Technology’s Role in the Development of Frontier Resources

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Non-GAAP Financial Information
BHP Billiton results are reported under International Financial Reporting Standards (IFRS). References to Underlying EBIT and EBITDA exclude net finance costs and taxation for jointly controlled entities, and exceptional items. A reconciliation to statutory EBIT is contained within the profit announcement, available at our website www.bhpbilliton.com.
The core strategy

- Large, long-life upstream assets with multiple options – that we operate
- Target organic growth opportunities that are material to BHP Billiton
- Balanced proven plays and frontier exploration
- Functional organizational model to achieve top quartile performance

Our competitive advantages

- Balance sheet strength of a super major, with the energy of a start-up
- Able to compete technically with super majors in chosen locations
- Industry leading geoscience imaging technology in deepwater subsalt
- Trusted and dynamic partner
- Quality of decisions versus competitors
Global Operational Presence Projects in Execution

- **Gulf of Mexico**
  - **Shenzi (44%)**: 100 kbd / 50 mmcmd deepwater development; 2 wells drilled & completed; 3rd well drilling. Start-up anticipated 1H CY09.
  - **Atlantis North (44%)**: 1-3 well subsea tie back to Atlantis South. Start-up anticipated H2 CY09.

- **Trinidad**
  - **Angostura Gas (45%)**: Gas field development. Start-up anticipated H1 CY11.

- **Western Australia**
  - **Pyrenees (71.43%)**: 96 kbd / 60 mmcmd FPSO development. FPSO conversion underway. Start-up anticipated H1 CY10.

- **UK**
  - **Trinidad**
  - **North West Shelf**
    - **Train V (16.67%)**: 4.4 mtpa LNG processing train. Start-up announced 1 September 2008.
    - **North Rankin B (16.67%)**: 2.5 bcf / 10 kbd gas facility. Start-up anticipated CY12.

- **Bass Strait**
  - **Kipper (32.5%)**: 80 mmcmd / 10 kbd condensate development. Subsea contracts executed. Start-up anticipated CY11.
  - **Turrum (50%)**: 200 mmcmd / 11 kbd condensate development. Start-up anticipated CY11.

Note: All production rates are gross production basis.
Operating Safely and Efficiently

Safety Record
- Achieved 100% reduction in LTIFR between FY07 and 1H FY09 – now at 0
- Negligible level of hydrocarbon releases

100,100,100
- Operated production uptime increasing year-over-year – now 92%
- Record production ramp-ups from new projects – Neptune, Stybarrow

Unit Cost Focus
- Unit operating costs holding steady at less than $6/boe
- Unit DD&A currently at ~$10/boe

Reserve Replacement
- >100% past two years

Peers: APC, APA, DVN, HES, WPL, MUR, TLM
Technologies for Frontier Resource Development

- Advanced Seismic Imaging
- Deepwater Drilling Performance
- Project Management
Advanced Seismic Techniques

Intense Focus on Data Acquisition

“Narrow azimuth data”, 1997/98 acquisition, 2005 state-of-the-art processing

“Rich azimuth data”, 2006 acquisition, 2008 state-of-the-art processing
Advanced Seismic Techniques

Constantly Challenging our Data Processing

- Strategic development partnerships with specialist processing vendors

Early 2008 Wave Equation Migration
Major Contractor

Late 2008 Beam Migration
Specialist BHP Billiton Petroleum-funded Contractor
Advanced Resistivity Techniques

Controlled Source Electro-Magnetic Surveying

- BHP Billiton Petroleum has rapidly developed capabilities in electro-magnetic surveying:
  - 50 years of experience in the mining industry being applied in Petroleum
  - In-house processing capability unique in companies of our size
  - First 3D geometry survey shot in partnership with major vendor in Malaysia
On average, it takes BHP Billiton less time to reach total depth than our competitors

- Rigorous well planning, geographic experience, and robust procedures

- Time = Cost

- Consistently reach target depth

- Committed rigs on contract to execute deepwater program

- Manage global drilling operations centrally

- Use “state of the art” completions technology - several of the longest frac pack intervals in GOM

GoM deepwater exploration and appraisal wells

(Days per 1000 ft drilled, Jan-2000 to Jul-2008)
### Centralized Development Organization – Exploit the Learning Curve

<table>
<thead>
<tr>
<th>Capability</th>
<th>FPSOs</th>
<th>Deepwater</th>
<th>LNG</th>
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<td>Developed</td>
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<td>Developed</td>
<td>Developing</td>
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- **Stybarrow** | **Pyrenees**
- **Neptune** | **Shenzi**
- **NWS (Train V – South West View)** | **Exmouth Plateau**
Neptune (35% Working Interest, BHP Billiton Operated)

Performance Highlights

- Tension leg platform and subsea wells
- 4,250ft water depth
- 50 kbpd and 50mmcfld capacity (gross)
- Hull remediation completed with no incidents
- Start-up July 2008; reached facility capacity in record time and continues to perform well
Shenzi (44% Working Interest, BHP Billiton Operated)

- TLP and subsea wells
- 4,300ft water depth – 2nd deepest TLP in the world
- 100 kbpd and 50mmcfd capacity (gross)
- Fabrication in progress; 6 wells drilled & completed; 7th well being drilled
- Start-up 1H CY09
Leading Edge Tension Leg Platform Experience

Source: Offshore Magazine / Mustang Engineering – 2007
Deepwater Solutions & Records for Concept Selection
Stybarrow (50% Working Interest, BHP Billiton Operated)

Performance Highlights

- Deepest disconnectable FPSO in the world
- Deepest offshore development in Australia
- Brought on-stream in November 2007 approximately two months ahead of schedule
- Achieved sustained production at design capacity of 80 kbpfd (gross)
- Record-setting single well flow rates of approximately 32 kbpfd
Pyrenees (71.43% Working Interest, BHP Billiton Operated)

Project overview
- FPSO and subsea wells
- 96 kbpd and 60 mmcf/d capacity (gross)
- FPSO conversion underway
- Drilling commenced January 2008
- Start-up H1 CY10
## Delivering Results

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<thead>
<tr>
<th>Financial Results for 1H09</th>
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<tr>
<td>Underlying EBIT of US$2.7bn, 23% of BHP Billiton, 82% year-on-year growth</td>
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<td>EBIT ROCE of 60.3%</td>
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<td>EBIT margin of 65.5%, consistently among highest in BHP Billiton</td>
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<tr>
<th>BHP Billiton Petroleum</th>
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<td>Functional business model has been established</td>
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<td>An experienced management team is in place and executing</td>
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<tr>
<td>The core strategy is clear and simple</td>
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<th>Performance</th>
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<td>Top quartile industry safety performance</td>
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<td>Produced 369 kboed in 1H09, 12% increase over 1H08</td>
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<td>90% production uptime in 1H09, 93% excluding GOM hurricanes</td>
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<td>Low cost operations</td>
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<td>Gas and LNG contract reopeners, coupled with new volumes, capture current prices</td>
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<th>Growth-Replenishment</th>
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<td>Capital expenditure of US$865M in 1H09, 17% of BHP Billiton</td>
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<td>Deep inventory of development projects</td>
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<td>Over 100% reserve replacement two years in a row</td>
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<td>Exploration portfolio has been rejuvenated with new acreage acquired</td>
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<td>Increased working interest equity and Operatorship</td>
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