



Delivering the Iron Ore Growth Program

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2009 Overview

- *Back to Basics* focus is delivering results in the areas of Safety, Production and Cost
- Record production and sales in CY2009
- RGP4 completion
- RGP5 construction
- RGP6 early funding
- Newman & Port Hedland Childcare Centres constructed in partnership with YMCA
- World Vision Maternal Health Partnership launched
- UMC acquisition
- Joint Venture opportunities with Arcelor Mittal to combine Liberian and Guinean assets

RGP4 First Ore in the Newman Hub stockyards September 09

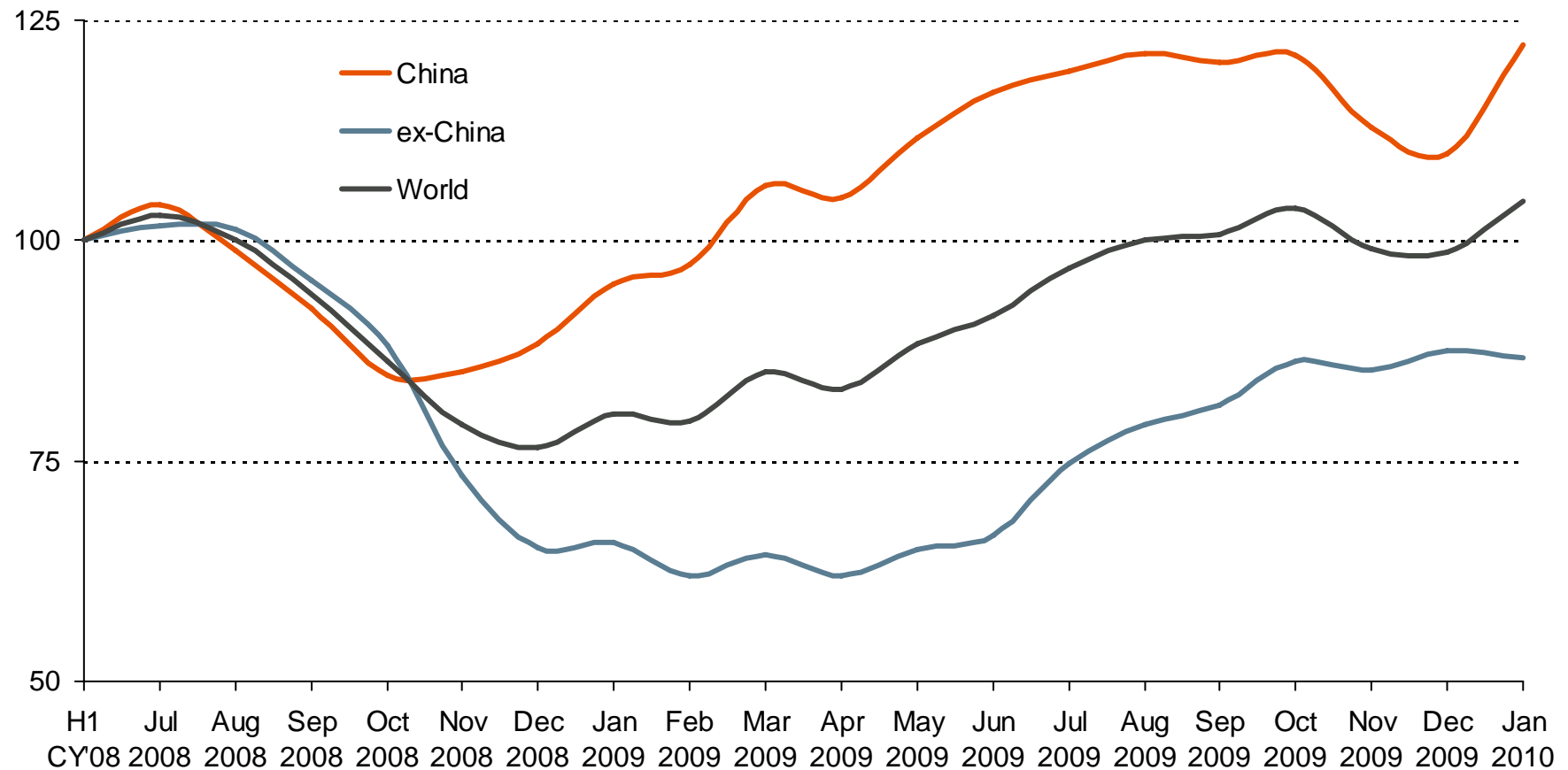


Newman Childcare Centre June 09



Record-breaking Chinese and Global Pig Iron Output in January 2010

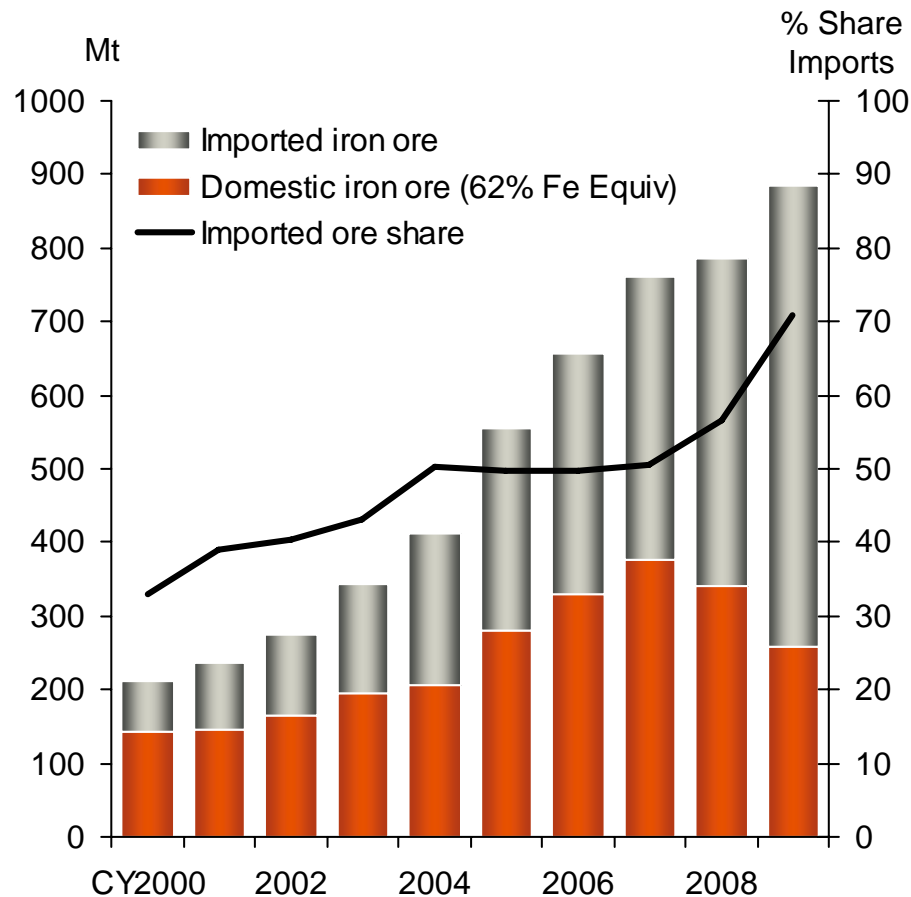
Pig iron production
(Index, H1'08 = 100)



Source: World Steel Association, China National Bureau of Statistics

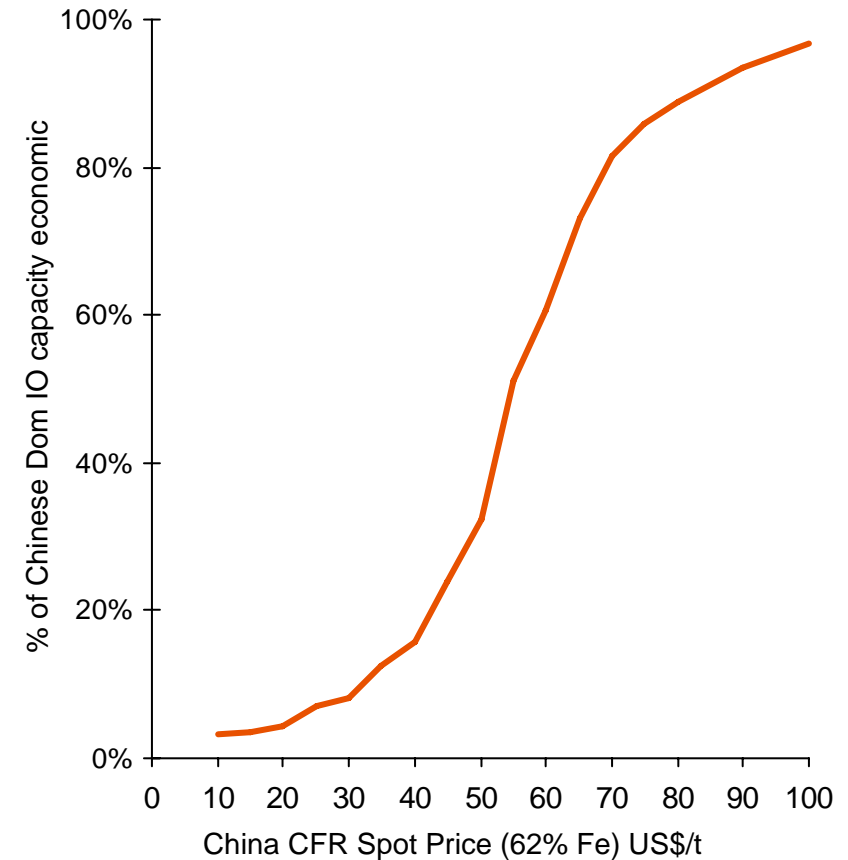
Displacement of High Cost China Production

China Imported and Domestic Production



(a) CY2009 China domestic production volumes calculated from CY2009 pig iron production and 2009 China iron ore imports with port stock adjustment.
Source: NBS, China Customs, BHP Billiton

