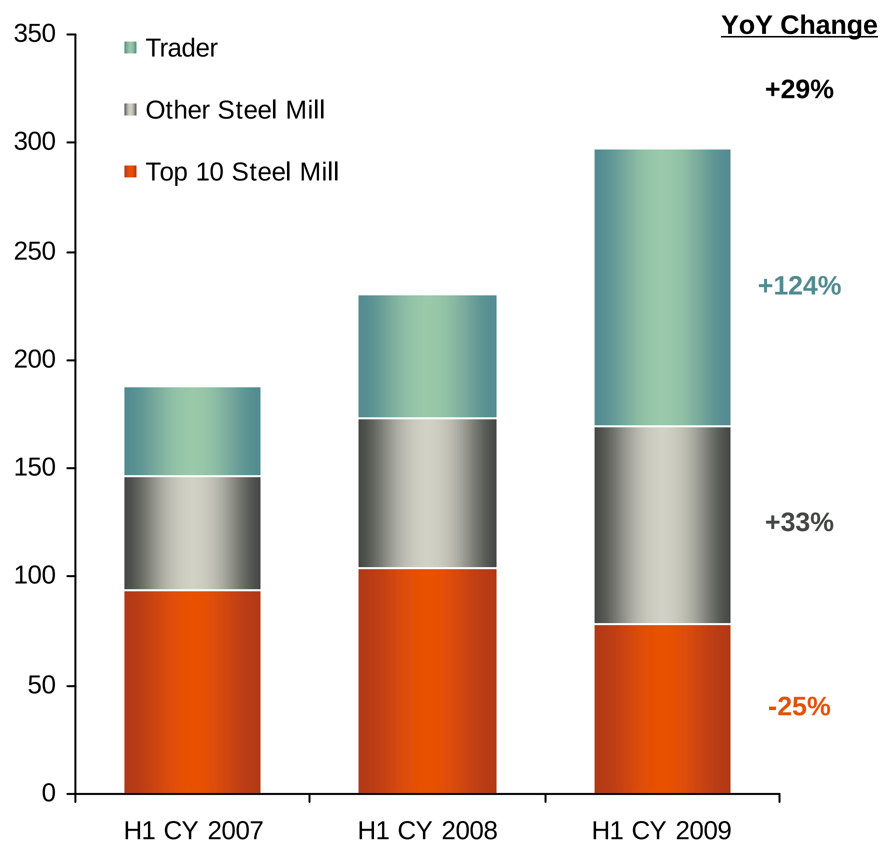
Source: BHP Billiton.

Iron Ore: Growth of Floating Priced Ore

Seaborne + China Floating Priced Iron Ore Sales (Mt)



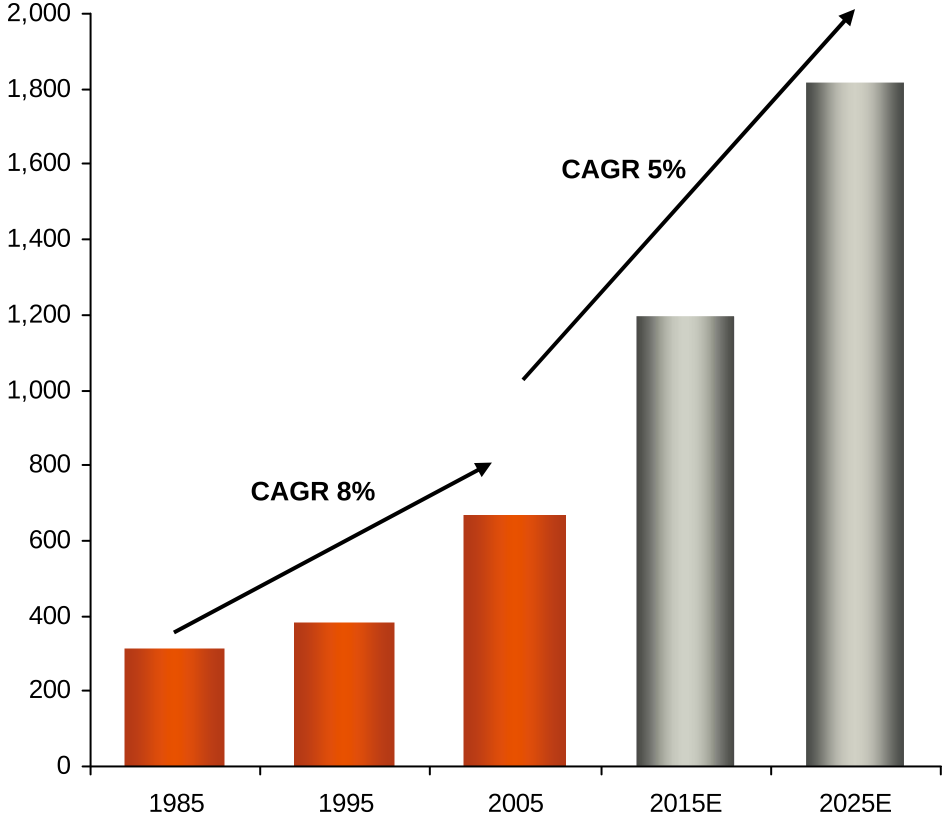
Chinese Iron Ore Imports (Mt)



Sources: China Customs, CISA, BHP Billiton. * CISA announced 1H spot vs contract sales

Iron ore: Robust Long Term Demand

Seaborne Iron Ore Demand
(Mt)



- Short to medium term uncertainty will always exist
- Steel is critical for urbanisation and industrialisation
- China and emerging nations underpin long term growth

Source: BHP Billiton.

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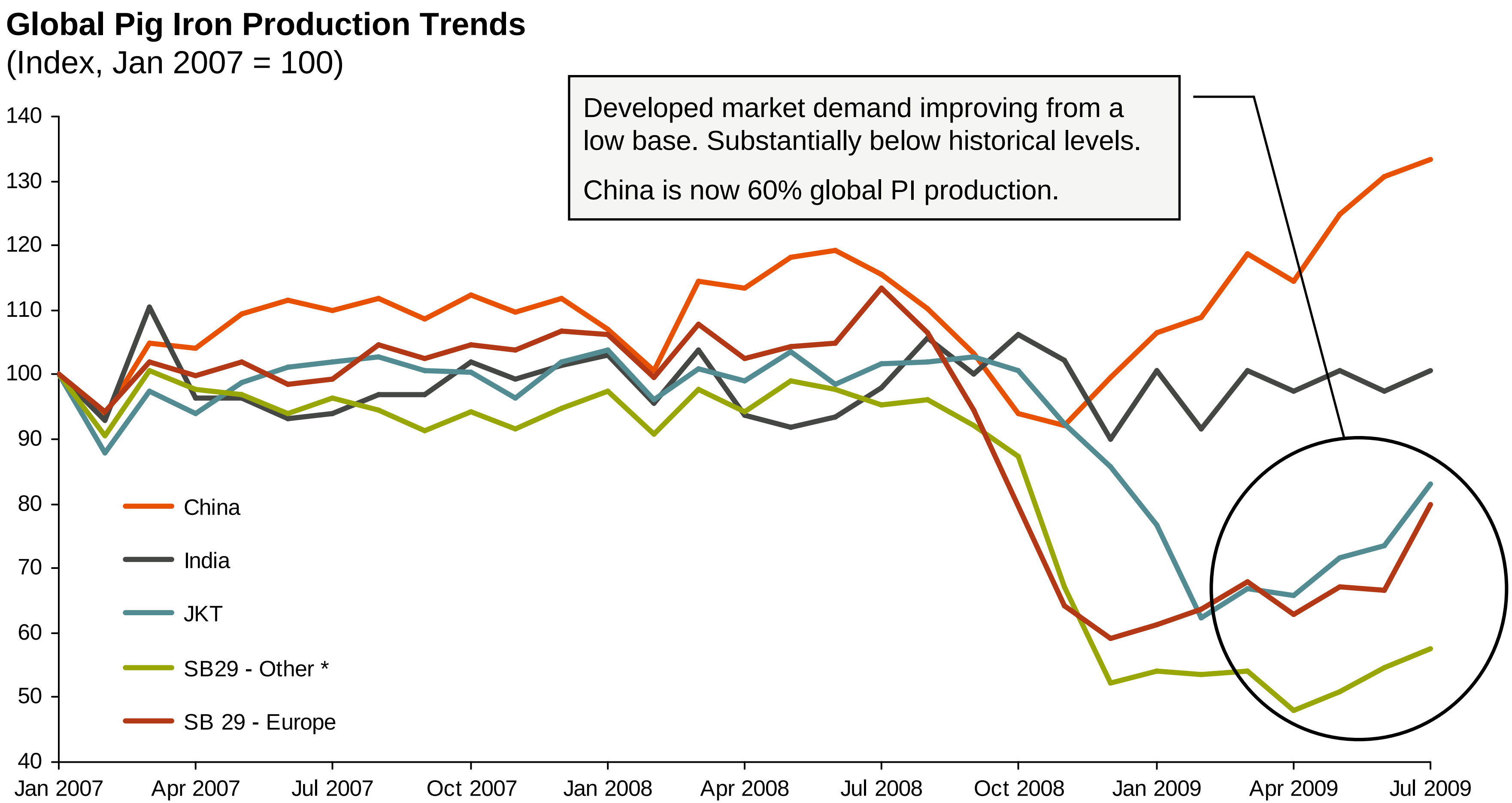
Global Pig Iron Production Bottoms

