Agenda

- Mining Area C Project
- Area C to Yandi Rail Project
- Products and Capacity Expansion (PACE) Project
- System Capacity Increases to 100Mtpa
- Long Term Expansion (LTE) Study
Area C/Yandi Rail $160M
Port Capacity Expansion $650M
Mining Area C $246M
PRODUCTS AND CAPACITY EXPANSION PROJECT
WESTERN STOCKYARD WORKS

STAGE 1
- Upgrade Conveyor CV704 to 10,000tph
- Install new HBI Conveyor P819. New Berth approach jetty and Conveyors P810, P811 and P812
- New 250,000dwt Berth D and 10,000tph Shiploader No 4
- New Western Stockyard 1.65Mt and Lump Re-screening Plant
- Water Supply upgrade (via Tunnel)
- Environmental Berm
## Asset Development Projects

### KPI’s

<table>
<thead>
<tr>
<th>Financial KPI’s</th>
<th>Mining Area C Project</th>
<th>PACE Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original Auth. Budget - 100% (AUD$M)</td>
<td>398</td>
<td>653</td>
</tr>
<tr>
<td>Current Auth. Budget - 100% (AUD$M)</td>
<td>406</td>
<td>647</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project Schedule KPI’s</th>
<th>Mining Area C Project</th>
<th>PACE Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rail 1st Ore</td>
<td>Nov-03</td>
<td>N/A</td>
</tr>
<tr>
<td>Ship 1st Ore from Finucane Island</td>
<td>N/A</td>
<td>Feb-04</td>
</tr>
<tr>
<td>Facility Handover to Operations</td>
<td>Dec-03</td>
<td>Mar-04</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project HSEC KPI’s</th>
<th>Mining Area C Project</th>
<th>PACE Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fatalities</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>LTIFR</td>
<td>&lt;2</td>
<td>&lt;2</td>
</tr>
<tr>
<td>Level 3 Environmental incidents</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Indigenous Employment (% of site hours)</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>IR Lost Time (% of total hours)</td>
<td>2-3%</td>
<td>2-3%</td>
</tr>
</tbody>
</table>

All projects are currently running ahead of schedule and under budget – in A$’s and in US$’s
## Asset Development Projects

**Schedule / Cost / Safety Performance**

### Project Milestones

<table>
<thead>
<tr>
<th>Milestone Description</th>
<th>Planned</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Approval</td>
<td>22 Mar 02</td>
<td>22 Mar 02</td>
</tr>
<tr>
<td>Complete Nelson Point Commissioning</td>
<td>26 Jul 03</td>
<td>17 Jul 03</td>
</tr>
<tr>
<td>Rail track available for Commissioning Train</td>
<td>1 Sep 03</td>
<td>16 Aug 03</td>
</tr>
<tr>
<td>Complete Commissioning – Area C</td>
<td>11 Sep 03</td>
<td>26 Aug 03</td>
</tr>
<tr>
<td>Rail 1st ore to Nelson Point from Area C</td>
<td>1 Oct 03</td>
<td>16 Aug 03</td>
</tr>
<tr>
<td>Ship 1st ore ex Nelson Point</td>
<td>31 Oct 03</td>
<td>24 Sep 03</td>
</tr>
<tr>
<td>New Shiploader delivered to Finucane Island</td>
<td>27 Nov 03</td>
<td>25 Oct 03</td>
</tr>
<tr>
<td>Ship 1st ore ex Finucane Island</td>
<td>28 Feb 04</td>
<td>26 Jan 04</td>
</tr>
</tbody>
</table>

### Current Budget and Progress

<table>
<thead>
<tr>
<th>Area</th>
<th>Current Budget</th>
<th>Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>Area C</td>
<td>245,780</td>
<td>99%</td>
</tr>
<tr>
<td>Rail</td>
<td>159,985</td>
<td>99%</td>
</tr>
<tr>
<td>PACE</td>
<td>647,179</td>
<td>70%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>1,052,944</td>
<td>85%</td>
</tr>
</tbody>
</table>