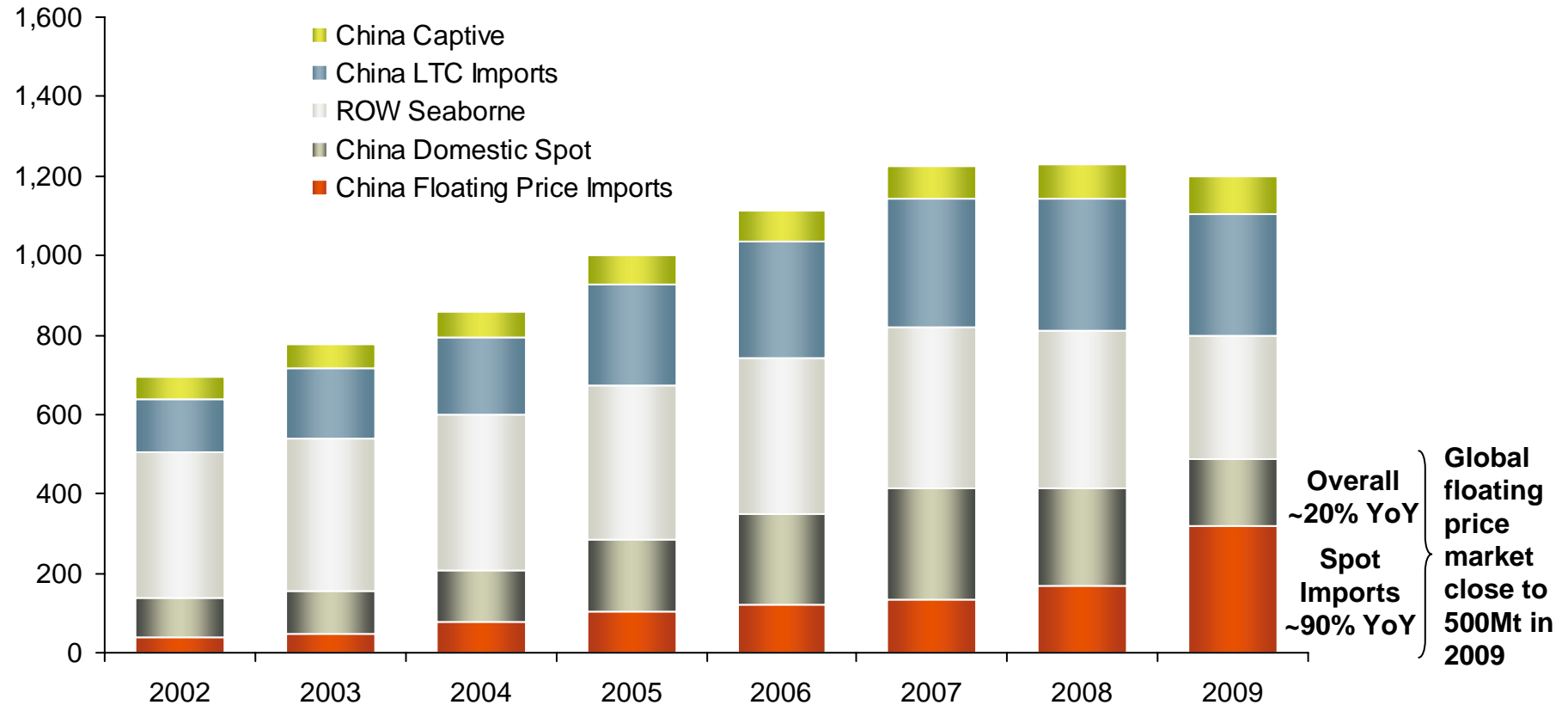
Relationship between Economic Capacity and Spot Price in CY2009



Source: CBI, China Industry Research Institute, BHP Billiton.
Note: 'Economic' refers to cash margin positive

