BHP Billiton Copper
Strong fundamentals, unrivalled resource, world-class operations

Daniel Malchuk
President, Copper

Escondida
Disclaimer

Forward-looking statements
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.

Forward-looking statements can be identified by the use of terminology such as ‘intend’, ‘aim’, ‘project’, ‘anticipate’, ‘estimate’, ‘plan’, ‘believe’, ‘expect’, ‘may’, ‘should’, ‘will’, ‘continue’, ‘annualised’ or similar words. These statements discuss future expectations concerning the results of operations or financial condition, or provide other forward-looking statements.

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Other factors that may affect the actual construction or production commencement dates, costs or production output and anticipated lives of operations, mines or facilities include our ability to profitably produce and transport the minerals, petroleum and/or metals extracted to applicable markets; the impact of foreign currency exchange rates on the market prices of the minerals, petroleum or metals we produce; activities of government authorities in some of the countries where we are exploring or developing these projects, facilities or mines, including increases in taxes, changes in environmental and other regulations and political uncertainty; labour unrest; and other factors identified in the risk factors discussed in BHP Billiton’s filings with the US Securities and Exchange Commission (the “SEC”) (including in Annual Reports on Form 20-F) which are available on the SEC’s website at www.sec.gov.

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Unless specified otherwise, all data is presented on a continuing operations basis to exclude the contribution from assets that were demerged with South32 and references to Underlying EBITDA margin and Underlying EBIT margin exclude third party trading activities.

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Statement of Mineral Resources

Mineral Resources
The information in this presentation that relates to the FY2015 Mineral Resources (inclusive of Ore Reserves) was first reported by the Company in compliance with the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012’ (‘The JORC Code 2012 Edition’) in the 2015 BHP Billiton Annual Report of September 2015.
All reports are available to view on http://www.bhpbilliton.com.
Mineral Resources are reported by S. O’Connell (MAusIMM, employed by BHP Billiton) – for Olympic Dam, L. Soto (MAusIMM, M Cortes (MAusIMM, both employed by Minera Escondida Limitada) – for Escondida, Pampa Escondida, Pinta Verde, L. Vaccia (MAusIMM, employed by Minera Escondida Limitada) – for Chimborazo, J. Cespedes (MAusIMM, employed by BHP Billiton) – for Cerro Colorado and Spence – combined as Pampa Norte, L. Canchis (MAusIMM, employed by Minera Antamina SA) – for Antamina.
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 Mineral Resources, 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.
The above-mentioned persons are full-time employees of BHP Billiton, unless otherwise stated, and have the required qualifications and experience to qualify as Competent Persons for Mineral Resources under the 2012 edition of the JORC Code. The compilers verify that this presentation is based on and fairly reflects the Mineral Resources information in the supporting documentation and agree with the form and context of the information presented.
## Mineral Inventory classifications

### Mineral Resources

<table>
<thead>
<tr>
<th>Asset</th>
<th>Deposit</th>
<th>Ore Type</th>
<th>Measured Resource (Mt)</th>
<th>Indicated Resource (Mt)</th>
<th>Inferred Resource (Mt)</th>
<th>FY15 ROM production (Mt)</th>
<th>BHP Billiton interest (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Copper</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Escondida Cluster</td>
<td></td>
<td>Escondida</td>
<td>5,870 @ 0.64% Cu</td>
<td>3,230 @ 0.50% Cu</td>
<td>10,100 @ 0.50% Cu</td>
<td>193</td>
<td>57.5</td>
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<td></td>
<td></td>
<td>Pampa Escondida</td>
<td>294 @ 0.53% Cu</td>
<td>1,150 @ 0.55% Cu</td>
<td>6,000 @ 0.43% Cu</td>
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<td></td>
<td>Pinta Verde</td>
<td>109 @ 0.60% Cu</td>
<td>87 @ 0.52% Cu</td>
<td>52 @ 0.48% Cu</td>
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<td></td>
<td></td>
<td>Chimborazo</td>
<td>NA</td>
<td>139 @ 0.50% Cu</td>
<td>84 @ 0.60% Cu</td>
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<tr>
<td>Pampa Norte</td>
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<td>Escondida</td>
<td>79 @ 0.53% Cu</td>
<td>281 @ 0.58% Cu</td>
<td>45 @ 0.63% Cu</td>
<td>18</td>
<td>100</td>
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<td></td>
<td></td>
<td>Cerro Colorado</td>
<td>205 @ 0.83% Cu</td>
<td>108 @ 0.42% Cu</td>
<td>27 @ 0.24 Cu</td>
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<td></td>
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<tr>
<td></td>
<td></td>
<td>Spence</td>
<td>514 @ 0.47% Cu, 200ppm Mo</td>
<td>789 @ 0.45% Cu, 130ppm Mo</td>
<td>996 @ 0.40% Cu, 80ppm Mo</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Olympic Dam</td>
<td></td>
<td>Sulphide</td>
<td>1,330 @ 0.96% Cu, 0.29kg/t U₃O₈, 0.40g/t Au, 2g/t Ag</td>
<td>4,610 @ 0.79% Cu, 0.24kg/t U₃O₈, 0.32g/t Au, 1g/t Ag</td>
<td>4,120 @ 0.71% Cu, 0.25kg/t U₃O₈, 0.24g/t Au, 1g/t Ag</td>
<td>9²</td>
<td>100</td>
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<tr>
<td>Antamina</td>
<td></td>
<td>Sulphide</td>
<td>247@ 0.91% Cu, 11g/t Ag, 0.7% Zn, 280 ppm Mo</td>
<td>848@ 0.89% Cu, 10g/t Ag, 0.9% Zn, 200 ppm Mo</td>
<td>1,280@ 0.88% Cu, 11g/t Ag, 0.7% Zn, 170 ppm Mo</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. Escondida includes Escondida and Escondida Norte combined.
2. Represents total material mined instead of processed to account for unplanned mill outage.
Experienced and diverse leadership team

### Copper Business

- **President**
  - Daniel Malchuk

### Vice Presidents

- **Graham Tiver**
  - Vice President
  - Finance
  - Australia

- **Hilmar Rode**
  - Asset President
  - Escondida
  - Germany

- **Vicky Binns**
  - Vice President
  - Marketing Copper
  - Australia

- **Alex Jaques**
  - Vice President
  - Human Resources
  - Chile

- **Maria Olivia Recart**
  - Vice President
  - Corporate Affairs
  - Chile

- **Kevin O’Kane**
  - Asset President
  - Pampa Norte
  - Canada

- **Andrew Arthur**
  - Vice President
  - Strategy & Development
  - UK

- **Marcos Bastias**
  - Vice President
  - Major Projects
  - Chile

- **Jean Des Rivieres**
  - Vice President
  - Exploration
  - Canada

- **Jacqui McGill**
  - Asset President
  - Olympic Dam
  - Australia

- **Santiago Montt**
  - Vice President
  - Group Legal Copper
  - Chile

- **Matt Currie**
  - Vice President
  - HSE
  - Australia

BHP Billiton Investor Briefing, Copper Overview
December 2015
Key themes

• We value safe and sustainable operations above all else

• Attractive fundamentals expected to support long-term prices
  – robust long-term demand growth and industry-wide supply challenges point to structural deficit