### Manhrs, LTI's, LTIFR, CI's, CIFR

<table>
<thead>
<tr>
<th>Area</th>
<th>Manhrs</th>
<th>LTI's</th>
<th>LTIFR</th>
<th>CI's</th>
<th>CIFR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Area C</td>
<td>1,092,152</td>
<td>1</td>
<td>0.9</td>
<td>4</td>
<td>3.6</td>
</tr>
<tr>
<td>Rail</td>
<td>1,109,200</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>1.8</td>
</tr>
<tr>
<td>PACE</td>
<td>1,674,192</td>
<td>0</td>
<td>0</td>
<td>7</td>
<td>4.2</td>
</tr>
<tr>
<td>TOTAL</td>
<td>3,875,544</td>
<td>1</td>
<td>0.2</td>
<td>13</td>
<td>3.4</td>
</tr>
</tbody>
</table>
Mining Area C Project
Screening Building
Mining Area C Project
Reclaimer
Mining Area C to Yandi Railroad Project
Bulk Earthworks – Cut 28

Length  390m  Depth  35m
Batter Angle  3:1
Mining Area C to Yandi Railroad Project
Yeerabiddy Creek

Height  45m

Fill Volume  440,000bcm

Culverts  5 No. 900dia x 165m long
Mining Area C to Yandi Railroad Project
Marillana Creek Bridge
1st train from Mining Area C – 16 August 2003
BHP Billiton Iron Ore

PACE Project

September 2003
BHP Billiton Iron Ore
Capacity Increases

September 2003
Port Capacity Improvements 81Mt ➔ 100Mt

- Original MAC/PACE announcement: 81 Mt
- OE & other initiatives: 5 Mt
- Conversion to wet metric tonnes: 6 Mt
- Goldsworthy tonnes: 8 Mt
- CY2004 port capacity: 100 Mt
BHPB WA Iron Ore System Capacity
77mt

System Capacity

wmt

0
100
95
90
85
80
75

Port
Rail
Mine

Finucane Island Boodarie Iron
Nelson Point
8mt
Nimingarra
Yarrie

PORT HEDLAND
HAMERSLEY RANGE
NEWMAN
Jimblebar

Yandi Mine
BHPB WA Iron Ore System Capacity

77mt ➝ 88mt

PACE 95mt Export + 5mt HBI

PORT HEDLAND
Nelson Point
8mt
Nimmingarra
80mt
2 rakes 7 sidings
8 locomotives

Tertiary crushing, screening, stockpiling & shipping

Finucane Island Boodarie Iron

Hamersley Range

Yarrie

Mining Area C 10mt

Jimbiebar

NEWMAN

Yandi Mine

Jimblebar

System Capacity

Port

Rail

Mine

0 100 200 300 400 500 600 700 800 900 1000
wmt

75 80 85 90 95 100

ADP Presentation – Analysts 12 Sep 03
BHPB WA Iron Ore System Capacity
77mt ➔ 92mt

- Port Hedland
- Nelson Point
- Finucane Island
- Boodarie Iron
- Jimblebar
- Newman
- Yandi Mine
- Yarrrie

- PACE
  95mt Export + 5mt HBI

- Tertiary crushing, screening, stockpiling & shipping
- 80mt conveyor + OHP (+3mt)

- Railway
  - 8 locomotives
  - 2 rakes, 7 sidings

- Transportation
  - 84mt conveyor + OHP (+3mt)
  - 1 rake

- Secondary crusher (+5mt)
- Mining Area C 10mt

- System Capacity Graph

BHPB WA Iron Ore System Capacity

77mt ➔ 92mt

PORT HEDLAND
Nelson Point
8mt
80mt
Finucane Island
Boodarie Iron
PACE 95mt Export + 5mt HBI

Tertiary crushing, screening, stockpiling & shipping

Conveyor + OHP (+3mt)

Yandi Mine
HAMERSLEY RANGE

Minning Area C 10mt

Secondary crusher (+5mt)

92mt
NEWMAN
Jimblebar

Goldsworthy closure FY05 ➔ FY06+ (-8mt capacity, mine, rail, wharf)