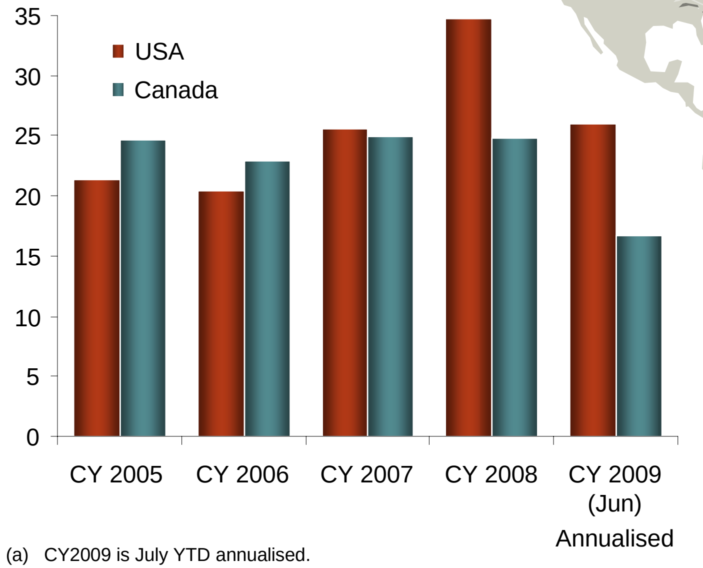


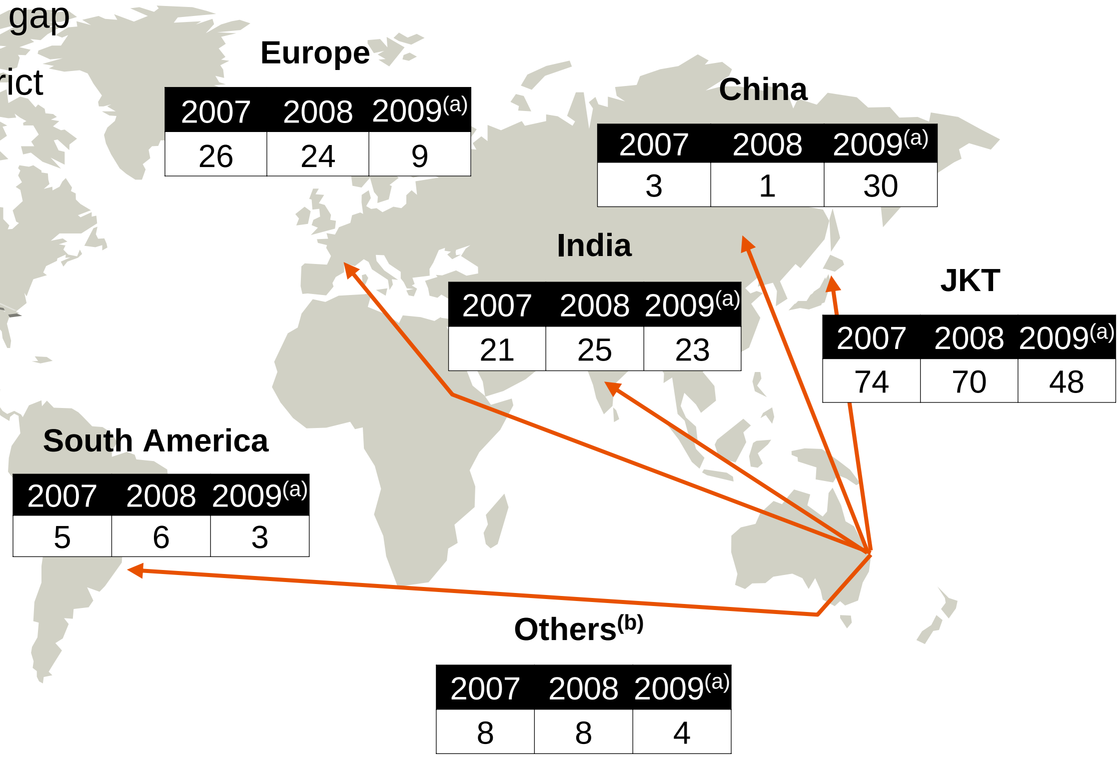
Sources: World Steel Association, BHP Billiton.
* SB 29 Other refers to the 29 major metallurgical coal importing countries excluding China, India, JKT and Europe

Coking Coal: Emergence of China & Strength of India

- Traditional market imports reduced YTD CY2009
- India resilient
- China emerged to partly fill the demand gap
- Lead time for idled re-starts should restrict supply and support prices

Seaborne Coking Coal Exports
(Mt)





Total

2007	2008	2009[(a)]
137	134	117

Europe

2007	2008	2009[(a)]
26	24	9

China

2007	2008	2009[(a)]
3	1	30

India

2007	2008	2009[(a)]
21	25	23

JKT

2007	2008	2009[(a)]
74	70	48

South America

2007	2008	2009[(a)]
5	6	3

Others[(b)]

2007	2008	2009[(a)]
8	8	4

(Australian Met Coal Exports in Million Tonnes)

(a) CY2009 is July YTD annualised.
(b) Others is Global Total ex China, India, JKT, Europe and South America.
Source: Trade Date.

Sustainability of Chinese Coking Coal Demand

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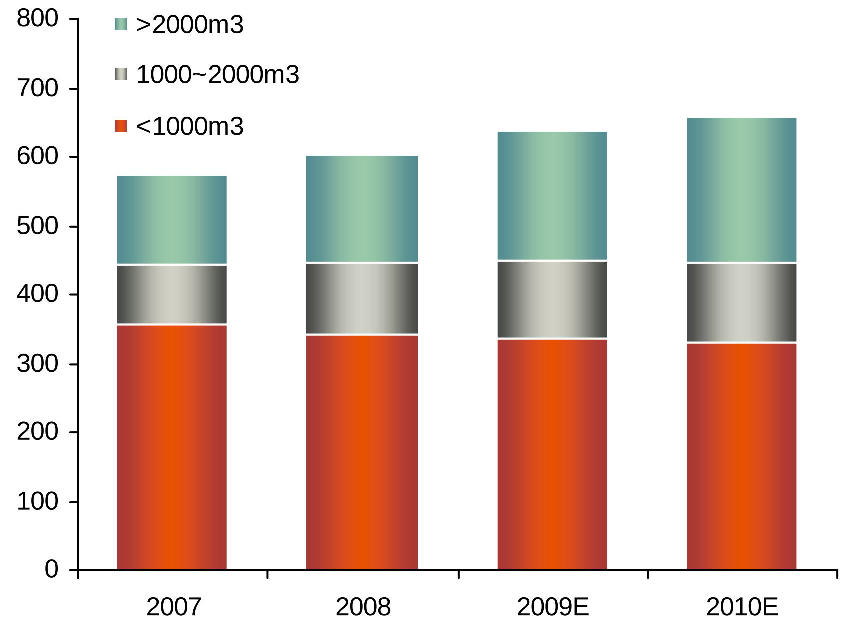
Coastal focus on growth coupled with push for larger Blast Furnaces

- 70% steel capacity and >70% planned steel capacity growth is in coastal provinces of China
- Steel mills are building larger blast furnaces to improve productivity and reduce costs
- Larger blast furnaces require better quality coke, hence more high quality hard coking coal

Chinese Pig Iron Output Capacity by Blast Furnace Size (Mt)



Source: BHP Billiton.

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Our Energy Portfolio

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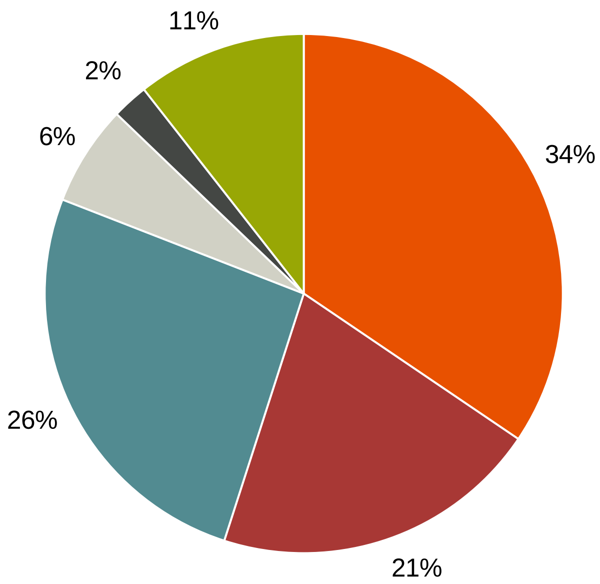
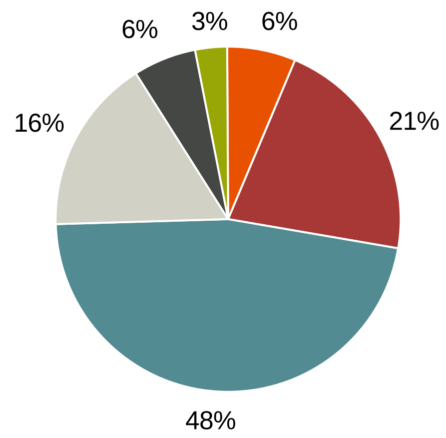
Fossil and nuclear fuels role in …

2006 Global Primary Energy Demand



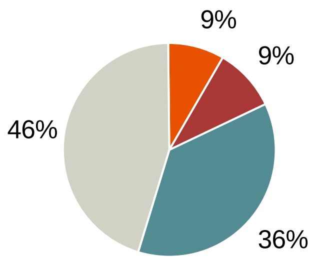
11.7 Btoe

Global Electricity Generation



4.4 Btoe

BHP Billiton Production FY2009



0.1 Btoe

- Oil
- Gas
- Coal
- Nuclear
- Hydro
- Biomass and other renewable energy

Source: IEA, BP Energy Statistics, BHP Billiton.

