



BHP Billiton Petroleum

Jefferies Energy Conference

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

Agenda



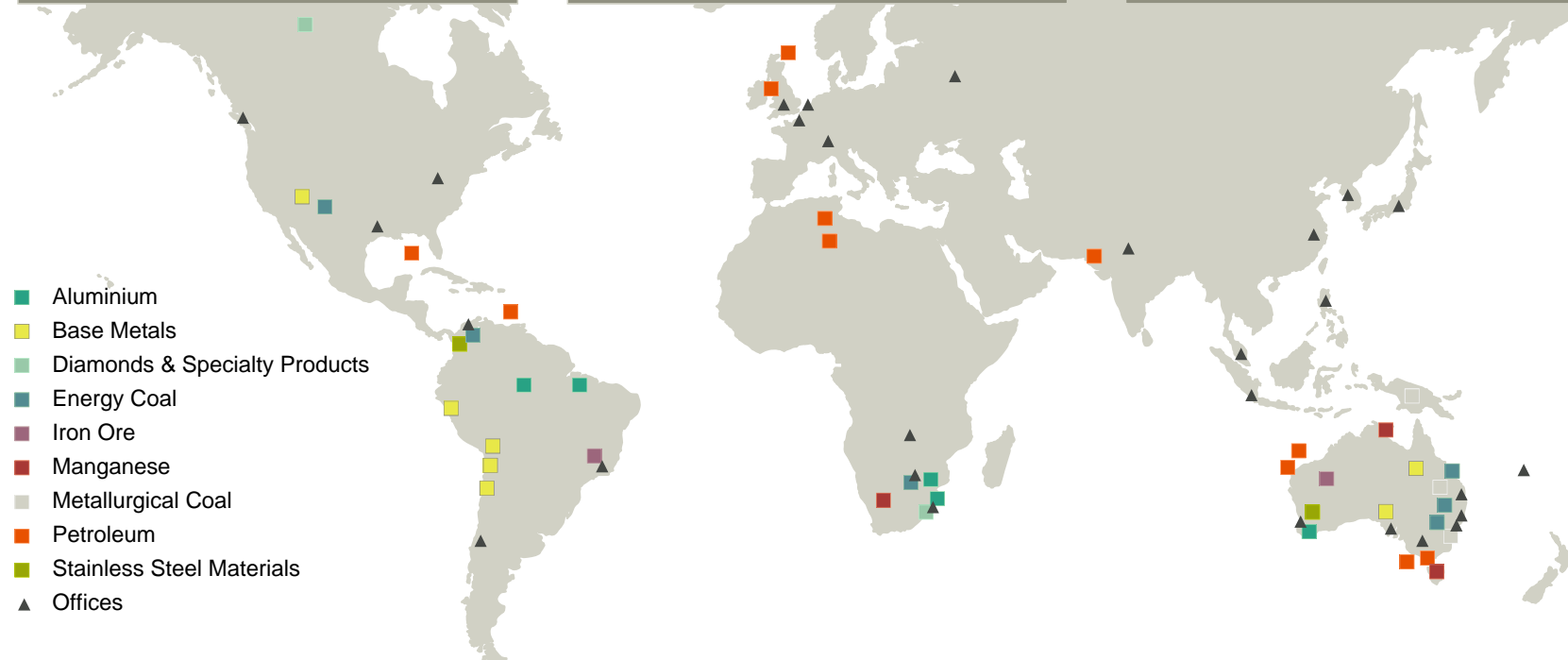
- BHP Billiton Corporation overview
- Petroleum overview
- Petroleum performance
- Near term outlook
- Longer term opportunities
- Summary

BHP Billiton Corporation

A global upstream portfolio



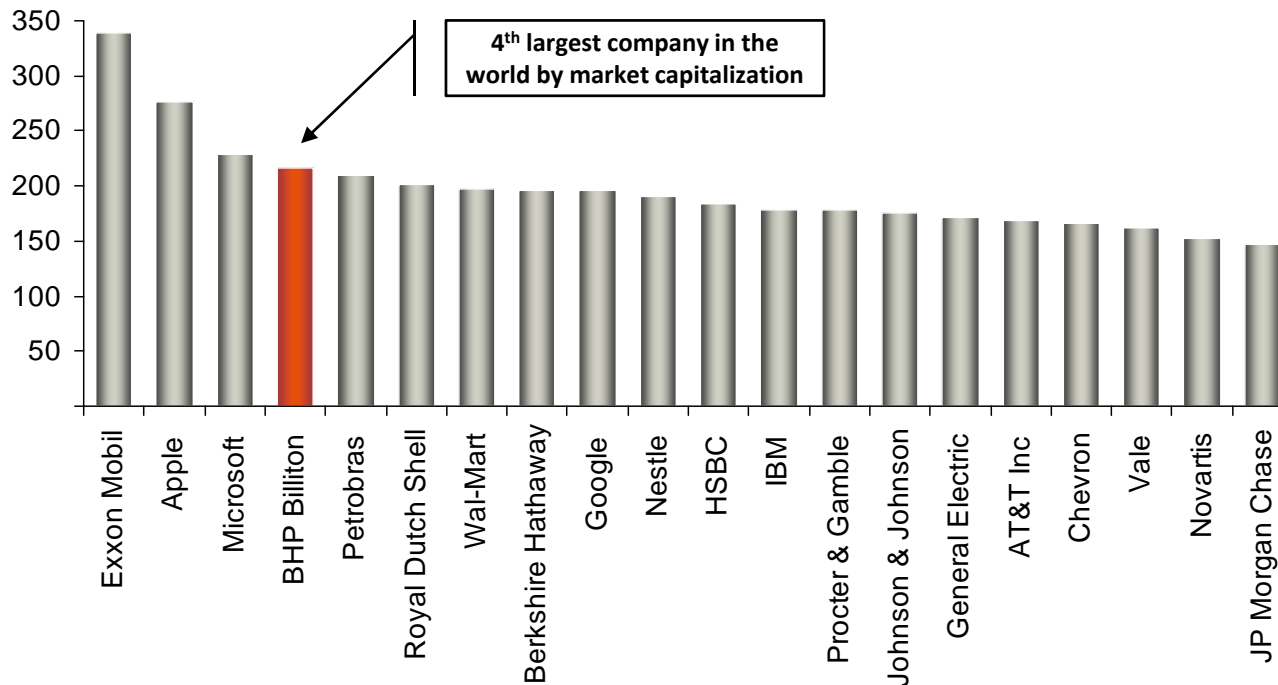
Petroleum A 450mbd oil and gas exploration and production business	Aluminium #4 global producer of bauxite and #4 aluminium company based on net third party sales	Base Metals #3 global producer of copper, silver and lead
Diamonds & Specialty Products EKATI Diamond Mine is one of the world's largest gem quality diamond producers	Stainless Steel Materials #3 global nickel producer	Iron Ore One of the world's premier suppliers of iron ore
Manganese Operations produce a combination of ores, alloys and metal	Metallurgical Coal Produce and market high quality hard coking coals for the international steel industry	Energy Coal One of the world's largest producers and marketers of export thermal coal



The power and reach of a super major behind BHP Billiton Petroleum



Market Capitalisation at 31 October 2010
(US\$bn)



- BHP Billiton has the balance sheet to undertake large and complex projects
 - Diversified portfolio balances risk
 - Long term view with investment through the cycles

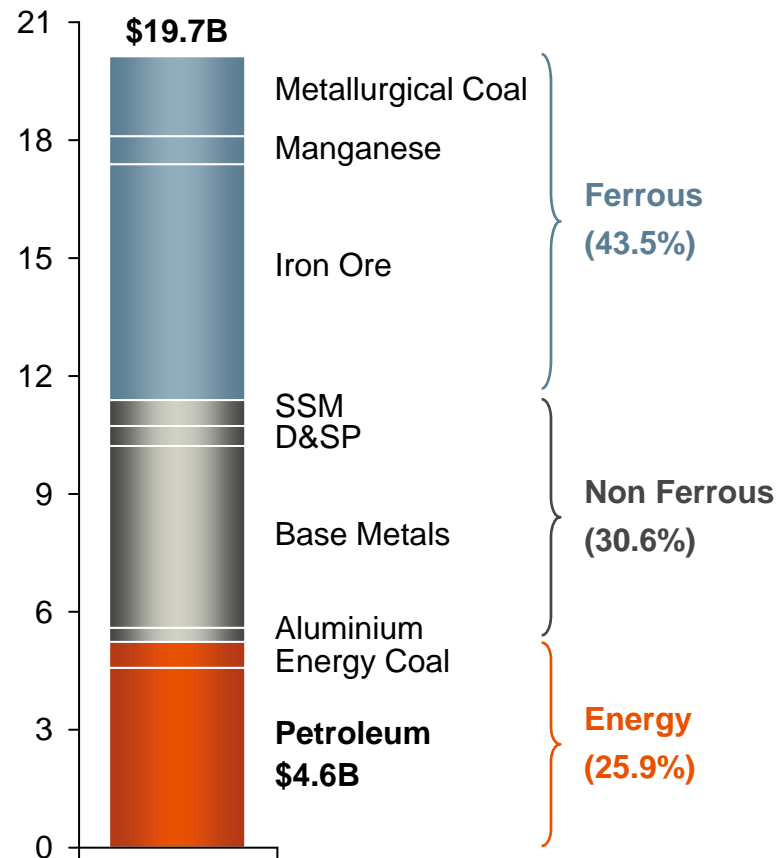
Source: Bloomberg

Petrochina, Ind & Commercial Bank of China, China Mobile and China Const Bank have been excluded due to high percentage of non free float shares.

