

14 January 2010

Mr. John Hawkins

Secretary

Senate Select Committee on the Scrutiny of New Taxes

PO Box 6100

Parliament House

Canberra ACT 2600

Dear Mr Hawkins

**Responses to questions taken on notice from the Senate Select Committee on the Scrutiny of New Taxes hearing (Committee hearing) – 8 December 2010**

I refer to our correspondence via email on 22 December 2010 regarding BHP Billiton's responses to the questions that were taken on notice by myself and Mr. Bond during our appearance at the Committee hearing held on 8 December 2010.

Attached to this letter as Appendix One are our responses to the questions contained in the email. Attached as Attachments A through F are supporting documents referred to in three of the responses to these questions.

Should you wish to discuss any aspect of our response, please contact me directly on 03 9609 3133.

Yours sincerely,

Bernie Delaney

Vice President – Government Relations

## Appendix One

### **Questions taken on notice by BHP Billiton from the Senate Select Committee on the Scrutiny of New Taxes – Melbourne hearing (8 December 2010)**

#### Question 1

Do you interact with the state government in Western Australia to help inform their thinking on commodity price assumptions moving forward?

#### Response to Question 1

On an annual and commercial-in-confidence basis, the Western Australian Department of Mines and Petroleum (on behalf of the Western Australian Department of Treasury and Finance) requests iron ore production forecast figures and iron ore unit prices from BHP Billiton Iron Ore for the quarters remaining in the financial year the request is made and for future years (up to 5 years).

BHP Billiton Iron Ore provides its commercial-in-confidence forecast iron ore production figures by product type and based on BHP Billiton Board approved projects but does not provide iron ore unit prices.

#### Question 2

Did BHP provide information about BHP's commodity price and production volume expectations to the [Australian] government in writing, which was market sensitive and commercial-in-confidence? If so was that information also released to the ASX? If not, what was the exact nature of the information about commodity price and production volume forecast you did provide to the government?

#### Response to Question 2

As we noted in our responses to the Committee on 8 December 2010, BHP Billiton expressed to Treasury our views on assumptions pertaining to commodity prices, production volumes, capital expenditure and foreign exchange. These views were not provided in writing.

The views expressed were based on commercial-in-confidence information maintained by BHP Billiton. We identified where we had differences to the Treasury data shown to us.

The views that were expressed in the discussions with Treasury were not released to the ASX or shareholders.

#### Question 3

What discussions is BHP having internationally with governments about increasing the rate of tax for mineral exploitation?...have countries raised the issue [of getting a fair return] with you?

#### Response to Question 3

BHP Billiton has been involved in two recent discussions / consultation processes with foreign governments regarding the introduction, or alteration of existing taxes on minerals resources.



Specifically:

- In Chile, BHP Billiton has had discussions regarding the rate of tax for mineral extraction.
- In South Africa, BHP Billiton has been involved in discussions resulting in the recently introduced royalty tax on minerals resources.

#### Question 4

Can you... provide the committee with details of either the negotiations or the consultations, the dates when these discussions took place between BHP and the [WA] state government and whether these were consultations or negotiations.

#### Response to Question 4

BHP Billiton Iron Ore's State Agreement Acts specified iron ore royalty rates that were inconsistent with the current Western Australian Mining Act 1978 and Mining Regulations 1981.

For many years, BHP Billiton Iron Ore and the Western Australian Government (including former state governments) discussed this inconsistency; however the current Western Australian Government sought to finalise these discussions with BHP Billiton Iron Ore. This resulted in amendments being made to the company's various State Agreement Acts, to align the royalty rates with the current Act and Regulation requirements (refer to the Iron Ore Agreements Legislation Amendment Act 2010).

These discussions commenced with the current Western Australia Government prior to any resource tax being proposed by the Federal Government and were not consultations or negotiations; they were in response to the State Government simply seeking to align the State Agreement Acts with the Mining Act 1978 and Mining Regulations 1981.

#### Question 5

What investments have you committed to in terms of your iron ore and coal in Australia?

#### Response to Question 5

BHP Billiton provides regular (quarterly) updates to the market on all material (defined as where BHP Billiton share exceeds US\$250 million) investments it has sanctioned.

The last five quarterly Group Exploration and Development reports noting our capital investments for FY 2010 and the first quarter of FY 2011 are attached as Attachment A through E for the Committee's reference.

#### Question 6

Have any [investment project] approvals taken place since the debate on the tax started?

#### Response to Question 6

BHP Billiton provides regular (quarterly) updates to the market on all material (defined as where BHP Billiton share exceeds US\$250 million) investments it has sanctioned. All Group Exploration and Development reports issued since 2 May 2010 – the date we have referenced to mean “since the debate on the tax started” are attached as Attachment A through E for the Committee’s reference.