Significant Position in Rapid Growth Market

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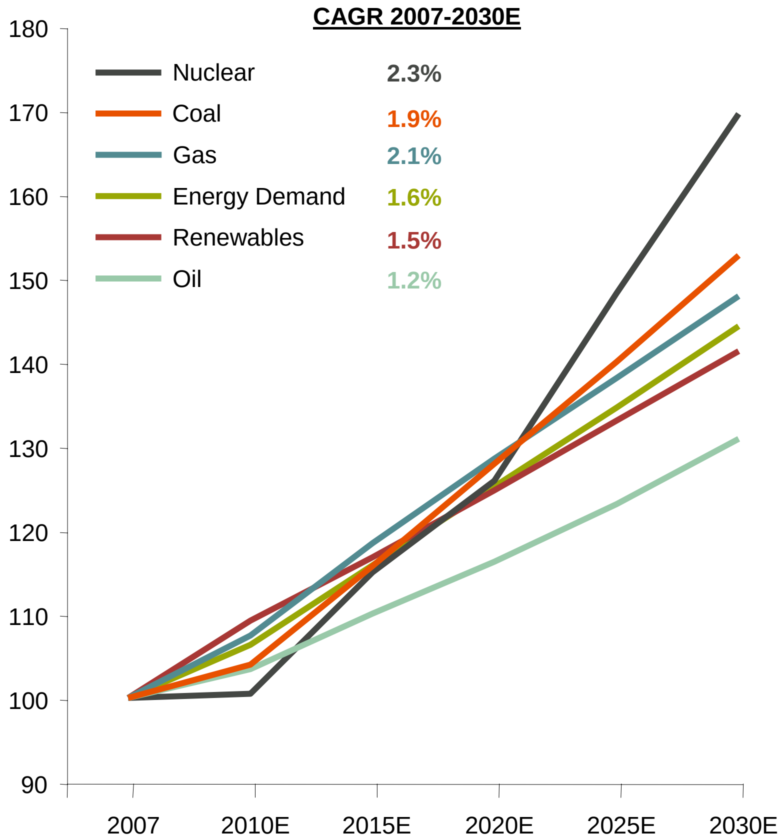
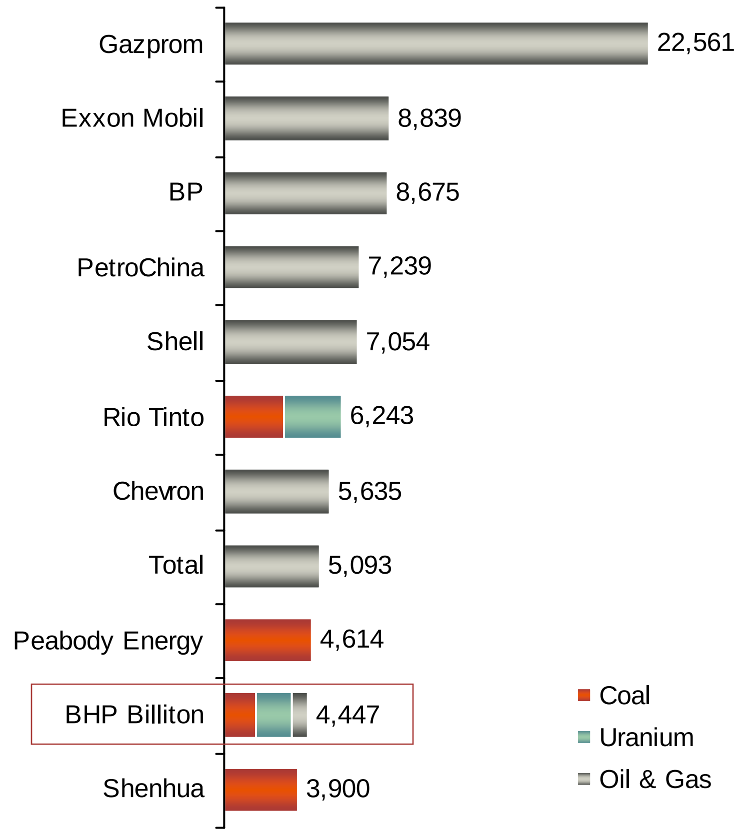
Projected Global Primary Energy Demand
(100 = 2007)



Sources: EIA International Energy Outlook 2007, WNA Global Nuclear Fuel Market 2007, BHP Billiton.

Leading energy companies
(PJ, Production 2008)



Sources: Company websites and 2008 SEC filings, Rio Tinto has subsequently divested Jacobs Ranch (coal) and have a prospectus out to float off other Powder River Basin coal assets.

Energy Consumption Intensity Potential in the Growth Economies

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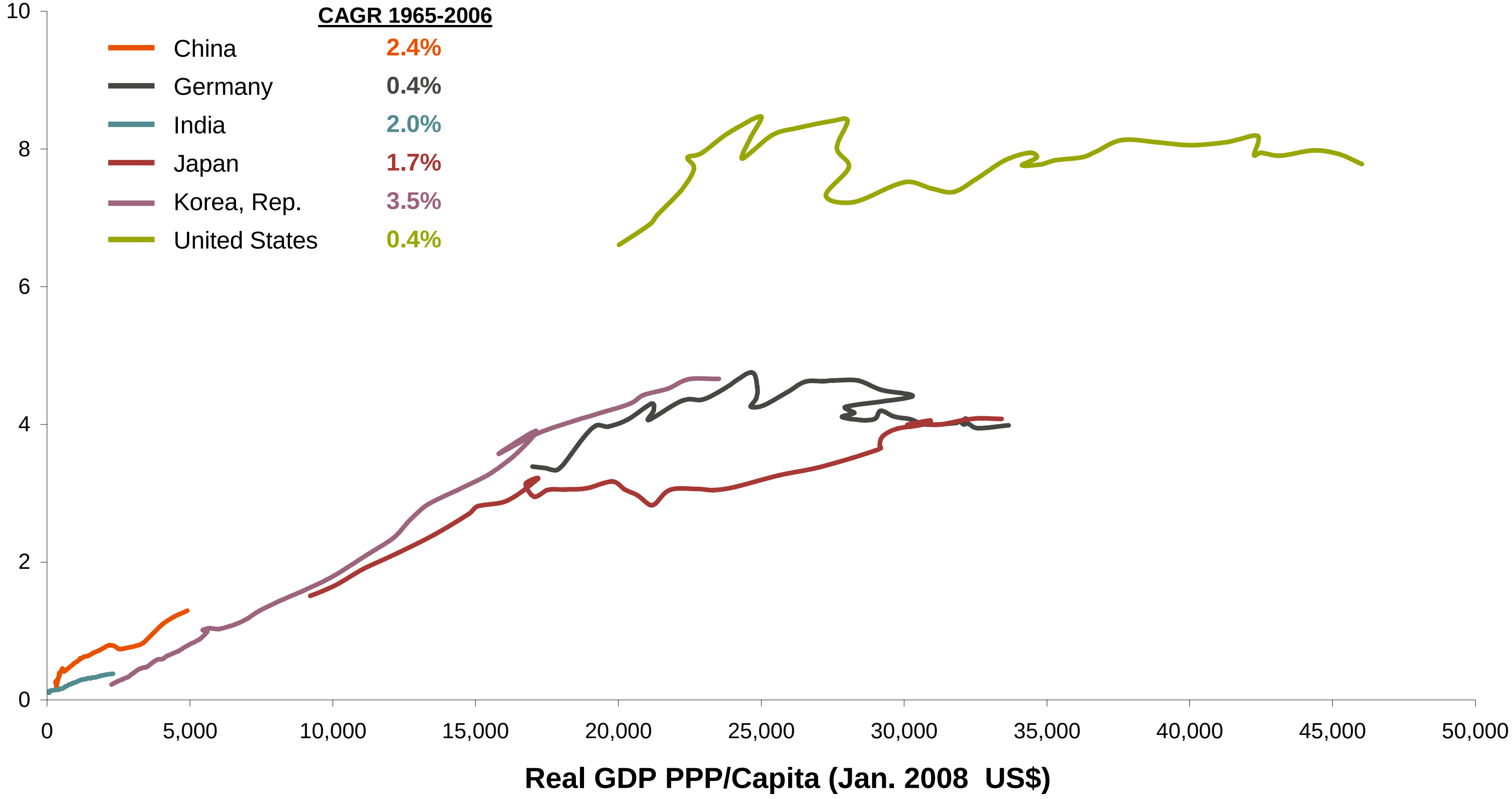
Primary Energy Consumption Per Capita
(toe/capita, time series - 1965-2008)



Sources: IMF, International Energy Agency.

Rising Incomes in Emerging Economies Underpins Primary Electricity Demand

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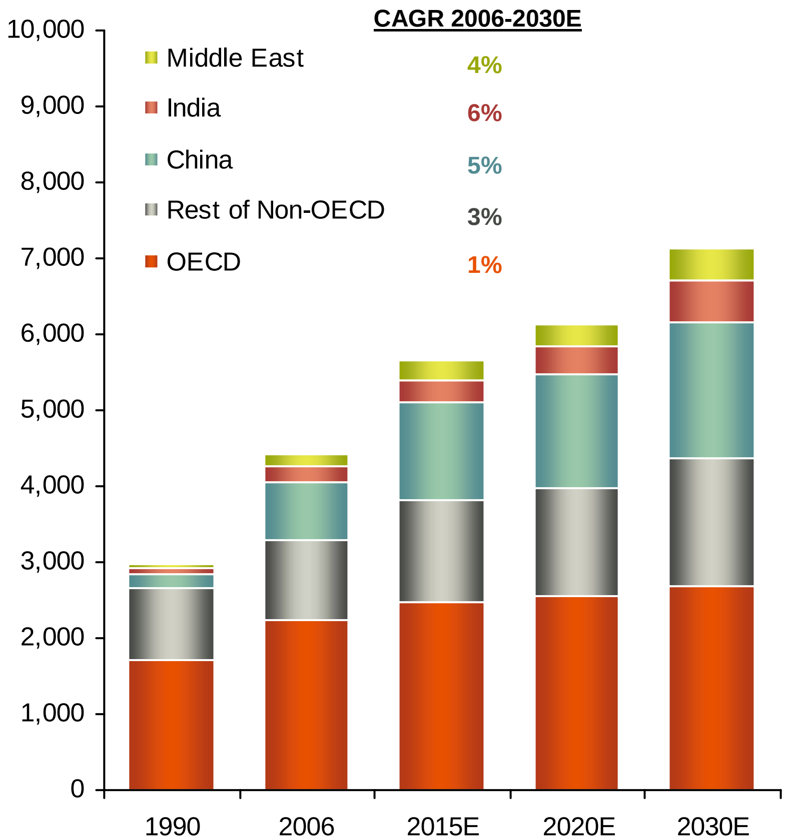
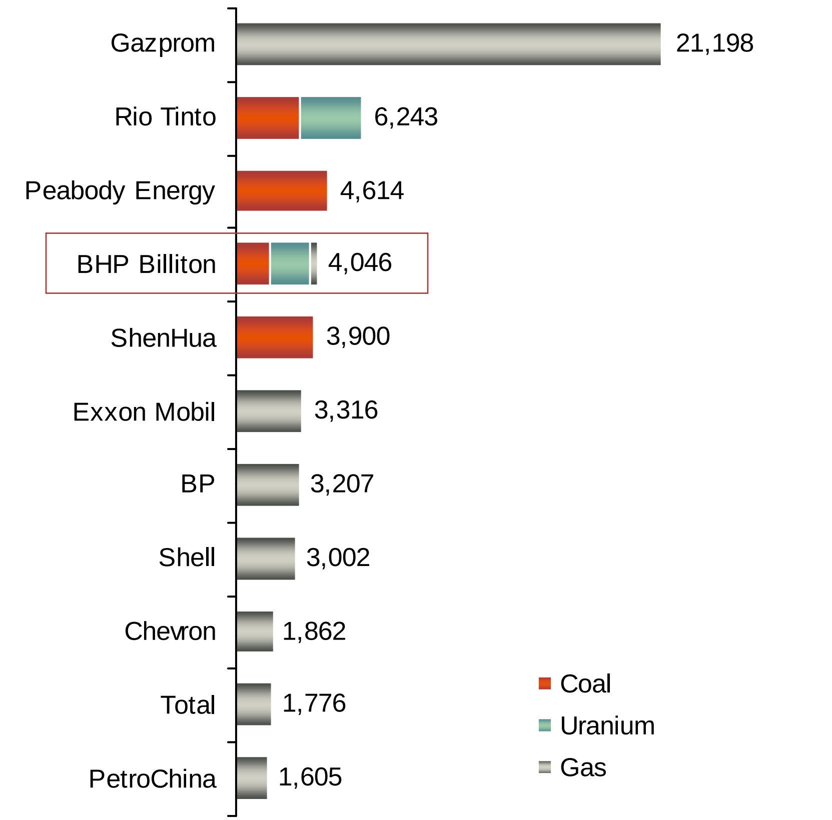
World Primary Electricity Demand By Region (Mtoe)



