Caval Ridge

Coal: The path to improve returns

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This presentation contains forward-looking statements, including statements regarding: 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; 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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BHP Billiton results are reported under International Financial Reporting Standards (IFRS) including Underlying EBIT and Underlying EBITDA which are used to measure segment performance. This release may also include certain non-IFRS measures including Adjusted effective tax rate, Free cash flow, Gearing ratio, Net debt, Net operating assets, Underlying attributable profit, Underlying basic (loss)/earnings per share, Underlying EBIT margin and Underlying EBITDA margin. These measures are used internally by management to assess the performance of our business, make decisions on the allocation of our resources and assess operational management. Non-IFRS measures have not been subject to audit or review and should not be considered as an indication of or alternative to an IFRS measure of profitability, financial performance or liquidity.

Presentation of data

Unless specified otherwise: all data is presented on a continuing operations basis to exclude the contribution from assets that were demerged with South32; references to Underlying EBITDA margin exclude third party trading activities; data from subsidiaries is shown on a 100 per cent basis and data from equity accounted investments and other operations is shown on a proportionate consolidation basis. 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 Billiton.

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Statement of Coal Reserves

Coal Reserves

The information on slide 10 of this presentation that relates to Coal Reserves has been sourced from Wood Mackenzie. BHP Billiton's estimates of its Coal Reserves are shown below.

BHP Billiton Marketable Coal Reserves are compiled by J Field (MAusIMM). J Field is a full time employee of BHP Billiton, has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". This is based on Marketable Coal Reserve information in the BHP Billiton 2015 Annual Report for all assets. All reports can be found at www.bhpbilliton.com.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Marketable Coal Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the original market announcements.

Coal Reserve classifications (100% basis) for each province, where relevant, are contained in Table 1.

Table 1 – BHP Billiton FY15 Marketable Reserves

Province	Proved (Mt)	Probable (Mt)	Total (Mt)	BHP Billiton interest (%)[1]
Metallurgical coal				
CQCA JV & Gregory JV	1,315	971	2,287	50
BHP Billiton Mitsui	94	50	144	80
Indonesia[2]	4.6	0.1	4.7	75
Energy coal				
Australia	409	376	785	100
Colombia	543	90	633	33.3
New Mexico[3]	15	-	15	100

1. Weighted average equity interest.
2. Sales agreement entered into following strategic review.
3. New Mexico excludes the Navajo Mine which was sold on 30 December 2013. The sale of the San Juan Mine was completed on 31 January 2016.

The path to improve returns

- Safe and reliable operations provide the platform for success
- Longer-term coal market outlook remains positive
- We continue to optimise our simple portfolio of high-quality assets
- We will unlock further productivity, reduce costs and release latent capacity

Experienced team enabled by new Operating Model

- Our new Operating Model supports improved returns
  - enhanced focus on safety, volume and cost
  - lower overheads and more effective functional support
  - accelerated replication of best practice
  - global centres of excellence for Maintenance, Projects and Geoscience
- Deep operating experience across the leadership team
  - average industry experience of 23 years
  - operating experience across 6 continents and 13 commodities

Minerals Australia Leadership Team

Vice President Planning & Technical
David Ruddell
24 years

Asset President BMA
Rag Udd
19 years

Vice President HSE
Hannes van Rensburg
28 years

Asset President Nickel West
Eddy Haegel
25 years

Asset President WAIO
Edgar Basto
20 years

Asset President Olympic Dam
Jacqui McGill
28 years

Vice President Projects
Matthew Furrer
25 years

Asset President BMC, NSWEC, IndoMet
James Palmer
19 years

Vice President Improvement
Rob Telford
23 years

President Operations Minerals Australia
Mike Henry
26 years

Vice President Maintenance
Brandon Craig
21 years

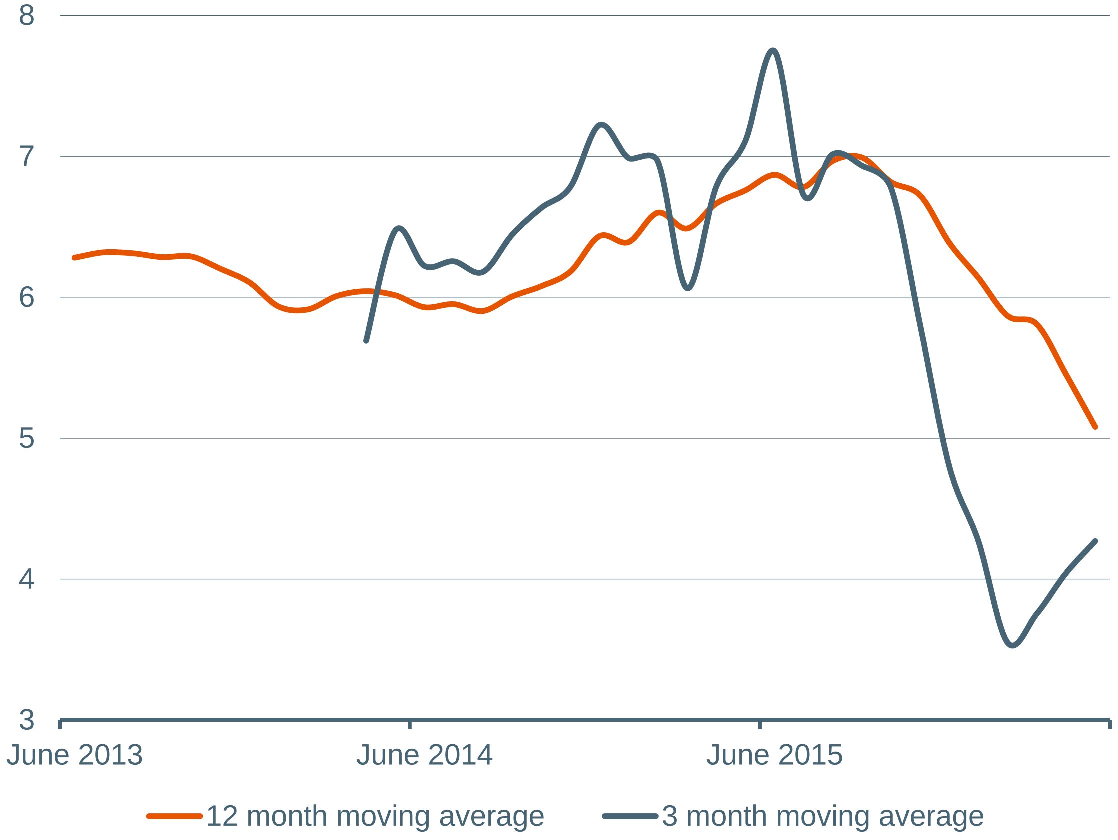
Global Functions ➡ Human Resources | Finance | Risk and Legal | Marketing and Supply | Technology | Corporate Affairs

Global Centres of Excellence

Safe and sustainable operations

- ~50% improvement in TRIF since June 2015[1,2]
  - focused on the elimination of fatalities and serious incidents
- Replication of the Field Leadership Program from Western Australia Iron Ore in FY16 is supporting a safer business
  - strengthened safety engagement with our employees
  - improved control verification
  - better incident reporting and reviews

Improving our safety performance
(TRIF per million hours worked[1], operated coal assets)



1. Total recordable injury frequency (TRIF) for operated coal assets. Excludes assets demerged with South32 from March 2015 and San Juan Coal from January 2016.
2. Reflects improvement in 3 month moving average TRIF.

