

NEWS RELEASE

Release Time IMMEDIATE

Date 15 July 2015

Number 14/15

ONSHORE US ASSET REVIEW

BHP Billiton expects to recognise an impairment charge of approximately US\$2 billion post-tax (or approximately US\$2.8 billion pre-tax) against the carrying value of its Onshore US assets as an exceptional item in the 2015 financial year results.

The gas focused Hawkville field accounts for the substantial majority of this charge reflecting its geological complexity, product mix, acreage relinquishments and amended development plans. The remainder relates to the impairment of goodwill associated with the Petrohawk acquisition.

Following this impairment, the Group's Onshore US business will have net operating assets of approximately US\$24 billion¹. The value of this business is supported by ongoing cost reductions and improving well performance which help offset increased commodity price volatility and lower near term capital expenditure. Consistently positive results from the appraisal and development of the Permian have also unlocked significant value and we now see the ultimate potential of this field at over 150 kboe/d (up from our previous estimate of 100 kboe/d).

BHP Billiton Petroleum President, Tim Cutt, said: "While the impairment of the Hawkville is disappointing, it does not reflect the quality of our broader Onshore US business. The Black Hawk continues to exceed expectations, the Permian offers significant upside across multiple zones and the Haynesville, one of the industry's premier dry gas positions, provides an excellent development option as market conditions improve. With industry-leading drilling costs and recoveries, we are well positioned to realise significant value for shareholders as we develop our high-quality resource base."

BHP Billiton plans to invest US\$1.5 billion in the Onshore US in the 2016 financial year, which will support a development program of 10 operated rigs. At an oil price of US\$60 per barrel (West Texas Intermediate) and a gas price of US\$3.00 per Mscf (Henry Hub), the Group expects its Onshore US business to be free cash flow positive in the 2016 financial year. Associated production guidance will be provided in the June 2015 Operational Review to be released on 22 July 2015.

The broader carrying value assessment of the Group's assets will be finalised in conjunction with the preliminary financial results to be released on 25 August 2015.

¹ This excludes approximately US\$4 billion deferred tax liability.

For personal use only

Further information on BHP Billiton can be found at: www.bhpbilliton.com.

Media Relations

Australia

Emily Perry
Tel: +61 3 9609 2800 Mobile: +61 477 325 803
email: Emily.Perry@bhpbilliton.com

Paul Hitchins
Tel: + 61 3 9609 2592 Mobile: + 61 419 315 001
email: Paul.Hitchins@bhpbilliton.com

Eleanor Nichols
Tel: +61 3 9609 2360 Mobile: +61 407 064 748
email: Eleanor.Nichols@bhpbilliton.com

United Kingdom and Americas

Ruban Yogarajah
Tel: +44 20 7802 4033 Mobile: +44 7827 082 022
email: Ruban.Yogarajah@bhpbilliton.com

Jennifer White
Tel: +44 20 7802 7462 Mobile: +44 7827 253 764
email: Jennifer.White@bhpbilliton.com

BHP Billiton Limited ABN 49 004 028 077
Registered in Australia
Registered Office: Level 16, 171 Collins Street
Melbourne Victoria 3000 Australia
Tel +61 1300 55 4757 Fax +61 3 9609 3015

Investor Relations

Australia

Tara Dines
Tel: +61 3 9609 2222 Mobile: +61 499 249 005
email: Tara.Dines@bhpbilliton.com

Andrew Gunn
Tel: +61 3 9609 3575 Mobile: +61 402 087 354
email: Andrew.Gunn@bhpbilliton.com

United Kingdom and South Africa

Jonathan Price
Tel: +44 20 7802 4131 Mobile: +44 7990 527 726
email: Jonathan.H.Price@bhpbilliton.com

Dean Simon
Tel: +44 20 7802 7461 Mobile: +44 7717 511 193
email: Dean.Simon@bhpbilliton.com

Americas

James Agar
Tel: +1 212 310 1421 Mobile: +1 347 882 3011
email: James.Agar@bhpbilliton.com

Joseph Suarez
Tel: +1 212 310 1422 Mobile: +1 646 400 3803
email: Joseph.Suarez@bhpbilliton.com

BHP Billiton Plc Registration number 3196209
Registered in England and Wales
Registered Office: Neathouse Place
London SW1V 1LH United Kingdom
Tel +44 20 7802 4000 Fax +44 20 7802 4111

Members of the BHP Billiton Group which is headquartered in Australia



Follow us on social media

For personal use only