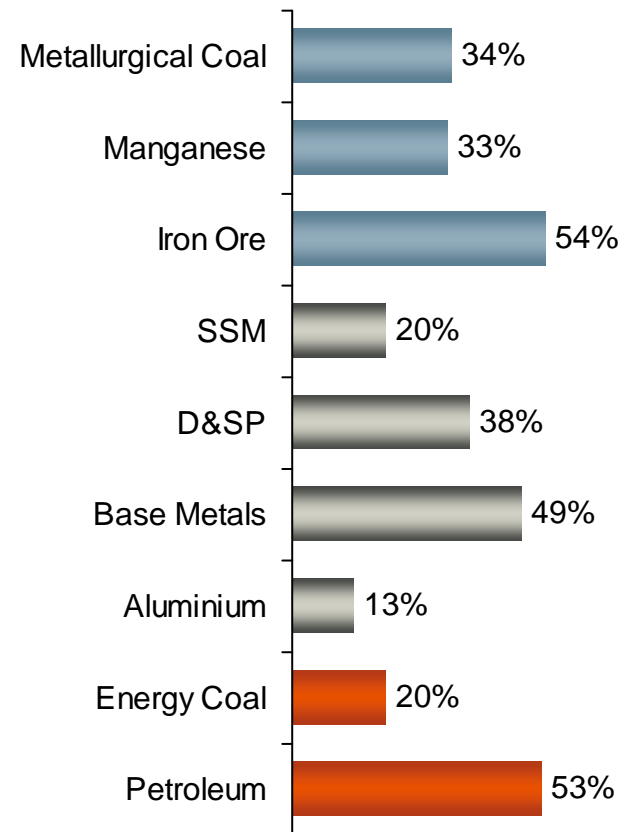
Petroleum is a significant contributor to the BHP Billiton Group



Underlying EBIT^(a)
(FY10, US\$ billion)



Underlying EBIT margin^(a)
(FY10, %)



(a) Excludes third party trading.

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- **Petroleum overview**
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Core Strategy



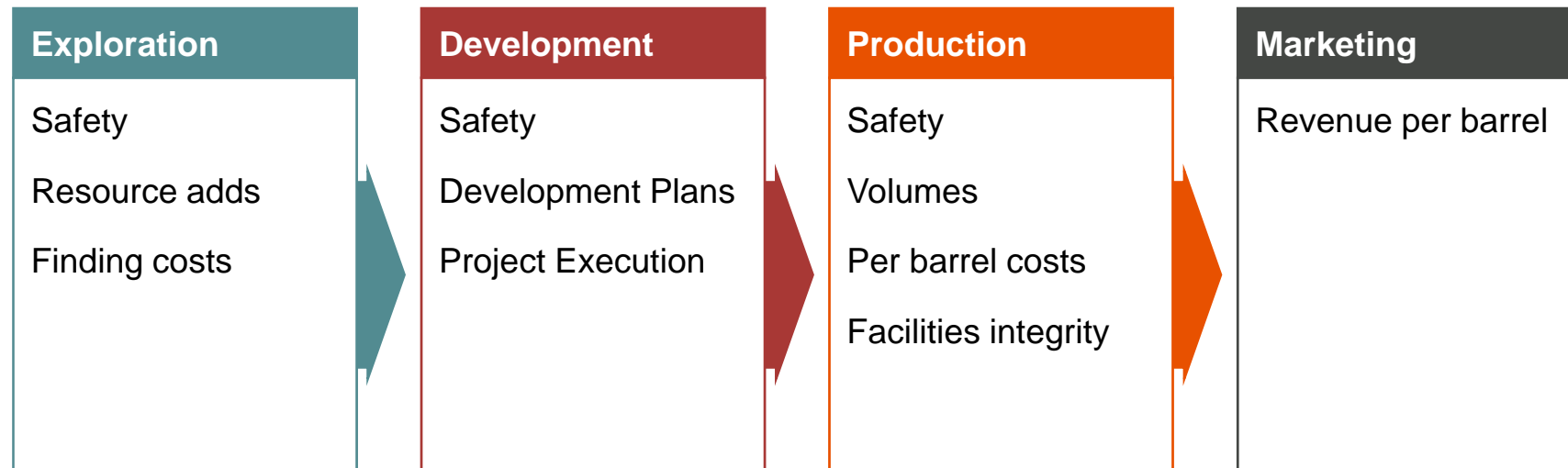
- Be functionally strong where we compete
- Fundamentals focus – safety, volume, cost
- Take large, operated positions with multiple long life opportunities
- Explore globally, but with an emphasis on proven basins
- Pursue commercial opportunities that fit and add to corporate diversification

Large Positions



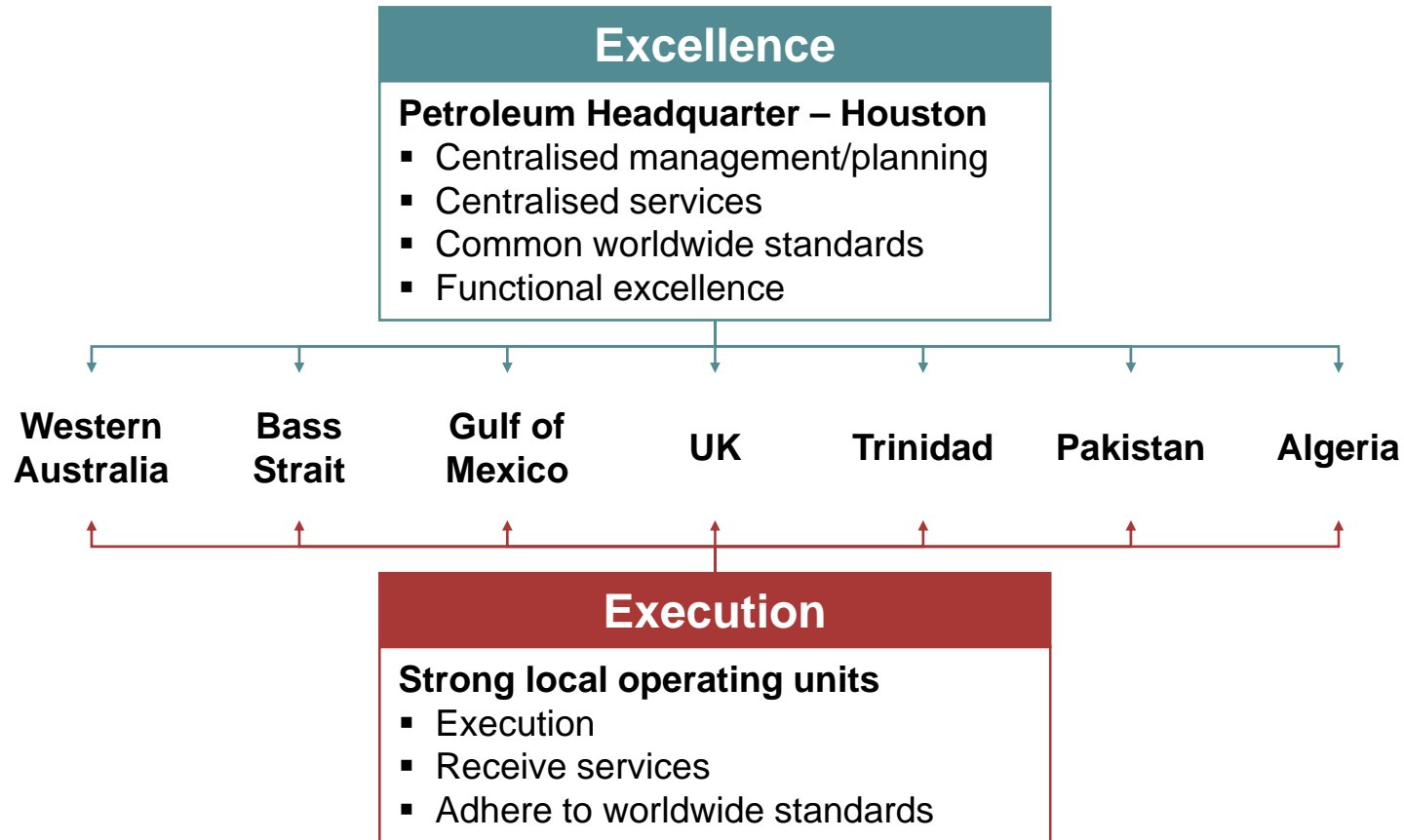
Very simple organisational model

Global functional organisation



Global Support Functions
(HSEC, Planning, Human Resources, Finance, Legal, External Affairs and Information Technology)

Two organisational principles



	mboed	Employees	Employees/mboed
2007	310	1,350	4.3
2010	450+	1,566	3.4

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Outstanding performance metrics across the board



Four years of annual gains ...