Metallurgical coal outlook supported by growing demand for high-quality product

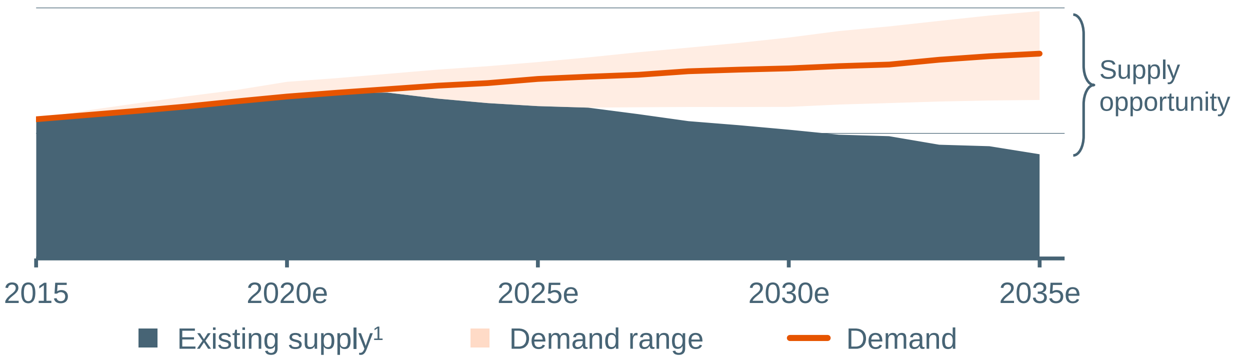
Short-term

- Cost curve has flattened
- Lower prices are leading to closures and reduced investment

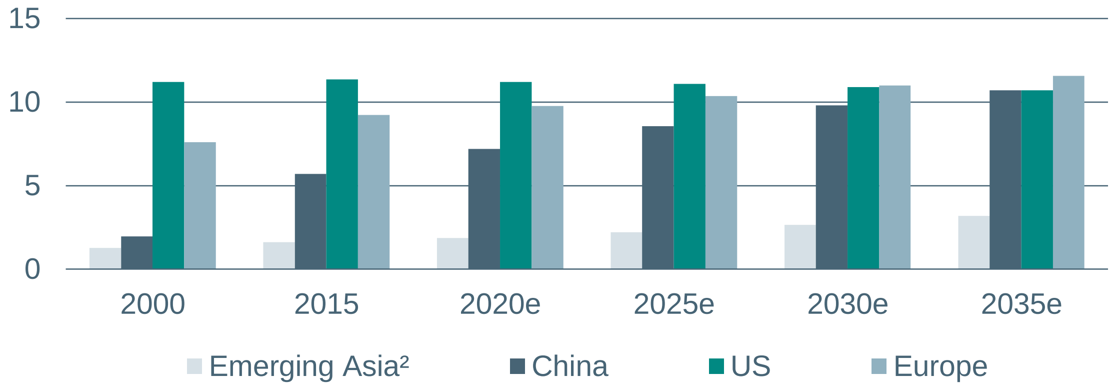
Long-term

- The world continues to require steel and metallurgical coal is essential for pig iron production
- China will continue to import seaborne metallurgical coal
  - demand supported by coastal market access and requirement for consistent, quality product in larger blast furnaces
  - commitment to rationalise domestic supply remains a risk
- Scarcity of high-quality resources and demand growth in emerging economies underpins robust outlook
  - particularly in India where we expect strong steel production growth

Seaborne metallurgical coal supply and demand
(Bt)



Gap to close in emerging market steel stock
(finished steel per capita, t)



Source: Wood Mackenzie; Worldsteel; BHP Billiton analysis.
1. Includes productivity improvements.
2. Emerging Asia includes India and countries in South Asia and North Asia, excluding China, Japan and South Korea.

Energy coal will remain an important part of the global energy complex

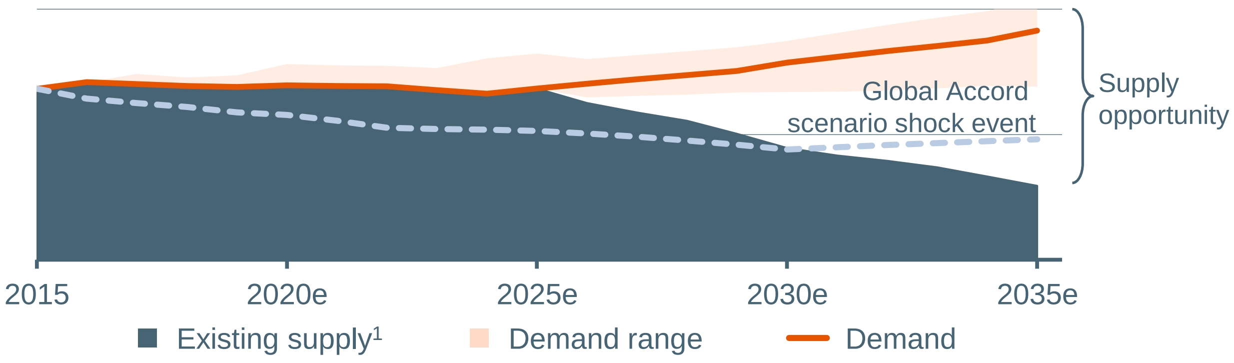
Short-term

- Markets are expected to remain oversupplied in the near term
  - China's demand for imports is likely to fall further as domestic overcapacity persists

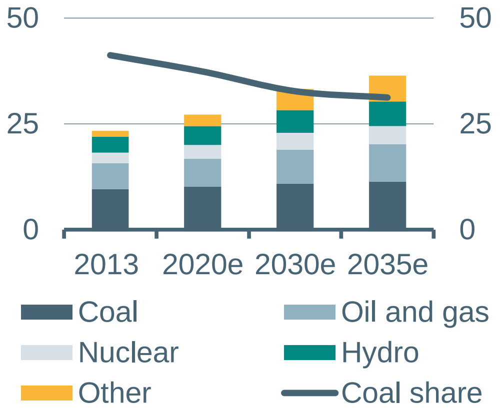
Long-term

- Absolute demand expected to increase by 10-15% by the mid-2020s, despite a declining share in the global electricity generation fuel mix
- India and South East Asia have 26% of the world's population, but account for only 13% of global electricity generation
  - low-cost energy coal is expected to be a preferred fuel source
- China consumes >50% of the world's energy coal and while its total long-term demand for energy coal is expected to increase, its demand for seaborne coal is likely to decline

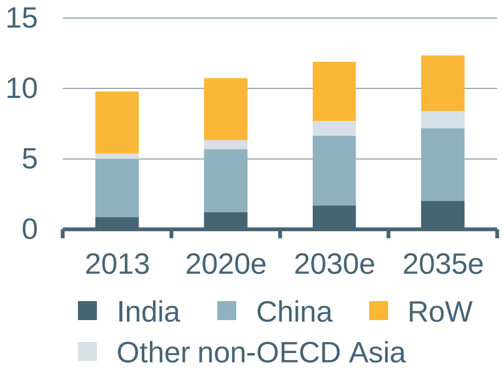
Additional seaborne supply required to meet expected demand
(Bt)