Iron Ore Market Evolution Continues

**Global Imports plus China Domestic
(Mt)**

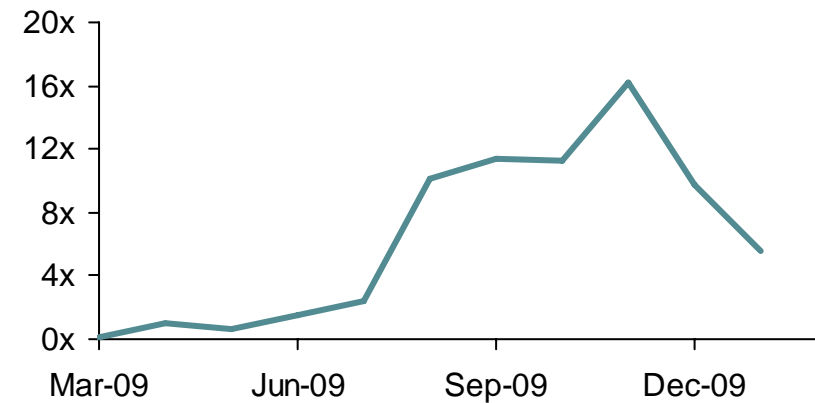


Source: BHP Billiton

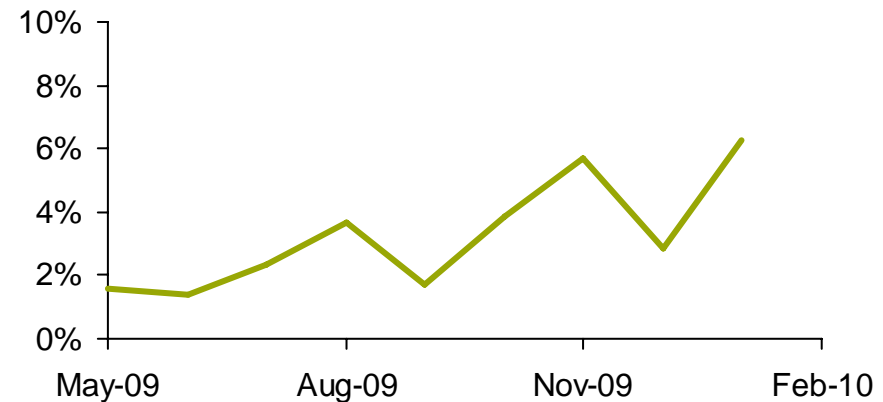
Risk Management Tools Developing

- **Transparent and regular pricing allows customers to mitigate risks on short, medium and long term contracts**
- **Recent market developments**
 - Increased liquidity in financially settled iron ore swap transactions
 - 3 independent reference price providers
 - 4 x 24 month quoted forward curves
 - 3 exchanges to clear OTC Iron Ore swaps, more exchanges under discussion.
 - >100 parties registered with SGX on Iron Ore swaps
 - Shanghai Steel Futures market creates opportunity to manage steel-iron ore spread

Steel Futures Volumes Since Establishment
(Multiple of Total China Steel Production)



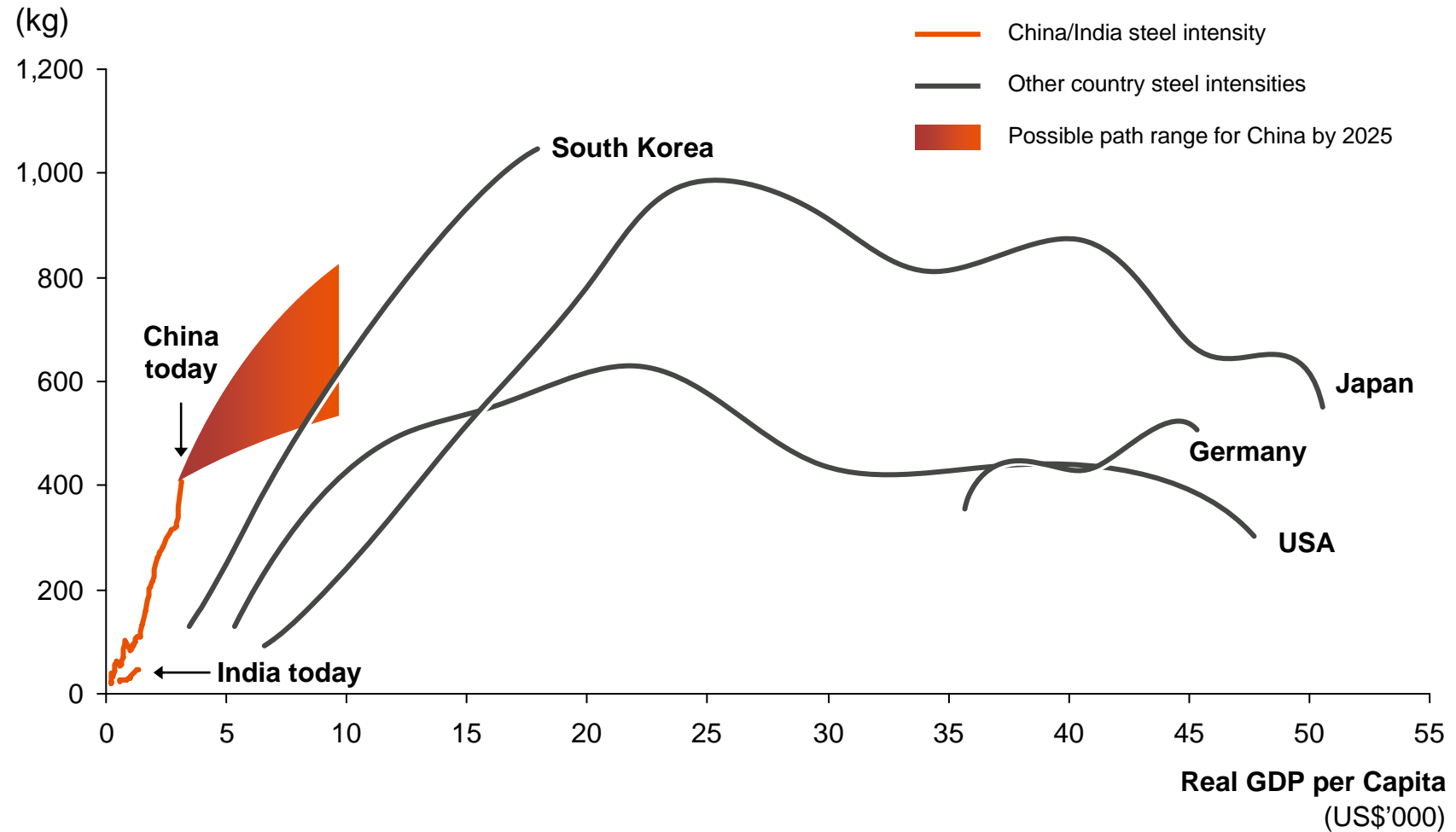
Iron Ore Swap Volumes Since Establishment
(% of China Imports)