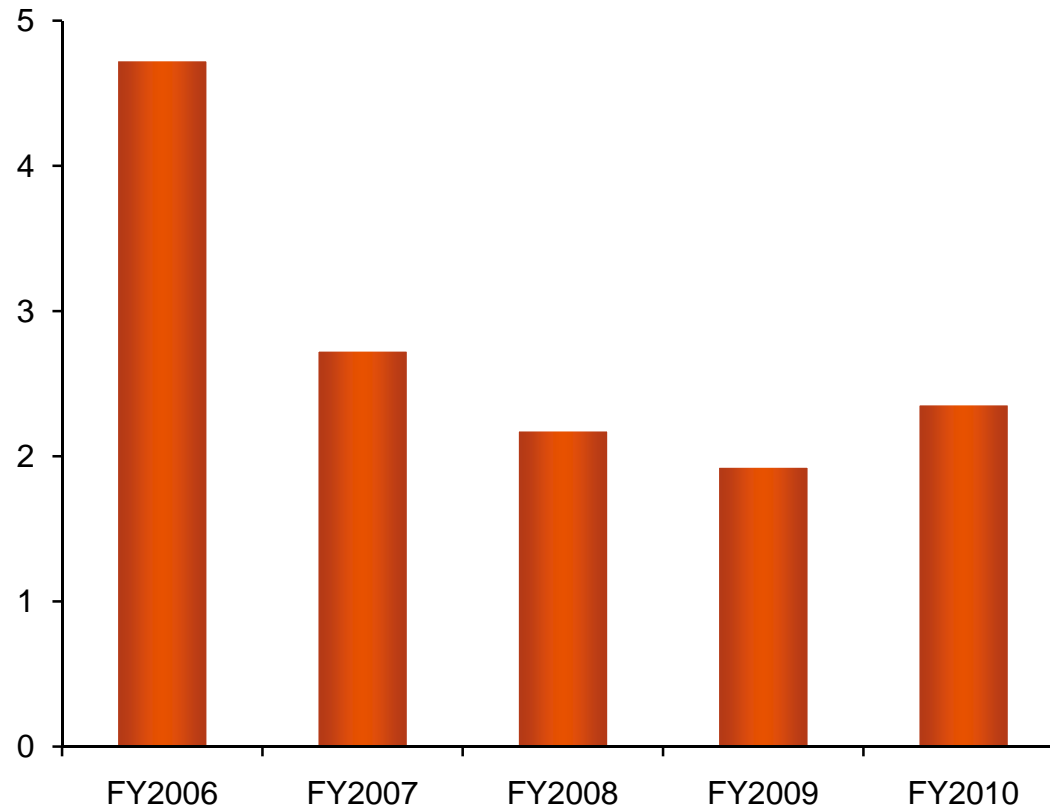
- Excellent safety performance
- 11% CAGR volume growth since FY2007
- 100% reserves replacement FY2007-FY2010
- Low operating cost/boe
- Low depreciation per barrel for international independent oil and gas
- High quality barrels for top EBIT/boe margin
- Delivering excellent EBIT return on capital employed

Safety

Continued focus



Total Recordable Incident Frequency Rate (TRIFR) (Incidents per million hours worked)



- 2.36 Total Recordable Incident Rate in FY2010
- Follows best ever Petroleum performance in FY2009 at 1.9 TRIFR
- Part of functional excellence approach
- 1 LTI in the last 14 months

Safety

Lost Time Injury performance



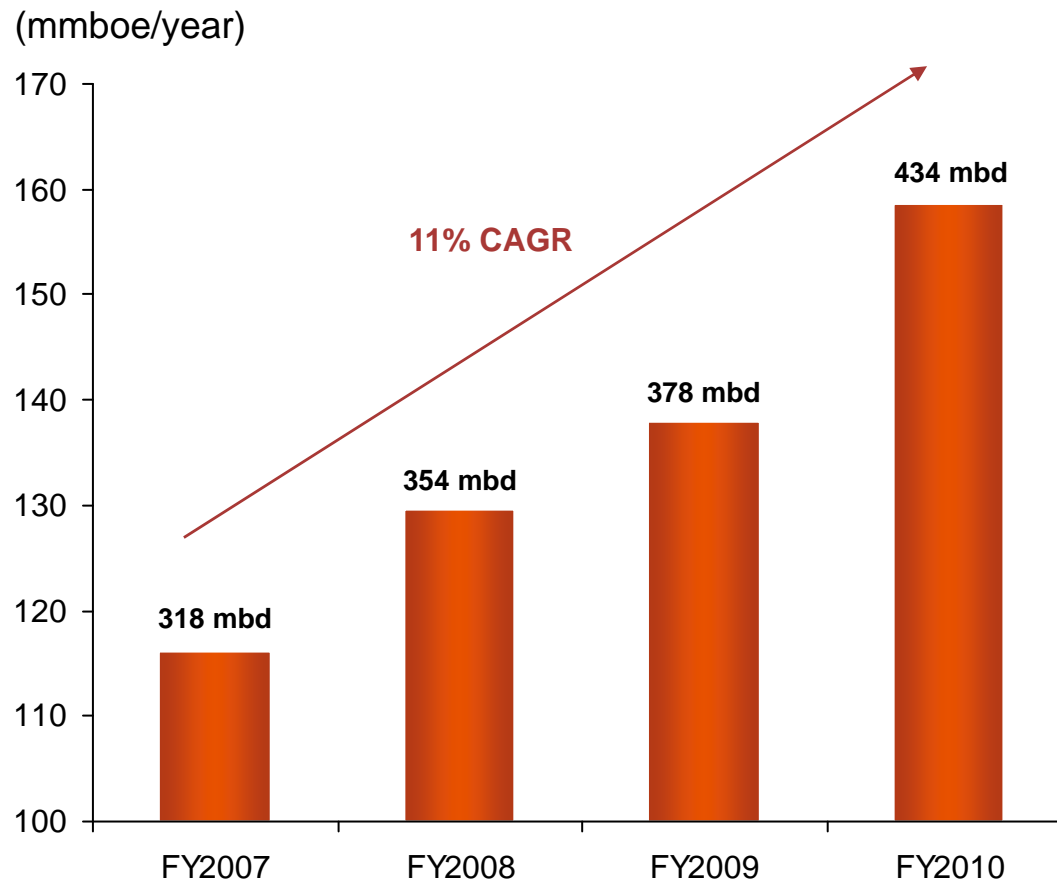
Performance ranking of companies jointly with contractors – lost time injury frequency per million hours worked



BHP Billiton (FF)

Source: OGP Independent Study 2009

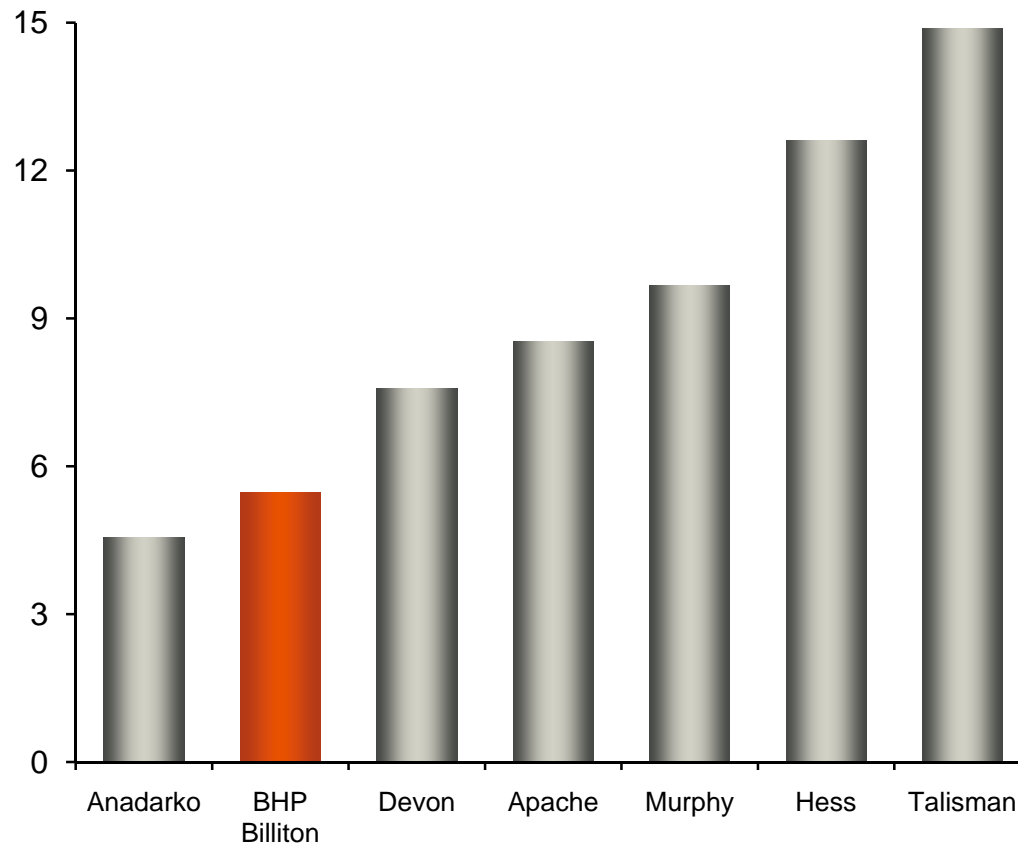
Volume history



- Excellent FY2010 result
 - Volume up 15% year on year
 - Base production well managed with > 93% operated uptime
- Growth leveraged towards liquids and excellent fiscal terms
- Average 11% growth per year since FY2007
- At top of industry performance

Operating cost

3 year average operating cost per boe, FY2008–FY2010
(US\$/boe)

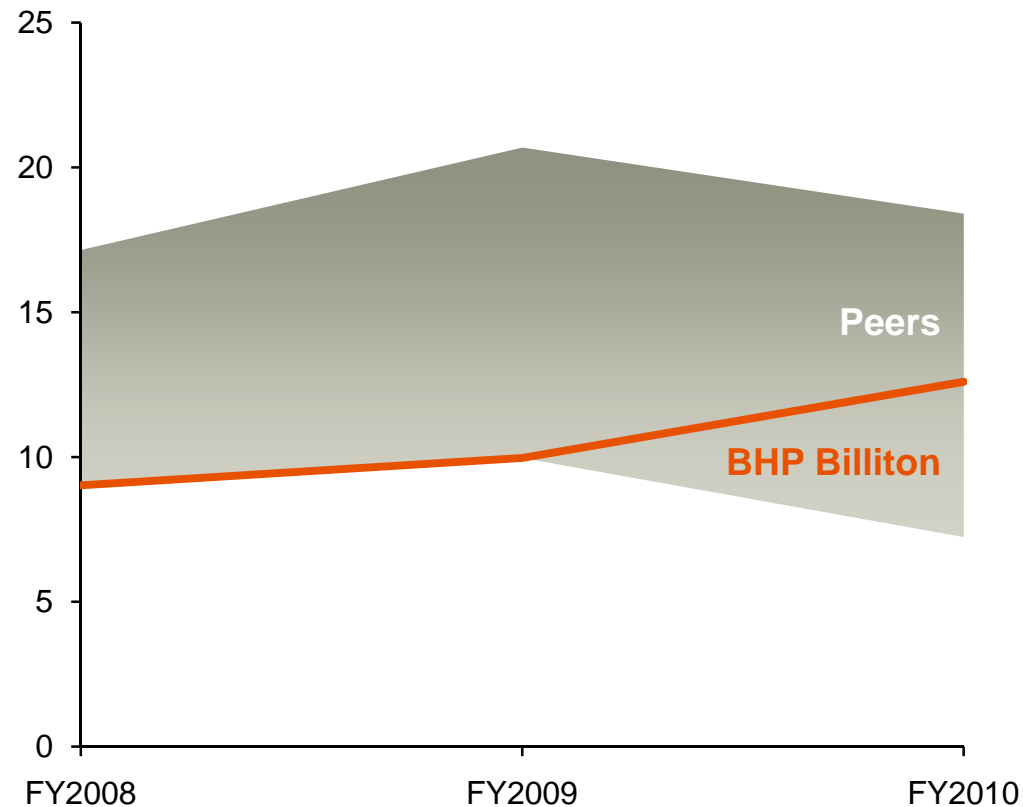


- Highly competitive unit operating costs
- Costs controlled in a difficult environment
- Significant focus on the fundamentals
 - Equipment reliability / uptime
 - Maintenance / shutdowns
 - Aviation and marine logistics

Source: Company reports. Data presented on a normalised basis to exclude one-off events and activities that were not considered part of E&P operations.