• We have the largest resource base
  – large, long-life, expandable assets competitively positioned on the cost curve

• World-class operating capability
  – targeting unit costs of US$1.08/lb\(^1\) by FY17 (34% reduction since FY12)
  – differentiated water and power solutions to provide a competitive advantage

• Release of latent capacity delivers more volumes at very low cost
  – Escondida: ~1.2 Mtpa average production capacity for a decade from FY16
  – Spence: optimisation initiatives to support utilisation of ~200 ktpa capacity from FY16
  – Olympic Dam: SMA\(^2\) expected to support utilisation of ~200 ktpa capacity from FY16 and ~220 ktpa by FY19

• Strong growth pipeline with competitive returns
  – SGO\(^2\) advanced to feasibility with potential first production in FY20
  – creating staged optionality for substantial long-term growth at Olympic Dam

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1. Unit cash costs presented net of one-off items, by-product credits, freight and TCRCs for operated copper assets (Escondida, Pampa Norte, Olympic Dam).
2. SMA: Southern Mine Area; SGO: Spence Growth Option.
Keeping our people and operations safe

• Despite our goal to achieve zero fatalities, BHP Billiton tragically lost five colleagues in FY15.
  – Copper Business suffered two fatalities.
  – We are intensifying our efforts to eliminate fatal and other serious incidents.

• A company-level safety intervention was initiated in FY15 with clear actions defined.
  – We are improving road safety through a comprehensive traffic plan.
  – We are enhancing verification of critical controls for fatality risks across our assets.

• We have achieved strong and consistent TRIF performance during a period of significant project activity.

1. Total Recordable Injury Frequency (TRIF) for Escondida, Pampa Norte and Olympic Dam.
2. Incidents with uncontrolled release of energy for Escondida, Pampa Norte and Olympic Dam.
Committed to sustainable development

**Focused on environmental sustainability**

- The Kelar gas-fired power plant will support less emissions-intensive growth
- Reducing our reliance on local aquifers
  - comprehensive water management plan
  - increasing desalinated water capacity from 500 l/s to 3,000 l/s by FY17
- Supporting conservation of biodiversity across 500 square km in Valdivian Coastal Reserve

**Making a positive contribution to our communities**

- Applying our principles of good governance, sustainability, collaboration and alignment
  - key partner in establishment of CREO¹
  - supporting programs in primary, technical and professional education
- US$255 million invested in community projects since FY11

1. A long-term plan supported by the OECD to improve quality of life in Antofagasta, aligning public and private investment with citizen participation.
Copper – a key pillar of BHP Billiton

- Our Copper business continues to deliver exceptional returns
  - 23% of Group production\(^1\)
  - 24% of Group Underlying EBIT
  - average Underlying EBIT margin of 37%
  - 24% of Group capital expenditure
  - average return on net operating assets of 20%\(^2\)

- Our world-class portfolio and the attractive market outlook ensures Copper remains a key pillar of BHP Billiton

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Note: All measures calculated over the period FY13 to FY15.

1. Based on copper equivalent production calculated using FY13 average realised prices.
2. Represents Underlying EBIT divided by Net Operating Assets.

BHP Billiton Investor Briefing, Copper Overview
December 2015
Industry fundamentals are attractive

**Modest surplus in the short term**

- Demand growth moderating due to economic rebalancing in China
- Limited reaction from higher-cost supply to weaker prices

**Fundamentals expected to support higher long-run prices**

- Compelling long-term growth in global demand
- Structural supply deficit expected
  – declining grades at current operations
  – greenfield projects restricted by geopolitical challenges and social tensions
  – insufficient high-quality discoveries
- Industry-wide challenges expected to support attractive margins for those with competitive cost position

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**Deficit expected to emerge at the end of the decade**

Copper, Mt

![Graph showing deficit expected to emerge at the end of the decade](image)

**Industry-wide challenges expected to maintain shape of the cost curve in the long run**

C1 cash cost, copper US$/lb

![Graph showing industry-wide challenges expected to maintain shape of the cost curve in the long run](image)

**Cumulative production**

![Graph showing cumulative production](image)

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Source: BHP Billiton analysis; Wood Mackenzie.

1. Production from base case and highly probable projects.

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December 2015
Supply challenges support long-run prices

• Grade decline from aging orebodies and longer cycle times expected to impact the cost of global supply
  – industry grades expected to decline by 17% over the next decade

• Desalinated water and pumping capacity requirements will add margin pressure in Chile
  – sea water now provides ~16% of total industry requirements
  – sea water use expected to quadruple by CY25 representing ~50% of total water usage

• Labour productivity in Chile and Australia remains a key challenge
  – industry-wide labour productivity has decreased by >20% over the last decade

• Our proactive approach to address these challenges will provide a competitive advantage

1. Based on average grade weighted by paid copper.

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December 2015
A simple portfolio of large, long-life assets

A portfolio of some of the largest assets…
FY15 attributable copper production, Mt

…with significant growth upside
Net equity ownership resources\(^1\), Bt

1. Net equity ownership of total Mineral Resources (inclusive of Reserves).
2. Classified Mineral Resources on a 100% basis. Total Resources rounded to the third significant figure. A complete breakdown by Resource classification is provided on slide 4.
3. Excludes 2.3 Bt Mineral Resources declared for Spence Hypogene.
4. Excludes combined 7.9 Bt of Mineral Resources declared for Pampa Escondida, Pinta Verde and Chimborazo.
Our strong margins have significant upside

- We are competitively placed on the cost curve
  - steep tail underpins attractive margins for low-cost producers in the long term
- We will further improve our cost competitiveness despite industry challenges
  - productivity efforts are reducing costs across all our assets
  - Escondida’s three concentrator strategy sustains its cost position despite grade decline and increasing key input costs
  - SGO delivers a competitive cost structure over a longer life at Spence
  - shift to SMA significantly reduces unit costs at Olympic Dam
- Targeting unit costs of US$1.08/lb\(^1\) by FY17
  - 34% reduction since FY12

Further improving our cost competitiveness
CY15, C1 cash costs, copper US$/lb

Source: C1 cost curve based on Wood Mackenzie data for peers and BHP Billiton data for own assets.
1. Unit cash costs presented net of one-off items, by-product credits, freight and TCRCs for operated copper assets (Escondida, Pampa Norte, Olympic Dam).
Our differentiated water and power solutions

• Our proactive approach to securing sustainable water and power supply will emerge as a key competitive advantage

• Our water strategy balances our requirements with sustainable use of aquifers
  – we are optimising water recovery from our concentrator process with a targeted 30% reduction in fresh water consumption
  – EWS¹ is 67% complete and will enable transition from ~10% to >40% use of desalinated water by FY18

• Kelar will provide 517 MW of gas-fired power and secure our long-term supply needs in a more sustainable way while providing flexibility
  – can support expansion options at Escondida and Pampa Norte
  – 83% complete and on track to be commissioned in H2 CY16

1. EWS: Escondida Water Supply project.

BHP Billiton Investor Briefing, Copper Overview
December 2015
Our differentiated approach to productivity

• We have embedded US$3.2 billion of annualised productivity gains since FY12
• We are methodically re-setting our cost structure through a bottom-up process
  – underpinned by our common operating model and systems
• Our simple approach to productivity enables continuous safe and sustainable improvement
  – understanding the key value and cost drivers
  – using benchmarks and knowledge sharing to identify the gaps
  – executing the required changes safely and sustainably

