

Mt Arthur Coal

Investor/Analyst Presentation
September 2003



Agenda

Energy Coal Overview

David Lamont, Chief Financial Officer – BHPB Billiton Energy Coal

Mt Arthur Coal Project

Stephen David, General Manager – Mt Arthur Coal

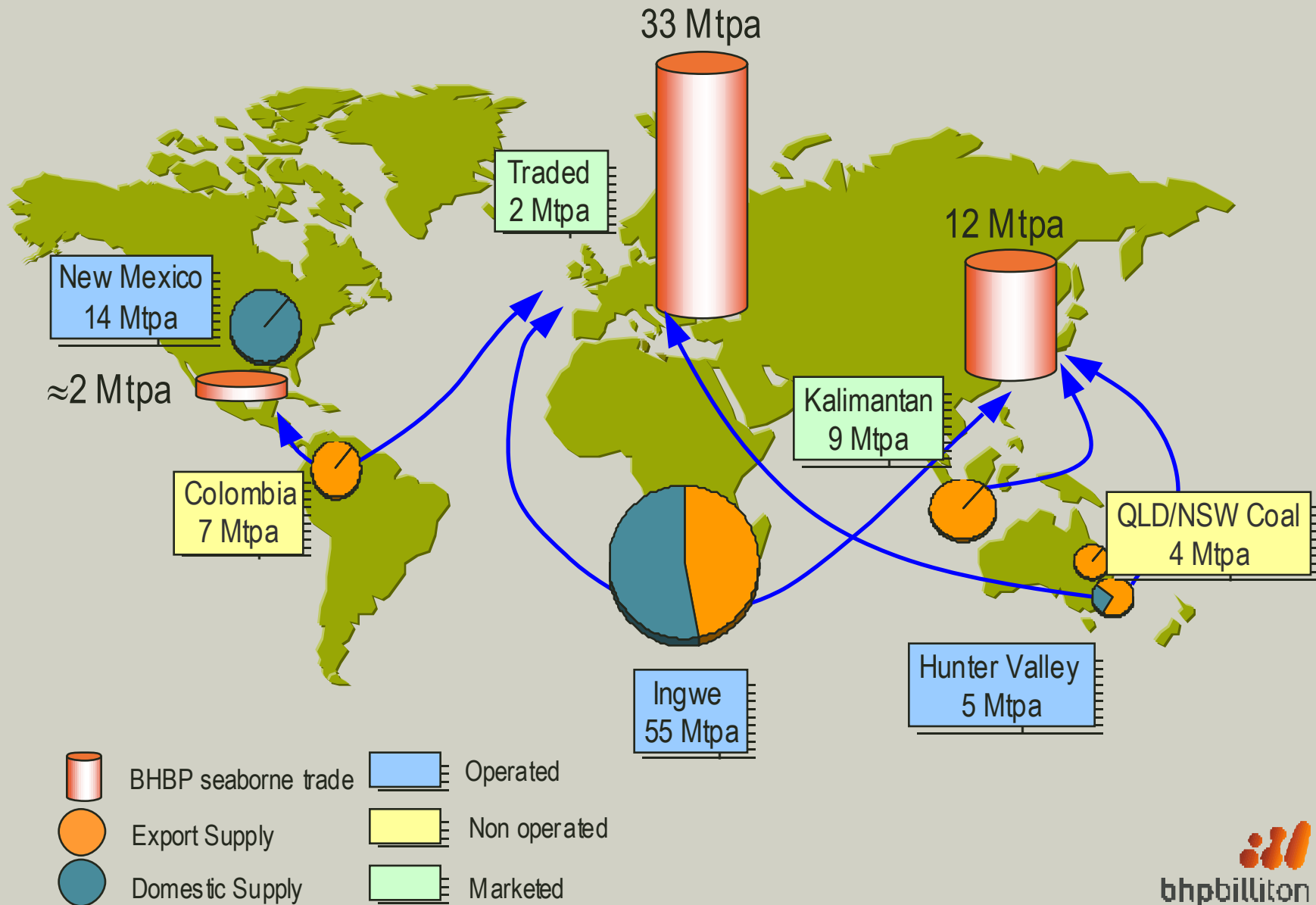
Q&A

David Lamont, Chief Financial Officer – BHPB Billiton Energy Coal
Derek Nightingale, Chief Operating Officer – Hunter Valley Energy Coal
Stephen David, General Manager – Mt Arthur Coal

BHP Billiton Energy Coal

- One of the world's largest producers and marketers of export thermal coal
- Major supplier to domestic markets
- Diverse operations and markets along with multi-source supply capability
- Key assets in South Africa, USA, Colombia and Australia
- Focus on enhancing our world class assets via selective acquisitions, progressing approved capital projects and sustaining business improvement initiatives across our existing assets
- We will continue to build our marketing capabilities in order to deliver enhanced service to our customers and extract greater than commodity value from our product

Business overview



World class asset portfolio



* 100% production for operated assets, equity production for non-operated assets

** Reserves for producing assets only

Energy Coal – Facts & Figures

	FY 2003	FY 2002
• Attributable production (million tonnes)	82	83
	US\$ million	US\$ million
• Turnover	\$2 089	\$1 919
• EBITDA	\$367	\$712
• EBIT	\$190	\$536
• Net operating assets	\$2 193	\$2 092
• Capital and investment expenditure	\$ 300	\$295

Moving asset performance to the next level

- **Setting performance targets for assets in face of adverse external environment**
- **All assets undergoing performance improvement projects**
- **South Africa and Colombia major focus**

A portfolio of world class assets

What are world class assets?

Attributes

- Low delivered cost – quality adjusted
- High margin
- Positive margin throughout commodity cycle
- Long life, sustainable position
- Meets customer needs
- Healthy and safe for workers and community
- Minimised impact on environment
- Integrated with local community
- Contributes to social and economic development

AND

Profits resilient to materially adverse external environment

Current market conditions

Pacific

- AUD appreciating against USD
- USD prices slowly recovering
- Freight rates high

Competitor response

- C&A – production cuts
- Xstrata – production cuts

Why no cut at MAN

- Need to reach minimum efficient volume
- We are not the market leader in Asia



Mt Arthur Coal



Regional Locality Plan



Mining and Exploration Lease Areas



BACKGROUND

- Bayswater Colliery commenced open cut mining in 1968
 - Purchased by Billiton in 1996
- In 1998 won the tender to develop Mt Arthur North lease area
 - Supplying 3 Mtpa domestic thermal coal for 5 years; and
 - Committing the company to develop an export mine of at least 2 Mtpa
- From 1998 to 2001 exploration and planning proceeded through Environmental Impact Statement, Pre-feasibility and Final Feasibility phases to rapidly bring the Mt Arthur North lease into production