Leading Energy Companies (Less Oil) (PJ, Production 2008)

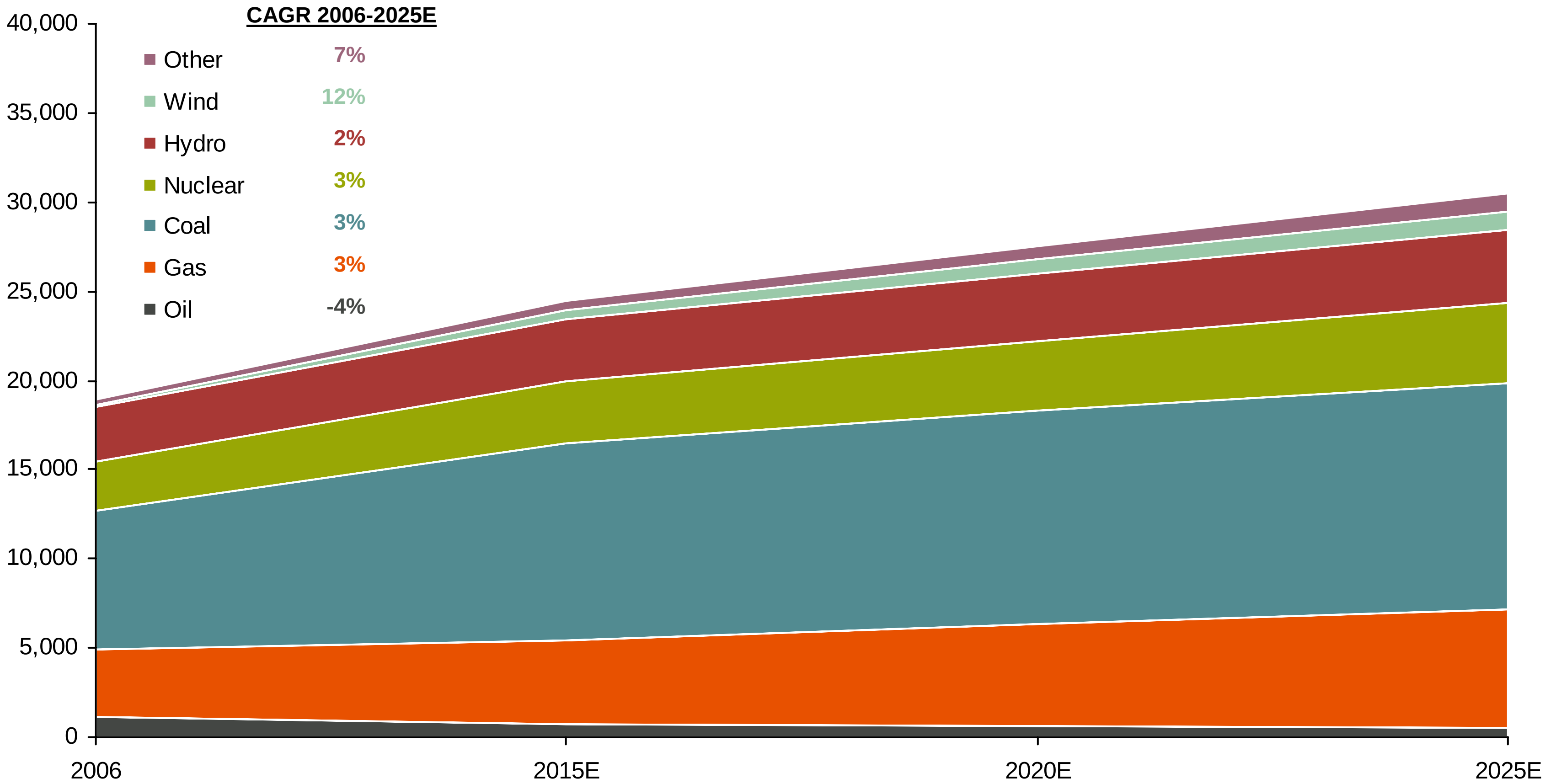


Sources: International Energy Agency 2008 WEO Reference Case, BHP Billiton.

Sources: Company websites and 2008 SEC filings

Power Generation Needs Will be Met by the Broad Suite of Fuel Sources

Global Power Demand by Fuel Type
(TWh)



Sources: IEA, McKinsey, BHP Billiton.

China and India – Coal Remains Dominant But Significant Gas and Nuclear Growth

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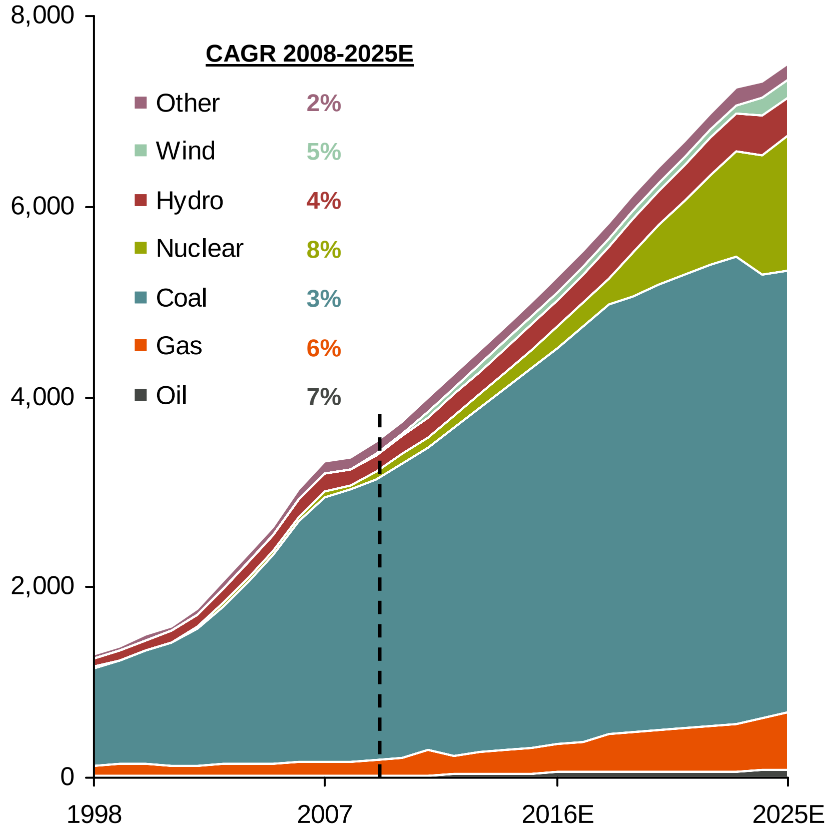
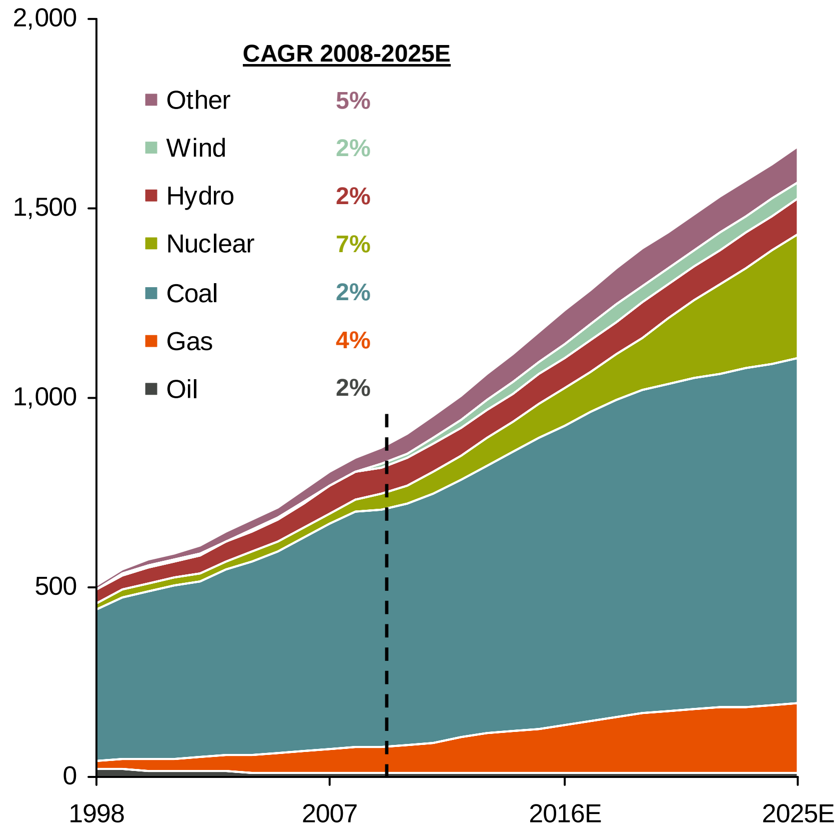
China – Aggregated Power Production (TWh)