1. Reported Underlying EBIT excludes Other and Third Party Products.

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December 2015
Escondida

- 7% reduction in unit costs at Escondida to US$1.01/lb\(^1\) in FY15
  - supported by operational improvements, supply optimisation and labour productivity
- Grade adjusted unit costs expected to decline a further 14% in FY16\(^2\)
  - an additional 7% reduction anticipated in FY17\(^2\)

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1. Unit cash costs presented net of one-off items, by-product credits, freight and TCRCs. Relative to FY14. FY15 one-off items relate to the implementation of the Escondida voluntary redundancy program which is expected to reduce employee head count by >20%.
2. FY16 and FY17 unit costs presented on a FY15 grade-equivalent basis; unit costs prior to grade adjustment of US$1.21/lb in FY16 and US$1.08/lb in FY17; exchange rates of USD/CLP 702 in FY16e and 729 in FY17e.
3. Full time equivalent (FTE) employees and contractors.
Step change in productivity across all assets

Pampa Norte
- Significantly reduced unit costs at Spence
  - targeting a 10% reduction to US$0.87/lb by FY17¹
  - dry plant throughput expected to increase 20% to 56 ktpd by FY16¹
- Improving competitiveness at Cerro Colorado
  - targeting a 10% reduction to US$1.91/lb by FY17¹
  - supported by increased throughput as well as contractor and labour productivity

Olympic Dam
- ~48% reduction in unit costs to US$1.00/lb in FY17²
  - labour efficiencies and contract and supply renegotiations

1. Relative to FY15. Unit cash costs presented net of one-off items and freight with sales volumes adjusted for impact of intercompany sales and purchases. Based on exchange rates of USD/CLP 702 in FY16e and 729 in FY17e.
2. Relative to FY15. Unit cash costs presented net of by-product credits. Based on exchange rates of AUD/USD 0.73 in FY16e and 0.72 in FY17e.

BHP Billiton Investor Briefing, Copper Overview
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Releasing latent capacity at low cost

**Escondida**

- ~1.2 Mtpa average production capacity for a decade from FY16
  - guidance maintained at 940 kt in FY16
  - ~15% production uplift expected in FY17
  - no new major capital required for a decade
  - grades recover to ~1% in the early 2020s
- OGP1 concentrator achieved mechanical completion in May 2015
  - reaching full production during FY16
- EWS on schedule for completion in CY17
  - supports three concentrator strategy
- Working to extend the life of Los Colorados to at least FY30
  - supports a 70% uplift in throughput to 375 ktpd at very low capital intensity

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1. Subject to Escondida Owners Council approval.
2. Three concentrators with potential to increase throughput capacity to ~375 ktpd relative to the 220 ktpd average achieved in FY14.
3. Excludes maintenance and minor and improvement capital.
Releasing latent capacity at low cost

Olympic Dam

• Access to higher-grade SMA ore optimises utilisation of existing surface infrastructure
  – low-cost acceleration of drilling plans
  – will support copper grades >2.2% from FY21
  – potential to achieve average utilisation of ~220 ktpa capacity over the next decade

Spence Recovery Optimisation Project

• Low capital intensity project to accelerate heap leach kinetics
  – increases leach pad utilisation and improves recoveries by 12 percentage points
  – can support tankhouse capacity of ~200 ktpa between FY16 and FY19
  – grades expected to average ~0.7% for remaining mine-life of supergene to mid 2020s
Releasing latent capacity at low cost

Total production expected to return to 1.7 Mt by FY17

<table>
<thead>
<tr>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16e</th>
<th>FY17e</th>
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<tr>
<td>1.25</td>
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Unit costs expected to decline to US$1.08/lb by FY17

<table>
<thead>
<tr>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16e</th>
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<td>0.95</td>
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<td>1.05</td>
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</tbody>
</table>

1. Unit cash costs presented net of one-off items, by-product credits, freight and TCRCs for operated copper assets (Escondida, Pampa Norte, Olympic Dam).

BHP Billiton Investor Briefing, Copper Overview
December 2015
A compelling long-term growth pipeline

**Spence Growth Option**

- Development of the 2.3 Bt hypogene resource
- The project has advanced to feasibility with final Board review expected in 18 months
  - potential to start production in FY20
- Competitive capital cost estimate of less than US$2.2 billion will support attractive returns\(^1\)
  - construction of a 95 ktpd concentrator
  - supergene leaching continues until ~FY25 supplemented by low-grade hypogene leaching from early 2020s
  - potential to deliver incremental copper capacity of ~200 ktpa in the first 10 years
- Outsourcing options being assessed for development of desalination plant
- Attractive copper and molybdenum grades will support solid second segment C1 cost position

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1. Excludes desalination plant.
2. Solvent extraction and electrowinning.
A compelling long-term growth pipeline

**Olympic Dam Underground Expansion**

- Underground expansion to increase ore hoisted to ~20 Mtpa through an additional shaft
- Potential to deliver ~450 ktpa\(^1\) of total copper production from CY25
- First segment C1 cost position post by-product credits
- Includes a capital-efficient heap leach stream operating in parallel with current concentrator and uranium leach operations
- Progressing to pre-feasibility in CY17 subject to internal approval
- Maintains longer-term optionality for open-pit development

\(^1\) ~750 ktpa on a copper equivalent basis (including gold, silver and uranium by-products).

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Working to expand our long-term options

**Exploration**

- Increasing our long-term copper options is a strategic priority
  - greenfield exploration budget of US$65 million for FY16

- Greenfield exploration targeting Tier 1 discoveries in the Americas

- Safe, focused and disciplined programs governed by strong frameworks
  - >70% reduction in operational costs since FY13 supported by drilling efficiencies

**Resolution (BHP Billiton 45%, Rio Tinto 55%)**

- Significant long-term growth option as one of the best undeveloped copper deposits in the world

- Focused on optimising value through active engagement with our joint venture partner

Our exploration program is focused on the Americas

- Exploration offices
- Porphyry copper belts
Key themes

• We value safe and sustainable operations above all else

• Attractive fundamentals expected to support long-term prices
  – robust long-term demand growth and industry-wide supply challenges point to structural deficit

• We have the largest resource base
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• World-class operating capability
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  – SGO\(^2\) advanced to feasibility with potential first production in FY20
  – creating staged optionality for substantial long-term growth at Olympic Dam

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Copper Marketing
Attractive industry fundamentals

Vicky Binns, Vice President Marketing, Copper
Andrew Arthur, Vice President Strategy and Development, Copper
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Key themes

• Our proprietary view on the copper market is supported by deep fundamental analysis

• Robust copper demand expected from China and non-OECD countries
  – copper demand is sustained across the economic development cycle
  – continued displacement of copper through substitution is a risk

• Supply is increasingly challenged
  – current production battling falling grades, disruptions and delays
  – future production expected to require significant infrastructure investment

• Forecast near-term oversupply expected to transition to a structural deficit from FY19

• We are increasing transparency and capturing full value-in-use for our products
Our copper market analysis is rigorous

• Our outlook is based on a granular understanding of key global trends
  – sectoral consumption patterns
  – technological innovation
  – evolving policy landscape
• Proprietary analysis underpins our understanding of market dynamics
  – product substitution and recycling
  – mine by mine production and cost profiles over time
  – timing, capex and capacity of new sources of supply

Copper demand analysis – driver tree

Example breakdown for power sector
China is rebalancing towards sustainable growth

**Short term**
- Expecting a trade-off between growth and government reforms in CY16
- Growth target for the 13th Five Year Plan for period CY16-CY20 expected to be ~6.5% per annum

**Longer term**
- We expect China will continue to rebalance to slower, more sustainable growth
  - consumption and services oriented
- Economic reform is crucial
  - social, State-Owned Enterprise (SOE) reforms and financial liberalisation

Source: CEIC, IHS World Industry Services.