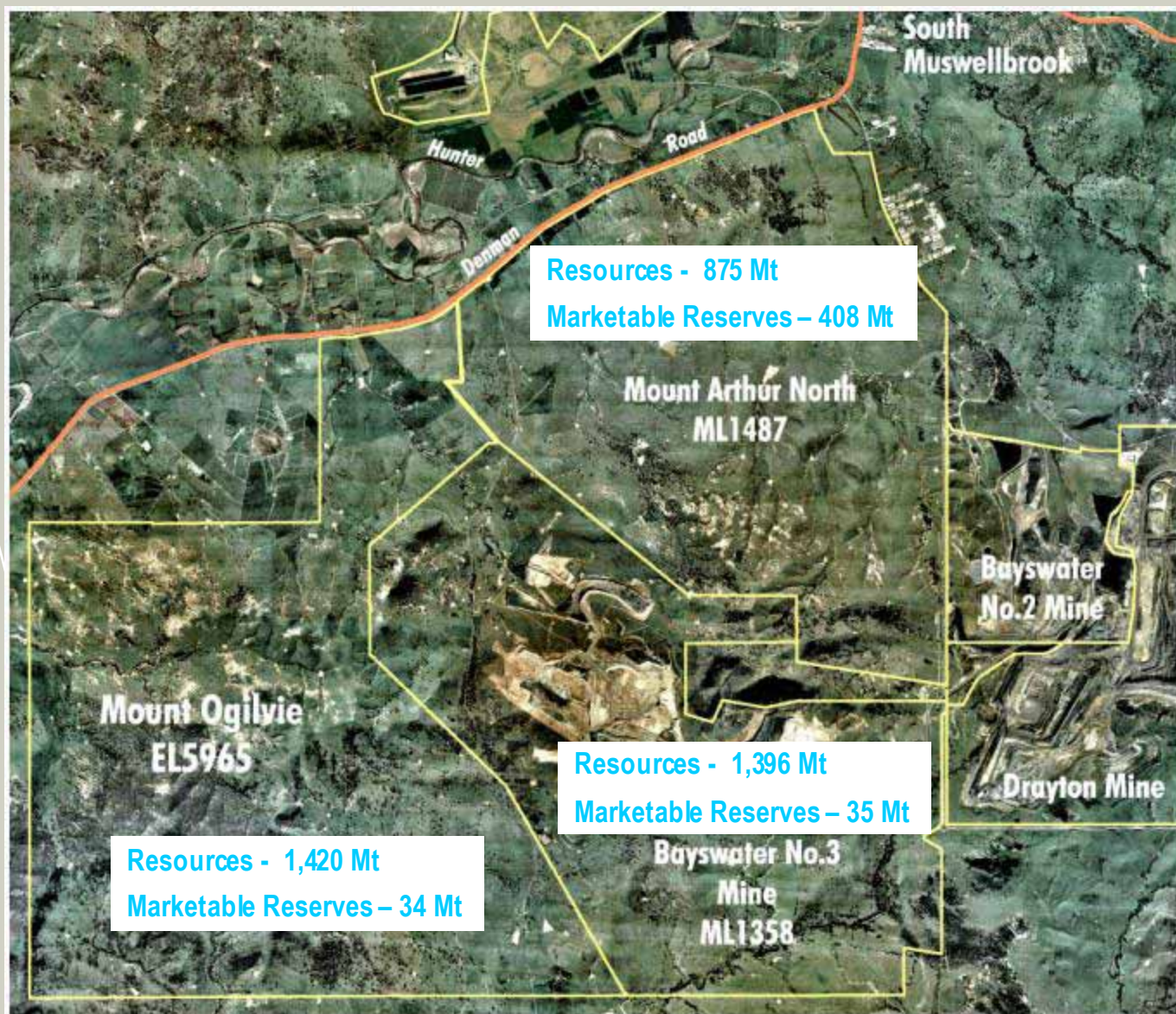
BACKGROUND

- The company sought and obtained Development Consent to mine up to 15 Mtpa (Run of Mine) from the MAN mining lease over 21 yrs.
- A mining lease was granted in June 2001. “Brownfields” construction commenced in mid 2001. First coal was mined in Apr 2002.
- Bayswater & Mt Arthur North coal resources will be managed and operated as one, having combined Development Consent of 20Mt Saleable Product pa.
- Currently also exploring contiguous coal resources for possible future underground development.

Mt ARTHUR COAL ATTRIBUTES

- Estimated Resource for Mt Arthur Coal 3,690 Mt as at 30 June 2003
- Estimated Marketable reserves for Mt Arthur Coal are 472 Mt as at 30 June 2003
- Rail access to Port of Newcastle via new rail loop
- Conveyor access to local power station – MacGen
- Relatively constant waste to ROM coal strip ratio of around 4.5:1 over the life of Mt Arthur North
- State-of-the-art coal processing facilities (being commissioned)

Mt Arthur Coal – Estimated Coal Resources & Reserves



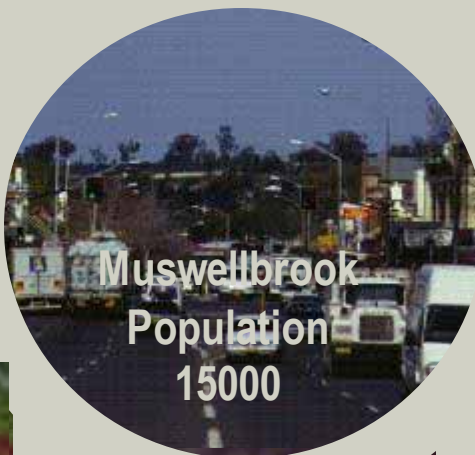
Estimated as at 30 June 03
As received basis

Social Context

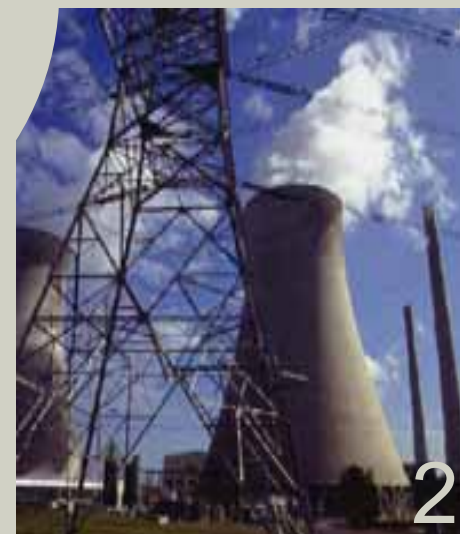


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Licence to Operate

- Commitment to Zero Harm
- ISO 14,001 accreditation
- Comprehensive Environmental Monitoring System
- Integrated Community Plan

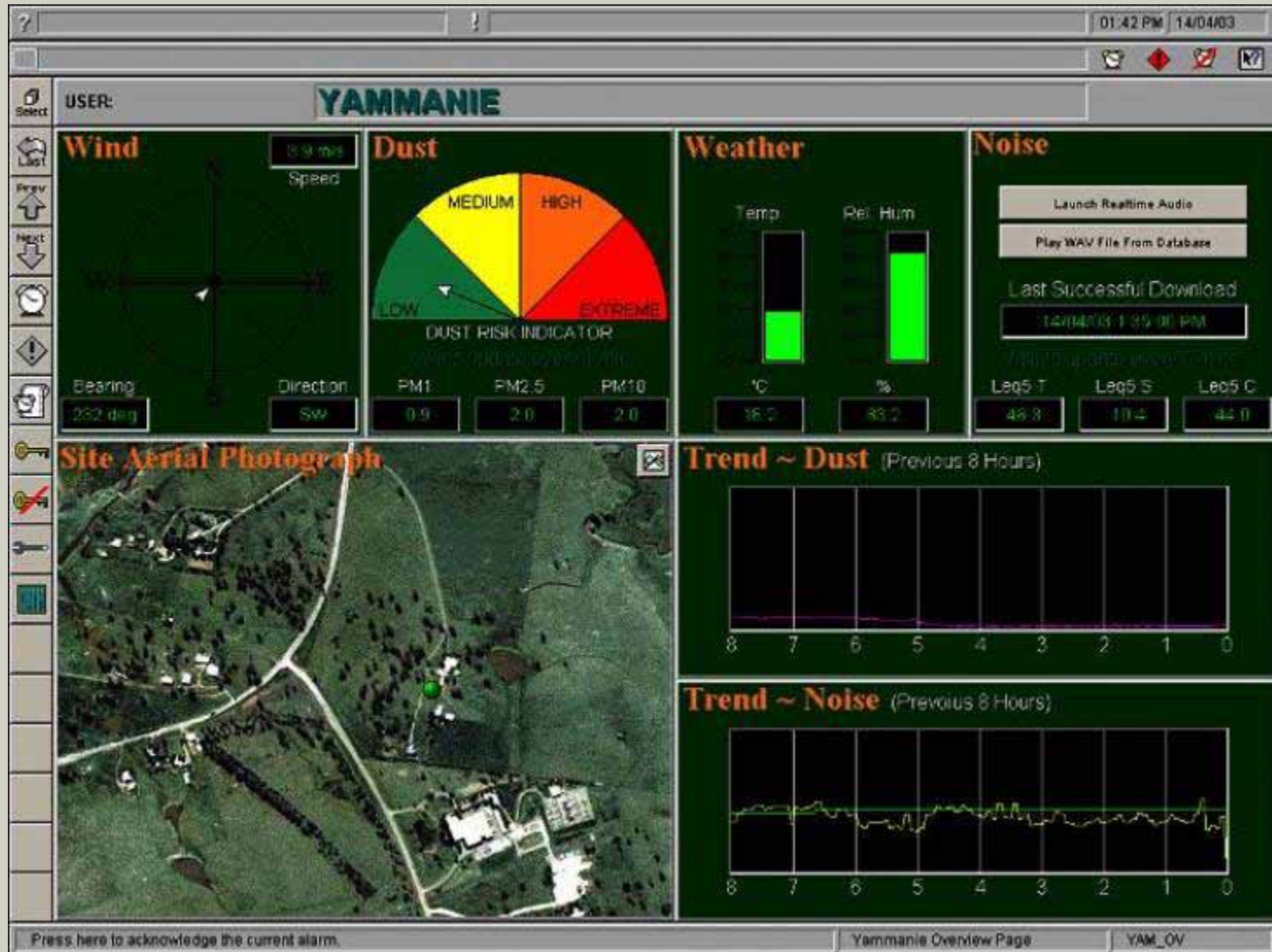
Monitoring: From Reactive to Proactive

Our innovative monitoring system includes:

- 4 real time directional noise monitors
- 4 real time fine dust samplers
- 8 PM10 dust samplers
- 21 dust deposition gauges
- 26 ground water sites
- 16 surface water sites
- 5 real time weather stations
- 2 weather recording stations
- 11 blast monitoring sites



Real Time Noise Monitoring System available to Supervisors



The World's quietest haul trucks



Mine Operations



Mt Arthur Coal Development Consent Production Capabilities

ROM Production



MAN 15mtpa
BCC 4.8mtpa

Processing



MAN 20mtpa
BCC 4.8mtpa

Rail Capacity



Up to 20mtpa
13mtpa ex MAC
7mtpa ex Drayton

Mining Equipment List



Equipment Fleet	Current Units	Ramp Up Units
P&H 4100 Rope Shovels	2	-
Liebherr R996 Excavators	2	1
Hitachi EX3500	2	1
Cat 793 / Liebherr T282 240t/327t Rear Dump Trucks	20	3
Cat 789 172t haul trucks	7	2
Overburden Drills	4	1
Cat D11R Dozers	12	2
Wheel Dozer	3	1
Water Carts	4	1
Graders	5	1

Typical Stratigraphic Column (MAN Lease Area)