Global electricity fuel mix[2]
(PWh) (coal share, %)



Energy coal use in electricity[2]
(PWh)

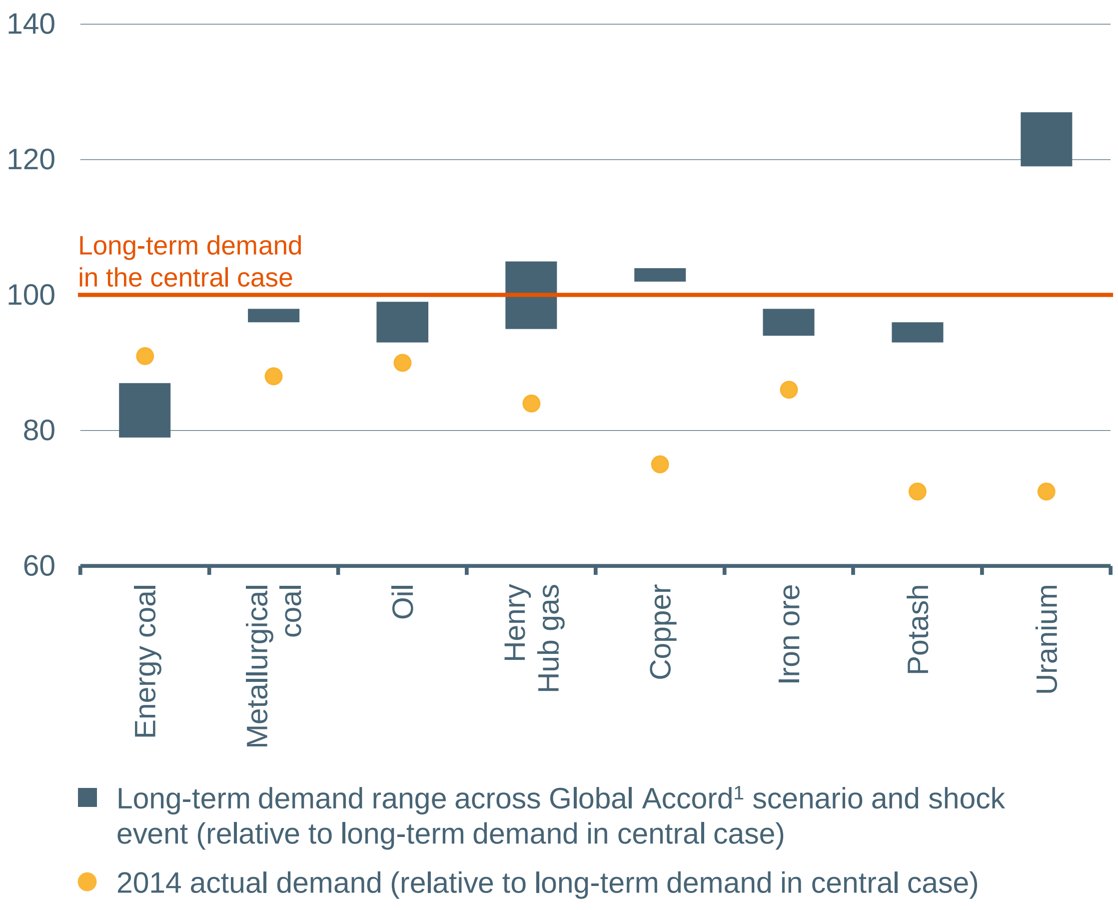


Source: Wood Mackenzie; IEA; BHP Billiton analysis.
1. Includes productivity improvements.
2. Based on IEA data from WEO2015_AnnexA © OECD/IEA, www.iea.org/statistics. Licence: www.iea.org/t&c; as modified by BHP Billiton.

Our portfolio is resilient in a 2ºC world

- Warming of the climate is unequivocal, the human influence is clear and physical impacts are unavoidable
- We believe the world must pursue the twin objectives of limiting climate change and providing access to affordable energy
  - we do not prioritise one of these over the other – both are essential
- Our diverse portfolio is resilient in both an orderly and a rapid transition to a 2ºC world[1]
  - metallurgical coal is essential for pig iron production, with more stringent regulations to reduce emissions likely to increase VIU[2] for quality metallurgical coal
  - base demand for energy coal is resilient in emerging economies given its cost competitiveness against other fuel types, with demand for higher-quality product expected to increase in a carbon constrained world

Long-term commodity demand range in a 2°C world



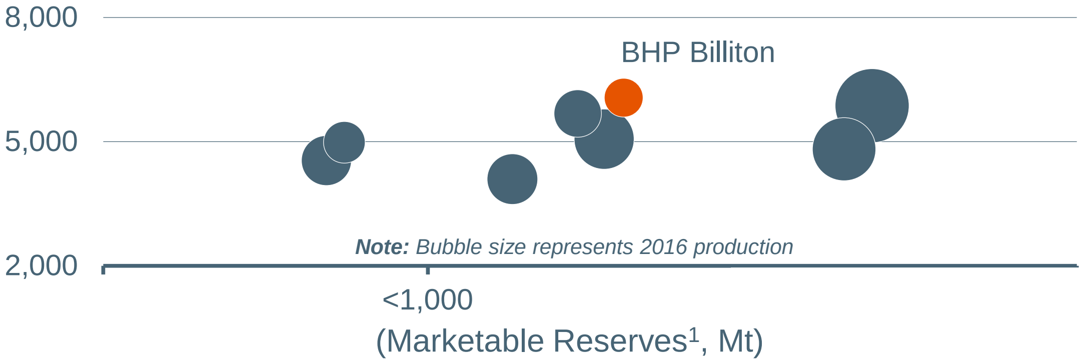
1. Our Global Accord scenario reflects a global outcome whereby the long-term goal of holding the increase in global average temperature to below 2°C above pre-industrial levels is met.
2. Value-in-use (VIU).

A simple portfolio of large, long-life assets

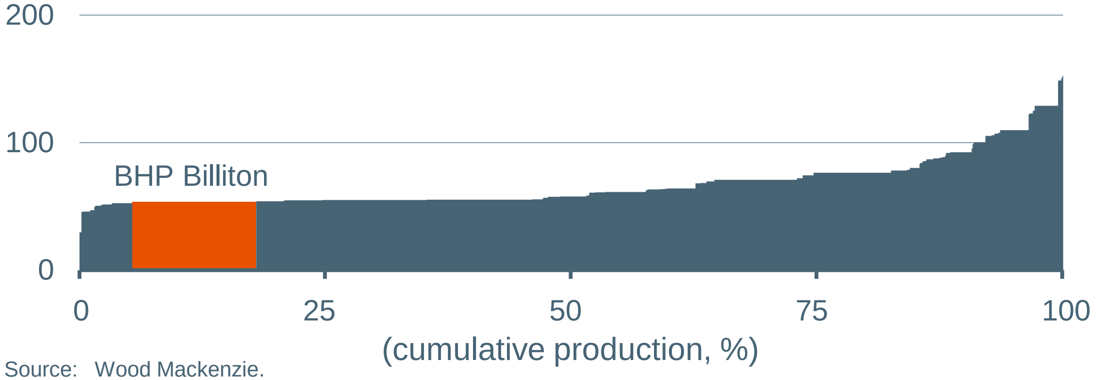
Scale | Resource quality | Stable geo-political environment | Cost position | Logistics