BHP Billiton Investor Briefing, Marketing
December 2015
China’s shift to consumption supports copper demand

- Continued urbanisation and greater prosperity…
  - a further 240 million people are expected to urbanise by CY30
  - growing middle class will increase consumption
- …driving copper demand from all sectors of the economy
  - refurbishment and fit out of new and existing housing
  - increasing penetration of consumer durables and passenger cars
  - expansion and upgrade of power infrastructure

Copper intensity expected to increase in China

Copper demand expected to rebalance with economy

Source: United Nations; Wood Mackenzie; BHP Billiton analysis.
1. Purchasing Power Parity (PPP).

BHP Billiton Investor Briefing, Marketing
December 2015
China’s consumption of primary copper is increasing

• China will continue to require additional primary units
  – primary copper consumption is expected to grow by ~2% per annum to CY30

• An increasing share of China’s demand is expected to be satisfied by scrap
  – currently ~30% of copper consumed
  – potentially rising to >35% by CY30

• We analyse Chinese scrap availability in depth
  – scrap generation is a function of product life-cycle and recycling rates
  – scrap availability forecast to increase by 3-4% per annum to CY30
  – market to remain price sensitive

Source: Wood Mackenzie; Antaike; ICA; Fraunhofer ISI; BHP Billiton analysis.

BHP Billiton Investor Briefing, Marketing
December 2015
Consumption growth ex-China remains robust

- Total demand in non-OECD countries is expected to grow at ~3.6% per annum to CY30
  - infrastructure build-out is a key government focus in India
  - substantial scope for urban development in other developing countries such as Indonesia and Vietnam
- Total demand in OECD countries is expected to fall ~0.6% per annum to CY30
  - renewables and growing penetration of electric vehicles are likely to support demand

BHP Billiton Investor Briefing, Marketing
December 2015
Opportunities and threats to copper demand

• Copper demand is resilient across different scenarios, including a low-carbon environment
  – rising demand for energy efficient technologies
  – copper-intensive solutions in the power and machinery sectors
• Substitution risks from aluminium in power cable and other end-use products
  – growing acceptance of aluminium alloy cable (AAC) by Chinese grid companies
  – we assume 2-6% of total Chinese copper demand loss by CY30
  – International Copper Association (ICA) promoting copper power cable benefits

Long-term commodity demand range in a 2°C world
Index, central case = 100

Tracking substitution developments

- National codification
  • Chinese national standard is drafted and about to be released

- CNIA2 attitude
  • Promoting aluminium substitution to provide “solution for aluminium overcapacity”

- China’s grid attitude
  • Southern Grid endorsed usage of AAC
  • State Grid identified AAC as potential technology
  • One local cable maker affiliated with State Grid began to produce AAC

- Price difference
  • Metal cost 30-50% cheaper; however efficiency losses and higher installation/maintenance cost

Source: ICA; BHP Billiton analysis.
1. Relative to long-term demand in central case.
New copper supply growing in the near term…

• Projects executed in high price environment over the past decade are starting to ramp up
  – ~2.7 Mt of potential net additional output anticipated by CY17

• To date the supply response to lower prices has been limited
  – exchange rate movements have partially offset impact of falling prices on margins
  – cost saving initiatives and lower fuel prices have limited closures

• Mine disruptions and delays have provided some relief
  – primary mine disruptions are likely to exceed historical average this year
  – significant project delays

• Market expected to remain modestly oversupplied over the next few years

Source: Wood Mackenzie; BHP Billiton analysis.

BHP Billiton Investor Briefing, Marketing
December 2015
...but a significant structural deficit is forecast

- 2% annual potential supply reduction is expected following peak production in CY17, equivalent to ~400 kt per annum
  - grade has reduced by 19% since CY00
  - grades expected to decline a further 17% by CY25 due to maturing porphyry orebodies
- Depletion of current operations adds to supply decline
  - no significant new discoveries to offset impact of ageing orebodies
- A structural deficit is forecast to emerge towards the end of the decade
  - additional supply will be required to meet growing demand in the long run

Source: Wood Mackenzie; BHP Billiton analysis.
1. Based on average grade weighted by paid copper.

BHP Billiton Investor Briefing, Marketing
December 2015
Higher cost of new supply expected to support stronger long-term prices

• New supply expected to come from higher-cost projects facing increasing challenges
  – higher capital for infrastructure such as desalination capacity to manage water constraints in Chile
  – power and logistics will require significant investment (e.g. the African Copperbelt)
  – community opposition and permitting issues are making approvals increasingly difficult (e.g. Peru, Chile and USA)
  – location in higher-risk jurisdictions impacts execution timelines and requires higher returns

• These factors underpin higher project and expansion incentive prices in the long run

• Demand growth is expected to keep price in the steep part of the cost curve supporting high margins for low-cost producers

Source: Wood Mackenzie; BHP Billiton analysis.
1. Based on original expenditure and actual commissioning year.

BHP Billiton Investor Briefing, Marketing
December 2015
Increasing transparency to enhance value

- We continue to drive market transparency and improve price realisation
  - we report to price index providers to facilitate price transparency
  - shifting away from annual benchmark pricing for TCRCs\(^1\) and cathode premiums
  - increasing proportion of sales utilising short-term pricing mechanisms and spot terms

- Copper Marketing has identified ~15 value-accrative projects to support the productivity agenda
  - optimised vessel sizes and discharge ports added US$8.4 million in FY15
  - optimising cathode supply chain to reduce working capital by ~US$36 million in FY16

Copper TCRC indices outperforming benchmark

Treatment charge, US$/dmt

Source: Wood Mackenzie; CRU; Metal Bulletin; BHP Billiton analysis.
1. Treatment charge and refining charge.
2. Tonnage-weighted calculation of actual transactions normalised to a base specification and delivery point, using the value-in-use for materials applied by the market.

BHP Billiton Investor Briefing, Marketing
December 2015
Realising the fair value of our products

• The value of Escondida’s concentrate to customers depends on individual smelter constraints and our grade relative to others

• Value-in-use (VIU) is mainly determined by the composition of the copper concentrate
  – copper grade
  – slag to copper ratio
  – sulphur to copper ratio
  – impurities
  – precious metals

• We optimise grades and recoveries at Escondida based on key value-in-use drivers

Improving the understanding of our concentrate value
Escondida TCRC premium or discount by technology and blending

Lower slag improves smelter metal recoveries
Slag to copper ratio

1. Escondida copper concentrate TCRC premium or discount in relation to average concentrate qualities in the market based on internal VIU analysis for sample smelters.