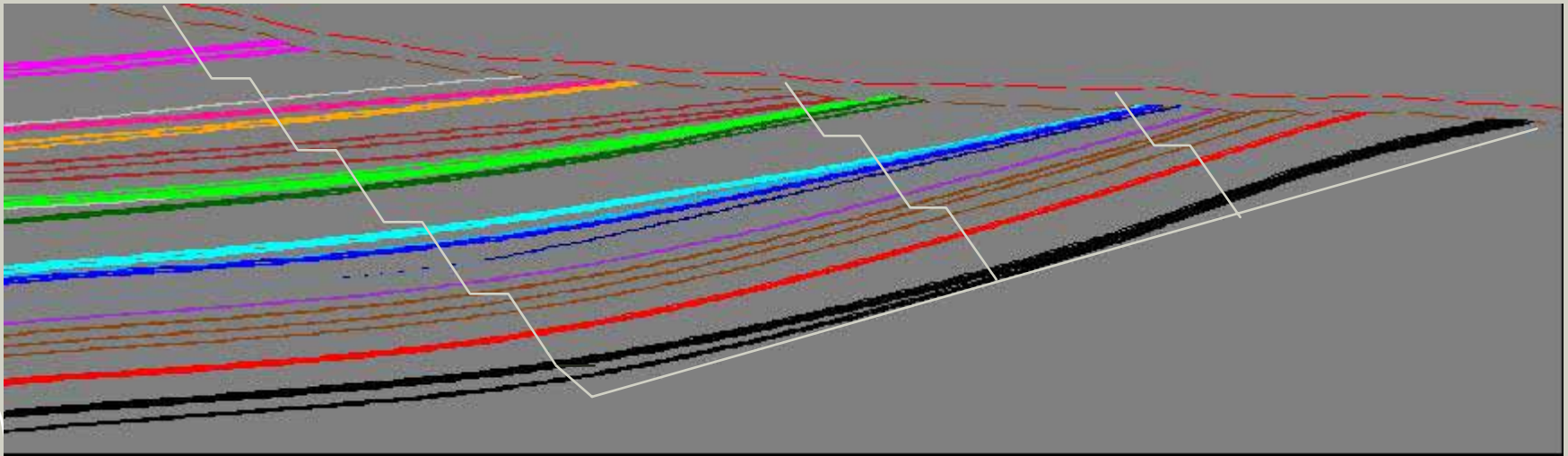
21 Seams



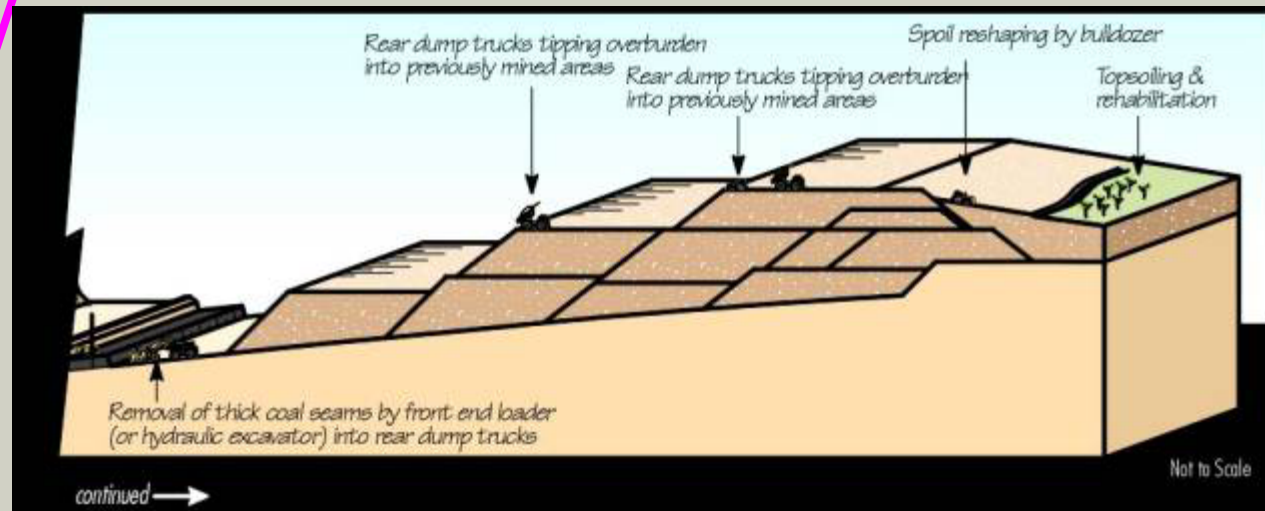
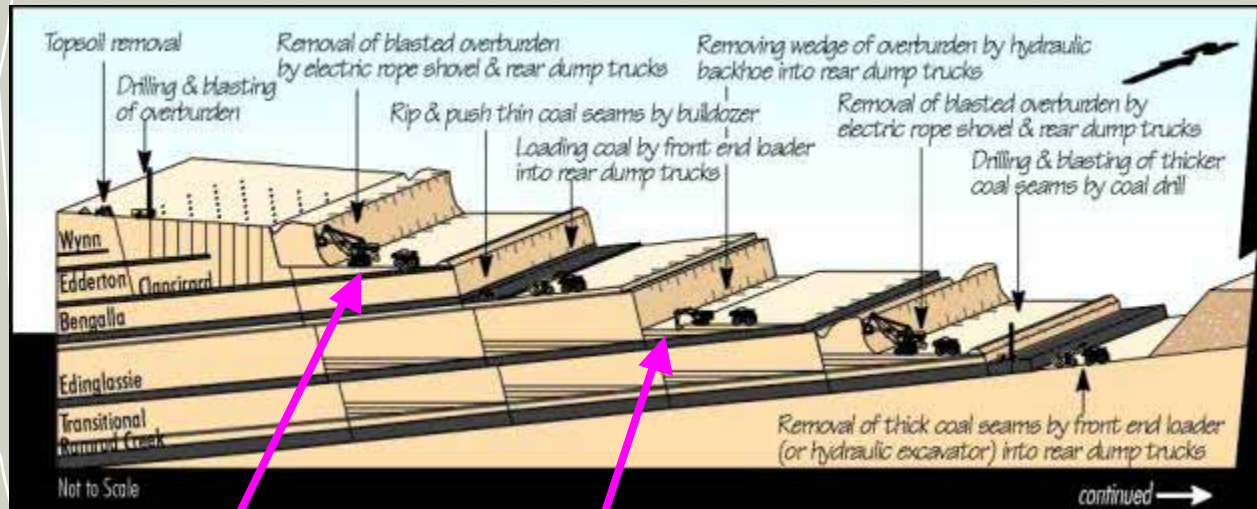
GROUP	SUBGROUP	FORMATION	SEAM NAME
W I T T I N G H A M C O A L M E A S U R E S	J E R R Y S P L A I N S U B G R O U P	MILBRODALE FORMATION	
		MT THORLEY FORMATION	Woodlands Hill
			Unnamed B
			Arrowfield
			Bowfield
			Warkworth
		FAIRFORD FORMATION	
		BIRNAMWOOD FORMATION	Unnamed F
			Mount Arthur
			Unnamed C
			Pierrefield
			Unnamed H
			Unnamed I
			Vaux
			Broonie
			Boyswater
		ARCHERFIELD SANDSTONE	
	V A N E S U B G R O U P	BULGA FORMATION	
		FOYBROOK FORMATION	Wynn
			Edderton
			Clanricard
			Bengalla
			Edinglassie
			Transitional
			Ramrod Creek

Background East-West Geological Section Mt Arthur North

Direction of Mining (Down Dip)