Metallurgical coal portfolio
(coke strength after reaction, %)

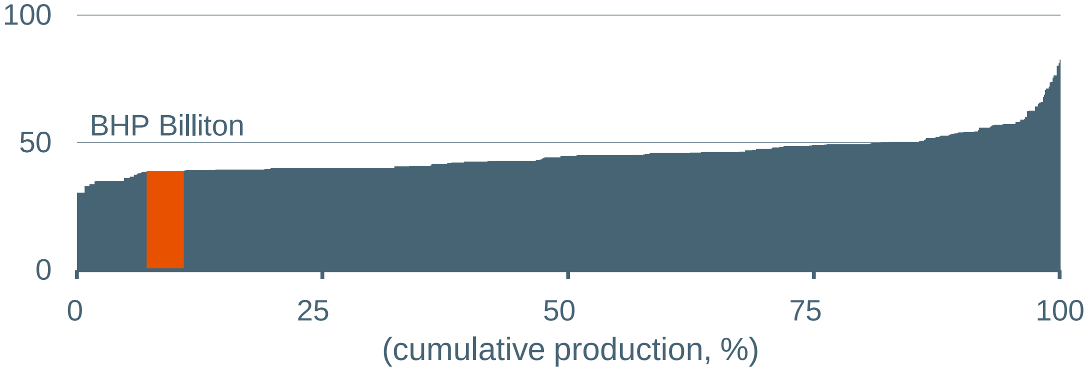
Energy coal portfolio
(net calorific value, kcal/kg)



2016 seaborne metallurgical coal C1 cash cost curve[2]
(US$/t)



2016 seaborne export thermal coal C1 cash cost curve[2]
(US$/t)

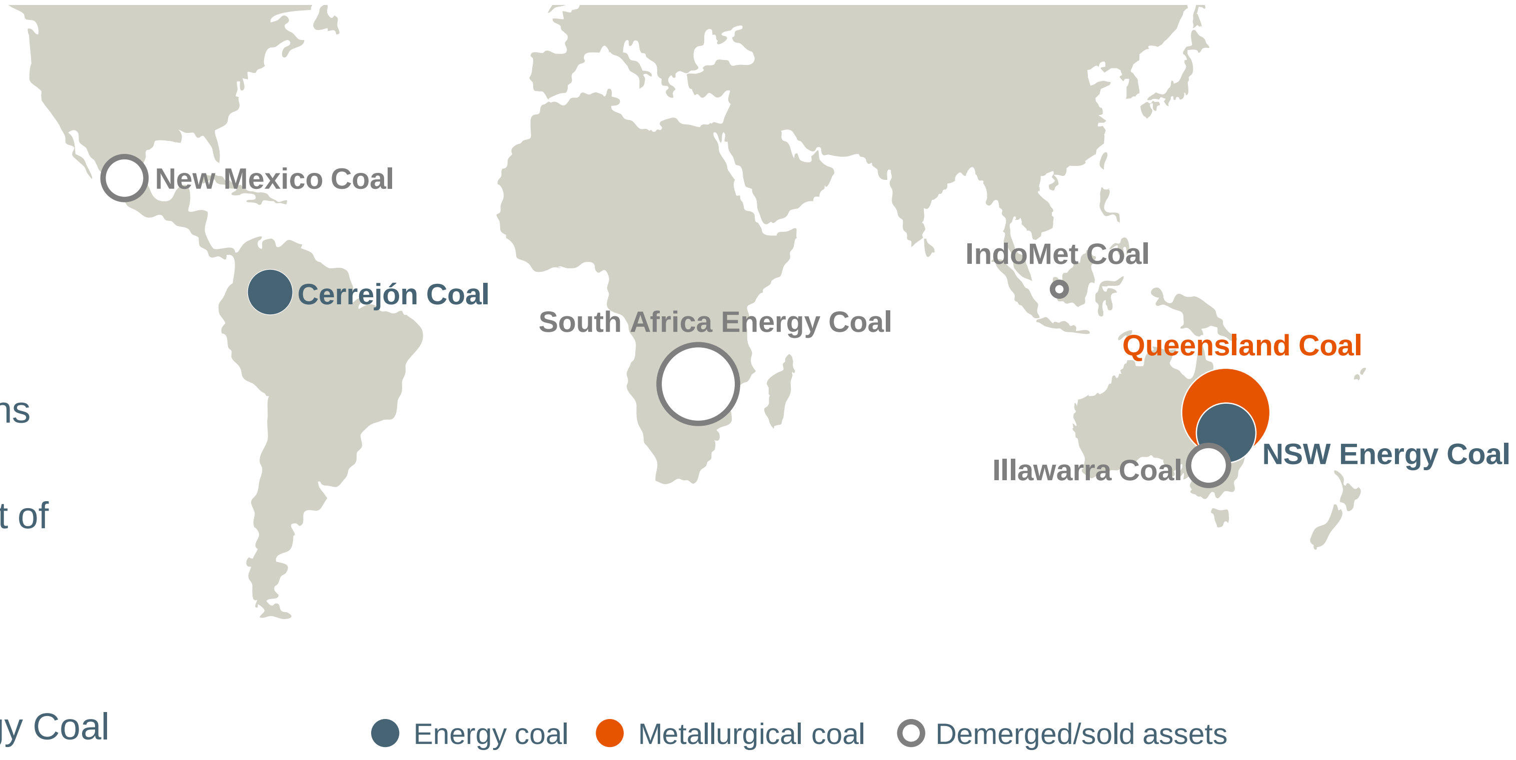


Source: Wood Mackenzie.

1. Marketable Reserves for all companies including BHP Billiton have been sourced from Wood Mackenzie and are shown on a 100% basis. A breakdown of BHP Billiton's estimates of its Marketable Coal Reserves is shown on slide 3.
2. Based on equity share of production. Thermal coal cost curve is energy adjusted to 6,063 kcal/kg (NAR).

We continue to simplify our portfolio

- We have created a concentrated portfolio of tier 1 assets that retain significant growth optionality
  - Illawarra Coal and South Africa Energy Coal demerged with South32
  - sale agreement entered into for IndoMet Coal
  - sale of San Juan Mine completed and transition of Navajo Coal to NTEC[1] on track for end-CY16
- Our response to the economics of individual operations has been disciplined
  - closure of Crinum operations prior to development of high-cost final longwall panel
  - suspension of high-cost, loss-making capacity at Norwich Park and Gregory
  - reduction of higher-cost production at NSW Energy Coal
  - outsourcing of drill, blast and pre-strip operations at Blackwater and pursuit of fit for purpose enterprise agreement
- We will continue to pursue further optimisation of our portfolio