BHP Billiton Investor Briefing, Marketing
December 2015
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Copper Financial Performance
Strong margins through the cycle

Graham Tiver
Vice President Finance, Copper
Disclaimer

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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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Key themes

• Our Copper Business delivers strong margins through the cycle
  – average Underlying EBIT margin of 37% over the last three years

• **Sustainable productivity gains**
  – offsetting grade decline and industry cost pressures
  – targeting unit costs of US$1.08/lb\(^1\) by FY17
  – >US$1 billion of supply savings expected by FY17\(^2\)

• **Improving capital efficiency to sustain current operations and enable future growth**
  – all opportunities that deserve investment are receiving capital
  – we continue to optimise maintenance and minor and improvement capital
  – our major growth options will benefit from attractive longer-term fundamentals

• **We have a platform for outstanding long-term cash flow generation**

---

1. Unit cash costs presented net of one-off items, by-product credits, freight and TCRCs for operated copper assets (Escondida, Pampa Norte, Olympic Dam).
2. Relative to FY14.

BHP Billiton Investor Briefing, Copper Finance
December 2015
A high-margin business with strong returns

- Over the last three years the Copper Business has delivered consistently strong results
  - average copper production of 1.7 Mtpa
  - average Underlying EBIT margin of 37%
  - average return on net operating assets of 20%¹
- EBIT contribution by asset is diversified by process, product and location
- Our major capital commitments are rolling-off supporting even greater cash flow flexibility
  - expenditure at Escondida expected to decrease to <US$400 million in FY17 from an average of US$1.7 billion over FY12-16²
  - OGP1 recently commissioned and EWS to be completed in CY17
  - continuing to improve the capital efficiency of SGO and the Olympic Dam Expansion

¹ Represents Underlying EBIT divided by Net Operating Assets.
² Excludes maintenance and minor and improvement capital.
³ Excludes ‘Other’ which includes division overheads; Escondida shown on BHP Billiton share basis.

BHP Billiton Investor Briefing, Copper Finance
December 2015
Mitigating lower grades and prices through productivity

- We are offsetting the impact of lower grades and prices through greater productivity
  - US$3.2 billion of annualised productivity gains since FY12

- Focused cost and productivity programs are delivering results across all our assets
  - employee and contractor productivity
  - price and demand led supply savings
  - plant and equipment utilisation

- Targeting a 34% reduction\(^1\) in unit cash costs at our operated assets between FY12 and FY17

- Higher volumes from the release of latent capacity will dilute our fixed cost base
  - three concentrator strategy at Escondida\(^2\)
  - recovery optimisation at Spence
  - Southern Mine Area at Olympic Dam

---

1. Unit cash costs presented net of one-off items, by-product credits, freight and TCRCs for operated copper assets (Escondida, Pampa Norte, Olympic Dam). Escondida grade adjusted to FY15.

2. Subject to Escondida Owners Council approval.

---

**Significant reduction in cash unit cost since FY12\(^1\)**

<table>
<thead>
<tr>
<th>Year</th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16e</th>
<th>FY17e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unit Cash Cost</td>
<td>1.63</td>
<td>1.41</td>
<td>1.39</td>
<td>1.10</td>
<td>1.27</td>
<td>1.08</td>
</tr>
</tbody>
</table>

**Driven by productivity led improvements\(^1\)**

- down 34%
Achieving significant cost efficiencies

• We expect our sustainable productivity programs to more than offset industry-wide cost pressures – we will improve our position on the cost curve

• We are moving more material at lower costs to offset grade decline
  – 27% increase in material movement from FY12 to FY17
  – cash costs per tonne of material mined are expected to decline ~40% from FY12 to FY17

• Our water and power solutions will enable increased throughput albeit at higher costs
  – electricity cost expected to increase ~10%\(^2\) by end of the decade at Escondida
  – average cost of water expected to increase ~35%\(^3\) by end of the decade at Escondida
  – pursuing opportunities to offset cost increases through mitigating strategies

---

1. Operated copper assets (Escondida, Pampa Norte and Olympic Dam).
2. Relative to FY15; Based on internal BHP Billiton price protocol.
3. Relative to FY15; Includes cost of electricity; From all sources: fresh, recovered and desalinated.

BHP Billiton Investor Briefing, Copper Finance
December 2015
A step change in people productivity

• All assets are delivering a step change in people productivity supported by FTE\(^1\) reductions in FY16\(^2\)
  – implementation of Voluntary Redundancy Program and contractor optimisation drives 28% reduction at Escondida
  – insourcing contractor activities will contribute to a net 19% reduction at Pampa Norte
  – 20% reduction expected at Olympic Dam
• Functional headcount expected to decline 45% by FY17 through simplification of support structures
  – delayering organisation levels
  – reviewing optimal span of control
  – aggregation of certain activities in Santiago
  – leveraging shared services

---

1. Full time equivalent (FTE) comprises employees and contractors at BHP Billiton operated assets.
2. Relative to FY14.
4. FY16 to FY17 driven by reduced Major Project activity.
>US$1 billion of supply savings by FY17

• We expect to achieve >US$1 billion of sustainable annualised supply savings by FY17\(^1\)
  – ~45% of targeted savings have been achieved as at 31 October 2015
  – further upside to come from a robust pipeline of opportunities

• We are resetting our cost base by challenging the status quo
  – ensuring our vendors are fully subscribed to our productivity agenda
  – switching to performance based vendor payment structures
  – exploring low-cost country sourcing opportunities

>US$1 billion reduction in external expenditure by FY17\(^1\)
(US$ billion)

Delivering tangible results

<table>
<thead>
<tr>
<th>Asset</th>
<th>Service</th>
<th>% Saving</th>
<th>How was this achieved?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Escondida</td>
<td>Maintenance contractor</td>
<td>53</td>
<td>Tool-time improvement and supplier consolidation</td>
</tr>
<tr>
<td>Escondida</td>
<td>Equipment rental</td>
<td>50</td>
<td>Cross-asset initiatives resulting in price saving and reduction in demand</td>
</tr>
<tr>
<td>Pampa Norte</td>
<td>Plant production services</td>
<td>39</td>
<td>Competitive bidding process</td>
</tr>
<tr>
<td>Olympic Dam</td>
<td>Consumable supplier</td>
<td>34</td>
<td>Low-cost country sourcing</td>
</tr>
</tbody>
</table>

1. Annualised basis relative to FY14.

BHP Billiton Investor Briefing, Copper Finance
December 2015
Maximising plant and equipment utilisation

- Our focus on maximising the underlying performance of our plant and equipment is delivering results
  - each incremental tonne further dilutes the fixed cost base and delivers a cash margin of ~70%\(^1\)
- Overall Equipment Effectiveness (OEE) improved for Ultra Class Trucks
  - fleet optimisation through monitoring truck queue and shovel wait time
  - larger, less frequent blasts
- OEE also improved for Semi Autogenous Grinding (SAG) mills
  - optimisation of maintenance strategies
  - adoption of advanced monitoring technology resulting in system stability improvements

1. Based on fixed/variable cost split of 48%:52%; exchange rates of USD/CLP 728 and AUD/USD 0.72; copper price of US$2.10/lb.
2. Operated copper assets (Escondida, Pampa Norte, Olympic Dam).