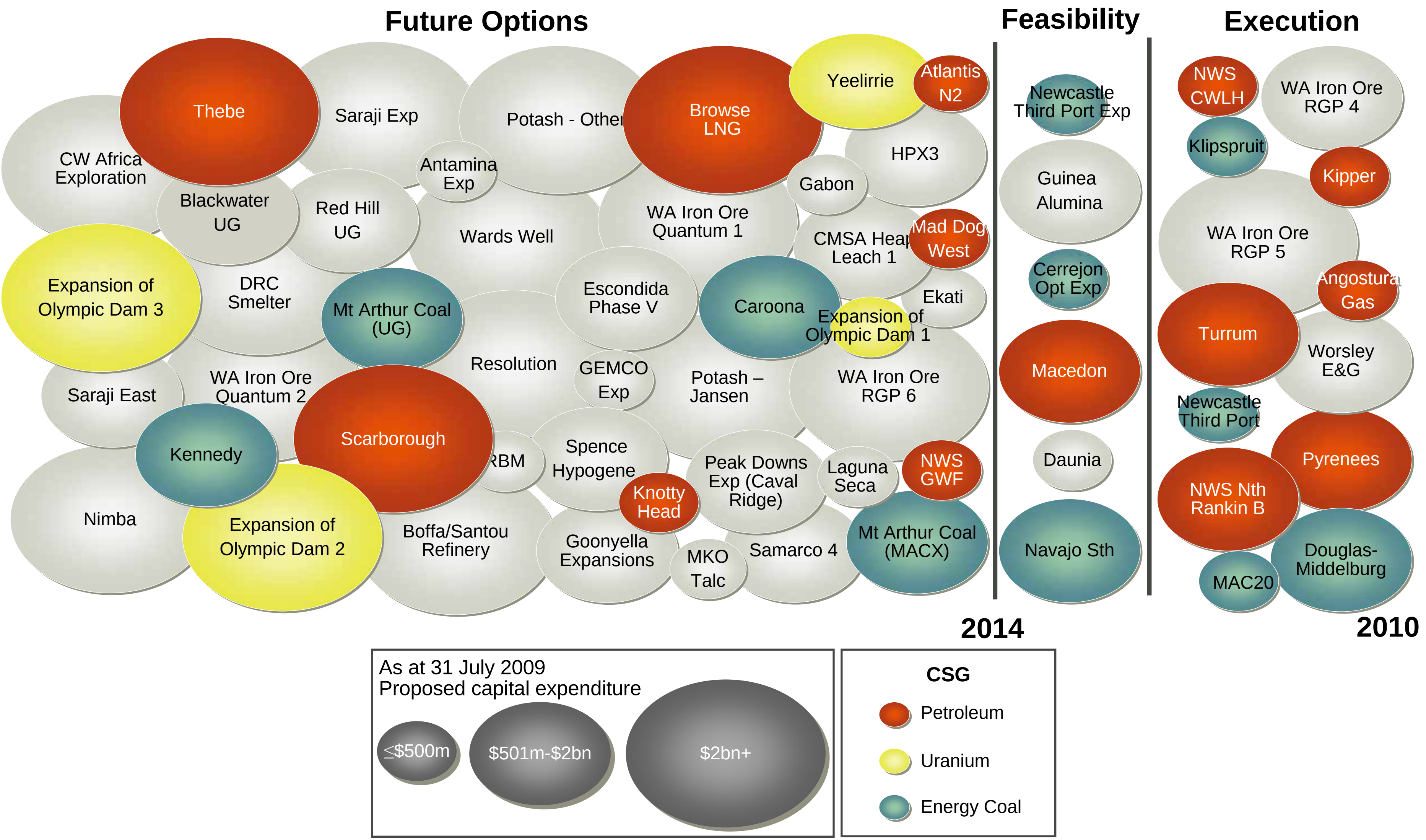
Sources: McKinsey, BHP Billiton.

India – Aggregated Power Production (TWh)



Sources: McKinsey, BHP Billiton.

Broad Energy Portfolio



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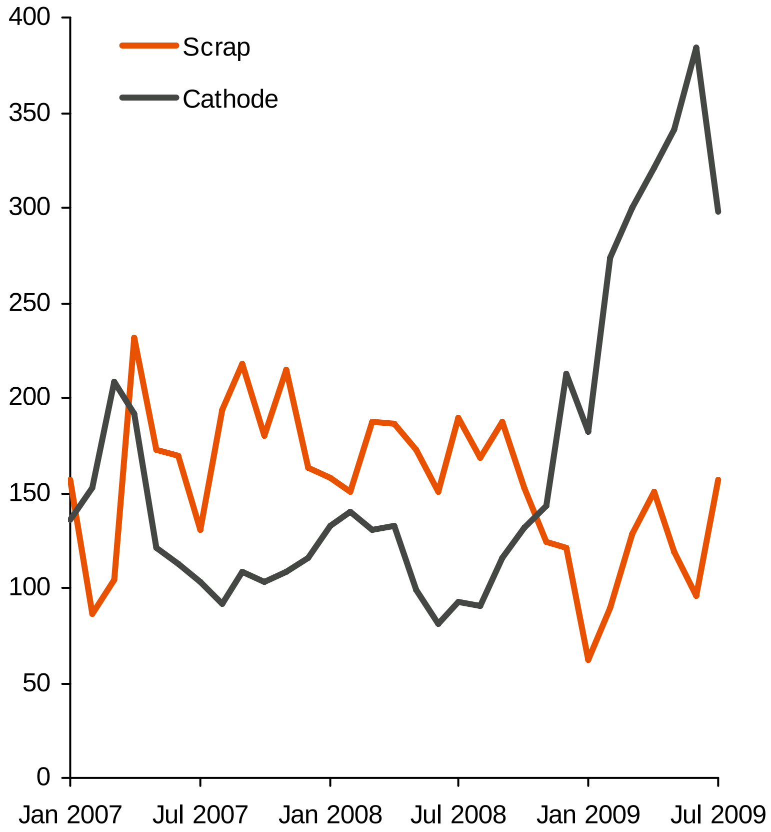
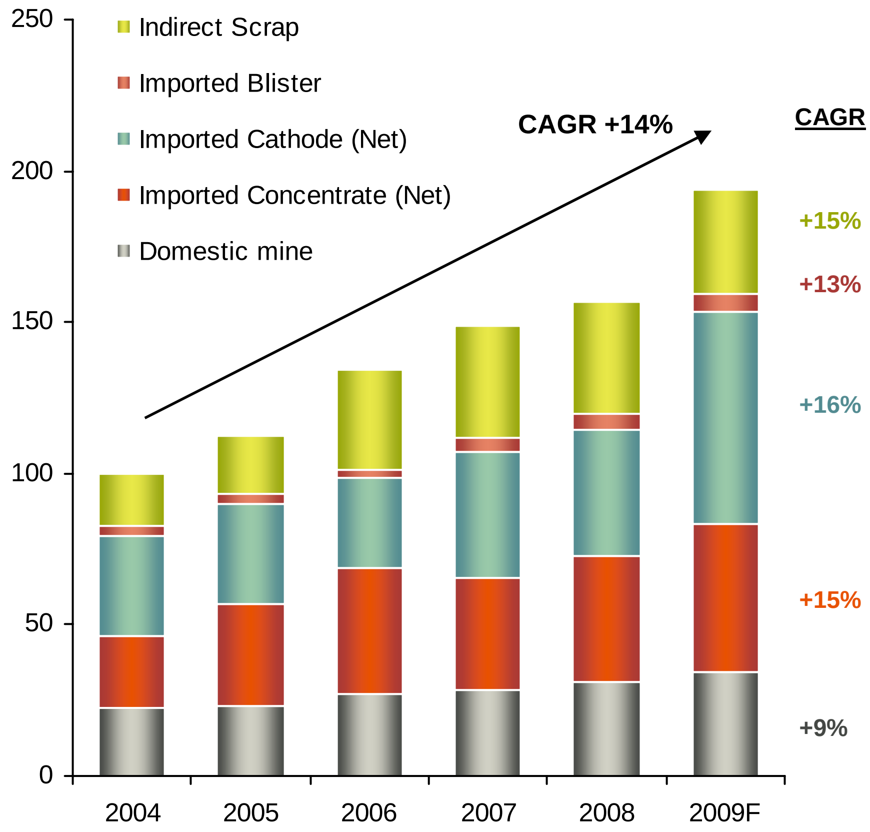
Short Term: China Support During the Downturn

China Cathode & Scrap Imports
(Kt Copper)



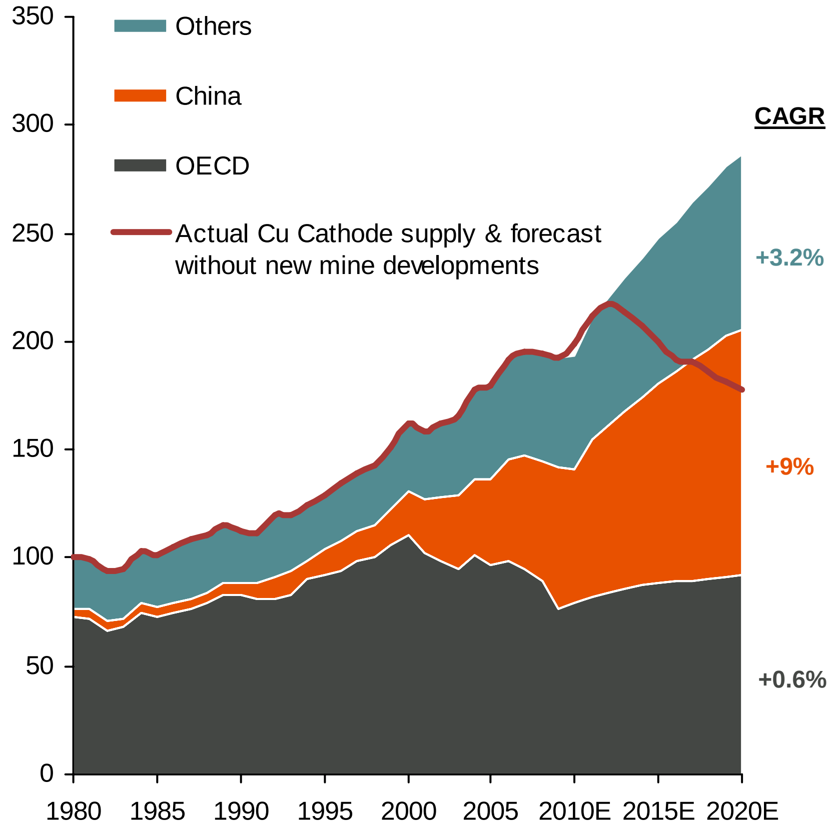
China Copper Raw Material Mix
(Index, 2004 = 100)