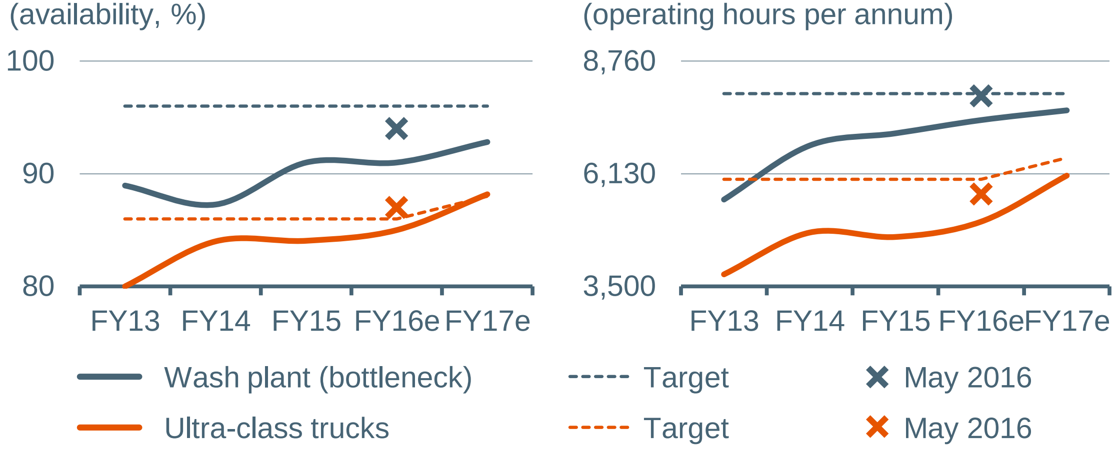


Note: Bubble size indicative of FY15 production/capacity.
1. Navajo Transitional Energy Company (NTEC).

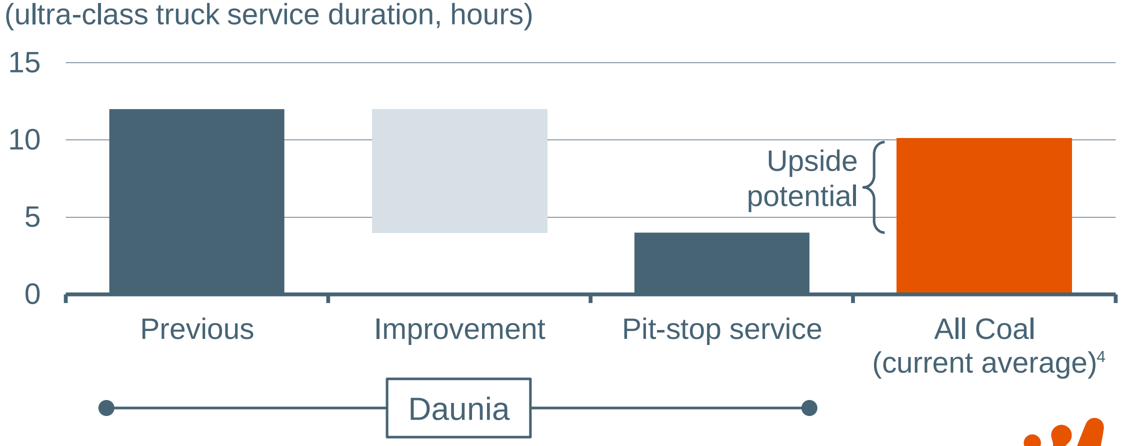
Continued improvements in productivity…

- Delivered >US$3 billion in productivity gains since FY12[1]
  - additional ~US$600 million expected by end-FY17
- Most operations will have the bottleneck at the wash plant by end-FY17
  - targeting wash plant utilisation of 8,000 hours by FY19
  - improvement driven by a focus on maintenance strategies and reducing non-coal delays
- Focus on achieving truck utilisation of 6,500 hours by FY20[2]
  - Daunia's ultra-class fleet is achieving ~6,000 hours – the best across BHP Billiton's ultra class fleet
  - improvement driven by improved shift change processes, pit stop servicing, and upgraded dispatch and reporting systems
- We expect to deliver a 5 Mt (8%) increase in volumes[3] from FY15 to FY18

Wash plant and truck productivity[2]



Increasing availability through 'pit-stop' maintenance

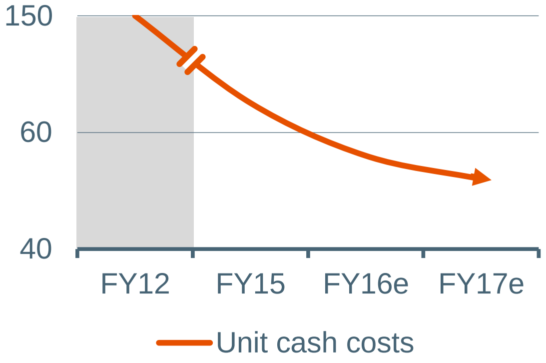


1. FY15 relative to FY12.
2. Truck hours exclude queue time. Target represents wash plant availability of 96% and 8,000 operating hours, and truck availability of 88% and 6,500 operating hours.
3. Includes Queensland Coal and NSW Energy Coal.
4. Average over FY15 and FY16 YTD.

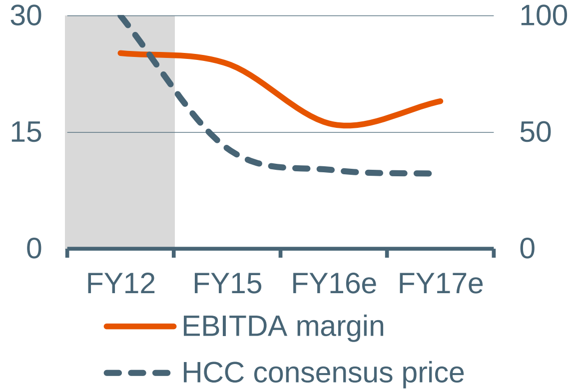
…is sustainably lowering costs…

- Absolute cash costs ~25% below FY12[1] despite higher volumes
  - 56% reduction in unit costs at Queensland Coal
  - 29% reduction in unit costs at NSW Energy Coal
- Further 16% reduction in absolute costs anticipated by FY17[2]
  - unit costs down 20% to US$52/t[3] at Queensland Coal
  - unit costs down 9% to US$38/t[3] at NSW Energy Coal
- At NSW Energy Coal, geological constraints (monocline transition) will increase waste stripping, haulage distances and unit costs post FY17
  - studies underway to assess mitigating options
- Recovery in FY17 EBITDA margins despite lower expected prices
- All operations remain cash flow positive

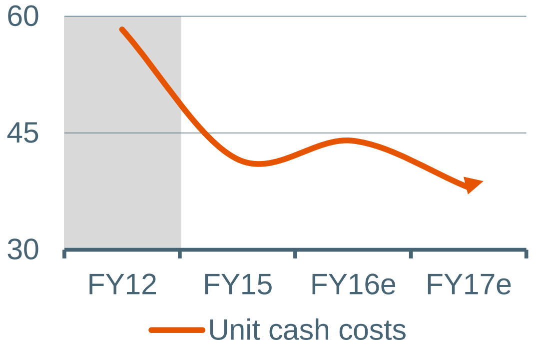
Queensland Coal
(unit cash costs[3], US$/t)