Depreciation

Depreciation per boe vs Peer Group, FY2008 - FY2010
(US\$/boe)

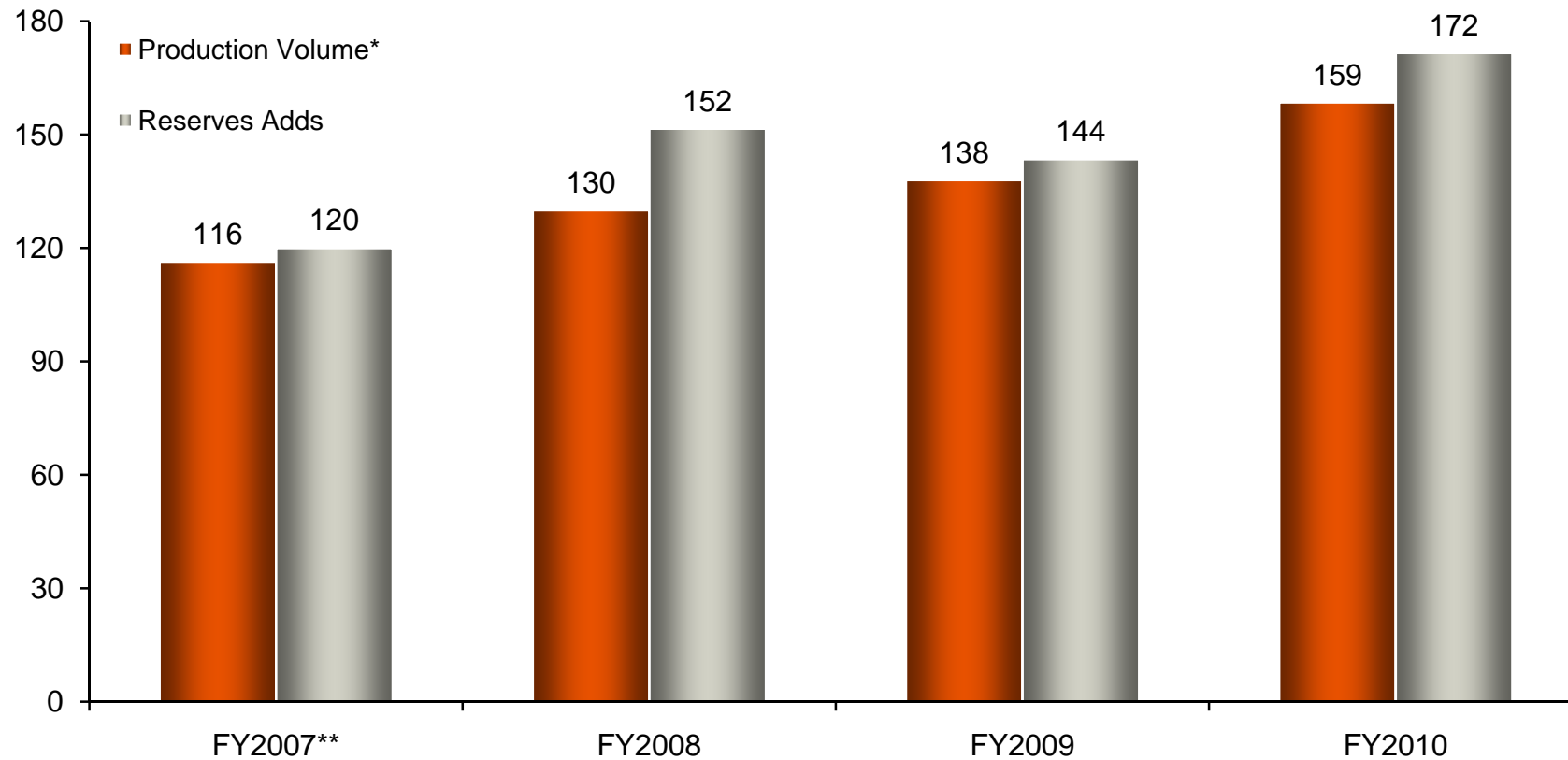


- Competitive depreciation per boe despite recent higher cost developments
- Depreciation per boe remains below US\$13 into FY2011

Source: Company reports. Data presented on a normalised basis to exclude one-off events and activities that were not considered part of E&P operations.

Reserve replacement

(net mmboe)



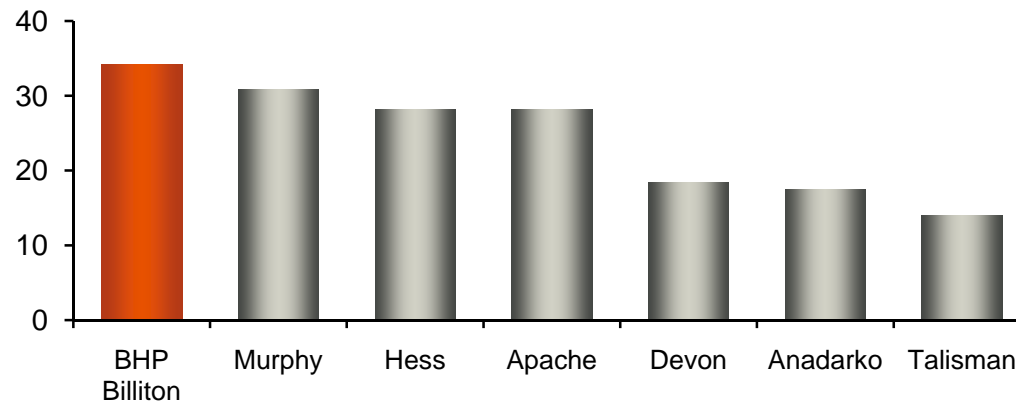
* Restated Production Volumes between Gas & NGLs

**Excludes asset sales.

EBIT margin

3 year average EBIT per boe, FY2008–FY2010

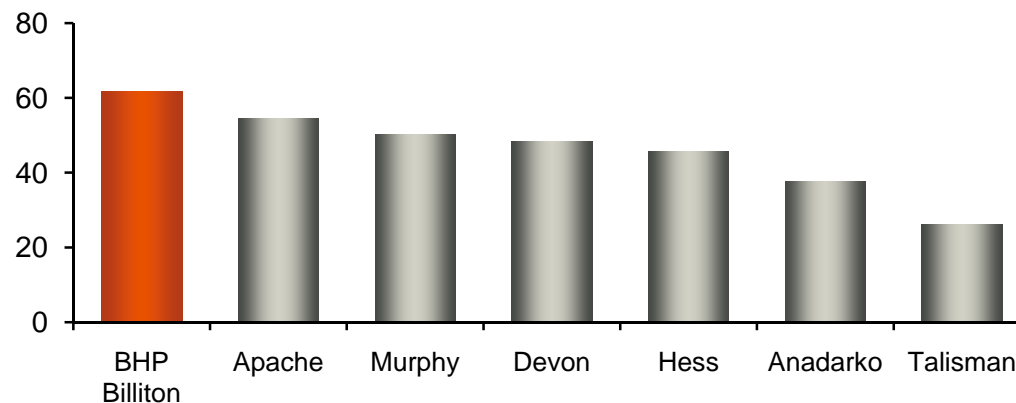
(US\$/boe)



- Liquids priced barrels
 - FY2006: 62% of 310 mbd
 - FY2010: 73% of 434 mbd
- Combined with low cash and non-cash costs for excellent margin

