BHP BILLITON EXPLORATION AND DEVELOPMENT REPORT
FOR THE YEAR ENDED 30 JUNE 2012

This report covers the Group’s exploration and development activities for the June 2012 quarter. Unless otherwise stated, BHP Billiton’s interest in the projects referred to in this report is 100 per cent and references to project schedules are based on calendar years.

Development

BHP Billiton’s proven strategy to invest in large, long life, low cost, expandable, upstream assets, diversified by commodity, geography and market ensures we are well positioned to maintain strong momentum and returns in our major businesses, despite significant volatility in the external environment.

In the 2012 financial year, six major projects delivered first production while a total investment commitment of US$7.5 billion (BHP Billiton share) enabled another eight major projects to move into execution. In addition, US$2.7 billion (BHP Billiton share) of pre-commitment funding was approved to further progress a series of development options.

The six projects to deliver first production included: Western Australia Iron Ore (WAIO) Rapid Growth Project 5 (iron ore); Antamina Expansion and Escondida Ore Access (both copper); Worsley Efficiency & Growth (alumina); North West Shelf CWLH Life Extension (oil); and the RX1 Project (energy coal). The Antamina Expansion, Escondida Ore Access and RX1 projects will not be reported in future Exploration and Development Reports.

The eight projects that moved into execution span the ferrous, non-ferrous and energy product groups and included: WAIO Orebody 24 (iron ore); Caval Ridge and Appin Area 9 (both metallurgical coal); Escondida Organic Growth Project 1 and Escondida Oxide Leach Area Project (both copper); North West Shelf Greater Western Flank-A (LNG); Cerrejon P40 Project and the Newcastle Third Port Project Stage 3 (both energy coal).

During the June 2012 quarter, BHP Billiton announced approval of the Illawarra Coal Appin Area 9 project and pre-commitment funding of US$708 million (BHP Billiton share) for the Mad Dog Phase 2 project in the deepwater Gulf of Mexico (oil and gas).