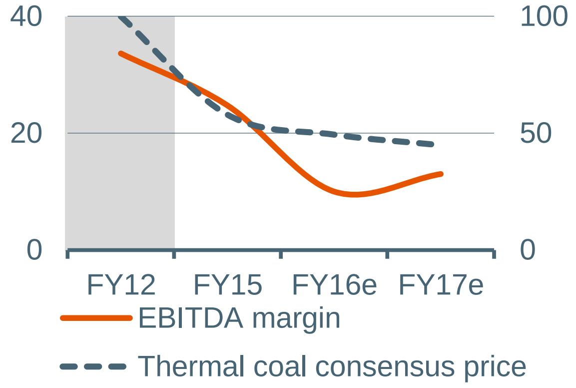
(EBITDA margin[4], %)
(price index, FY12=100)



NSW Energy Coal
(unit cash costs[3], US$/t)



(EBITDA margin[4], %)
(price index, FY12=100)

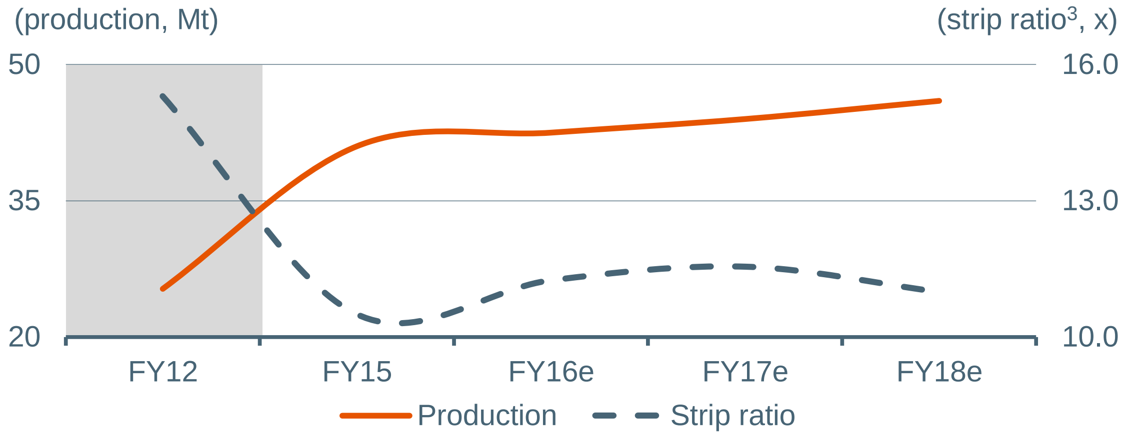


1. FY15 relative to FY12.
2. FY17 relative to FY15.
3. Based on exchange rates of AUD/USD 0.72 in FY16 and 0.71 in FY17. Excludes freight and royalties.
4. FY16 and FY17 EBITDA margins based on production and unit cost guidance, and consensus prices.

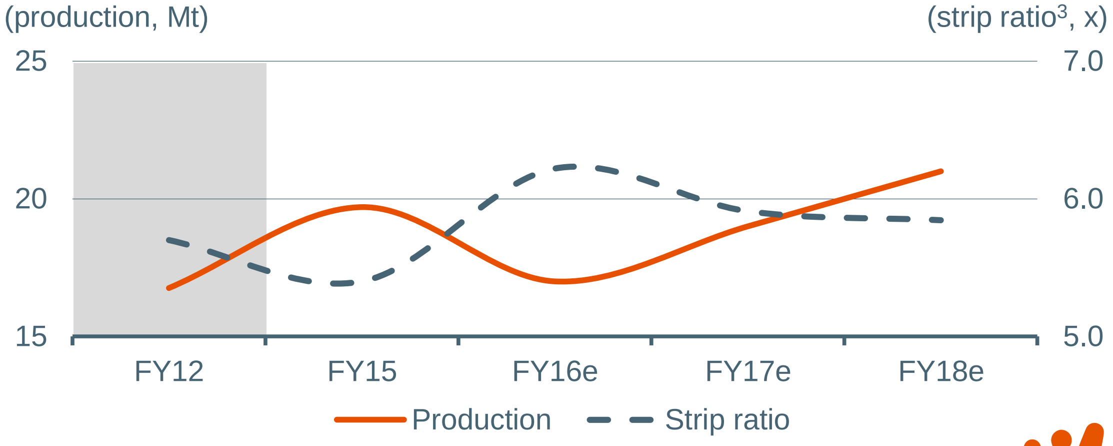
…and releasing latent capacity

- Focus on maximising output from our existing operations allows us to grow without major capital projects
  - Queensland Coal expected to deliver 42.5 Mt in FY16, 44 Mt in FY17 and 46 Mt in FY18
  - NSW Energy Coal expected to deliver 17 Mt in FY16[1], 19 Mt in FY17 and 21 Mt in FY18
- We have rigorously assessed our sustaining capital expenditure
  - Queensland Coal: US$6 per tonne[2]
  - NSW Energy Coal: US$4 per tonne[2]
- Caval Ridge Southern Circuit can unlock a further 4 Mtpa (100% basis) with a conveyor and additional mining fleet
- We have long-term options that we can exercise when the time is right
  - BMA Goonyella Complex Optimisation
  - BMC Wards Well underground development

Queensland Coal



NSW Energy Coal



1. BHP Billiton FY16 total energy coal production guidance revised from 37 Mt to 34 Mt.
2. Average sustaining capital expenditure over FY17e to FY21e. NSW Energy Coal +/- 50% in any given year.
3. Represents total overburden stripping (bcm) to production (tonnes).

Enterprise Agreement (EA) renewals

- Caval Ridge, Poitrel, Daunia and Mt Arthur Coal EAs recently approved
- Progress continuing on Broadmeadow Mine EA
- BMA has commenced renegotiating the BMA EA 2012
  - seeking to simplify the EA
  - focus on flexibility to better enable safe productivity improvements and cost efficiencies
  - proposing a standalone agreement for Blackwater reflecting its unique operating environment
  - coverage to exclude Norwich Park and Gregory Crinum which are no longer in operation
  - outcomes need to reflect the current market environment


Daunia

The path to improve returns

- Safe and reliable operations provide the platform for success
- Longer-term coal market outlook remains positive
- We continue to optimise our simple portfolio of high-quality assets
- We will unlock further productivity, reduce costs and release latent capacity

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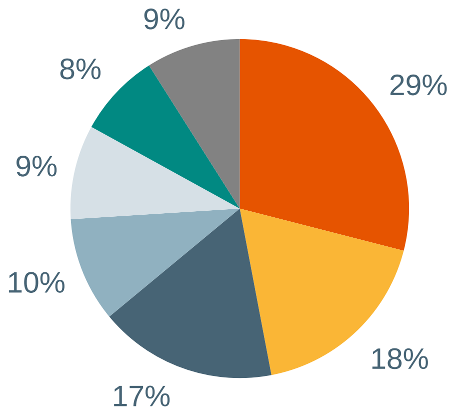
BHP Billiton guidance

Coal	FY16e	FY17e	FY18e	Notes
Total metallurgical coal production (Mt)	43	44	46	FY16 comprises Queensland Coal and IndoMet Coal.
Total energy coal production (Mt)	34			
Queensland Coal				
Production (Mt)	42.5	44	46	
Unit cash costs (US$/t)	56	52		Excludes freight and royalties; based on an exchange rate of AUD/USD 0.72 in FY16 and 0.71 in FY17.
Sustaining capital expenditure (US$/t)	3	6		FY17e–FY21e average.
NSW Energy Coal				
Production (Mt)	17	19	21	
Unit cash costs (US$/t)	44	38		Excludes freight and royalties; based on an exchange rate of AUD/USD 0.72 in FY16 and 0.71 in FY17.
Sustaining capital expenditure (US$/t)	1	4		FY17e–FY21e average; +/- 50% in any given year.