3 year average EBIT margin, FY2008–FY2010

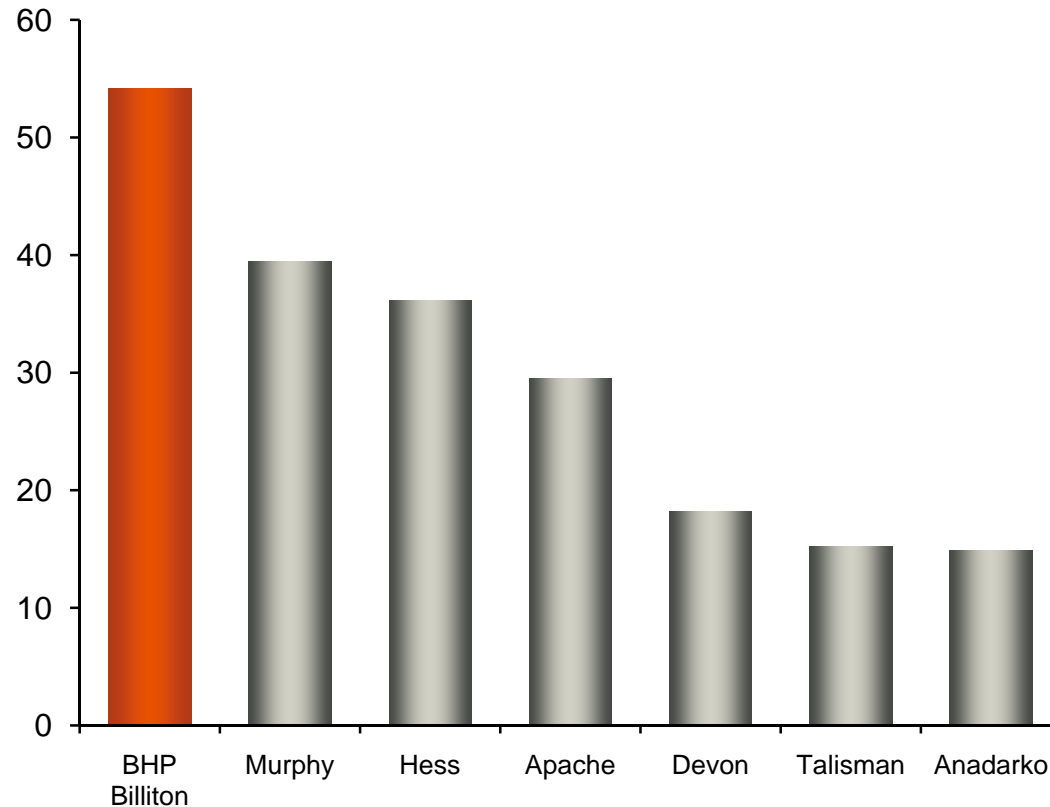
(% of revenue)



Source: Company reports. Data presented on a normalised basis to exclude one-off events and activities that were not considered part of E&P operations.

EBIT return on capital employed

3 year average EROC (%, FY2008–FY2010)



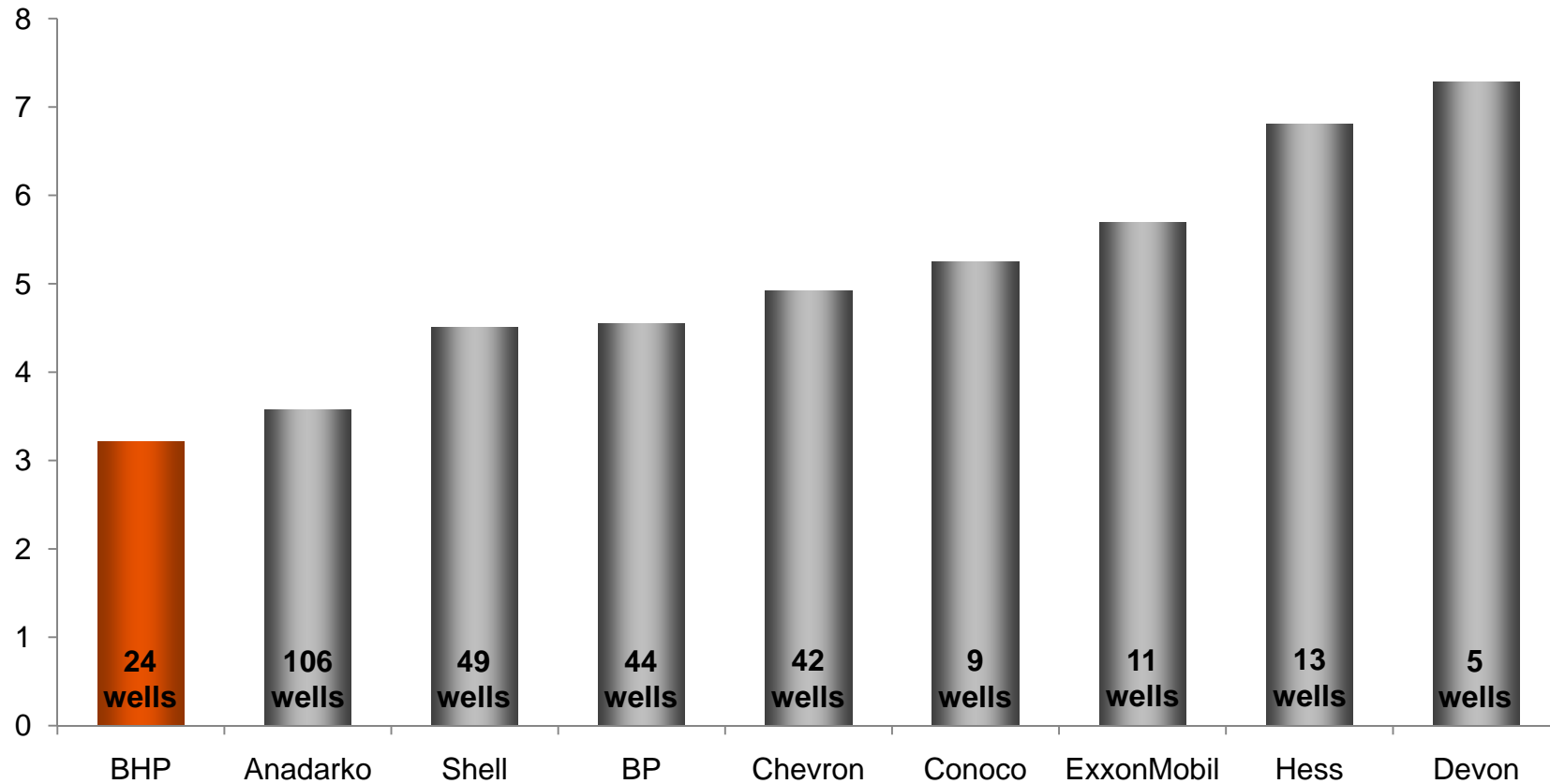
- Efficient capital investment program
 - Project costs as planned
 - Outstanding drilling performance
- All phases of execution handled well

Source: Company reports. Data presented on a normalised basis to exclude one-off events and activities that were not considered part of E&P operations.

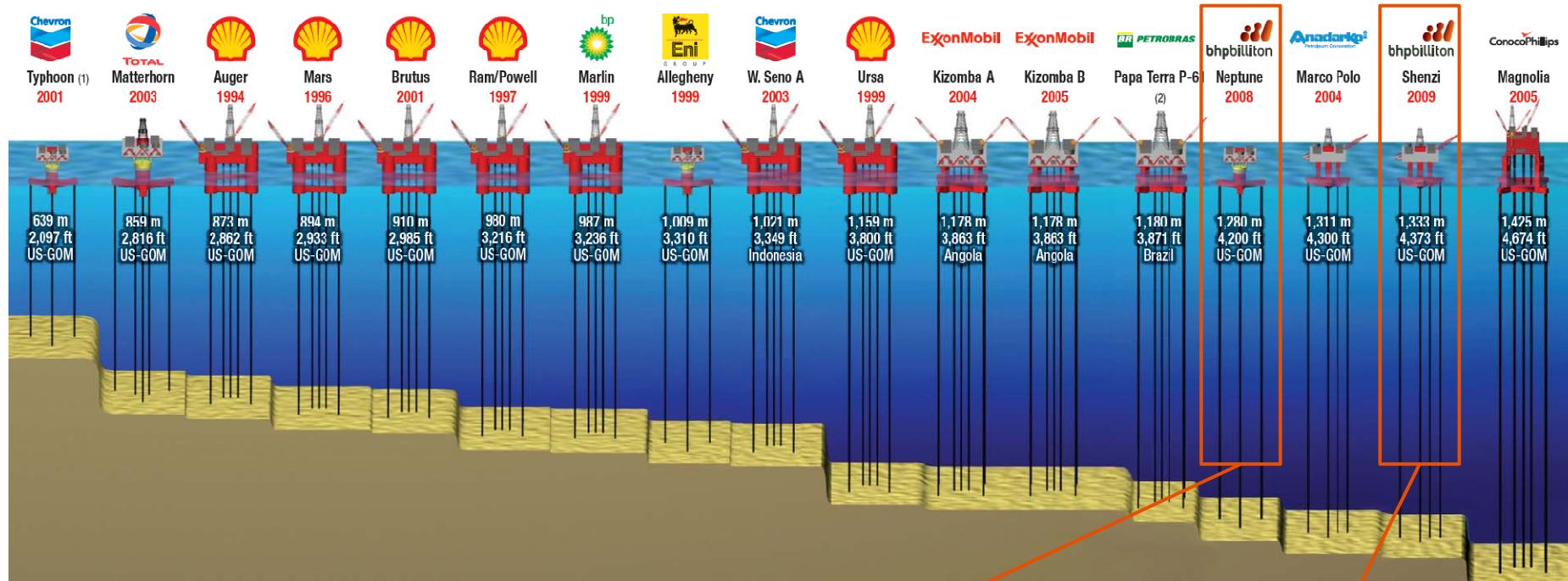
Industry leading drilling performance



Gulf of Mexico deepwater (>2,000 ft water depth) exploration and appraisal wells, 1/2000 – 11/2009
Days per 1,000 feet of drilling



We operate two of the world's deepest TLPs



Key messages



- **Scalable organisation**

- Highly functional but low cost organisation
- Add more barrels without overhead growth