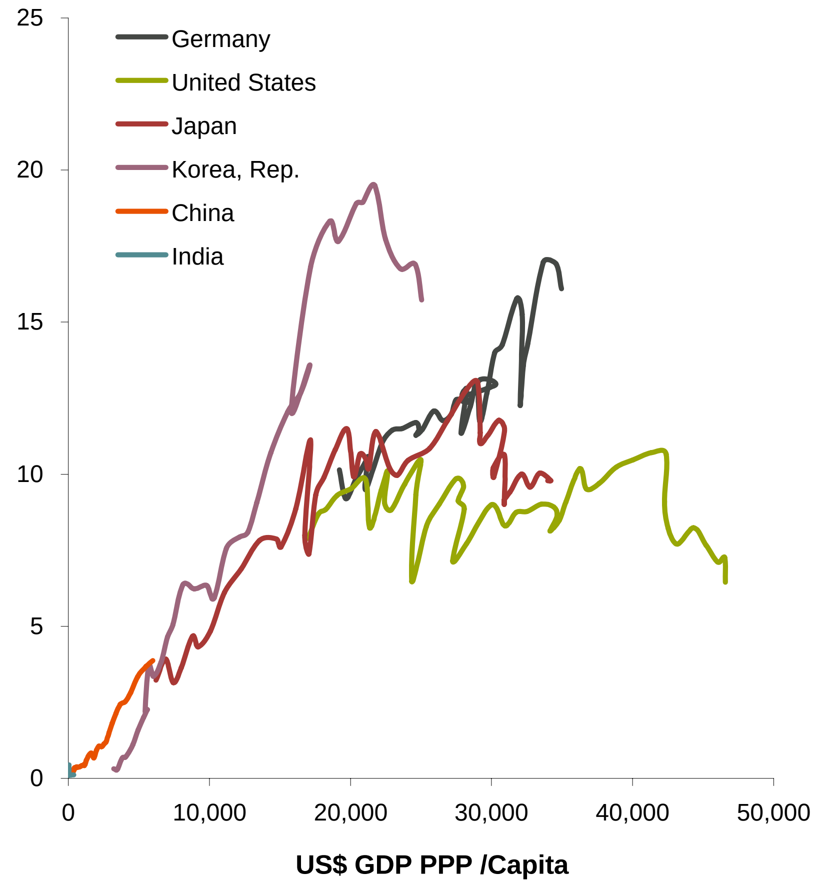
Sources: China Customs Data, BHP Billiton.

Longer Term Global Growth is China Centric

Global Copper Cathode Demand Breakdown
(Index, 1980 = 100)



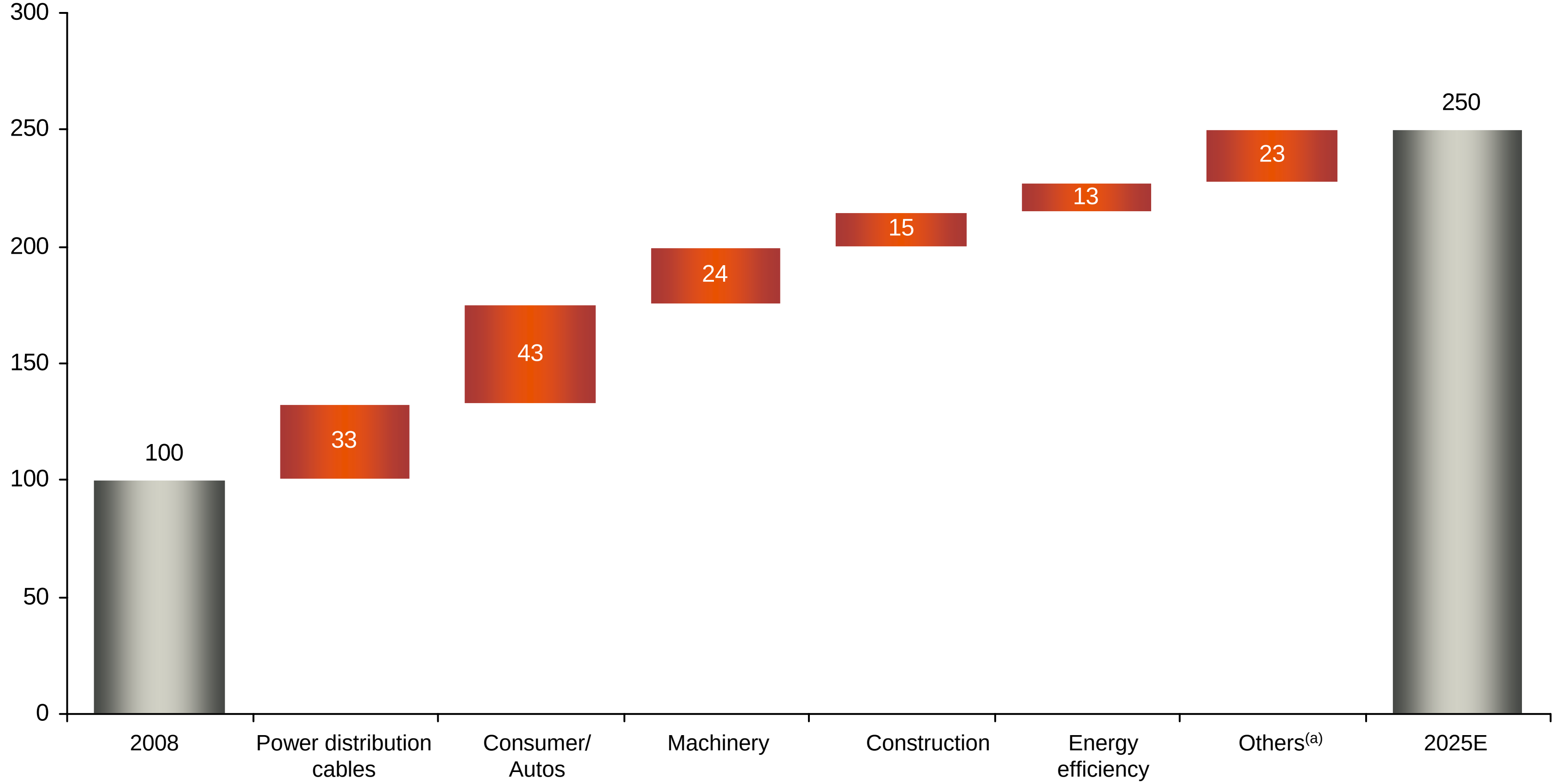
Refined Copper Consumption
(kg/capita)



Sources: Brook Hunt, BHP Billiton.

Five Factors Will Drive Incremental Annual Demand Growth

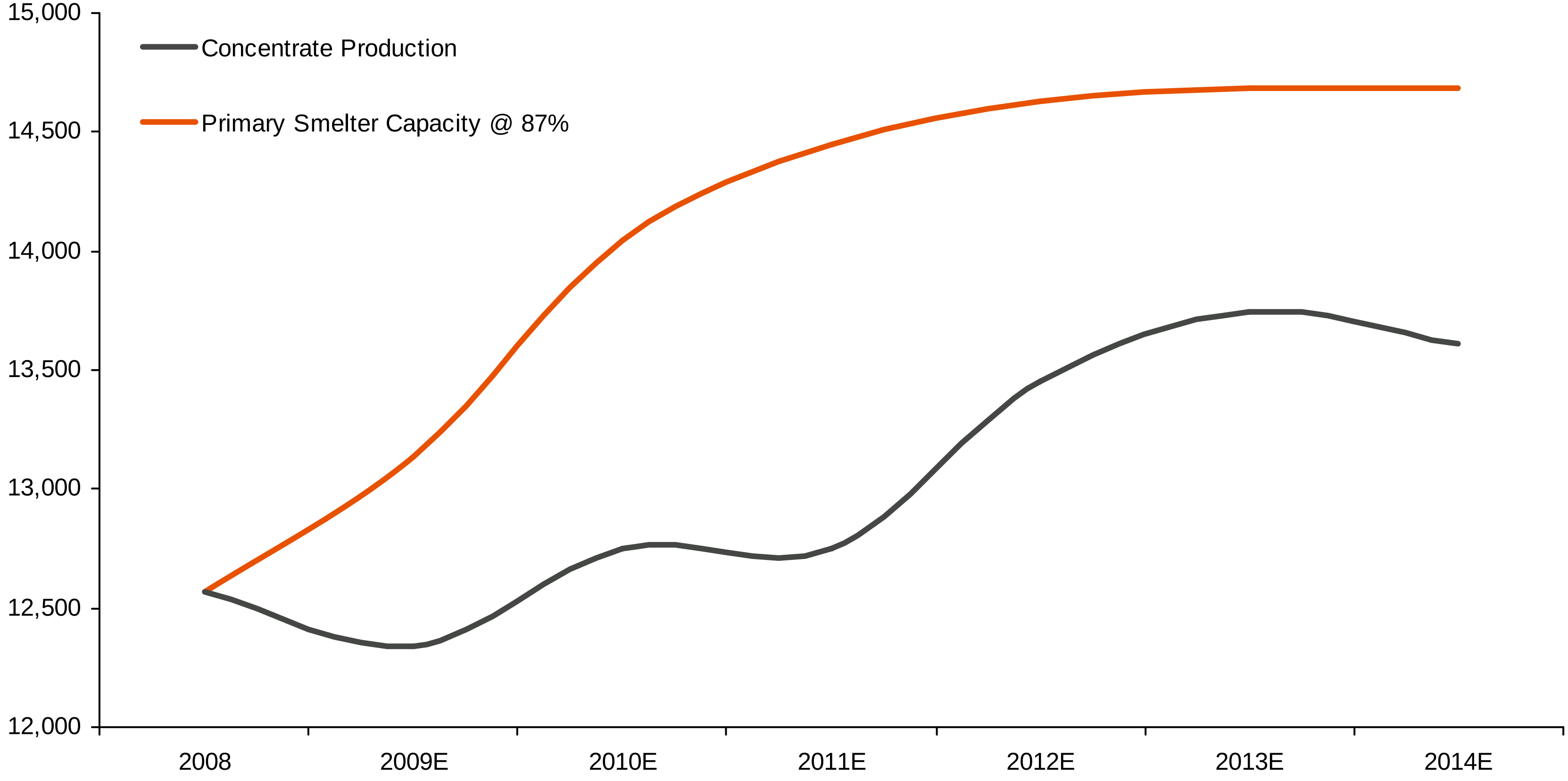
China Copper cathode demand growth by source 2008 vs. 2025
(Index, %)



(a) Includes change in demand for Increase in China's share of RoW demand for Cu containing goods, other Cu contained products, including defense, photocopiers etc.
Source: BHP Billiton.