BHP Billiton’s Onshore US drilling and development expenditure totalled US$3.3 billion in the 2012 financial year.
<table>
<thead>
<tr>
<th>Project and ownership</th>
<th>Share of approved capex (US$m)</th>
<th>Initial production target date</th>
<th>Production capacity (100%)</th>
<th>Quarterly progress</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Petroleum projects</strong></td>
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</tr>
<tr>
<td>Macedon (Australia)</td>
<td>1,050</td>
<td>CY13</td>
<td>200 million cubic feet gas per day.</td>
<td>On schedule and budget. The overall project is 71% complete.</td>
</tr>
<tr>
<td>Bass Strait Kipper (Australia)</td>
<td>900</td>
<td>CY12&lt;sup&gt;(ii)&lt;/sup&gt;</td>
<td>10,000 bpd condensate and processing capacity of 80 million cubic feet gas per day.</td>
<td>On revised schedule and budget. The overall project is 97% complete.</td>
</tr>
<tr>
<td>Bass Strait Turrum (Australia)</td>
<td>1,350</td>
<td>CY13</td>
<td>11,000 bpd condensate and processing capacity of 200 million cubic feet gas per day.</td>
<td>On revised schedule and budget. The overall project is 79% complete.</td>
</tr>
<tr>
<td>North West Shelf North Rankin B Gas Compression (Australia)</td>
<td>850</td>
<td>CY13</td>
<td>2,500 million cubic feet gas per day.</td>
<td>On budget. Steady state production remains on track for CY13. The overall project is 94% complete.</td>
</tr>
<tr>
<td><strong>Minerals projects</strong></td>
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</tr>
<tr>
<td>Antamina Expansion (Peru)</td>
<td>435</td>
<td>Q1 CY12</td>
<td>Increases ore processing capacity to 130,000 tpd.</td>
<td>First production was achieved in Q1 CY12. The overall project is 92% complete.</td>
</tr>
<tr>
<td>Escondida Ore Access (Chile)</td>
<td>319</td>
<td>Q2 CY12</td>
<td>The relocation of the in-pit crushing and conveyor infrastructure provides access to higher grade ore.</td>
<td>First production was achieved in Q2 CY12. The overall project is 95% complete.</td>
</tr>
<tr>
<td>Escondida Organic Growth Project 1 (Chile)</td>
<td>2,207</td>
<td>H1 CY15</td>
<td>Replaces the Los Colorados concentrator with a new 152,000 tpd plant.</td>
<td>On schedule and budget. The overall project is 13% complete.</td>
</tr>
<tr>
<td>Escondida Oxide Leach Area Project (Chile)</td>
<td>414</td>
<td>H1 CY14</td>
<td>New dynamic leaching pad and mineral handling system. Maintains oxide leaching capacity.</td>
<td>On schedule and budget. The overall project is 8% complete.</td>
</tr>
<tr>
<td>EKATI Misery Open Pit Project (Canada)</td>
<td>323</td>
<td>CY15</td>
<td>Project consists of a pushback of the existing Misery open pit which was mined from 2001 to 2005.</td>
<td>On schedule and budget. The overall project is 26% complete.</td>
</tr>
<tr>
<td>Project and ownership</td>
<td>Share of approved capex (US$m)</td>
<td>Initial production target date</td>
<td>Production capacity (100%)</td>
<td>Quarterly progress</td>
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<tr>
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<tr>
<td>WAIO Jimblebar Mine Expansion (Australia)</td>
<td>96% Iron Ore</td>
<td>3,300(b)</td>
<td>Q1 CY14</td>
<td>Increases mining and processing capacity to 35 million tpa with incremental debottlenecking opportunities to 55 million tpa. On schedule and budget. The overall project is 34% complete.</td>
</tr>
<tr>
<td>WAIO Port Hedland Inner Harbour Expansion (Australia)</td>
<td>85% Iron Ore</td>
<td>1,900(b)</td>
<td>H2 CY12</td>
<td>Increases total inner harbour capacity to 220 million tpa with debottlenecking opportunities to 240 million tpa. On schedule and budget. The overall project is 59% complete.</td>
</tr>
<tr>
<td>WAIO Port Blending and Rail Yard Facilities (Australia)</td>
<td>85% Iron Ore</td>
<td>1,400(b)</td>
<td>H2 CY14</td>
<td>Optimises resource and enhancing efficiency across the WAIO supply chain. On schedule and budget. The overall project is 22% complete.</td>
</tr>
<tr>
<td>WAIO Orebody 24 (Australia)</td>
<td>85% Iron Ore</td>
<td>698</td>
<td>H2 CY12</td>
<td>Maintains iron ore production output from the Newman Joint Venture operations. On schedule and budget. The overall project is 20% complete.</td>
</tr>
<tr>
<td>Samarco Fourth Pellet Plant (Brazil)</td>
<td>50% Iron Ore</td>
<td>1,750</td>
<td>H1 CY14</td>
<td>Increases iron ore pellet production capacity by 8.3 million tpa to 30.5 million tpa. On schedule and budget. The overall project is 43% complete.</td>
</tr>
<tr>
<td>Daunia (Australia)</td>
<td>50% Metallurgical Coal</td>
<td>800</td>
<td>CY13</td>
<td>Greenfield mine development with capacity to produce 4.5 million tpa of export metallurgical coal. On schedule and budget. The overall project is 56% complete.</td>
</tr>
<tr>
<td>Broadmeadow Life Extension (Australia)</td>
<td>50% Metallurgical Coal</td>
<td>450</td>
<td>CY13</td>
<td>Increases productive capacity by 0.4 million tpa and extends life of the mine by 21 years. On schedule and budget. The overall project is 74% complete.</td>
</tr>
<tr>
<td>Hay Point Stage Three Expansion (Australia)</td>
<td>50% Metallurgical Coal</td>
<td>1,250(b)</td>
<td>CY14</td>
<td>Increases port capacity from 44 million tpa to 55 million tpa and reduces storm vulnerability. On schedule and budget. The overall project is 45% complete.</td>
</tr>
<tr>
<td>Caval Ridge (Australia)</td>
<td>50% Metallurgical Coal</td>
<td>2,100(b)</td>
<td>CY14</td>
<td>Greenfield mine development and expansion of the Peak Downs Mine with capacity to produce 8.0 million tpa of export metallurgical coal. On schedule and budget. The overall project is 37% complete.</td>
</tr>
</tbody>
</table>
### Appin Area 9
(Australia)
100% Metallurgical Coal