- **Production growth at 11% CAGR since FY2007**

- Projects on time and on budget
- Flawless drilling execution

- **Cost control**

- Low operation costs
- Focused on the basics

- **EBIT return on capital employed leads industry**

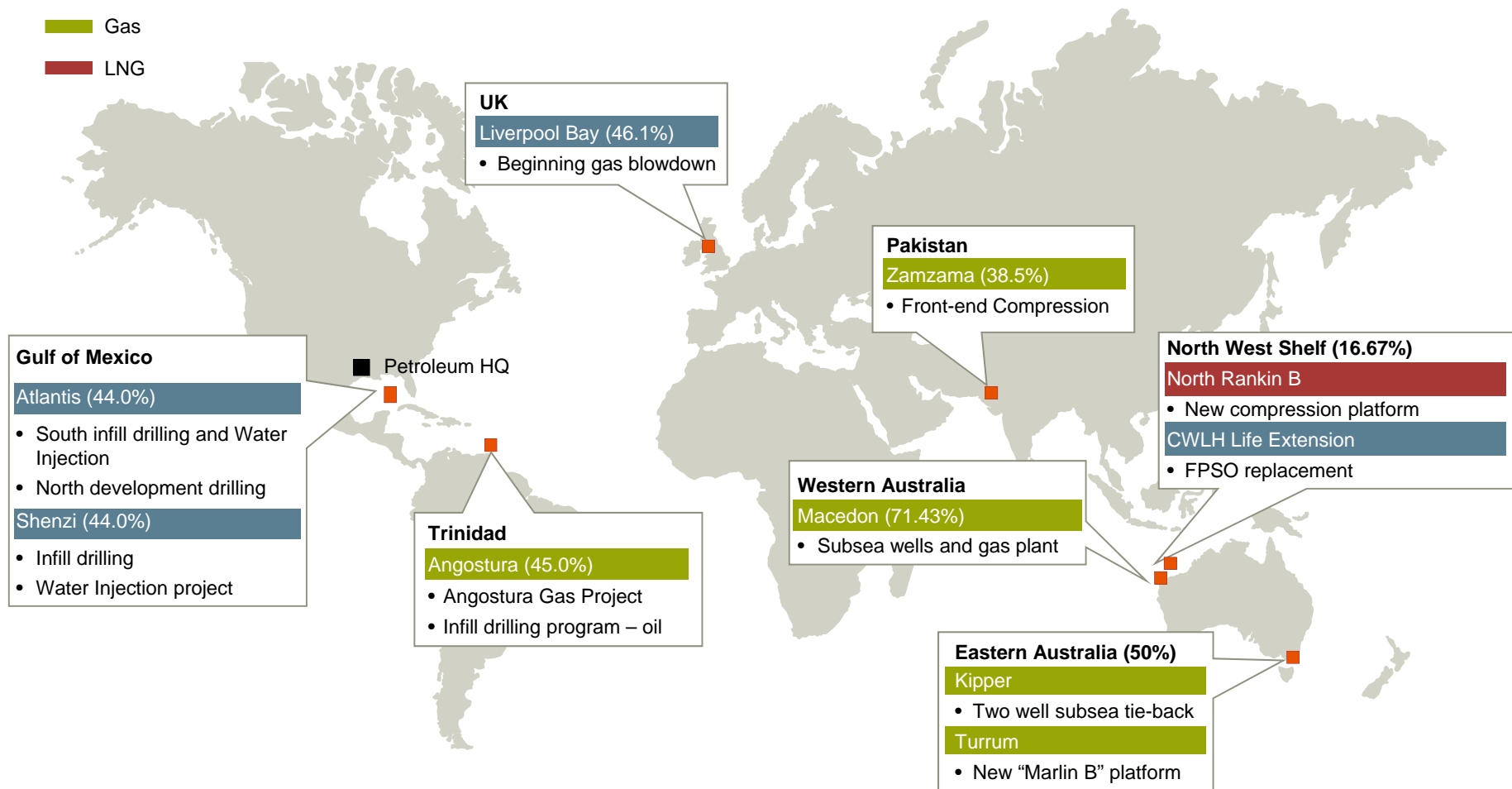
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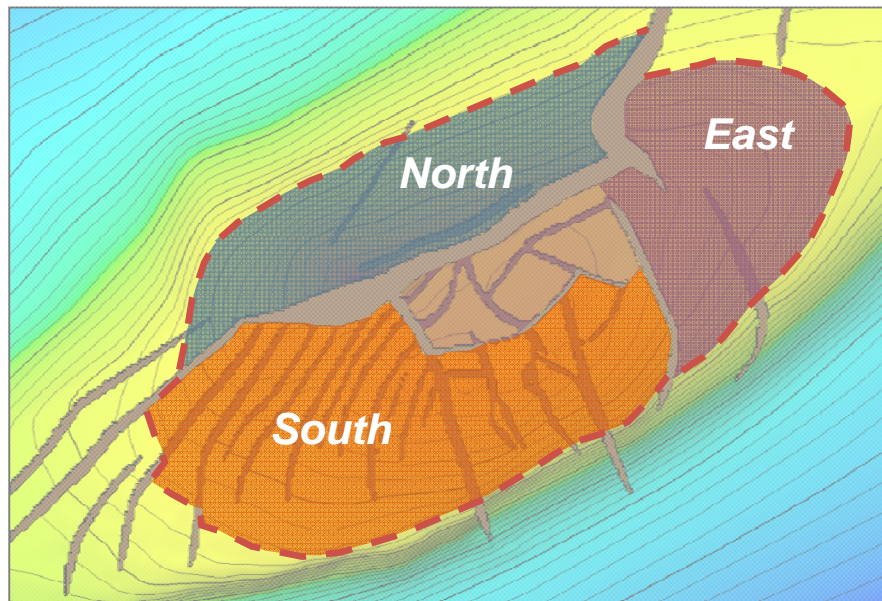
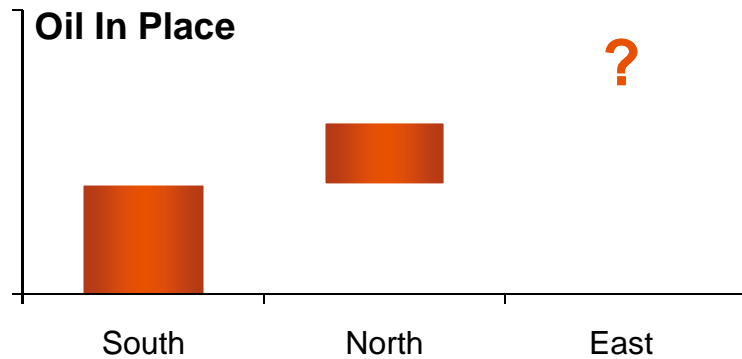
Ongoing Programs and Projects

- Oil
- Gas
- LNG



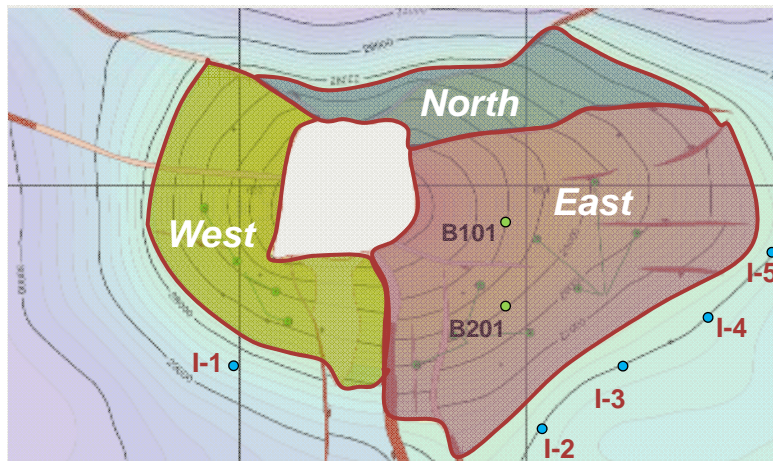
Atlantis

2nd largest field in Gulf of Mexico



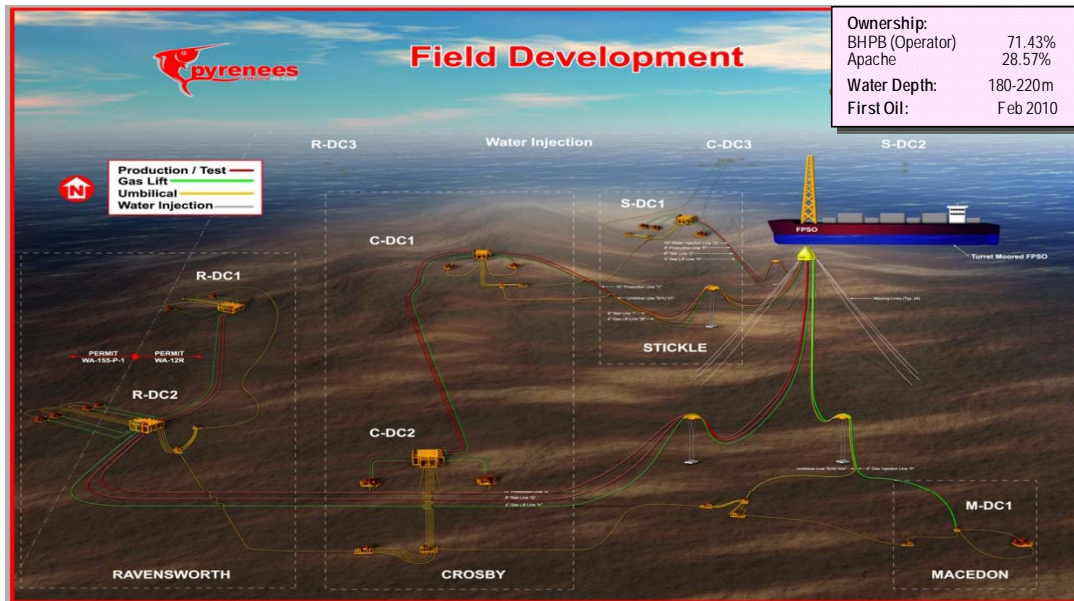
- Development drilling expected to recommence in FY11
- Initial 2 North wells indicate strong production potential
- South water injection project in progress
- East appraisal in FY2012