Breakdown of costs

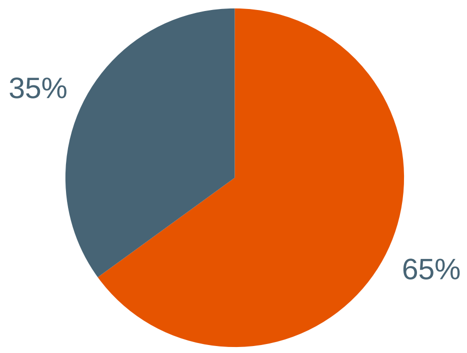
BMA

Cash costs
(FY16e, %)



- Contractors and consultants
- Consumables
- Labour
- Port and rail
- Royalties, rates and taxes
- Fuel and electricity
- Other

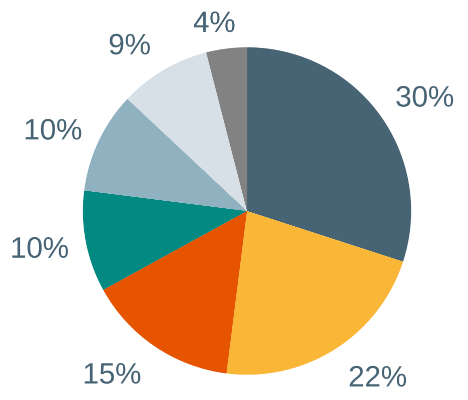
Fixed versus variable split (approximate)
(FY16e, %)



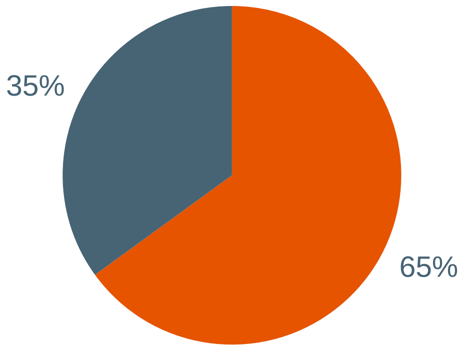
- Fixed
- Variable

NSW Energy Coal

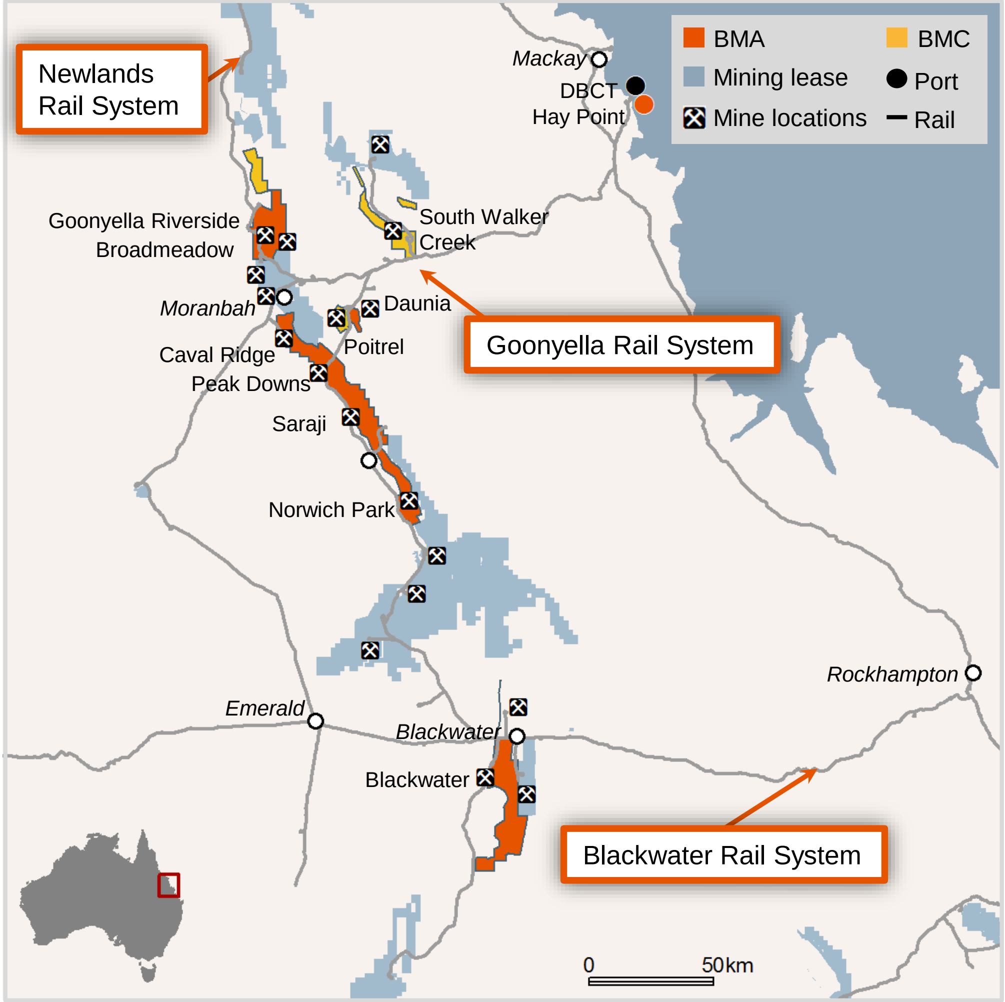
Cash costs
(FY16e, %)



Fixed versus variable split (approximate)
(FY16e, %)