MINING OPERATIONS - GENERAL SCHEMATIC

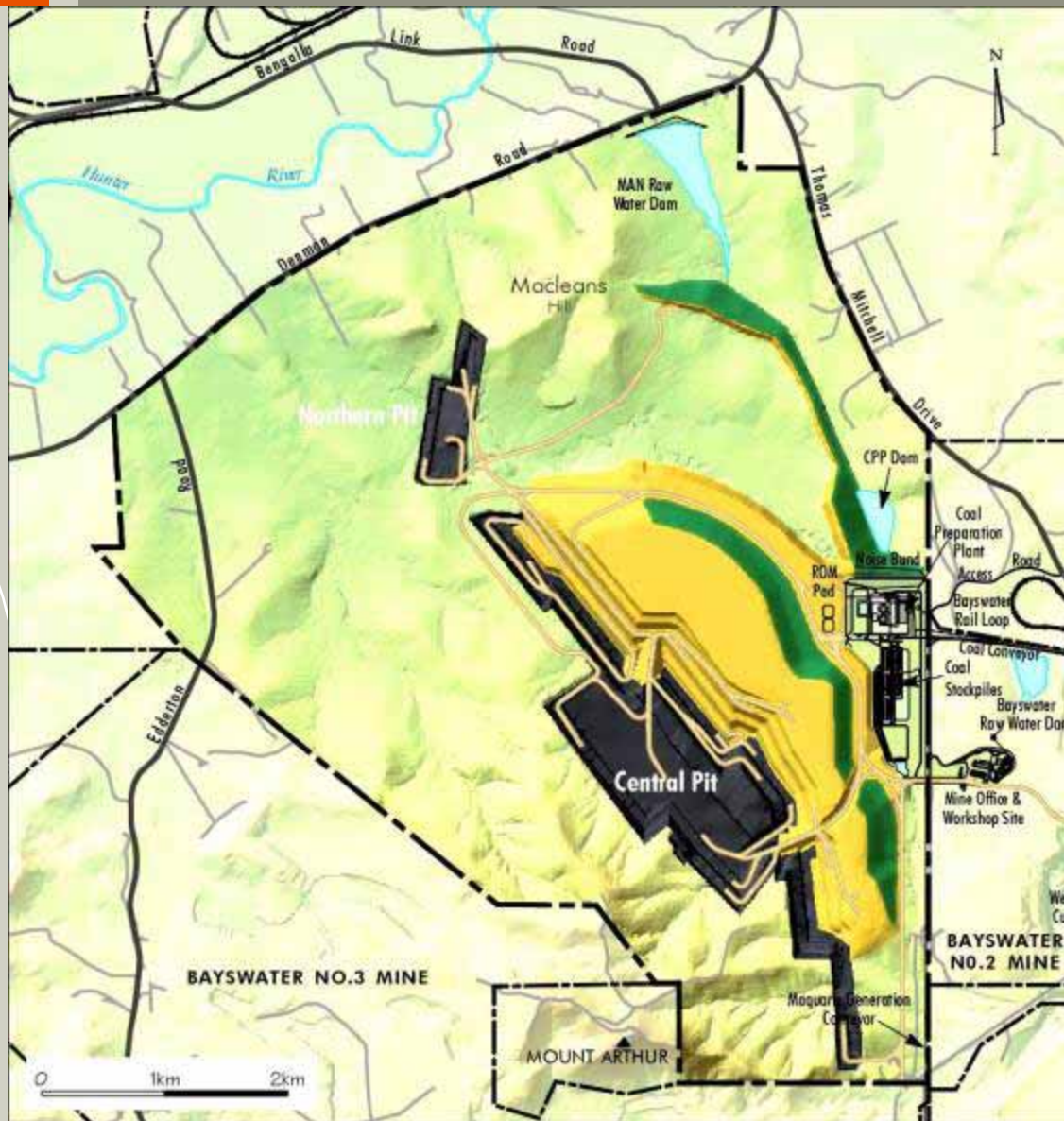


YEAR 2 MINE LAYOUT



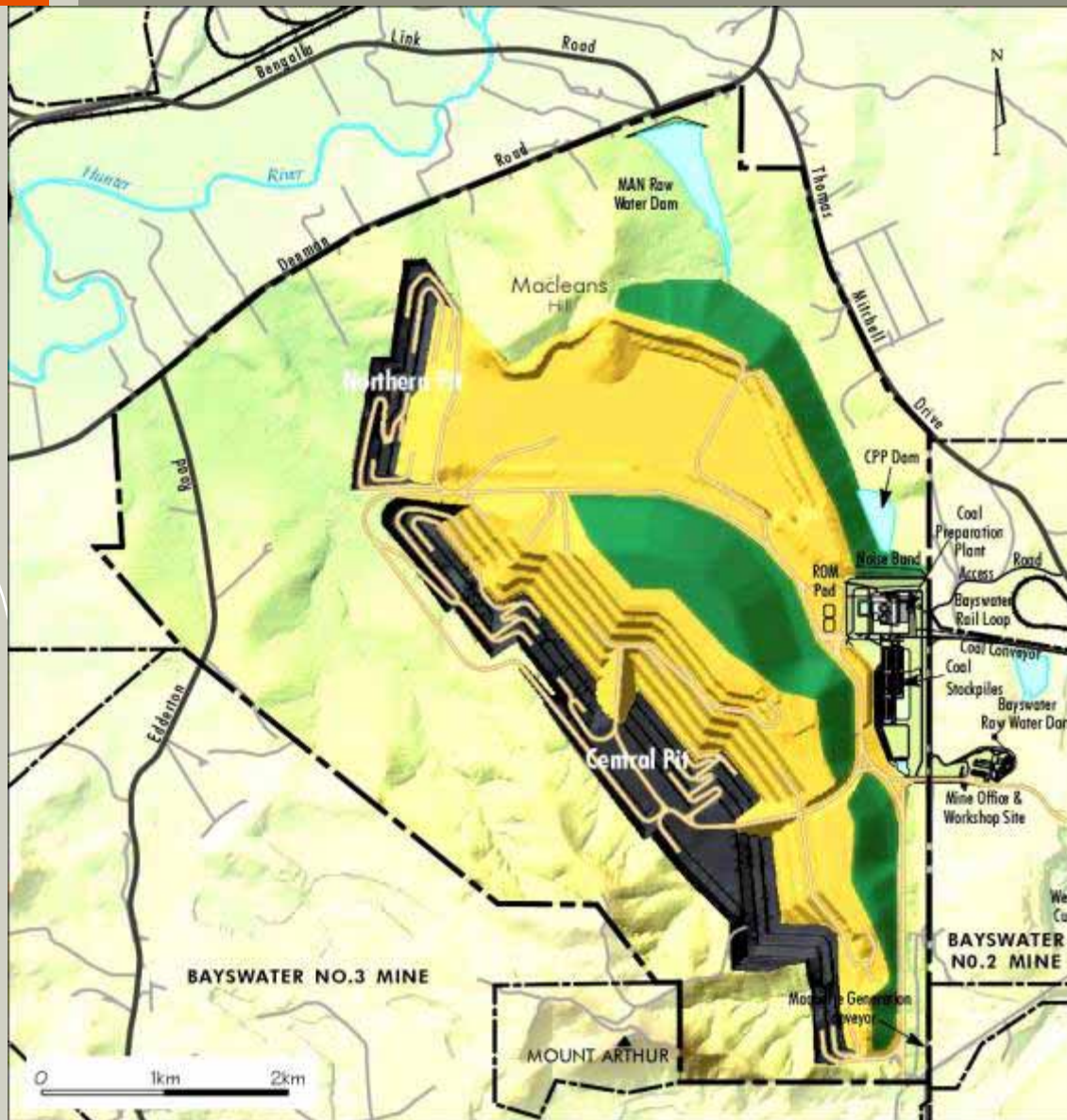
- Active Pit
- Active Overburden Emplacement
- Rehabilitated Overburden Emplacement

YEAR 5 MINE LAYOUT



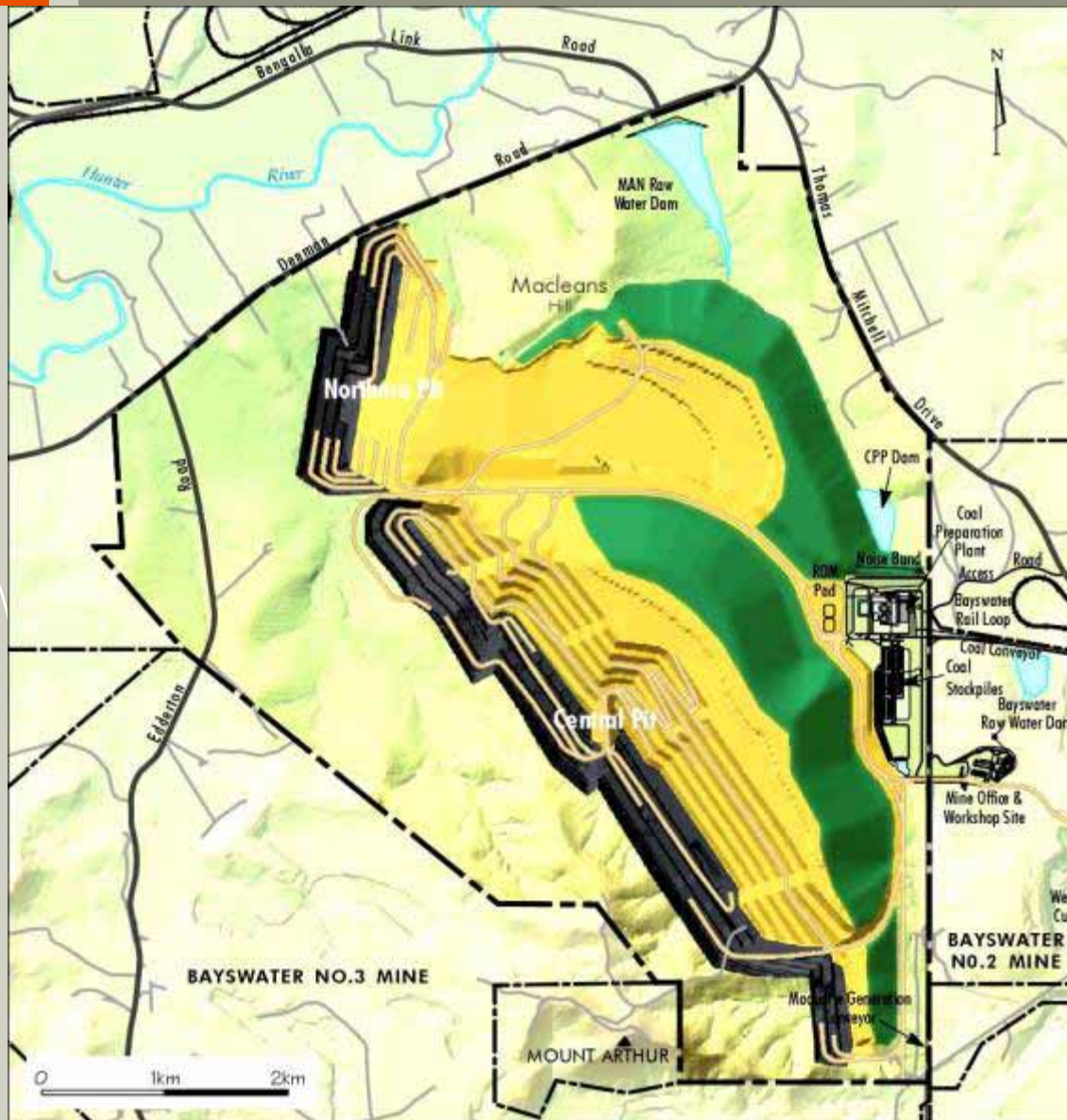
- Active Pit
- Active Overburden Emplacement
- Rehabilitated Overburden Emplacement