Sources: SHFE, WSA, SGX, BHP Billiton Analysis

Steel Intensity Per Capita Grows Strongly as a Nation Becomes Wealthier

Industrial development & finished steel consumption growth



Source: CISA, WMM, Global Insight, BHP Billiton

RGP4 Newman Hub Ramping Up

RGP4: Newman Hub in operation ahead of schedule December 2009 (+26Mtpa)

Shuttle trains arrive with ore from Jimblebar & the SOB's



Crushing and screening completed at the hub



Stockpiling and blending ore to specification at the hub



Loading trains for Port Hedland with NJV products



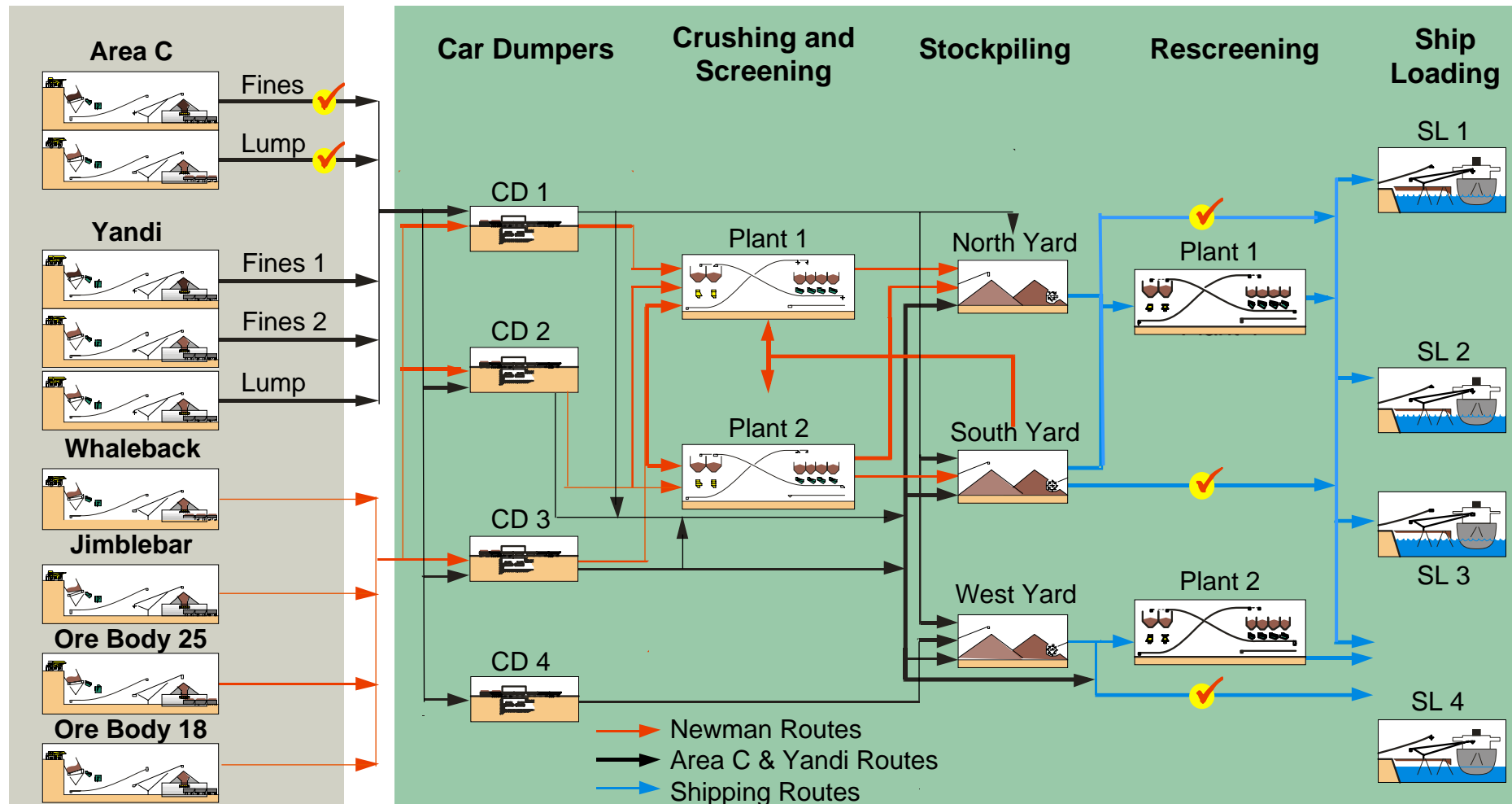
Notes: Ramp up towards RGP4 installed capacity of 155Mtpa is currently underway