Since the debate on the RSPT started, only one new project has been sanctioned by the Group to commence development. On 24 September 2010, we announced approval for development of the Macedon gas field in the Exmouth Sub-basin, Western Australia. Project costs will be approximately US\$1.5 billion, of which BHP Billiton’s share will be 71.43 percent (approximately US\$1,050 million).

In addition, on 17 November 2010, we announced approval for a further US\$635 million (BHP Billiton share US\$570 million) of pre-commitment capital expenditure that will underpin continued growth in Western Australia Iron Ore’s production profile.

#### Question 7

What percentage of your share base is held by Australian superannuation funds?

#### Response to Question 7

In December 2010, 11 per cent of BHP Billiton Limited’s share base is ultimately held by identifiable superannuation funds. In addition, approximately 40 per cent of the share base is held by retail shareholders, some of which are designated as self managed superannuation funds.

In addition to the superannuation funds identified, 19 per cent of BHP Billiton Limited’s share base is held by Australian institutional investors. It is difficult to ascertain the direct ownership of this category, however it is reasonable to assume that a proportion of this category are also superannuation funds.

#### Question 8

What is the effect [of the MRRT and expanded PRRT] [of the RSPT] from your perspective on superannuation returns in the short, medium and long term given that the industry says that the proposition you are putting forward is not correct?

#### Response to Question 8

BHP Billiton has no specific views to share with the Committee on the effect of minerals resource taxation reforms on superannuation returns in the short, medium and long term, as we do not analyse superannuation funds or their performance.

In the hearing that we attended on 8 December 2010, we stated (refer p.34 of the Transcript):

“All we did was comment on and observe the change in the share market prices in the period immediately after the announcement of the RSPT. What alters the value of investments in minerals resources companies in Australia flows to superannuation funds.”



Supporting this statement, we would like to refer the Committee to Attachment F, which is independent analysis performed by Gresham Advisory Partners during the RSPT debate. They showed that the market reaction to the RSPT through share price performance of the top 150 Australian listed resource companies through May 2010 (Page 5). In this report Gresham's state:

"The average market value of domestic focussed companies declined 12.2%, while international focused companies only declined 0.9%. Globally diversified companies (which are predominantly BHP Billiton and Rio Tinto) declined an average of 10.0%. The results are consistent with industry views that the new tax will increase the cost of capital for domestically-focussed miners, increasing the relative attractions of offshore projects."

#### Question 9

Have you disclosed the matter of returns arising from the MRRT to your shareholders and to the ASX?

#### Response to Question 9

The lack of a detailed technical design for the MRRT, coupled with the uncertain influence many other factors will have on the prevailing business profitability at the time of its introduction in July 2012 and beyond, make it difficult to provide a forecast of the impact the MRRT will have on business profitability.

As a result, no forward looking statements regarding the introduction of the MRRT and its potential impact on the Group's earnings have been released to the ASX or provided to shareholders.

This is consistent with BHP Billiton's usual practice and regulatory requirements that prohibit the provision of forecasts on earnings or more specifically, tax payments.

## **Attachments**

### **Attachment A – BHP Billiton Exploration and Development Report for the quarter ending 30 September 2009**



BHP Billiton  
Exploration Developm

### **Attachment B – BHP Billiton Exploration and Development Report for the quarter ending 31 December 2009**



BHP Billiton  
Exploration Developm

### **Attachment C – BHP Billiton Exploration and Development Report for the quarter ending 31 March 2010**



BHP Billiton  
Exploration Developm

### **Attachment D – BHP Billiton Exploration and Development Report for the quarter ending 30 June 2010**



BHP Billiton  
Exploration Developm

### **Attachment E – BHP Billiton Exploration and Development Report for the quarter ending 30 September 2010**



BHP Billiton  
Exploration Developm

### **Attachment F – Gresham Partners independent analysis**



Gresham Partners  
analysis.pdf



# NEWS RELEASE



**Release Time** IMMEDIATE  
**Date** 21 October 2009  
**Number** 20/09

## BHP BILLITON EXPLORATION AND DEVELOPMENT REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2009

This report covers the Group's exploration and development activities for the quarter ended 30 September 2009. This report, together with the Production Report, represents the Interim Management Statement for the purposes of the UK Listing Authority's Disclosure and Transparency Rules. There have been no significant changes to the financial position of the Group in the quarter ended 30 September 2009. 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

During the quarter, we sanctioned the Mt Arthur Coal mine expansion (energy coal), known as the MAC20 Project, in the Hunter Valley, Australia.