- **Share of approved capex (US$m)**: 845<sup>(c)l</sup>
- **Initial production target date**: CY16
- **Production capacity (100%)**: Maintains Illawarra Coal’s production capacity with a replacement mining domain and capacity to produce 3.5 million tpa of metallurgical coal.
- **Quarterly progress**: Approval announced. See News Release dated 22 June 2012.

### RX1 Project
(Australia)
100% Energy Coal

- **Share of approved capex (US$m)**: 400
- **Initial production target date**: H2 CY12
- **Production capacity (100%)**: Increases run-of-mine thermal coal production by approximately 4 million tpa.
- **Quarterly progress**: First production was achieved in Q2 CY12, significantly ahead of schedule and on budget. The overall project is 85% complete.

### Cerrejon P40 Project
(Colombia)
33.3% Energy Coal

- **Share of approved capex (US$m)**: 437
- **Initial production target date**: CY13
- **Production capacity (100%)**: Increases saleable thermal coal production by 8 million tpa to approximately 40 million tpa.
- **Quarterly progress**: On schedule and budget. The overall project is 35% complete.

### Newcastle Third Port Project Stage 3
(Australia)
35.5% Energy Coal

- **Share of approved capex (US$m)**: 367
- **Initial production target date**: CY14
- **Production capacity (100%)**: Increases total coal terminal capacity from 53 million tpa to 66 million tpa.
- **Quarterly progress**: On schedule and budget. The overall project is 43% complete.

### Minerals exploration

Greenfield exploration continued on copper targets in South America, nickel and copper targets in Australia, and iron ore and potash in a number of regions globally.

Minerals exploration expenditure for the 2012 financial year was US$1.1 billion, of which US$0.9 billion was expensed.

### Petroleum exploration

Exploration and appraisal wells drilled during the quarter or in the process of drilling as at 30 June 2012.

<table>
<thead>
<tr>
<th>Well</th>
<th>Location</th>
<th>BHP Billiton equity</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gunflint-3</td>
<td>Gulf of Mexico MC948</td>
<td>11.2% (Noble operator)</td>
<td>Drilling ahead</td>
</tr>
<tr>
<td>Ness Deep</td>
<td>Gulf of Mexico GC507</td>
<td>50% (Operator)</td>
<td>Drilling ahead</td>
</tr>
<tr>
<td>Julong East</td>
<td>Brunei Block CA-01</td>
<td>22.5% (Total operator)</td>
<td>Plugged and abandoned Hydrocarbons encountered</td>
</tr>
<tr>
<td>Jagus East</td>
<td>Brunei Block CA-01</td>
<td>22.5% (Total operator)</td>
<td>Plugged and abandoned Under evaluation</td>
</tr>
<tr>
<td>Tallaganda-1</td>
<td>Offshore Western Australia WA-351-P</td>
<td>55% (Operator)</td>
<td>Plugged and abandoned Hydrocarbons encountered</td>
</tr>
<tr>
<td>Banambu Deep</td>
<td>Offshore Western Australia WA-389-P</td>
<td>40% (Woodside operator)</td>
<td>Abandonment operations in progress Dry hole</td>
</tr>
</tbody>
</table>
Petroleum exploration expenditure for the 2012 financial year was US$1.4 billion, of which US$0.7 billion was expensed. This included US$0.4 billion of exploration expenditure in our recently acquired Onshore US business. Permian Basin appraisal activities for the June 2012 quarter included the successful completion and testing of seven wells with commercial rates. Further success in the Permian Basin is expected to lead to an increase in development expenditure and an associated reduction in exploration expenditure.

(a) Facilities ready for first production pending resolution of mercury content.
(b) Excludes announced pre-commitment funding.
(c) Approximately 50 per cent of the US$845 million investment will be capitalised.

The 2012 financial year development and exploration expenditures are subject to finalisation.

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

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