YEAR 10 MINE LAYOUT



- Active Pit
- Active Overburden Emplacement
- Rehabilitated Overburden Emplacement

YEAR 15 MINE LAYOUT



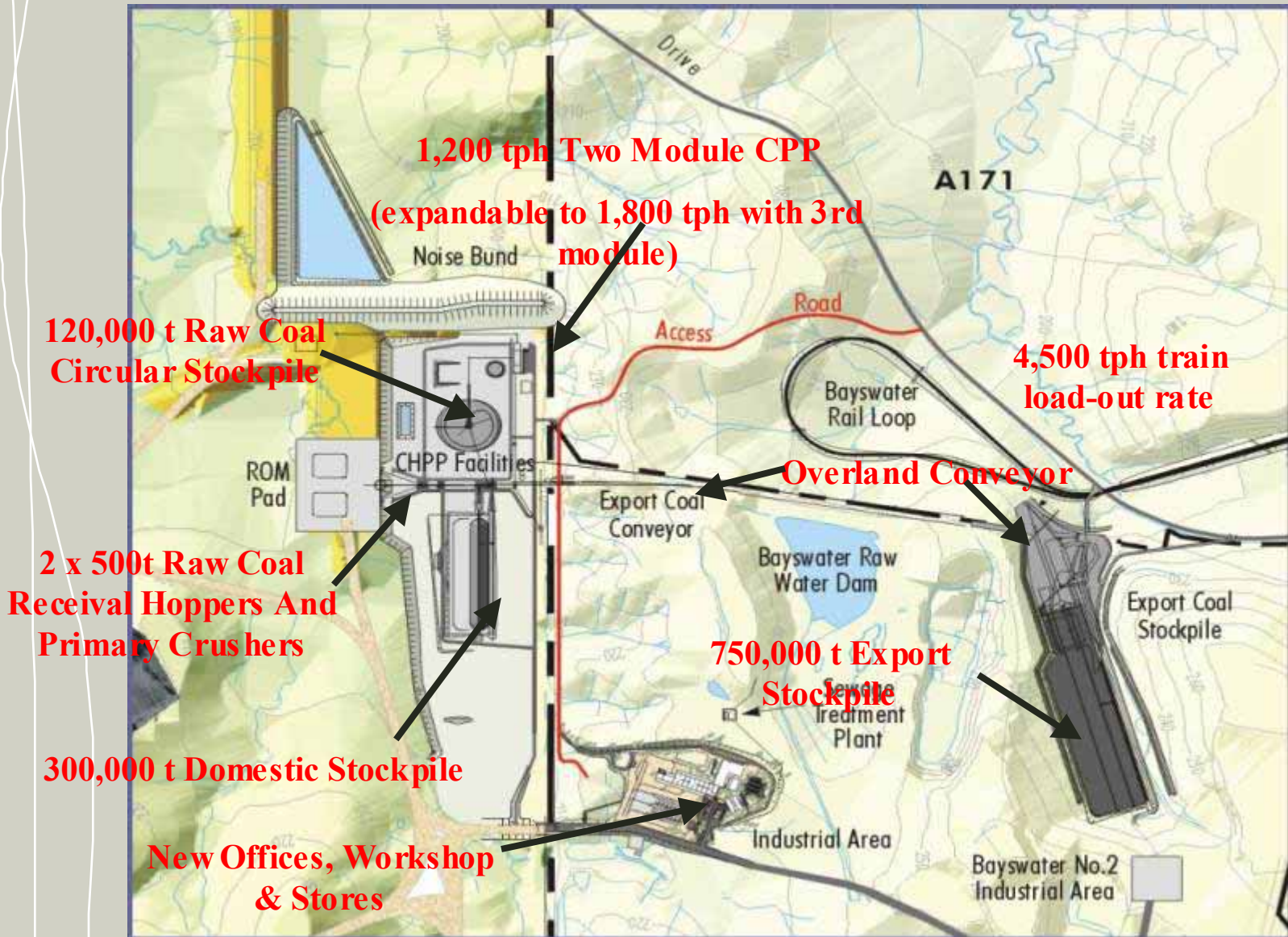
- Active Pit
- Active Overburden Emplacement
- Rehabilitated Overburden Emplacement

YEAR 21 MINE LAYOUT



- Active Pit
- Active Overburden Emplacement
- Rehabilitated Overburden Emplacement

GENERAL INFRASTRUCTURE LAYOUT



Construction



MAN Project Safety

- ~2 million Man-hours worked
- >2900 Inducted contractors
- Construction peaked at 510 contractors on site
- Project LTIFR 1.5 vs NSW Construction Industry average 15.7*

* Source Workcover 2001

MAN Project – Salient Points

- Project approved capital US\$411M
- Final Forecast Costs below budget
- 81% committed
- Project completion 2006

MAN Project Execution : Project Stages and Milestones

Stage 1	BCC Rail Loading Facility	(Planned 2/02 - Actual 11/01)
Stage 2	Civil and Bulk Earthworks	(Planned 12/02 - Actual 12/02)
Stage 3	Domestic Coal Facilities	(Planned 12/02 – Actual 12/02)
Stage 4	Export Coal Facilities	(Planned 12/03 – Actual 10/03)
	First Coal Mined	(Planned 3/02 - Actual 3/02)



From This.....



To this.....