Global Concentrate Gap Expected to Continue

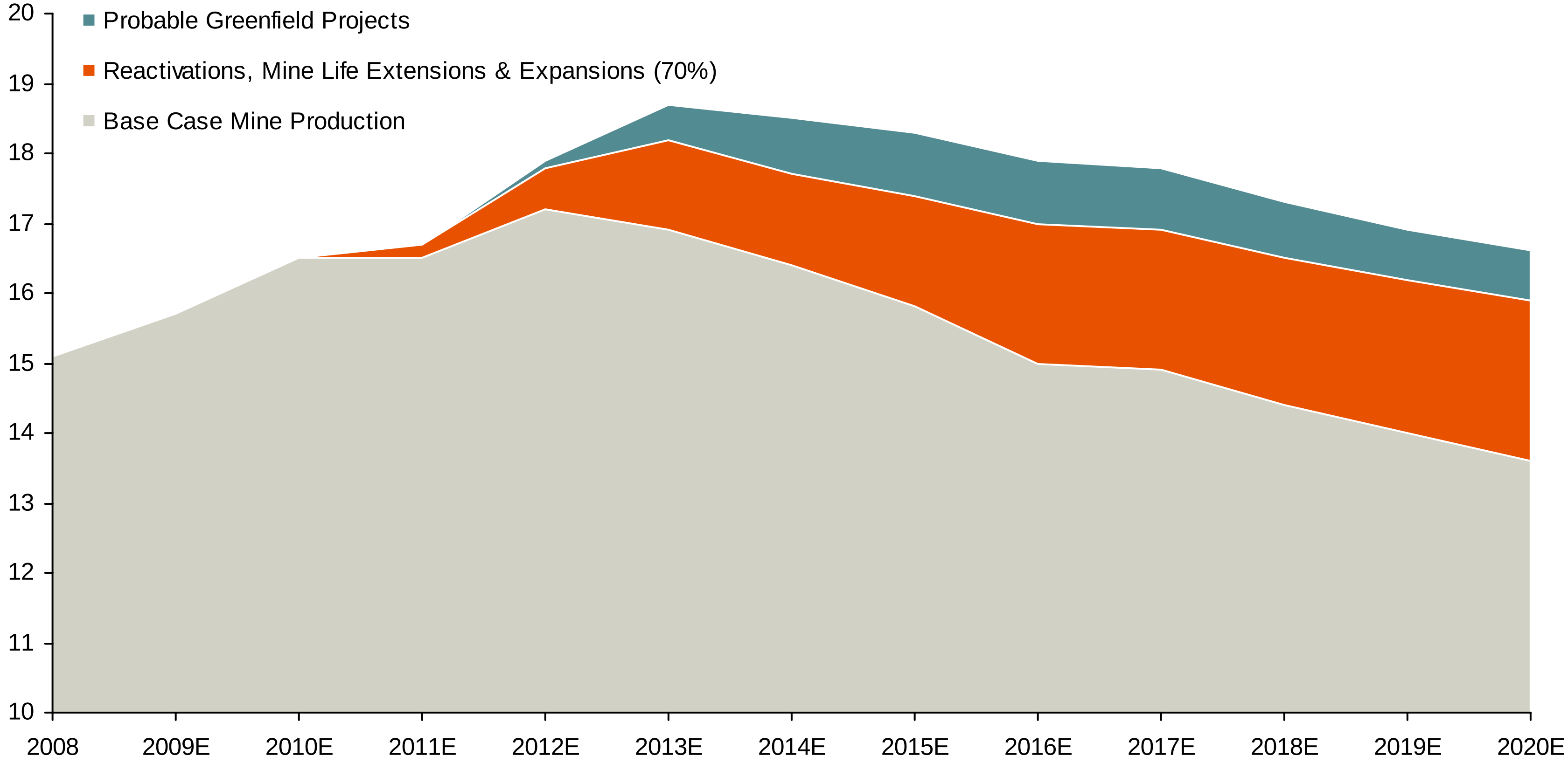
Concentrate Production (Assuming Average Past 5 years Mine Disruptions)
(Kt of Copper)



Sources: Brook Hunt, BHP Billiton.

Mine Supply: What is Needed

Global Copper Mine Supply Breakdown, 2008-2020
(Mt, Copper Contained)



Source: Brook Hunt.

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Why We Prefer Floating Price Mechanisms

Benefits of a Floating Price Mechanism

- Market players can enjoy prices truly **reflective** of supply and demand conditions
- No **“dead-lock”** on pricing when there are major disparate views on the market
- Mitigates **non-performance on contracts** when spot vs benchmark differentials are large

Allows individual buyers and sellers to focus on other aspects of relationship

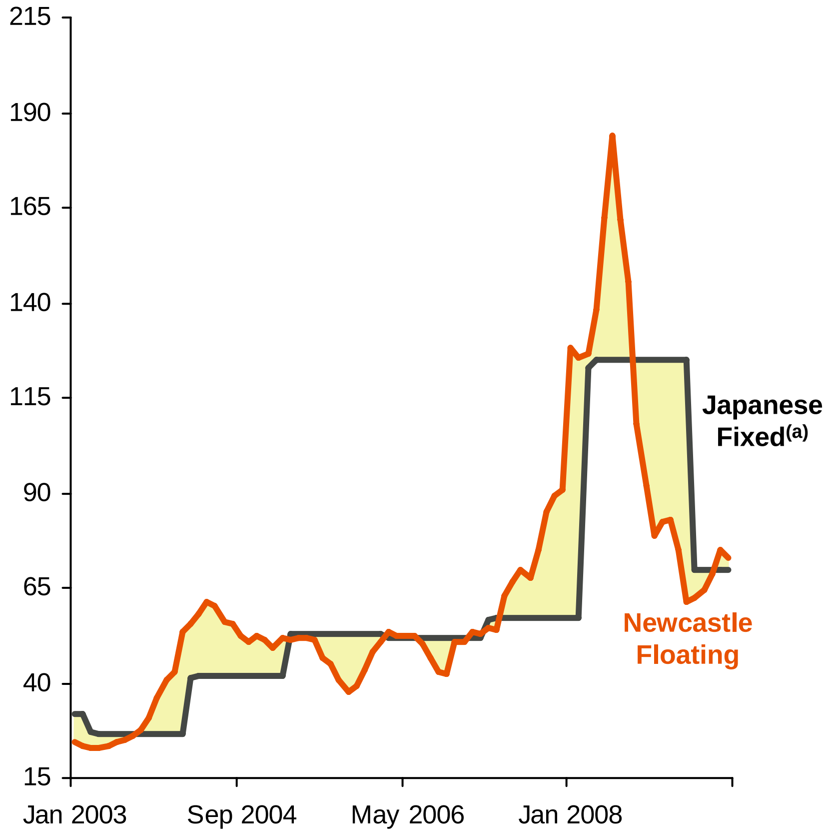
- Differentials for the specific commodities based around value-in-use
- Product quality and consistency
- Logistics

Customer / producer relationships remain important

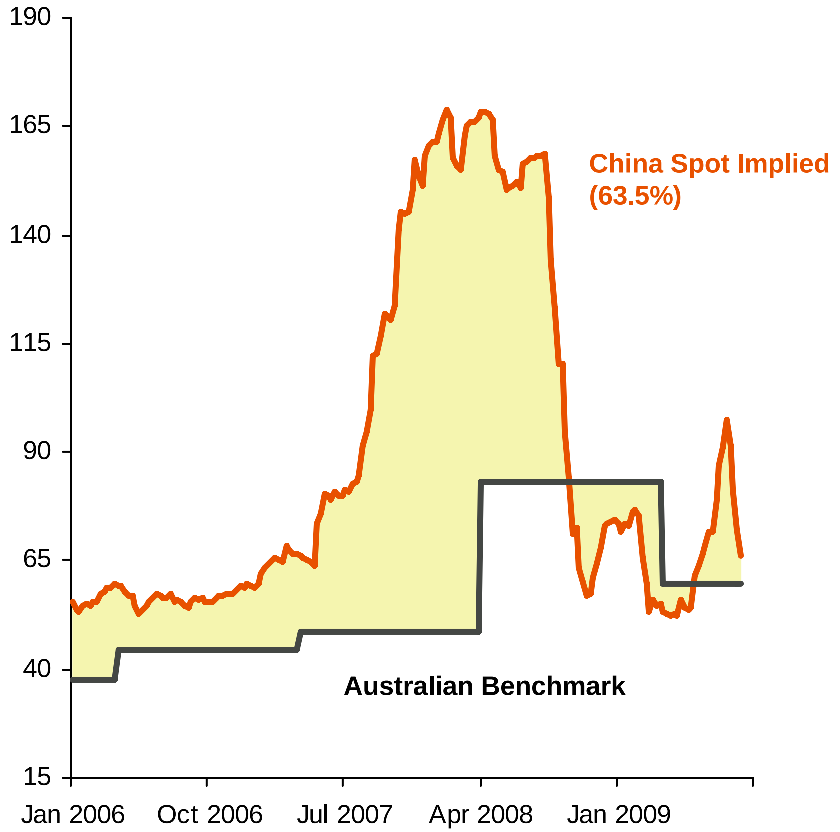
- Either short or long term volume contracts available
- Customer relationships remain important
- Price risk management easily accessible for all counterparties

Floating Prices Can Capture Changes in Supply-demand Fundamentals Better Than Benchmark Prices

Thermal Coal Prices
(US$/t FOB, 6700Kcal/kg)



Iron Ore Prices
(US$/t FOB, 63.5% Fe)



Source: Bloomberg and BHP Billiton Estimates
(a) Japanese power utilities fixed contract price.

Market Evolution in Volatile Business Environments

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I. Rise of spot sales	II. Supported by financial markets	III. Development of adjacent markets
▪ Fixed priced commodities to 'market based' pricing ▪ Greater volatility ▪ Single reference product to simplify trades	▪ Financial market follows physical spot, driven by a volatile spot market ▪ Intermediaries enter to facilitate transactions ▪ Forward/futures facilitate financial instruments e.g. options, swaps	▪ Electricity and energy coal. Trading the “dark” and the “spark”

Standardisation, price transparency enable evolution

Fully evolved

Indicative positions

Coking Coal
Manganese
Uranium
Steel
Iron ore
Freight
Electricity
Thermal Coal
Oil
Natural gas
Gold
LME

Sources: Press searches, BCG experience.