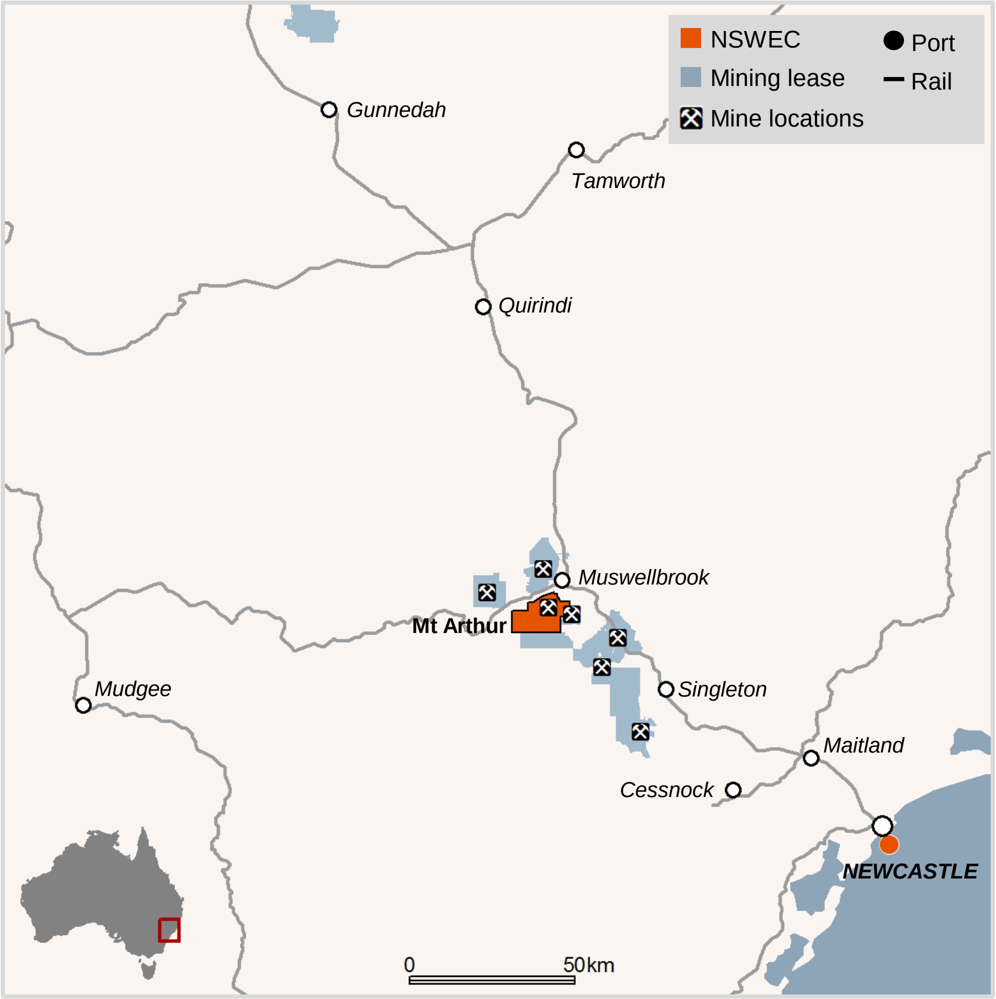
Queensland Coal operations



- Largest supplier of seaborne metallurgical coal
- BHP Billiton interest: BMA 50%; BMC 80%
- Capacity at four Queensland ports with matched rail flexibility allows us to optimise the supply chain
- Key BMA fleet statistics
  - 33 draglines (world's largest fleet)
  - 53 shovels and excavators
  - 313 dump trucks
  - 142 dozers
  - 19 loaders
- Key BMC fleet statistics
  - 1 dragline
  - 7 shovels and excavators
  - 42 dump trucks
  - 26 dozers
  - 3 loaders

Note: All rail and port capacities are shown at 100%.
1. Blackwater Rail System capacity has been estimated.

New South Wales Energy Coal operations



- Open-cut coal mine in the Hunter Valley, Australia, with 23 Mtpa of coal handling, preparation and wash plant capacity
- BHP Billiton interest: 100%
- ~6%[1] of production sold to Bayswater power station via conveyor, remainder exported from Newcastle Port
- Owns 35.5% stake in Newcastle Coal Infrastructure Group (NCIG), which operates the Newcastle Third Port export coal loading facility
- Key fleet statistics
  - 2 shovels
  - 15 excavators
  - 87 dump trucks
  - 28 dozers

1. Based on FY15 sales volumes.

Cerrejón Coal operations

- One of the world's largest open-cut export energy coal mines, located in the La Guajira province of Colombia
- BHP Billiton interest: 33.3%
- Cerrejón owns and operates integrated rail and port facilities
- Key fleet statistics
  - 36 shovels and excavators
  - 101 dozers
  - 11 front end loaders
  - 258 waste trucks
  - 56 coal trucks

Note: Port capacity shown at 100%.

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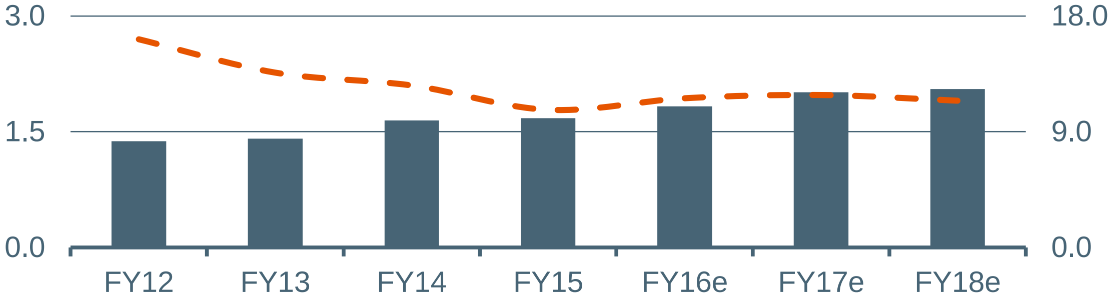
Coal operations material moved and strip ratios

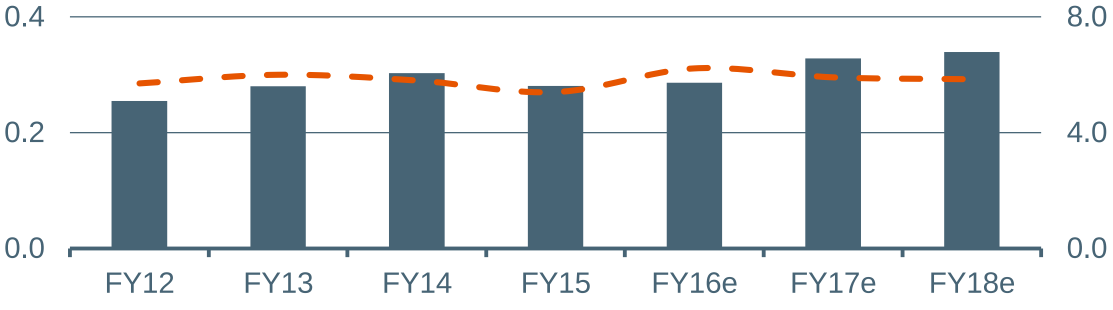
BMA

(material moved, Bt) (strip ratio[1], x)



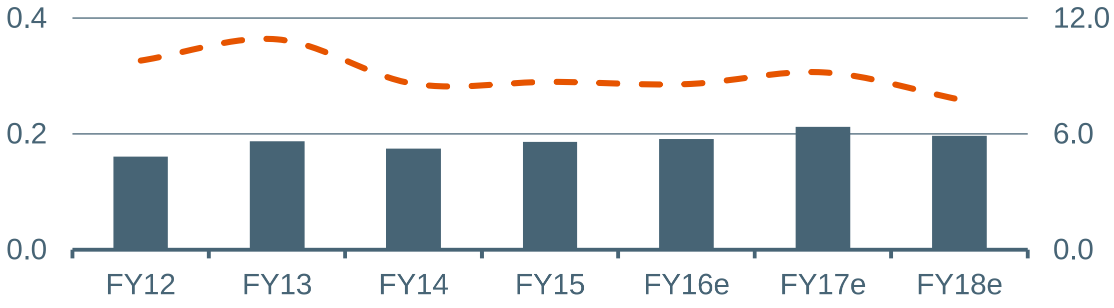
NSW Energy Coal

(material moved, Bt) (strip ratio[1], x)



BMC

(material moved, Bt) (strip ratio[1], x)



Material moved   Strip ratio

1. Represents total overburden stripping (bcm) to production (tonnes).

bhpbilliton