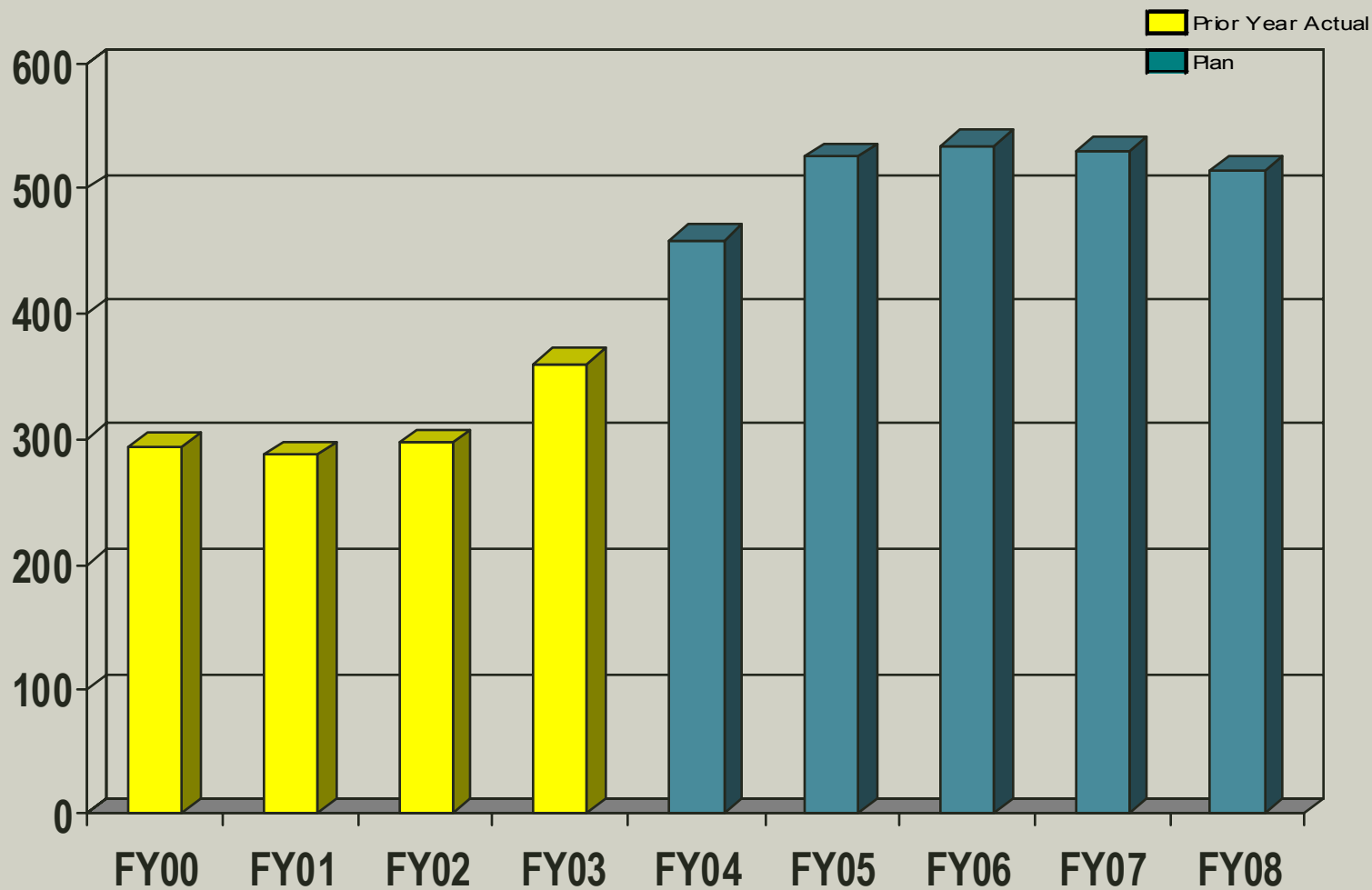


in less than two years

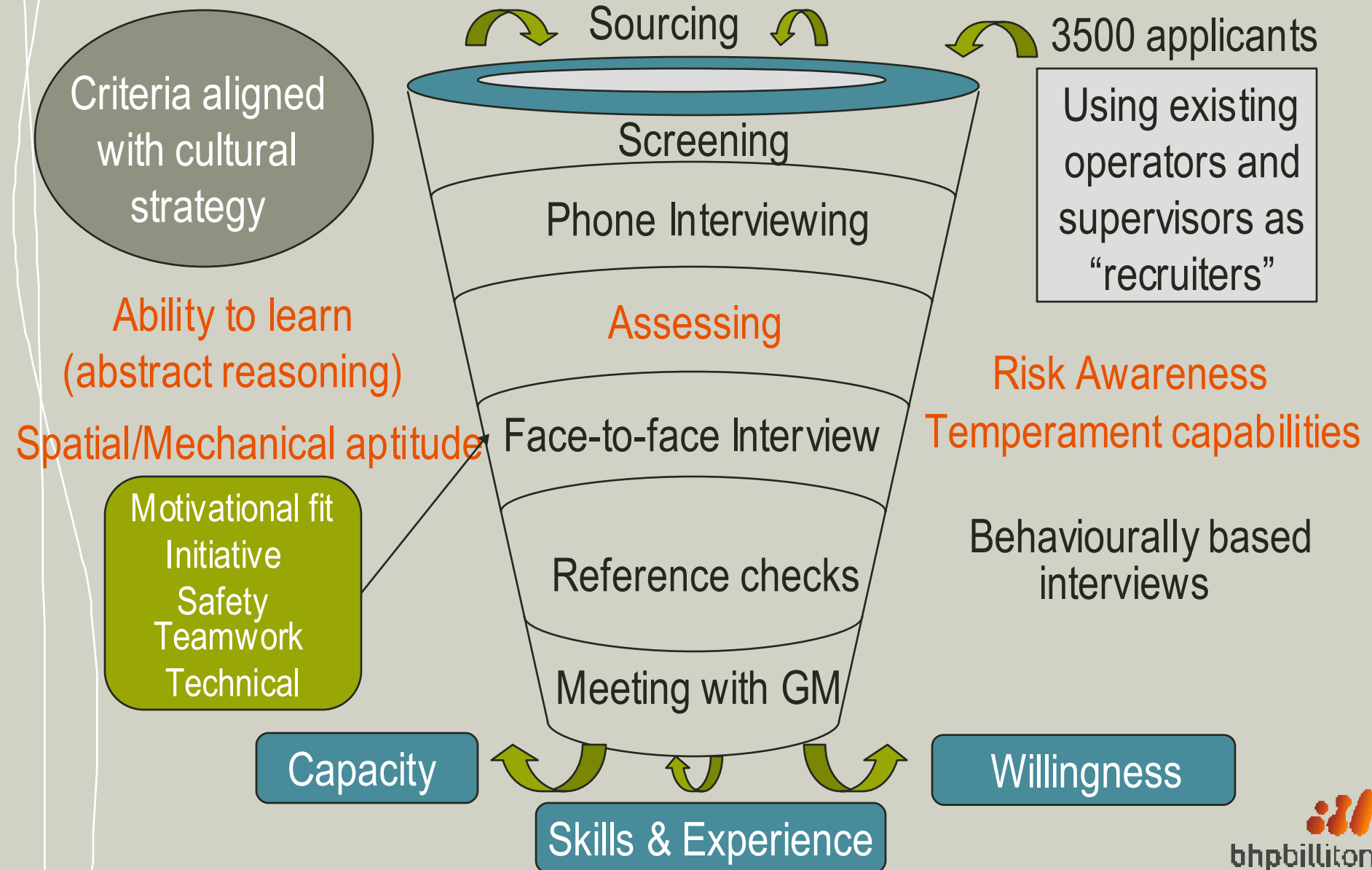
The Ramp Up



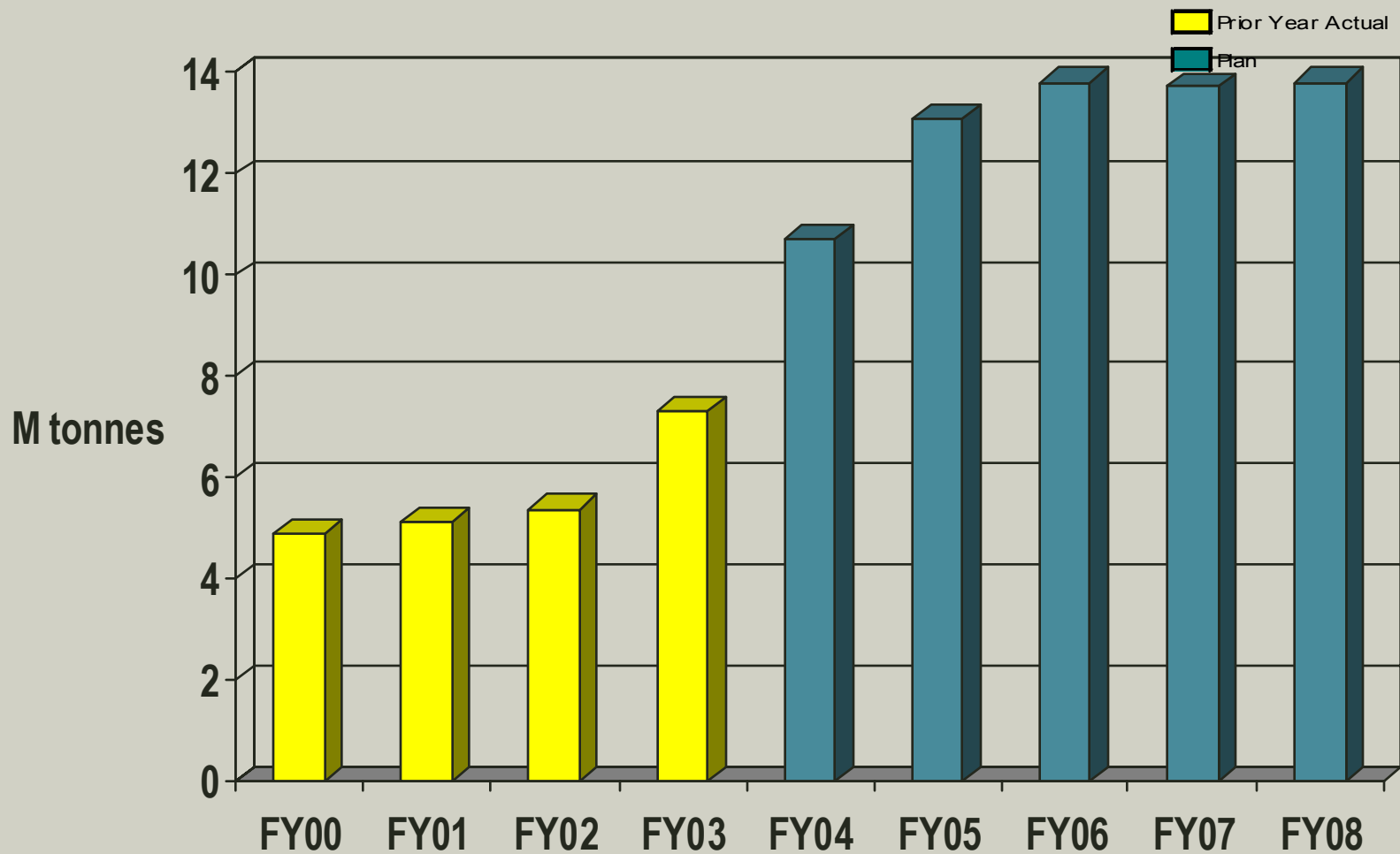
Labour Numbers (average annual)