Iron Ore: Evolution Continues

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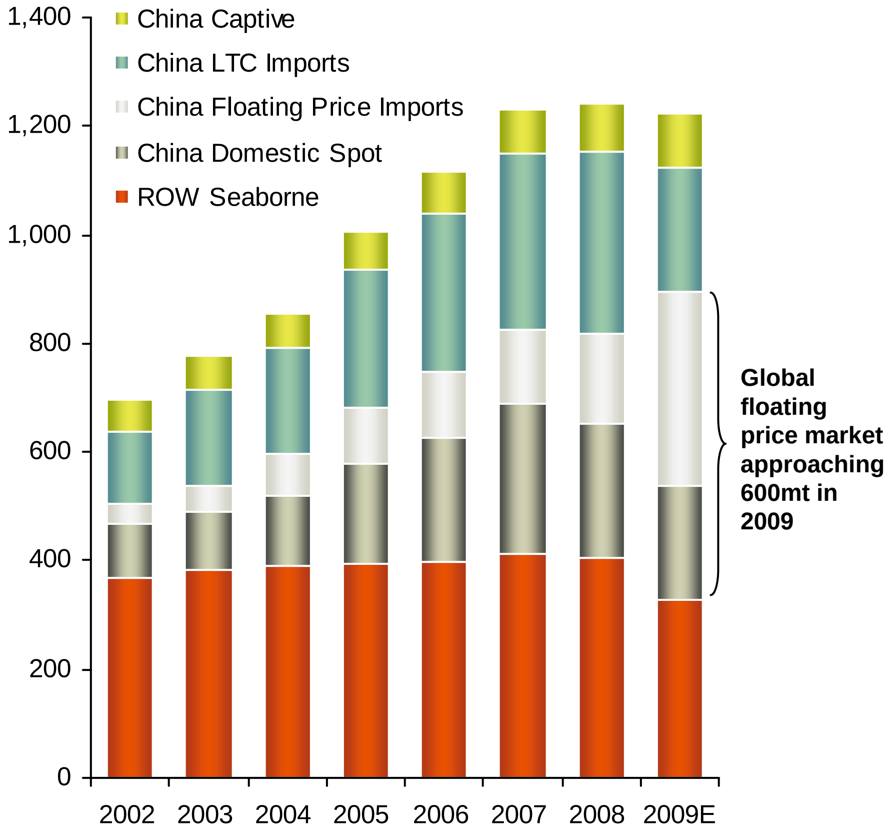
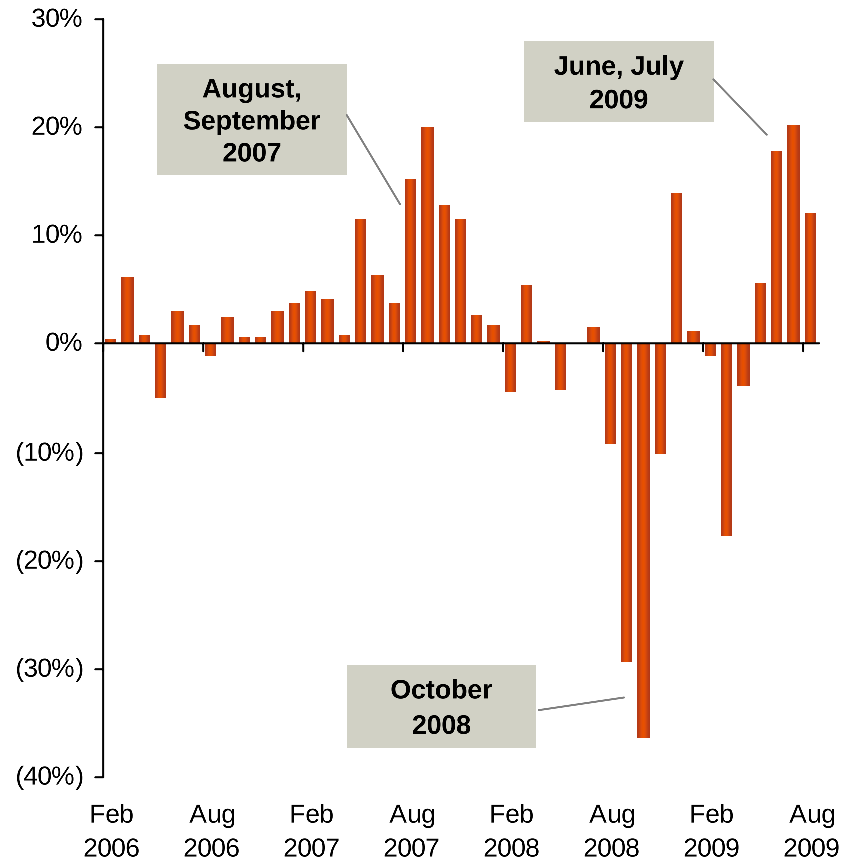
Seaborne + China Iron Ore Demand
(Mt)



Sources: BCG analysis, CRU, BHP Billiton.

Monthly Variance Iron Ore Price
($/dmt)



Sources: BHP Billiton.

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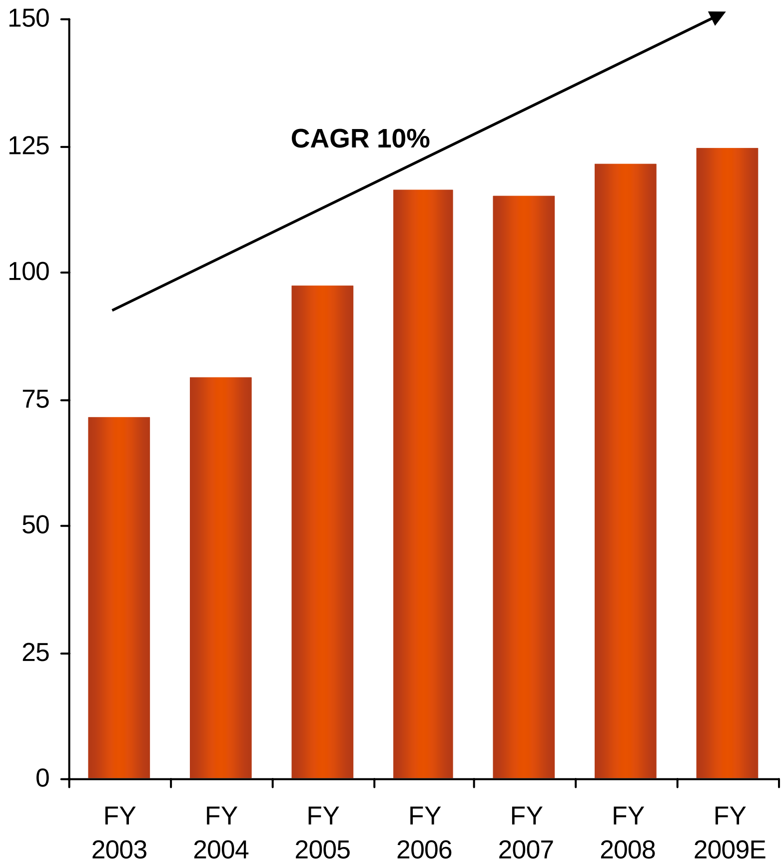
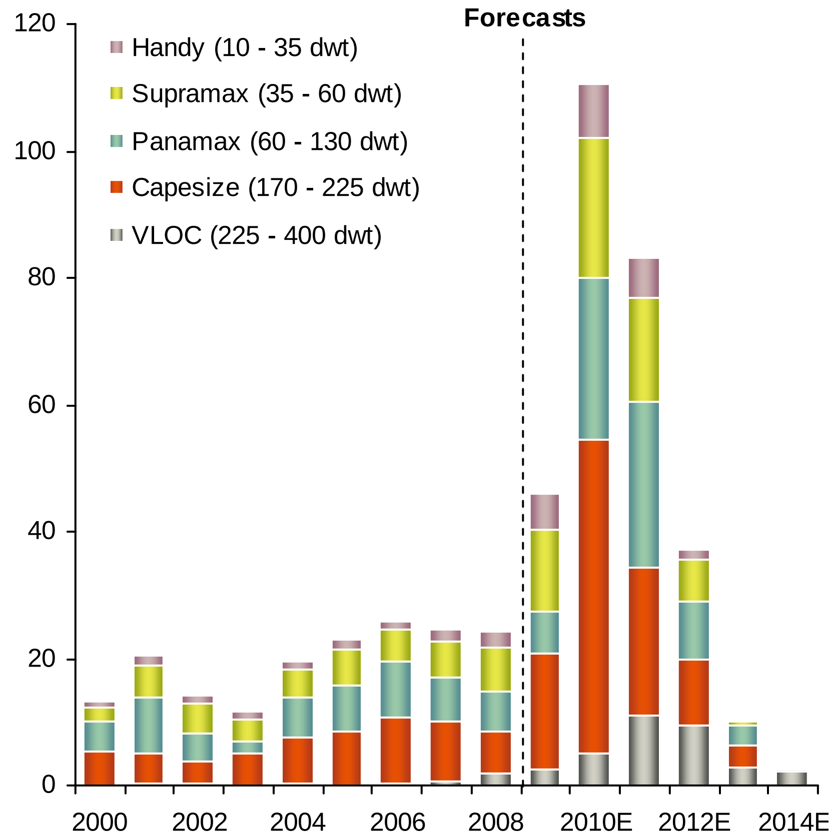
Freight: Economies of Scale Give Flexibility … Without the Need to "Own"

BHP Billiton Freight Annual Volumes
(Million dwts)



Source: BHP Billiton.

Dry Bulk Deliveries of New Vessels
(Million dwts)



Source: Clarkson Research.

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Key Messages

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- Economic upswing in China is well advanced however restocking has been substantial. Developed nation restock has started – will be 2010 before true demand emerges.
- We prefer floating price mechanisms as it minimises risk, reflects true supply demand fundamentals, and avoids issues of contract non-performance.
- Charter vessels – don’t buy. Better allocate capex to higher margin production growth.
- Global steel demand will double over the next 15 years. China will remain a major opportunity for iron ore with met coal demand growth focussed on both India and China.
- The world will be short energy in medium – long term with demand linked to emerging market growth. We are well placed with our pipeline of growth assets.
- The world is short copper units in medium – long term. Scrap will gain market share however import demand of concentrate and cathode will grow.

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resourcing the future