Yarrie

2 rakes 7 sidings
8 locomotives

84mt

84mt

1 rake
3 sidings

92mt

1 rake
3 sidings

Port Rail Mine

System Capacity

wmt

0 100

100 90 80 70 60 50 40 30 20 10 0

Port Rail Mine
Timing of Capacity increases

• Mining Capacity:
  - Additional 5Mt at Area C 1\textsuperscript{st} Qtr CY2004
  - Additional 3Mt at Yandi (IOWA) 1\textsuperscript{st} Qtr CY2004

• Rail Capacity
  - 2\textsuperscript{nd} rake (+ 4Mt) 4\textsuperscript{th} Qtr CY2003
  - 3\textsuperscript{rd} rake (+ 4Mt) 1\textsuperscript{st} Qtr CY2004
  - Extra 3 sidings (+ 4Mt) 1\textsuperscript{st} Qtr CY2004
  - 4\textsuperscript{th} rake (+ 4Mt) 2\textsuperscript{nd} Qtr CY2004
LTE PFS
Global Crude Steel Production – Base Case

Global Effective Capacity*

*Expected output 1yr after price rise

Source: WSD, BHPB

Rise of Europe
Rise of Japan
Rise of Other Asia
Rise of China

CIS/EE
China
ROW
EU
Japan
USA

Mt


Global Crude Steel Production – Base Case

Rise of Europe Rise of Japan Rise of Other Asia Rise of China

CIS/EE
China
ROW
EU
Japan
USA

Mt


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LTE PFS
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CIS/EE
China
ROW
EU
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USA

Mt


Global Crude Steel Production – Base Case

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Mt


Global Crude Steel Production – Base Case

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USA

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ROW
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Mt


Global Crude Steel Production – Base Case

Rise of Europe Rise of Japan Rise of Other Asia Rise of China

CIS/EE
China
ROW
EU
Japan
USA

Mt


*Expected output 1yr after price rise

Source: WSD, BHPB
Asian Seaborne Iron Ore Demand 1980 – 2001

Asia’s Iron Ore Imports

- Other Asia
- China
- Taiwan
- Korea
- Japan

Million WMT

Calendar Year

Step Jump in PRC Demand Post 99

Step Jump in PRC Demand Post 99


Japan

Korea

Taiwan

Other Asia

China
LTE PFS
Catalyst / Initiator

• Rapid, unprecedented and anticipated long-term sustainable increase in demand for Iron Ore that exceeds current supply capacity of major seaborne traders

• Growth centred on China

• Originally based on 120 Mtpa capacity with 40:40:40 split from Newman : Yandi : Area C. Expansion study will now consider possibilities closer to 140 Mtpa or beyond
LTE PFS
Purpose

To select a single go forward case for long term expansion based on 3 concept studies

Assessment of the concepts will be carried out on all parameters (not only NPV) in accordance with BHPBIO’s Investment System Standard for a PFS

![Diagram showing the relationship between PACE Stage 2 Concept Study, Spectrum Concept Study, and Long Term Expansion Pre-feasibility Study, leading to Case 1, Case 2, Case 3, and the Single Go-Forward Case.](image-url)
## LTE PFS

**The Cases**

<table>
<thead>
<tr>
<th>Case</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Case 1</td>
<td><strong>Two Flexible Ports</strong>&lt;br&gt;Based on a four car dumper / four berth port configuration at Port Hedland. Includes installation of Car Dumper 4 (CD4) and upgrading of Berth C at Finucane Island.</td>
</tr>
<tr>
<td>Case 2</td>
<td><strong>Three Independent Ports</strong>&lt;br&gt;Maintains three car dumpers and three export berths. The port material handling system is modified and expanded to maximise use of the three shiploading berths, by revising operating practices and dedicating stockyards to shiploaders.</td>
</tr>
<tr>
<td>Case 3</td>
<td><strong>Spectrum</strong>&lt;br&gt;Fundamentally changes the existing operation with crushing and screening of high grade ores undertaken at Newman. Lumps and fines for each product produced “on grade” at each mine hub.</td>
</tr>
<tr>
<td>Others</td>
<td>Hybrids adopting the best ideas in all options</td>
</tr>
</tbody>
</table>