System Complexity – Pre RGP4

Mines

Port

✔ Product on Specification

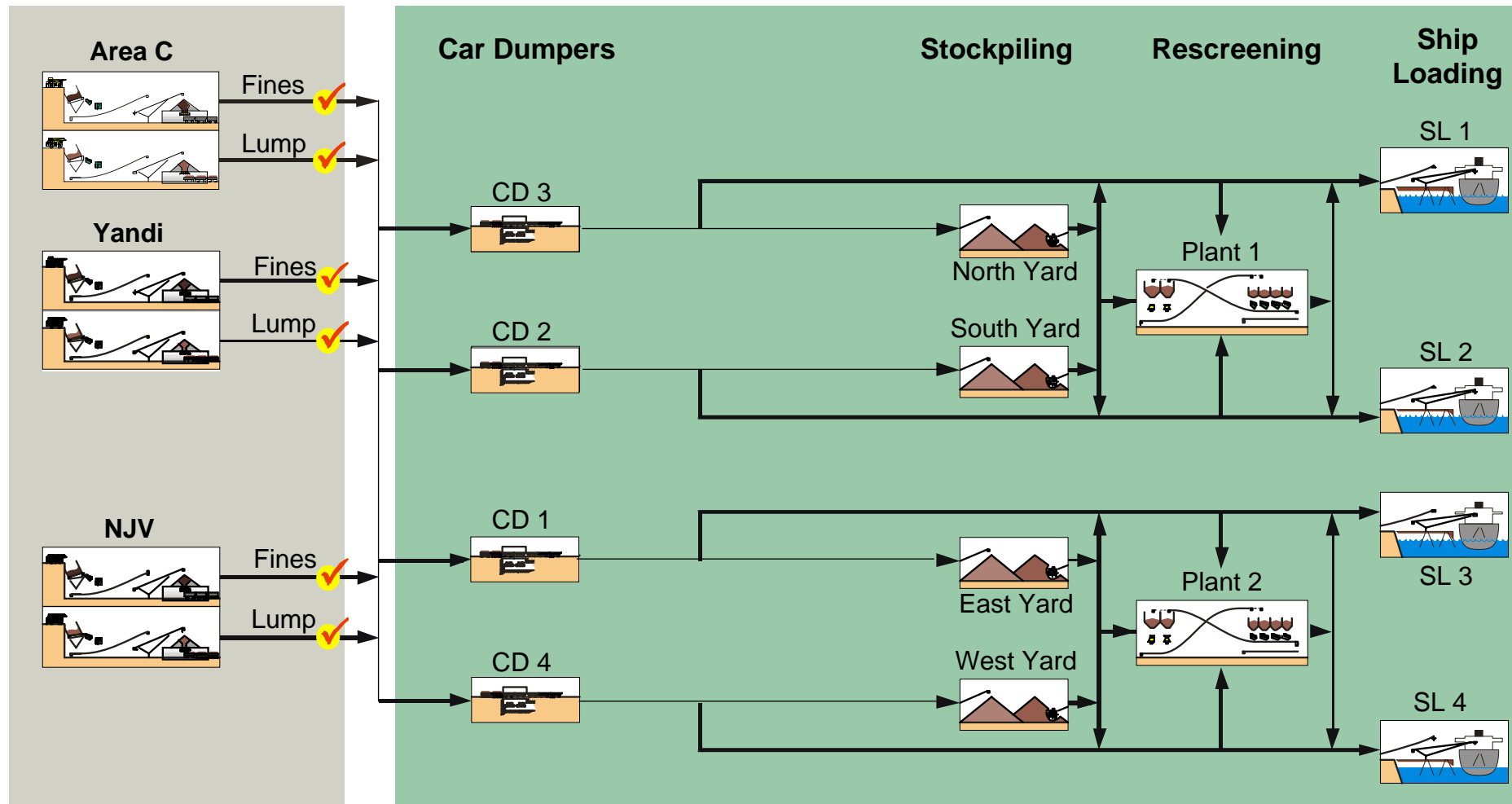


System Simplicity – Post RGP4

Mining Hubs

Port

✔ Product on Specification



RGP5 New Infrastructure (+50Mtpa)

New infrastructure includes:

Mining expansions

Yandi Mine

- Two new Primary / Secondary Sizer Stations
- New ore handling plant
- 4 x 250kt blending stockpiles
- New stacker
- New reclaimer
- Rail modifications
- Extensive supporting infrastructure

Area C Mine

- De-bottlenecking at Ore Handling Plant 1
- Supporting infrastructure

Port and Rail expansions

Rail

- ~260km double tracking
- Construction of 10 rail bridges
- ~650 new ore cars and 18 new locomotives
- Signalling, controls, communication systems upgrade
- Track layout improvement at Port