Shenzi



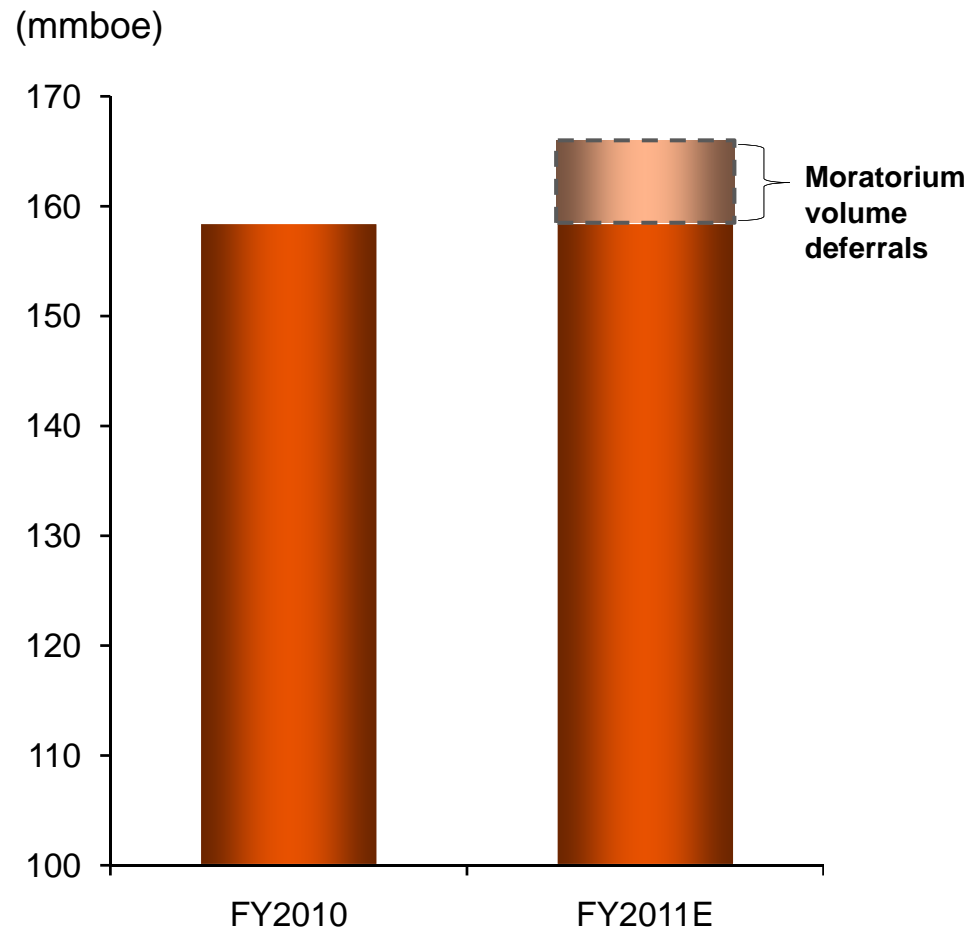
- Design capacity of 100 mbd
- Initial production 140 mbd
- 20 months into production and still over 90 mbd
- Water injection project in progress and on schedule
- Drilling of additional up-dip wells into new reservoirs to follow
- BHPB first to resume drilling in the GOM under new regulations

Pyrenees



- One of Australia's largest subsea projects
- First BHP Billiton Petroleum FPSO fabricated in China
- Started up in February on schedule and budget
- Ramped up to nameplate capacity (96 mbd) in 11 days

FY2011 production outlook



FY2011 outlook

- Full year of Pyrenees volume
- Angostura Gas project start-up
- Continued growth impacted by drilling moratorium in the Gulf of Mexico – high rate wells deferred
- Volumes projected flat for FY2011

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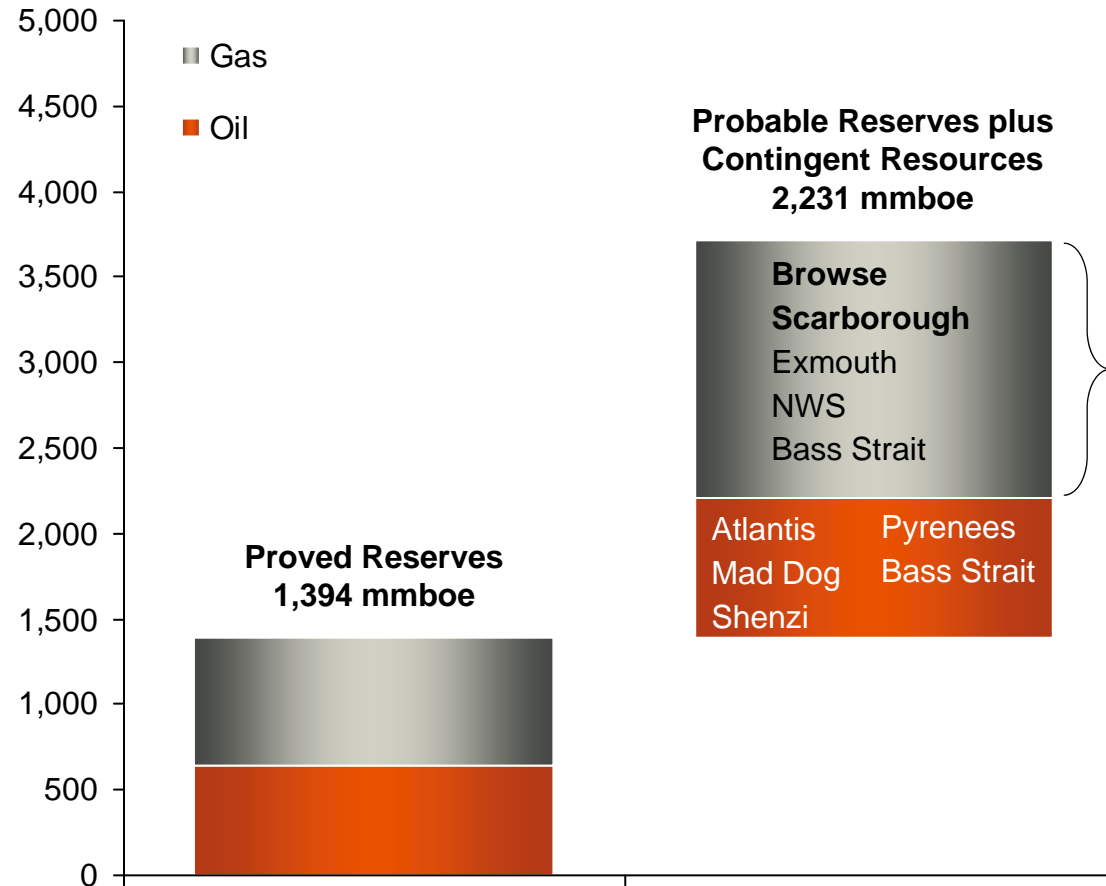
Summary

Significant resource position for long term growth



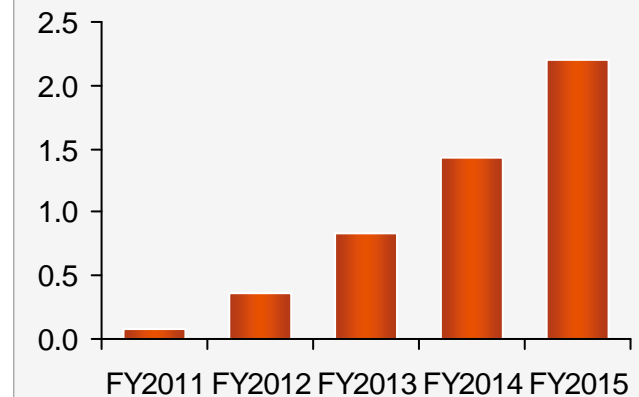
Reserves and Resources 3,715 mmboe

(mmboe, as at 30 Jun 2010)



Forecast Capital Expenditure for Browse and Scarborough (US\$bn)

(US\$bn)

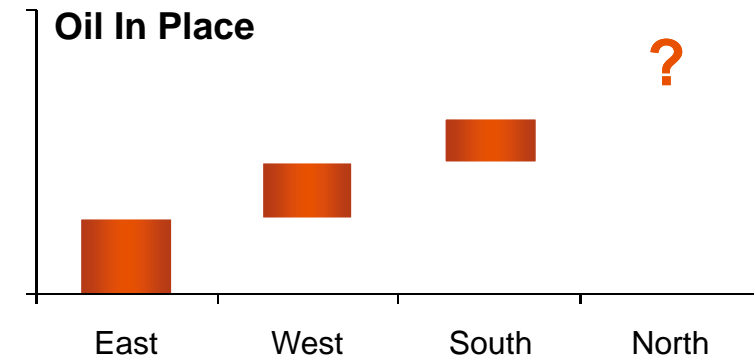
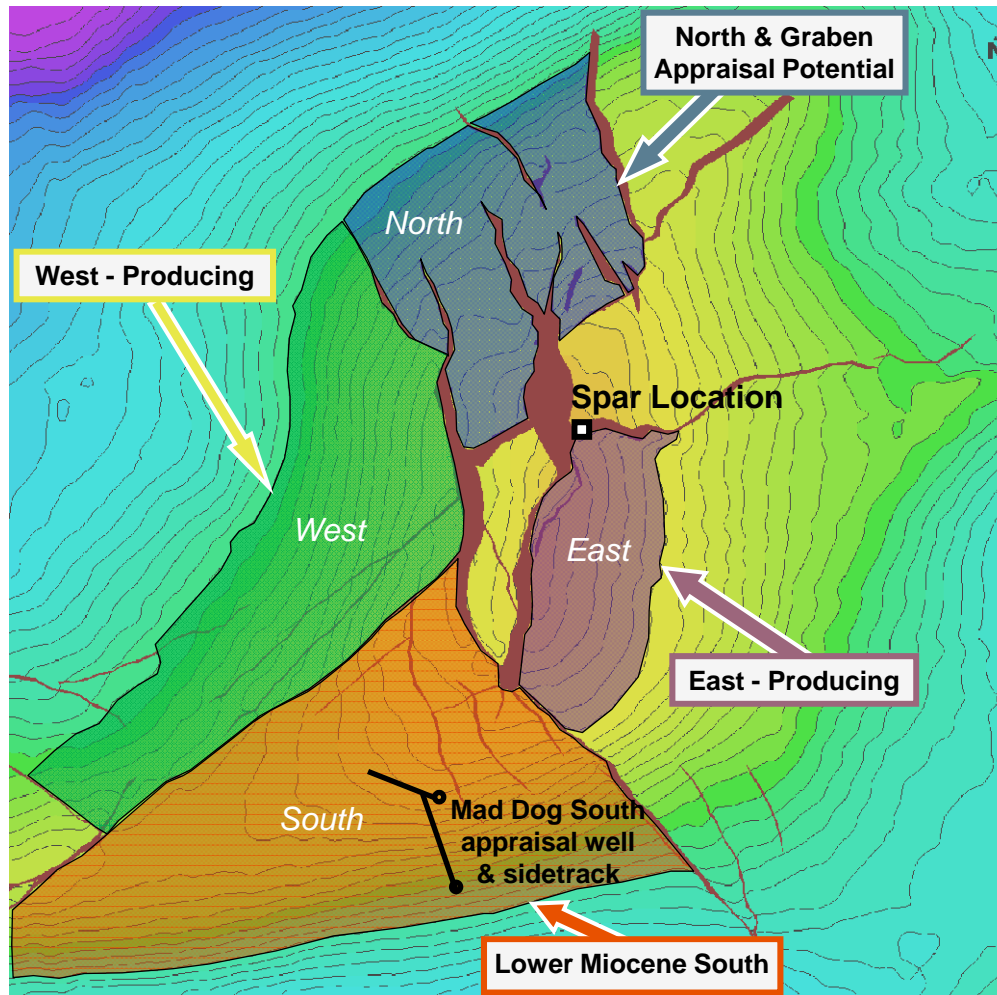