BHP Billiton Investor Briefing, Copper Finance
December 2015
Improving our capital efficiency

Maintenance capital
• We will not compromise the integrity of our plant and equipment
  – reduction in maintenance capital supported by improved equipment and people productivity

Minor and improvement capital
• We are unlocking latent capacity at very low capital intensity to deliver near-term growth
  – three concentrator strategy at Escondida
  – recovery optimisation at Spence
  – Southern Mine Area at Olympic Dam

Growth capital
• Escondida can maintain production for a decade with minimal capital following completion of EWS
• SGO now in feasibility with capital efficiency improving through each toll-gating phase

Improving the capital efficiency of SGO
Index, start early development=100

1. Operated copper assets (Escondida, Pampa Norte, Olympic Dam); minor and improvement includes Olympic Dam Major Smelter Works and infrastructure associated with the development of the Southern Mine Area at Olympic Dam; minor and improvement excludes underground mine development and open-cut deferred stripping.

BHP Billiton Investor Briefing, Copper Finance
December 2015
Contributing to our communities

• Our Copper Business is a substantial tax contributor
  – we are the largest private tax payer in Chile with US$1.1 billion paid in CY14
  – Olympic Dam pays royalties of ~US$60 million\(^1\) per annum to the State of South Australia
• Where possible we source products and services locally from our host communities
  – US$5.3 billion paid to suppliers in Chile during CY14 with 91% of all suppliers locally based
  – US$1.4 billion paid to suppliers in Australia during FY15 with US$0.4 billion spent within the State of South Australia
• BHP Billiton is committed to voluntarily contribute 1% pre-tax profits\(^2\) to support local communities
  – US$33 million invested in social projects within Chile in CY14

---

1. Average FY13 to FY15.
2. Average pre-tax profits in the previous three fiscal years.
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1. Unit cash costs presented net of one-off items, by-product credits, freight and TCRCs for operated copper assets (Escondida, Pampa Norte, Olympic Dam).
2. Relative to FY14.

BHP Billiton Investor Briefing, Copper Finance
December 2015
Appendix: Unit cash cost calculations

### Operated Copper unit costs (US$ million)

<table>
<thead>
<tr>
<th></th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16e</th>
<th>FY17e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>11,258</td>
<td>12,382</td>
<td>11,658</td>
<td>10,500</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Underlying EBITDA</td>
<td>5,125</td>
<td>6,261</td>
<td>5,838</td>
<td>5,106</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash costs (gross)</td>
<td>6,133</td>
<td>6,121</td>
<td>5,820</td>
<td>5,394</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less: one-off items</td>
<td>206</td>
<td>103</td>
<td>-</td>
<td></td>
<td>188</td>
<td></td>
</tr>
<tr>
<td>Less: by-product credits</td>
<td>813</td>
<td>795</td>
<td>658</td>
<td>596</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less: freight</td>
<td>132</td>
<td>159</td>
<td>159</td>
<td>132</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less: treatment and refining charges</td>
<td>218</td>
<td>300</td>
<td>341</td>
<td>474</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash costs (net)</td>
<td>4,763</td>
<td>4,764</td>
<td>4,662</td>
<td>4,004</td>
<td>4,004</td>
<td></td>
</tr>
<tr>
<td>Sales (kt)¹</td>
<td>1,325</td>
<td>1,531</td>
<td>1,525</td>
<td>1,644</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash cost per pound (US$)</td>
<td>1.63</td>
<td>1.41</td>
<td>1.39</td>
<td>1.10</td>
<td>1.27</td>
<td>1.08</td>
</tr>
<tr>
<td>Escondida grade adjustment²</td>
<td>(0.20)</td>
<td>0.01</td>
<td>(0.07)</td>
<td>Base year</td>
<td>(0.26)</td>
<td>(0.20)</td>
</tr>
<tr>
<td>Adjusted cash cost per pound (US$)</td>
<td>1.43</td>
<td>1.42</td>
<td>1.32</td>
<td>1.10</td>
<td>1.01</td>
<td>0.88</td>
</tr>
</tbody>
</table>

### Escondida unit costs (US$ million)

<table>
<thead>
<tr>
<th></th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16e</th>
<th>FY17e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>6,960</td>
<td>8,596</td>
<td>8,085</td>
<td>7,819</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Underlying EBITDA</td>
<td>3,654</td>
<td>5,175</td>
<td>4,754</td>
<td>4,064</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash costs (gross)</td>
<td>3,306</td>
<td>3,421</td>
<td>3,331</td>
<td>3,755</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less: one-off items</td>
<td>171</td>
<td>103</td>
<td>-</td>
<td></td>
<td>188</td>
<td></td>
</tr>
<tr>
<td>Less: by-product credits</td>
<td>252</td>
<td>211</td>
<td>175</td>
<td>177</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less: freight</td>
<td>115</td>
<td>142</td>
<td>139</td>
<td>117</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less: treatment and refining charges</td>
<td>218</td>
<td>300</td>
<td>341</td>
<td>474</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash costs (net)</td>
<td>2,549</td>
<td>2,665</td>
<td>2,676</td>
<td>2,799</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales (kt)¹</td>
<td>863</td>
<td>1,130</td>
<td>1,116</td>
<td>1,259</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash cost per pound (US$)</td>
<td>1.34</td>
<td>1.07</td>
<td>1.09</td>
<td>1.01</td>
<td>1.21</td>
<td>1.08</td>
</tr>
<tr>
<td>Escondida grade adjustment²</td>
<td>(0.24)</td>
<td>0.01</td>
<td>(0.08)</td>
<td>Base year</td>
<td>(0.34)</td>
<td>(0.27)</td>
</tr>
<tr>
<td>Adjusted cash cost per pound (US$)</td>
<td>1.10</td>
<td>1.08</td>
<td>1.01</td>
<td>1.01</td>
<td>0.87</td>
<td>0.81</td>
</tr>
</tbody>
</table>

1. Sales volumes adjusted for impact of intercompany sales and purchases.
2. Escondida sales volumes grade adjusted to FY15.

BHP Billiton Investor Briefing, Copper Finance
December 2015
Olympic Dam
Realising our full potential

Daniel Malchuk
President, Copper
Disclaimer

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<th>FY15 ROM production (Mt)</th>
<th>BHP Billiton interest (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Copper</td>
<td>Olympic Dam</td>
<td>Sulphide</td>
<td>1,330 @ 0.96% Cu, 0.29kg/t U₃O₈, 0.40g/t Au, 2g/t Ag</td>
<td>4,610 @ 0.79% Cu, 0.24kg/t U₃O₈, 0.32g/t Au, 1g/t Ag</td>
<td>4,120 @ 0.71% Cu, 0.25kg/t U₃O₈, 0.24g/t Au, 1g/t Ag</td>
<td>9¹</td>
<td>100</td>
</tr>
</tbody>
</table>

1. Represents total material mined instead of processed to account for unplanned mill outage.
Key themes

• Creating safe and stable operations with a focus on material risk management

• We are releasing latent capacity through low-risk, capital-efficient underground expansions
  – accessing the Southern Mine Area (SMA) will enable full utilisation of smelter and refinery
  – ~200 ktpa of copper production expected from FY16 to FY18
  – ~220 ktpa of copper production capacity by FY19
  – near-term expansions maintain long-term optionality