Port

- 2 new berths at Harriet Point
- 2 new shiploaders at Harriet Point
- New conveyors
- Upgrade rail loop services to Car Dumper 4

RGP5 Mine Expansion Works Underway

RGP5: + 50Mtpa to 205Mtpa installed capacity in 2011

RGP5 Yandi reclaimer base delivery, December 09



RGP5 Yandi stockyard construction December 09



RGP5 Rail Expansion Works Underway

RGP5: + 50Mtpa to 205Mtpa installed capacity in 2011

Rail duplication underway Kurrajura to Yandi, December 2009



Bore Creek bridge construction, December 2009

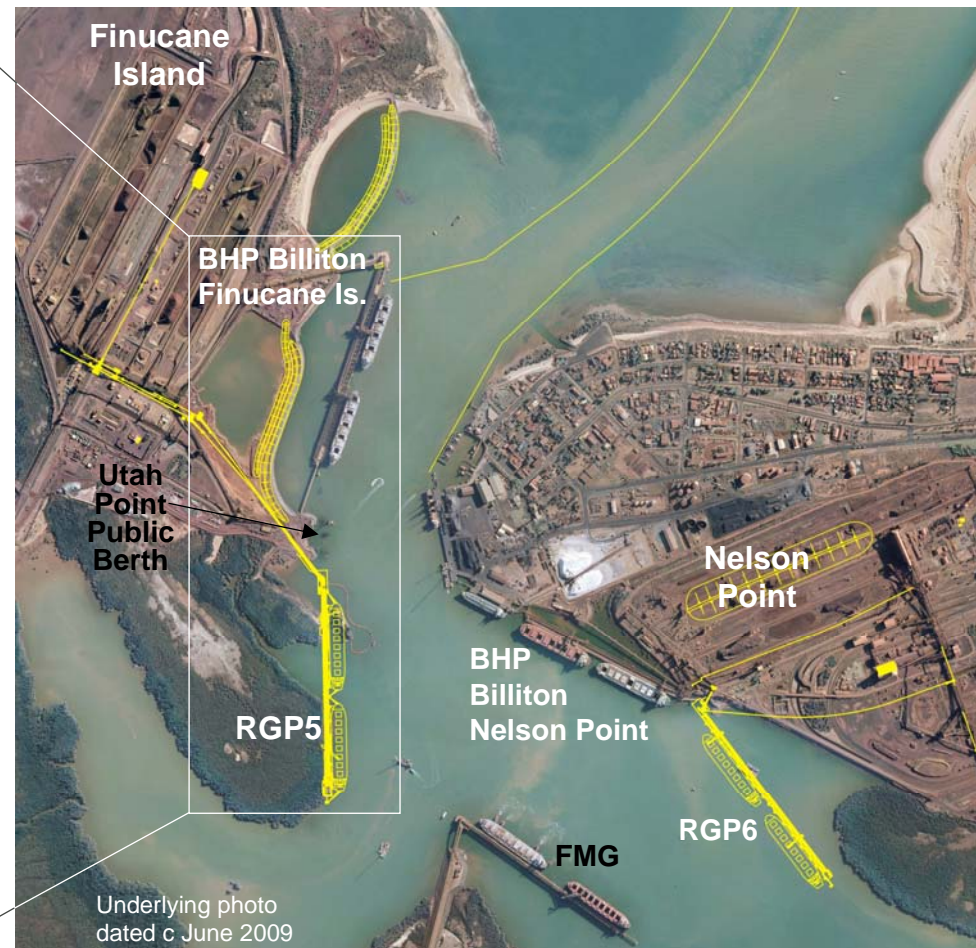


RGP5 New Port Facilities Under Construction at Harriet Point

RGP5: + 50Mtpa to 205Mtpa installed capacity in 2011

Cutter suction dredging & wharf piling at Harriet Point, reclamation areas in the background, December 2009

BHP Billiton Inner Harbour Berths



RGP6 Early Funding Approved

- **US\$1.93 billion* early expenditure approved in January 2010**
- **Expected to increase installed capacity to 240Mtpa during calendar year 2013**
- Balance of RGP6 capital will be reviewed during H2 CY2010
- Growth studies continued throughout the recent uncertainty, enabling approval of substantial early funds
- Funds will allow
 - Early procurement of long lead time items
 - Detailed engineering works to continue
 - Rail track duplication works to progress
 - Support expansion of Jimblebar mining operations
- Rio Tinto will have the option to participate in RGP6 by paying its share of invested capital when the proposed Joint Venture transaction is completed

* BHP Billiton share US\$1.73 billion; BHP Billiton's partners in its Pilbara iron ore operations are: Itochu Minerals & Energy of Australia Pty Ltd, Mitsui-Itochu Iron Pty Ltd and Mitsui Iron Ore Corporation Pty Ltd. BHP Billiton share of the RGP6 Project takes into account the 100% owned BHP Billiton Iron Ore Jimblebar operation.

** Under December 2009 Binding Agreements between the parties

Note: All studies and estimated capacity remain under review until they are approved for execution.