High impact pre-development projects

- Oil
- Gas
- LNG



Mad Dog Continues to get bigger



- Current Spar cannot drain all discovered oil to date
 - West and South areas cannot be fully reached
 - Optimised development scheme will double ultimate recovery
 - Evaluating additional development options for second Spar
- North area to be appraised during FY2011 can be tied into main Spar for near term barrels

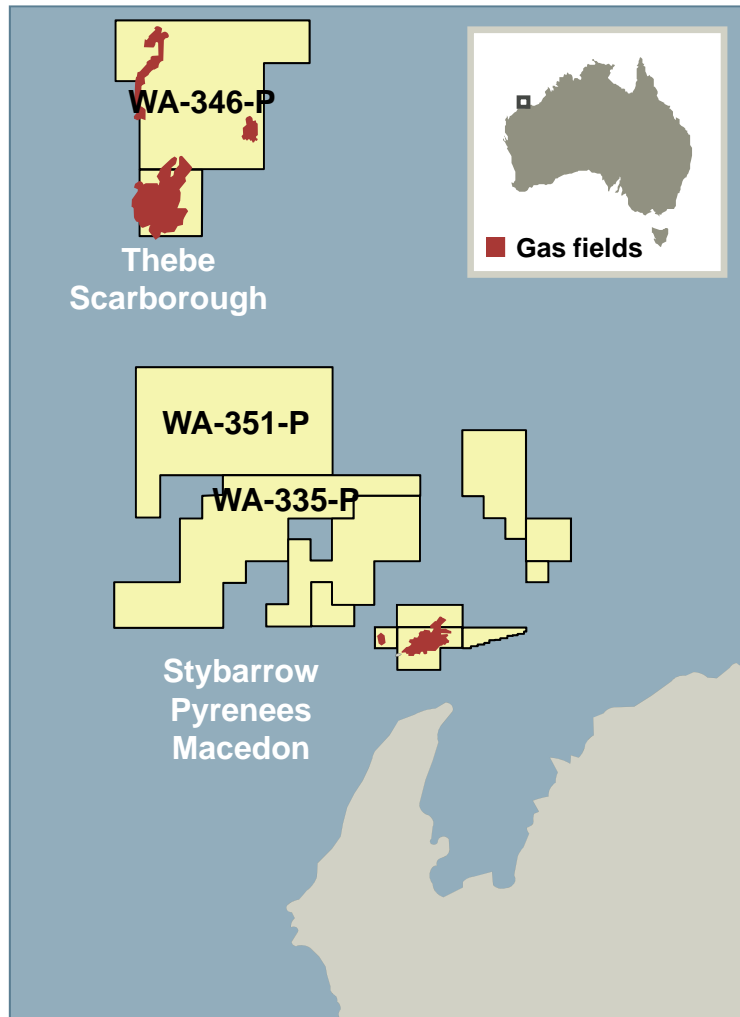
Browse LNG – long term growth opportunity



Source: Woodside.

- Three large gas fields with 14 tcf recoverable reserves
(Source: Wood Mackenzie)
- Retention Lease accepted with commitment to US\$1.25 billion work program (100%)
- Basis of Design work started for upstream facilities and downstream LNG plant

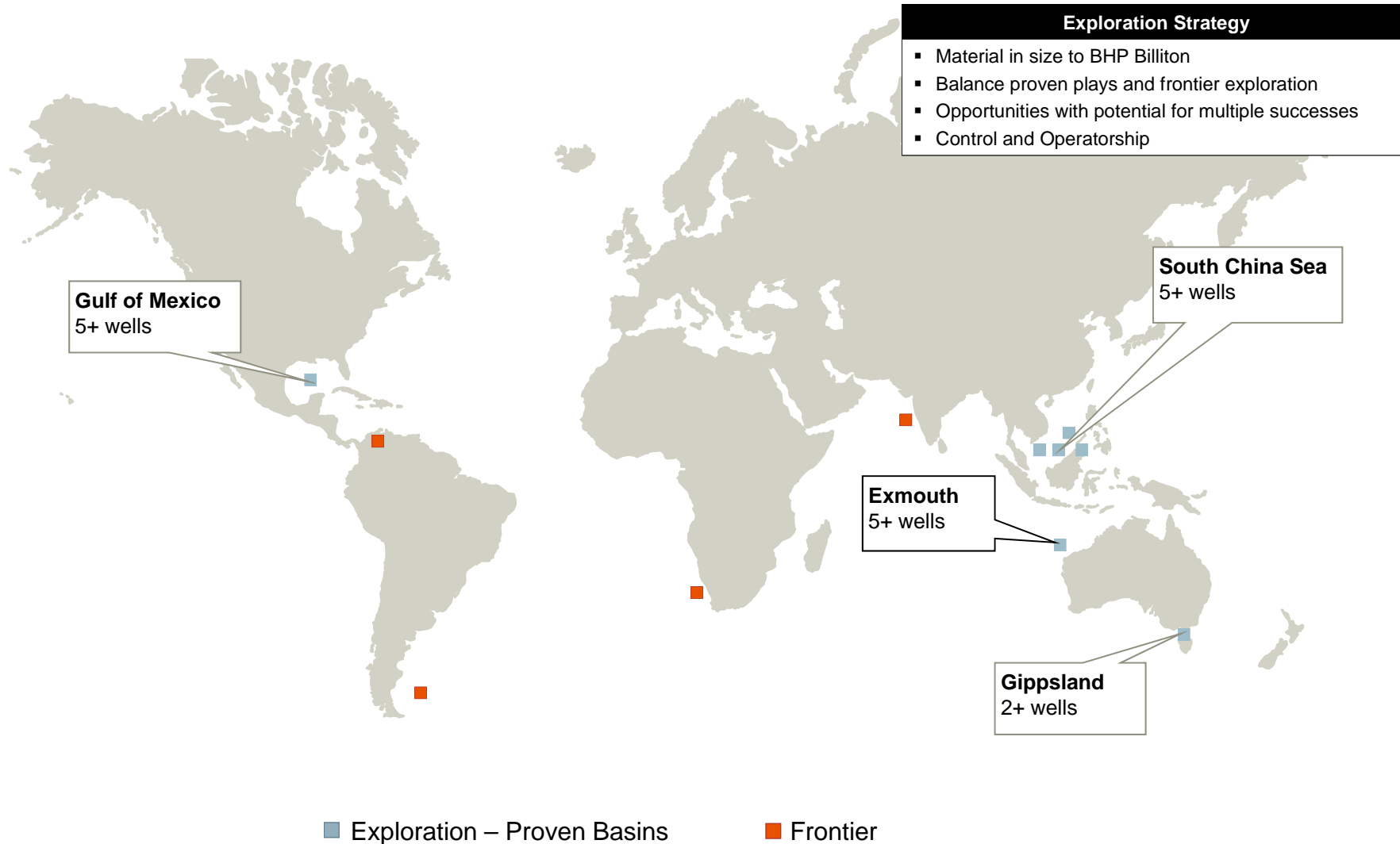
Scarborough/Thebe – long term growth opportunity



- High equity giant gas fields with 10 tcf recoverable reserves in area
 - Thebe 100% BHP Billiton
 - Scarborough 50% BHP Billiton
- US\$15-20 billion dollar investment (100%) expected for development of upstream facilities and LNG plant
- Concept select studies progressing and site geotechnical survey work commenced
- Planning for FEED commencement FY2011
- Strong BHP Billiton position currently
 - Production
 - Projects
 - Exploration

Multi-year exploration drilling program underway

Focus on proven basins



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Summary

Key messages



- **An integral part of BHP Billiton Group**

- Strong performance in key commodity
- Strong functional capability

- **Performance**

- Safety, volumes, cost – outstanding metrics
- Highly competitive versus peers

- **Nearer term**

- Near-term volumes impacted by the GOM moratorium, but returning to work
- Driving investment in multiple world class projects and drilling

- **Longer term opportunities**

- Significant, focused Exploration program
- Advancing world class resources in Western Australia
- Huge Corporate financial capability



bhpbilliton

resourcing the future