• We are resetting our cost base through higher volumes and greater efficiencies
  – total cost reduction of >US$400 million expected to support US$1.00/lb by FY17\(^1\)

• Our world-class orebody provides substantial growth optionality for decades
  – ~450 ktpa of copper production capacity from CY25 with first segment unit costs through potential heap leach technology

---


BHP Billiton Investor Briefing, Olympic Dam
December 2015
Relentless focus on safety

- Tragically we lost one of our colleagues in FY15
- We have intensified our efforts to enhance our material risk management systems
  - improving incident investigation for significant events with serious potential
  - identifying and assessing all fatality risks with controls implemented and verified
  - shaping the culture to effectively reinforce safe behaviours

1. Total Recordable Injury Frequency (TRIF).
2. Incidents with uncontrolled release of energy.

BHP Billiton Investor Briefing, Olympic Dam
December 2015
Making a positive contribution

Environment

- 60 square km conservation and research Arid Recovery initiative adjacent to Olympic Dam
  - four species of locally extinct mammals have been reintroduced
- Evaluating technologies that could lead to step reductions in greenhouse gas emissions

Community

- Locally focused community-driven partnerships
  - education and health initiatives improving quality of life
  - ~US$426 million of expenditure in FY15 with local suppliers, including ~US$6 million with indigenous businesses
  - we have an indigenous employment program and 130 aboriginal employees

Olympic Dam greenhouse gas emissions

<table>
<thead>
<tr>
<th>Year</th>
<th>CO₂ emissions, kt</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY12</td>
<td>900</td>
</tr>
<tr>
<td>FY13</td>
<td>800</td>
</tr>
<tr>
<td>FY14</td>
<td>700</td>
</tr>
<tr>
<td>FY15</td>
<td>600</td>
</tr>
</tbody>
</table>

Education partnership fosters local education

BHP Billiton Investor Briefing, Olympic Dam
December 2015
A Tier 1 Resource

• An attractive 10 Bt poly-metallic Resource\(^1\)
  – fifth largest copper deposit in the world
  – largest uranium deposit
  – third largest gold deposit

• Sublevel open stoping underground mine allows selective access to specific grades

1. A breakdown by Resource classification is provided on slide 3.
Unlocking Resource potential starts with operational stability

- Surface operations geared to production capacity of ~220 ktpa of copper
  - milling processes are stable with a focus on improving uptime
  - concentrate blending and burner modifications have improved smelting capability
  - operational stability will further benefit from expected higher feed rates and higher Cu:S ratio\(^1\)

- We have significantly improved the productivity of our underground equipment
  - improved Reserving parameters supports mine plan optimisation

1. Improvements in copper to sulphur ratio (Cu:S) increase efficiency of the smelting process.
Continued improvements in productivity

• ~40% more units of copper per employee in FY16 YTD with further improvements planned\(^1\)
  – targeting ~50% by FY17\(^1\)
• Manufacturing process rigour will underpin improved operational performance
  – targeting ~57% improvement in truck productivity by FY17\(^1\)
  – targeting ~20% improvement in production drilling by FY17\(^1\)

1. Relative to FY14.
2. Metres advanced per jumbo; tonnes moved per kilometre per hour by truck.

BHP Billiton Investor Briefing, Olympic Dam
December 2015
A staged approach delivering more value

Delivering value from our installed infrastructure
Near-term copper production guidance and aspirational capacity, ktpa

1. Debottleneck underground mine
2. Fully utilise smelter and refinery
3. Potential debottlenecking
4. Potential to double capacity

Optimisation
- Restoring stability and improving efficiency and productivity
- Accelerating material moved with underground infrastructure
- Accessing the SMA to increase contained metal supply
- Resetting our cost base

Further optimisation
- Potential to increase capacity through minor debottlenecking investment

Longer-term options
- Underground expansion
- Staged or up-front investment
- Heap leaching technology
- Preserving optionality for open pit

1. Represents actual production for FY12-FY15 (adjusted for FY15 mill outage), extrapolated for FY16 and beyond (production guidance and aspirational capacity).
2. Subject to approval.

BHP Billiton Investor Briefing, Olympic Dam
December 2015
Rapidly expanding our mine footprint

• We are accessing the high-grade Southern Mine Area (SMA) which contains ~70% of the total Resource
  – expected increase in ore supply will move bottleneck to the smelter and refinery plants by FY18
• We expect to achieve successive records in material movement in FY16, FY17 and FY18
  – ~26% increase in mine development expected in FY16\(^1\)
  – fully utilising our two ore hoisting systems with a combined nominal capacity of 10.5 Mtpa

1. Relative to FY14.
2. Northern Mine Area (NMA).
3. Underground material movement including NMA and waste material.

BHP Billiton Investor Briefing, Olympic Dam
December 2015
Delivering more metal production capacity

• Accessing the SMA and shifting the bottleneck to the plant supports higher forecast metal production
  – ~200 ktpa copper production from FY16
  – ~220 ktpa copper production capacity by FY19
  – ~20% lift in copper grade to >2.2% from FY21\(^1\)
  – ~18% improvement in Cu:S ratio from FY21\(^1\)

• Our current surface infrastructure can sustain strong production at these rates for decades

Significant improvements in copper production

<table>
<thead>
<tr>
<th></th>
<th>Production, ktpa</th>
<th>Copper grade, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY12</td>
<td>100</td>
<td>1.8</td>
</tr>
<tr>
<td>FY13</td>
<td>125</td>
<td>2.0</td>
</tr>
<tr>
<td>FY14</td>
<td>150</td>
<td>2.1</td>
</tr>
<tr>
<td>FY15</td>
<td>175</td>
<td>2.3</td>
</tr>
<tr>
<td>FY16e</td>
<td>200</td>
<td>2.4</td>
</tr>
<tr>
<td>FY17e</td>
<td>220</td>
<td>2.3</td>
</tr>
</tbody>
</table>

1. Relative to FY14.

BHP Billiton Investor Briefing, Olympic Dam
December 2015
Transitioning a Tier 1 Resource into a Tier 1 operation

• Higher metal volumes will dilute our fixed cost base

• Expect to reduce unit cash costs by ~34% in FY16\textsuperscript{1}
  – targeting a position near the first segment of the cost curve in the short term

• Transforming our cost base with an expected total reduction of >US$400 million by FY17\textsuperscript{1}
  – targeting unit cash costs of US$1.00/lb\textsuperscript{2}
  – >US$120 million cost saving through 36% workforce reduction
  – >US$30 million cost saving through insourcing of mine development activities

1. Relative to FY15.
2. Unit cash costs presented net of by-product credits. Based on exchange rates of AUD/USD 0.73 in FY16e and 0.72 in FY17e.

BHP Billiton Investor Briefing, Olympic Dam
December 2015
Substantial long-term growth optionality

• Underground expansion expected to double ore hoisting capacity through an additional shaft
  – potential to deliver ~450 ktpa\(^1\) of copper production capacity from CY25
  – considering staged investment approach to optimise capital efficiency
  – progress to pre-feasibility in CY17, subject to internal approval
  – first segment C1 cost position post by-product credits
  – preserving optionality for open pit scenarios
• Encouraging test results from ongoing large-scale integrated heap leach pilot plant
  – conclusive results expected in FY19

1. ~750 ktpa on a copper equivalent basis (including gold, silver and uranium by products).