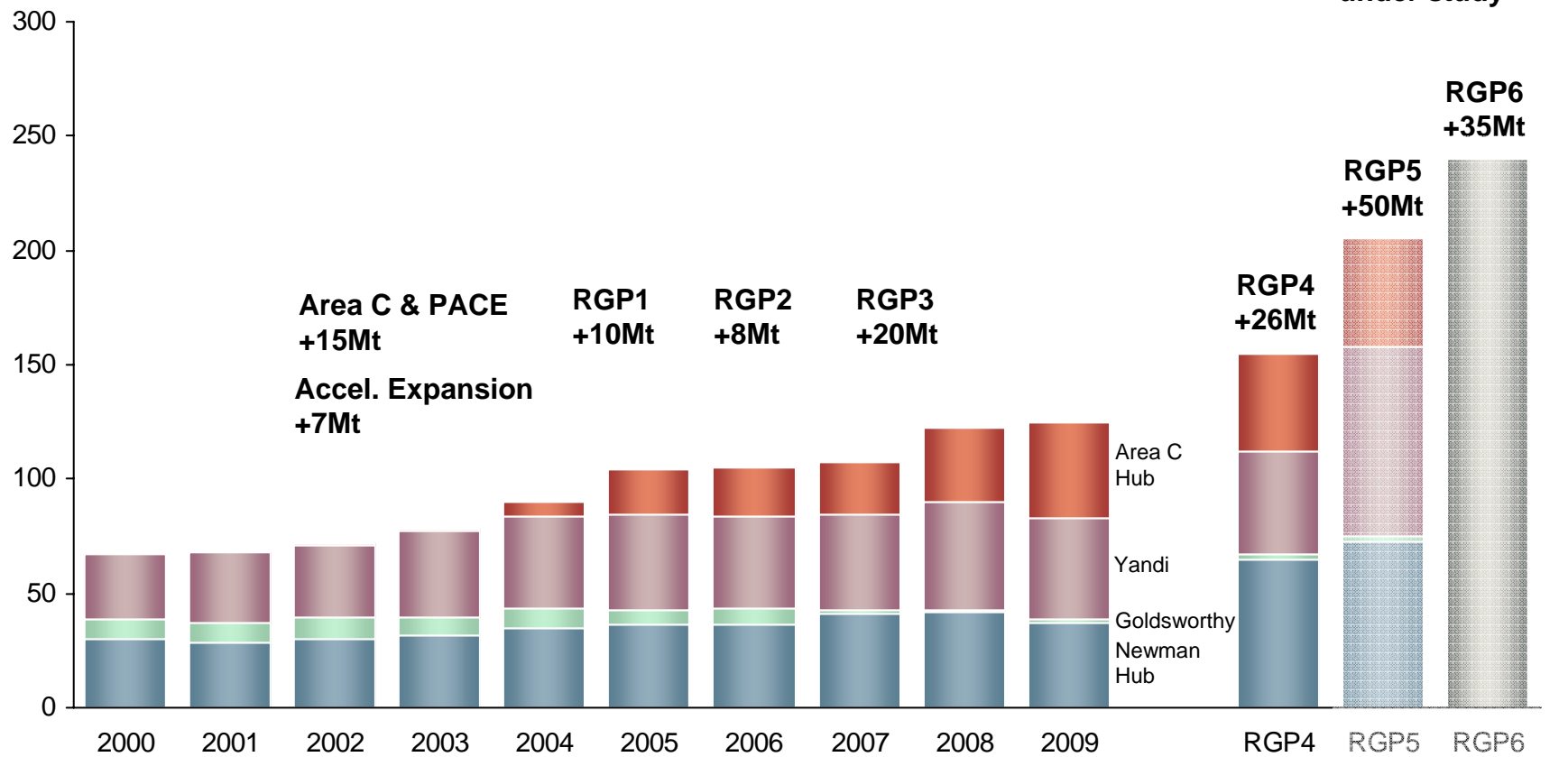
RGP6 dredging work underway at Port Hedland



Delivering the Iron Ore Growth Program and Setting Production Records

US\$12B Approved Investment including RGP6 Early Works

BHP Billiton WA Iron Ore Production History (Mt, Year ended June 2000 - 2009)



Notes: 100% share; Ramp up towards RGP4 installed capacity of 155Mtpa is currently underway.
All studies and estimated capacity remain under review until they are approved for execution. Forecast production in the first full year at capacity.

Iron Ore: Unlocking Scale Benefits from a World Class Resource Basin

- Exciting new joint venture with Rio Tinto announced on 5 June 2009
- Binding agreement to form 50:50 joint venture of Pilbara iron ore assets to leverage benefits of scale finalised early December 2009
- Expected benefits include substantial and unique production and development synergies of over \$10 billion NPV (100% basis)
 - Pilbara Operations Optimisation
 - Cross-blending and resource optimisation
 - Investment Optimisation
 - Operating efficiency and overhead rationalisation
 - Yandi Integration
 - Enhanced capacity expansion opportunities





Newman Hub, December 2009