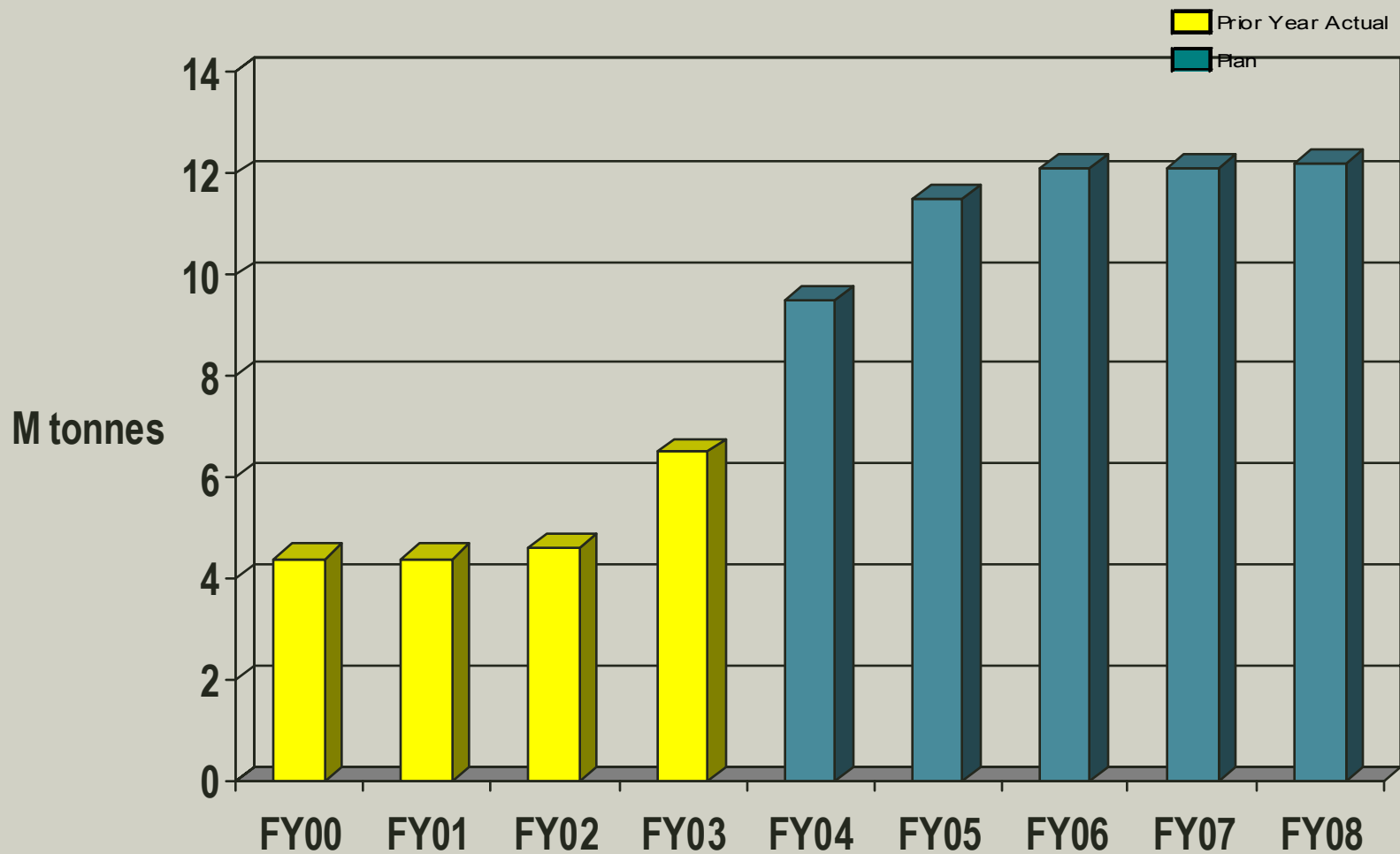
Selecting the right people



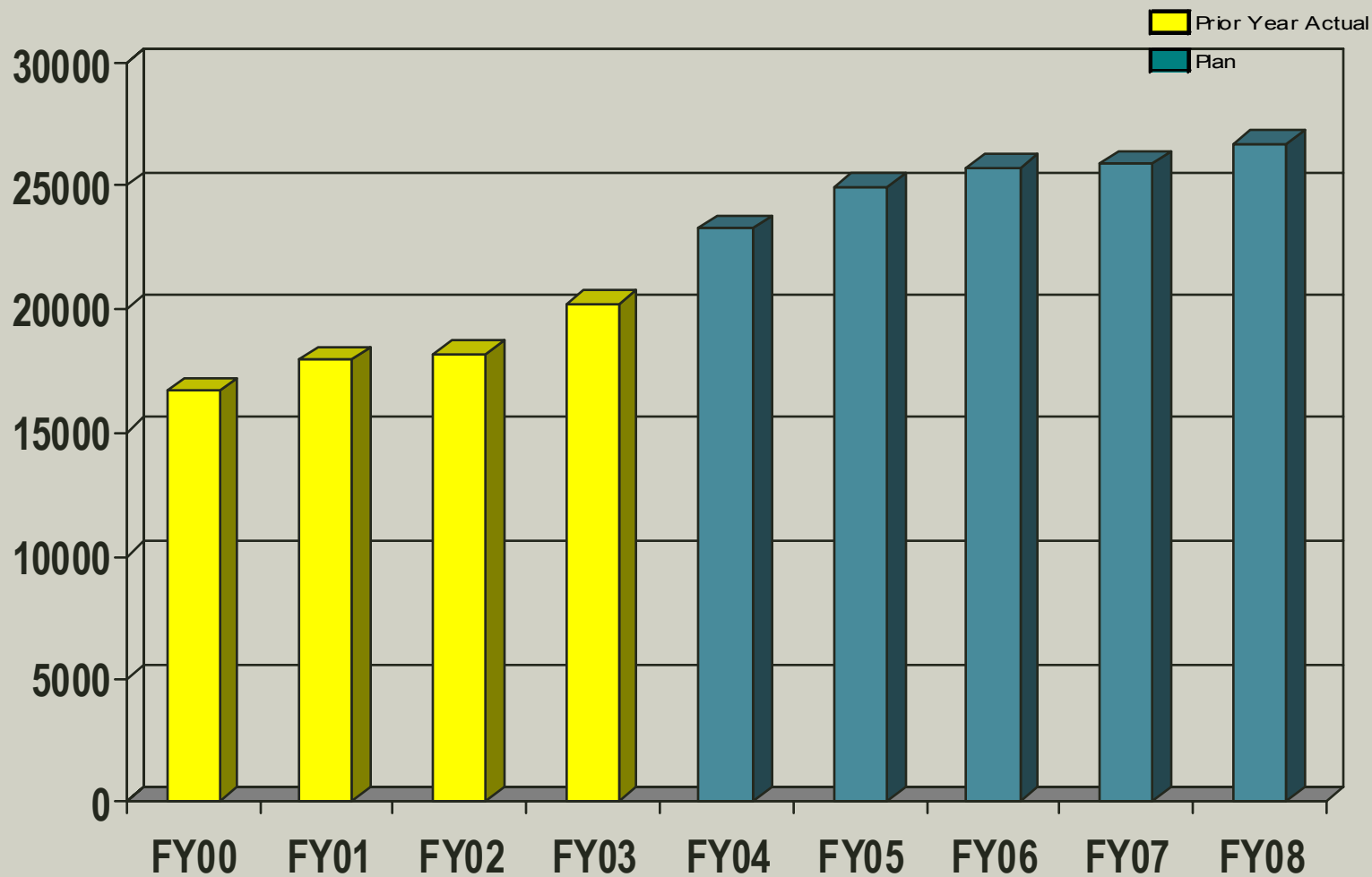
Run of Mine Coal - MAN Lease area



Saleable Product Coal - MAN Lease area

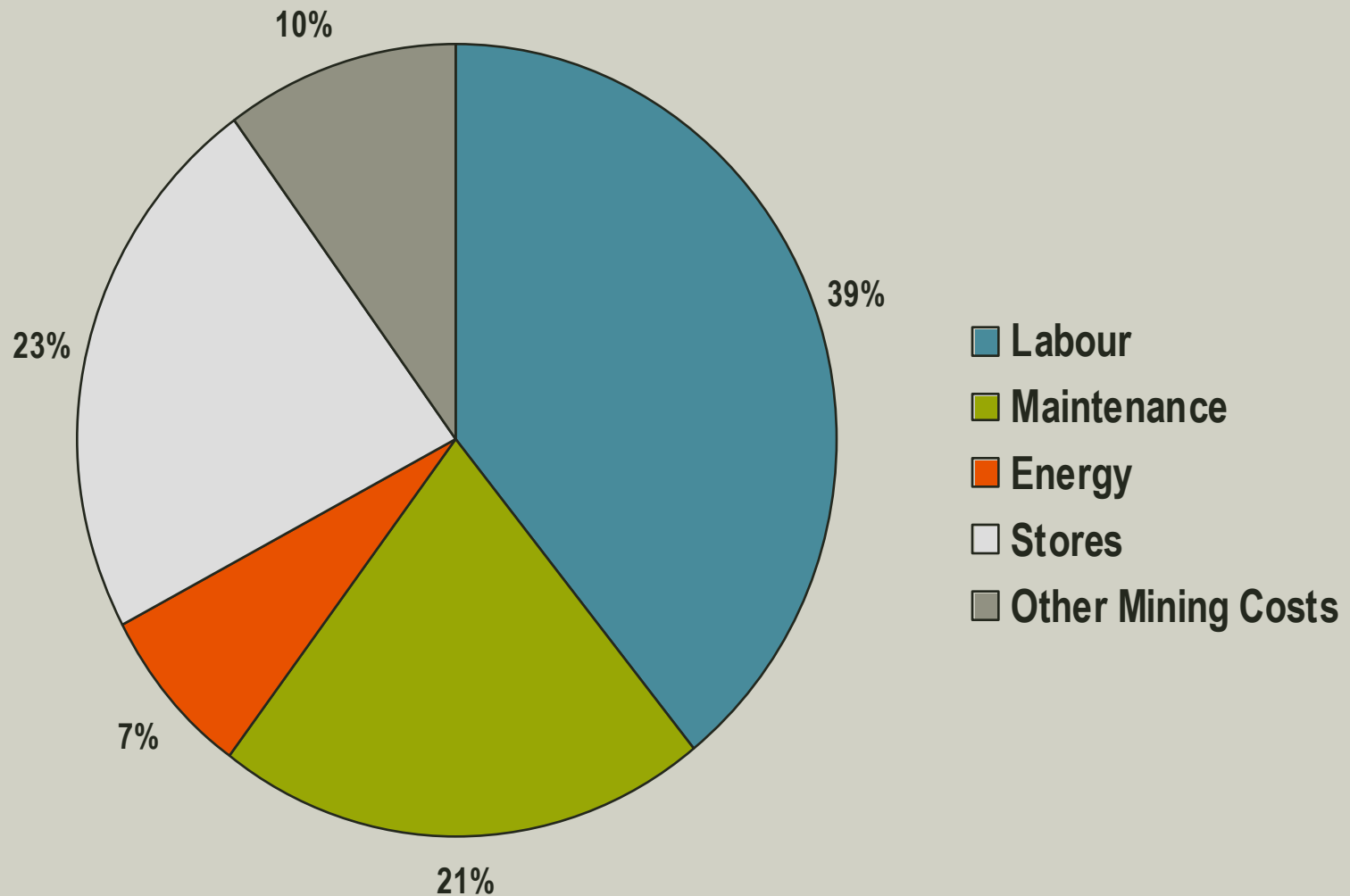


Run of Mine Tonnes/Employee



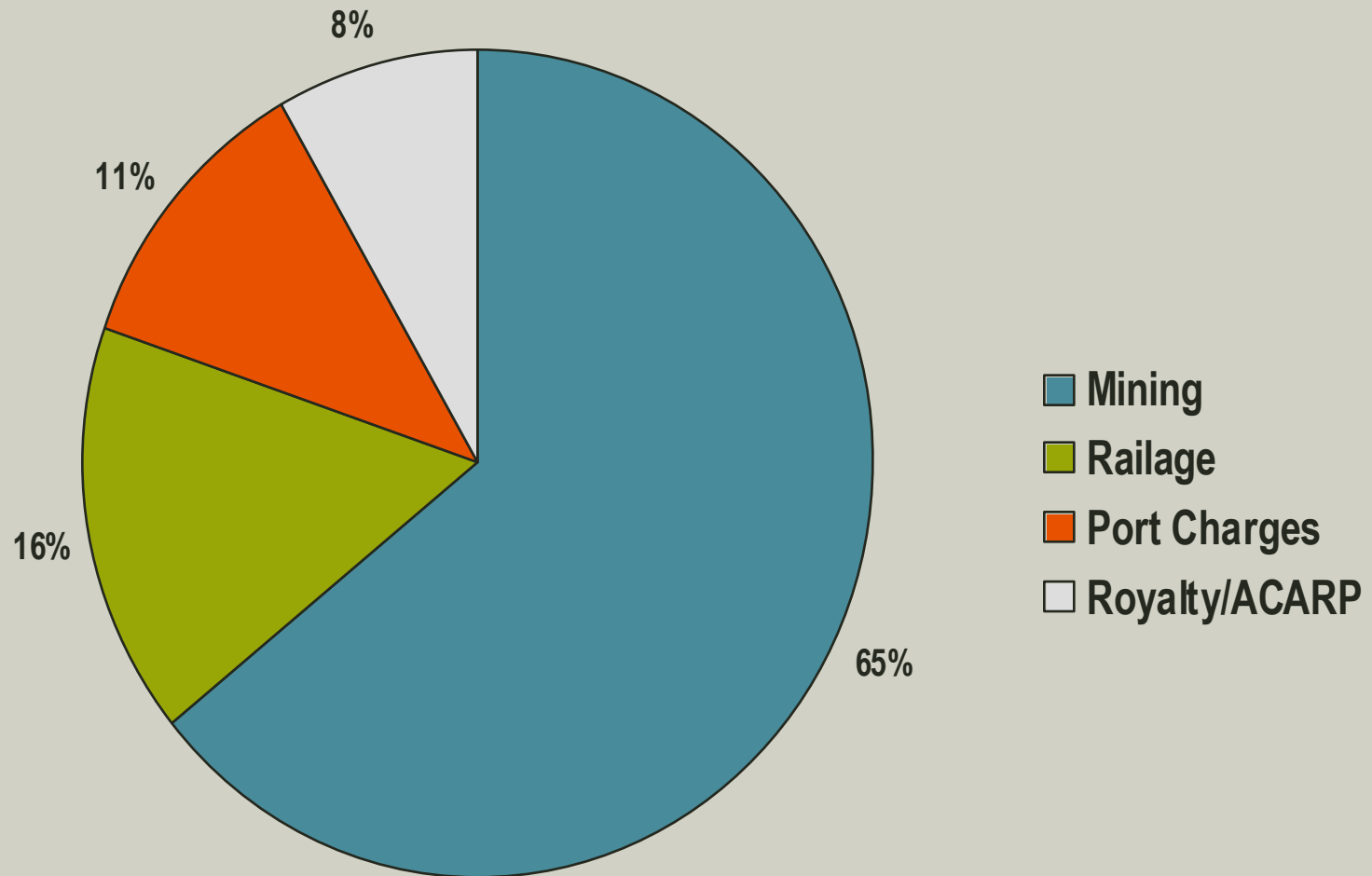
Mine Gate Cash Costs Split by Expense Type

FY2004 Budget

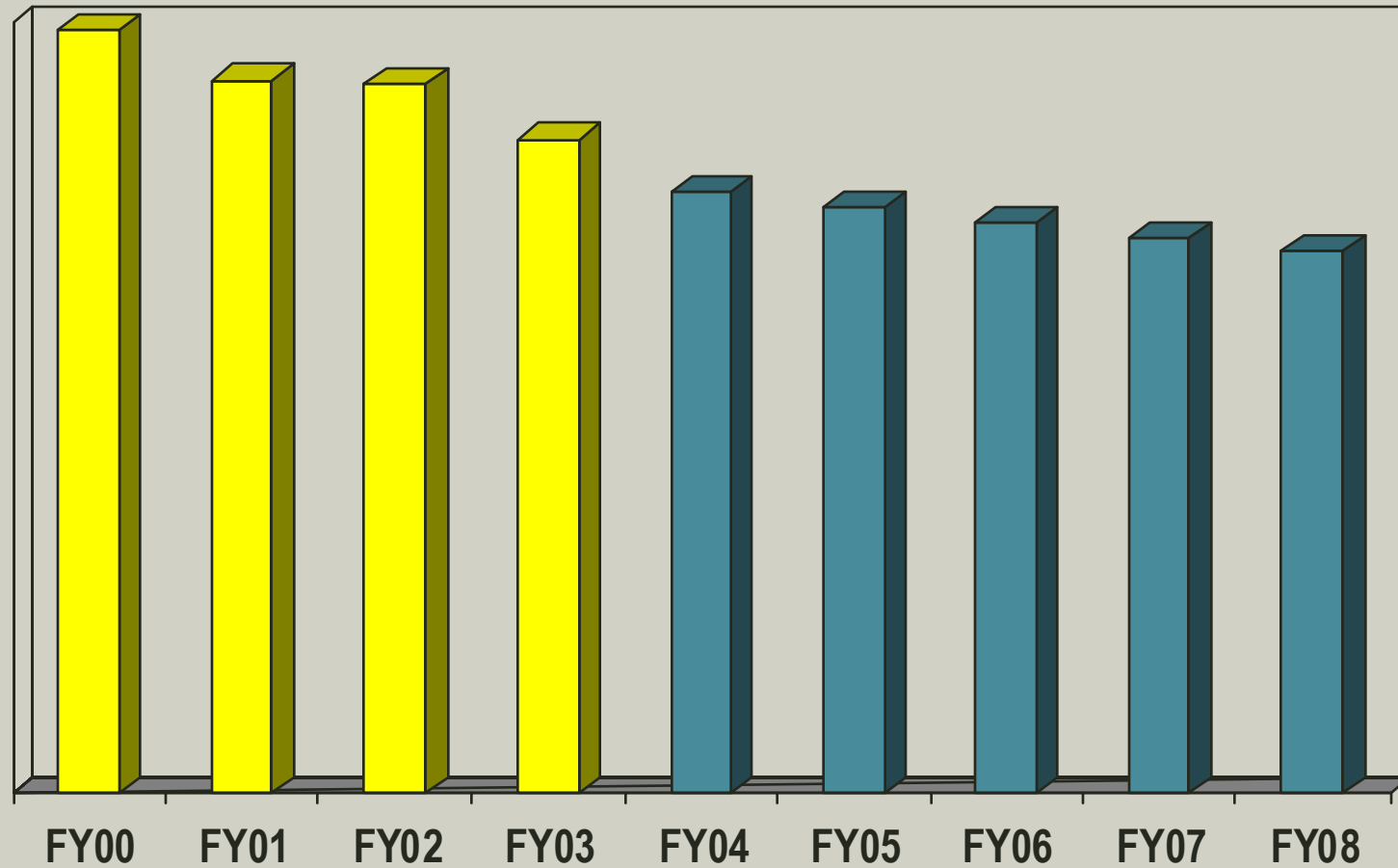


FOB Cash Costs Split by Expense Type

FY2004 Budget



Mt Arthur Coal Mine Gate Cash Costs (AUD Real)



Operating Excellence

Six Sigma Plus





Operating Excellence

FY02 – Start up

Q3 & Q4: Roll out of Operating Excellence program

Recruitment and training of coaches: 2 full time, 1 part time

FY03 – 6 Projects Completed

- Increase truck/shovel productivity,
- Increased Coal wash plant production,
- Improve Cat 793 Haul truck availability,
- Reduce Cat 793 Haul truck tyre down time,
- Reduce mobile equipment related injuries,
- Upgrade Fleet management system (stage 1)

Savings/Revenue Increase: US \$2.07M



Operating Excellence

FY04 – Currently 4 Active Projects

- GSAP implementation
- Upgrade Fleet management system (stage 2)
- Fatigue risk management
- Reducing cam shaft inspection time on Cat 3500 series engines

Projected

Savings/Revenue increase: US \$1.29M (on going)

- Major focus on enabling (mission critical) projects in Q1 & Q2.

Looking Forward

- Full employment by June 2004
- Further expenditure on Mobile Equipment to meet full production
 - MAN Project complete 2006
- Growth Opportunities
 - BCC approved capacity
 - Mt Ogilvie

Our Vision.....

Mt Arthur Coal -
Innovative and Caring.
A mine of excellence
continuously striving
for improvement.

End