BHP Billiton Investor Briefing, Olympic Dam
December 2015
Key themes

• Creating safe and stable operations with a focus on material risk management

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  – total cost reduction of >US$400 million expected to support US$1.00/lb by FY171

• Our world-class orebody provides substantial growth optionality for decades
  – ~450 ktpa of copper production capacity from CY25 with first segment unit costs through potential heap leach technology

Antamina
A safe and highly productive Tier 1 asset

Andrew Arthur
Vice President Strategy and Development, Copper
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BHP Billiton Investor Briefing, Antamina
December 2015
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Antamina</td>
<td>Sulphide</td>
<td>247@ 0.91% Cu, 11g/t Ag, 0.7% Zn, 280 ppm Mo</td>
<td>848@ 0.89% Cu, 10g/t Ag, 0.9% Zn, 200 ppm Mo</td>
<td>1.280@ 0.88% Cu, 11g/t Ag, 0.7% Zn, 170 ppm Mo</td>
<td>58</td>
<td>33.75</td>
<td></td>
</tr>
</tbody>
</table>
Key themes

• Outstanding safety performance supported by continuous improvement in material risk management

• Strong relationships with government and community

• Asset quality and leading cost curve position supports strong margins
  – copper unit cash cost of US$0.56/lb\(^1\) expected in FY16
  – FY16 production guidance of ~402 kt of copper and 106 kt of copper equivalent by-products\(^2\)

• World-class orebody with medium and long-term development options
  – high-grade 2.4 Bt resource expected to support >40 years of mining operations

---

1. C1 cost. Including zinc, silver, molybdenum and lead by-product credits.
2. 100% basis. Copper equivalent calculation using LME and Perth Mint prices as of 21 September 2015.

BHP Billiton Investor Briefing, Antamina
December 2015
A world-class orebody

- Antamina is among the world’s largest copper deposits
- Polymetallic skarn orebody (copper, zinc, molybdenum, silver and lead)
  - Resources of ~2.4 Bt\(^1\)
    - 0.89% copper and 0.75% zinc\(^2\)
- Independently operated by Compañía Minera Antamina
- Joint venture partners
  - BHP Billiton 33.75%
  - Glencore 33.75%
  - Teck Resources 22.50%
  - Mitsubishi Corporation 10.00%

1. Mineral resource inclusive of reserves.
2. June 2015 BHP Billiton resource and reserve declaration.

BHP Billiton Investor Briefing, Antamina
December 2015
Our safety and risk management focus

• TRIF\(^1\) consistently <2.0 over the last five years
  – CY15 YTD at ~2.2 with two lost time injuries\(^2\)
• Continued enhancement of mature risk management processes
  – independent verification of Antamina’s risk management process
  – adoption of best practices in material risk management with support from BHP Billiton
  – implementation of performance standards and field verifications of critical controls
  – focus on high potential incidents and quality of investigations
  – critical risk training for all employees and contractors
  – extending safety culture to the families of employees

1. Total Recordable Injury Frequency (TRIF).
2. Occurrences that resulted in loss of productive work as of 31 October 2015.

BHP Billiton Investor Briefing, Antamina
December 2015
Environmental and social responsibility

Environment

• Antamina recognised for “Environmental Protection Efforts”\(^1\)

• Industry-leading water practices
  – recycling 99.3% of process water, targeting 100% by CY17

Community

• Recognised as one of the most respected companies in Peru\(^2\)

• Committed to sustainable development of local communities
  – proactive and consultative engagement with local communities

• Antamina is important to the development of Peru
  – US$420 million contributed to local communities from CY06 to CY14
  – contributed 6% of national income tax revenues\(^3\)

1. Recognised by Peru’s National Society of Mining, Petroleum and Energy.
2. PricewaterhouseCoopers Las Empresas Mas Admiradas del Peru 2014.
3. Total Mining Corporate Income Tax (3\(^{rd}\) category) and Corporate Income Tax (3\(^{rd}\) category) paid in 2013, including regularisations collected by the National Customs and Tax Administration Authority (SUNAT).
A world class operation

• Commenced mining in 2001 with resources expected to support >40 years of mining operations

• Copper and zinc concentrate produced in one concentrator plant
  – molybdenum and lead concentrates and silver credits add incremental value

• Current equipment capacity optimised to realise average mill feed of ~145 ktpd

• Wholly-owned pipeline and port infrastructure guarantees access and minimises risks
Benchmark plant and equipment productivity

- Antamina has increased crusher throughput from 130 ktpd to 145 ktpd for minimal capital
  - potential to realise >165 ktpd based on recent performance
  - record throughput expected in CY15
- Availability and utilisation metrics for mine fleet at internal benchmark levels in Copper
  - OEE\(^1\) for Komatsu 930 haul truck fleet of 71%
  - OEE\(^1\) for P&H 4100 shovel fleet of 74%
  - expect to achieve record material moved in CY15

---

1. Overall equipment effectiveness (OEE).

BHP Billiton Investor Briefing, Antamina
December 2015
Transition to higher grades further supports production

- Production guidance\(^1\) for FY16 of ~402 kt of copper and 106 kt of by-products
  - copper grade expected to increase from 0.77% in FY15 to 0.92% in FY16
  - copper grades will average 0.94% over the next five years
  - zinc grades will average 0.97% over the next five years, increasing from 0.59% in FY16

---

1. 100% basis. Copper equivalent calculation using LME and Perth Mint prices as of 21 September 2015.

BHP Billiton Investor Briefing, Antamina
December 2015
Strongly positioned on the cost curve

- Antamina is well positioned at the bottom of the cost curve
  - significant by-product credits from zinc and silver
  - C1 cost of US$0.56/lb expected in FY16\(^1\)
  - strong earnings and margin generation, although historic margins under pressure
- Cost-saving initiatives have removed ~US$385 million since CY14
  - renegotiation of contracts with suppliers and strategic partners
  - organisational restructure and headcount reduction
  - capital savings or deferral

Source: C1 cost curve based on Wood Mackenzie data for peers and BHP Billiton data for Antamina.
1. Including zinc, silver, molybdenum and lead by-product credits.
Significant Resource potential

• High-grade 2.4 Bt Resource\(^1\)
  – 0.89% copper, 0.75% zinc, 11 g/t silver and 0.019% molybdenum
  – >40 years of mining operations expected

• Working to unlock medium and long-term development opportunities
  – considering simultaneous open pit life extension and underground operations
  – developing alternatives to address increasing haul distances and higher strip ratios
  – apparent continuity of mineralisation 1.5 km below current pit topography

Key themes

• Outstanding safety performance supported by continuous improvement in material risk management

• Strong relationships with government and community

• Asset quality and leading cost curve position supports strong margins
  – copper unit cash cost of US$0.56/lb\(^1\) expected in FY16
  – FY16 production guidance of ~402 kt of copper and 106 kt of copper equivalent by-products\(^2\)

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1. C1 cost. Including zinc, silver, molybdenum and lead by-product credits.
2. 100% basis. Copper equivalent calculation using LME and Perth Mint prices as of 21 September 2015.

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