Project And Ownership	Share Of Approved Capex US\$M	Initial Production Target Date	Production Capacity (100%)	Quarterly Progress
Petroleum Projects				
Pyrenees (Australia) 71.43% Oil/Gas	1,200	H1 CY10	96,000 barrels of oil and 60 million cubic feet gas per day	On schedule and budget. Floating Production Storage and Offtake (FPSO) conversion scope has been completed with sea trials and commissioning activities continuing. Installation of subsea facilities continue. All tophole sections drilled. 5 producers and 1 injector well completed.
Angostura Gas Phase II (Trinidad and Tobago) 45% Gas	180	H1 CY11	280 million cubic feet gas per day	On schedule and budget. Platform fabrication continues.

Project And Ownership	Share Of Approved Capex US\$M	Initial Production Target Date	Production Capacity (100%)	Quarterly Progress
Bass Strait Kipper (Australia) 32.5% - 50% Gas/Gas Liquids	500	CY11	10,000 bpd condensate and processing capacity of 80 million cubic feet gas per day	On schedule and budget. West Tuna platform retrofit work continuing.
Bass Strait Turrum (Australia) 50% Gas/Gas Liquids	625	CY11	11,000 bpd condensate and processing capacity of 200 million cubic feet gas per day	On schedule and budget. Platform fabrication continues.
North West Shelf CWLH Life Extension (Australia) 16.67% Oil	245	CY11	Replacement vessel with capacity of 60,000 bpd oil	On schedule and budget. Floating Production Storage and Offtake (FPSO) conversion continues.
North West Shelf North Rankin B Gas Compression (Australia) 16.67% LNG	850	CY12	2,500 million cubic feet gas per day	On schedule and budget. Jacket fabrication continuing ahead of schedule.
<b>Minerals Projects</b>				
Worsley Efficiency & Growth (Australia) 86% Alumina	1,900	H1 CY11	1.1 million tpa of additional alumina	On schedule and budget. Engineering is 85% complete and construction has commenced. Procurement and contracting activities are well advanced.
Iron Ore (Western Australia) RGP4 86.2% Iron Ore	1,850	H1 CY10	26 million tpa of additional iron ore system capacity	On schedule and budget. Engineering is complete, construction is essentially complete, and commissioning activities are well advanced. First ore is expected to be produced in Q4 CY09.
Iron Ore (Western Australia) RGP5 85% Iron Ore	4,800	H2 CY11	50 million tpa additional iron ore system capacity	On schedule and budget. Engineering is over 80% complete, procurement and contracting activities are well advanced, and construction has reached 18% complete.



Project And Ownership	Share Of Approved Capex US\$M	Initial Production Target Date	Production Capacity (100%)	Quarterly Progress
Klipspruit (South Africa) 100% Energy Coal	450	H2 CY09	Incremental 1.8 million tpa export thermal coal. Incremental 2.1 million tpa domestic thermal coal	On schedule and budget. Commissioning of the crushing stream and coal processing plant Module 1 is complete. Project is 98% complete.
Douglas-Middelburg Optimisation (South Africa) 100% Energy Coal	975	Mid CY10	10 million tpa export thermal coal and 8.5 million tpa domestic thermal coal (sustains current output)	On schedule and budget. Construction activities are progressing well with civil works complete. The erection and installation of the coal processing plant continues. Project is 74% complete.
Newcastle Third Port Project (Australia) 35.5% Energy Coal	390	CY10	30 million tpa export coal loading facility	On schedule and budget. Stacker reclaimer commissioning has commenced with the remaining construction activities progressing well. Project is 75% complete.
MAC20 Project (Australia) 100% Energy Coal	260	H1 CY11	Increases saleable thermal coal production by approximately 3.5 million tpa	Approval announced, see News Release dated 24 July 2009. On schedule and budget. Fixed plant construction underway. Project is 20% complete.

## Minerals Exploration

BHP Billiton continues to identify and prioritise various exploration activities. All of the exploration activities are reviewed regularly to ensure that we are capturing value accretive opportunities for future development.

Grassroots exploration continued on copper targets in Chile, Argentina and Zambia; nickel targets in Australia; manganese targets in Gabon; and diamond targets in Canada. Exploration for iron ore, coal, bauxite and manganese was undertaken in a number of regions including Australia, South America, Russia and West Africa.

For the quarter ended 30 September 2009, BHP Billiton spent US\$104 million on minerals exploration, of which US\$95 million was expensed.

## Petroleum Exploration

Exploration and appraisal wells drilled during the quarter or in the process of drilling as at 30 September 2009.

Well	Location	BHP Billiton Equity	Status
Mad Dog South-1	Green Canyon Gulf of Mexico GC 826	23.9 % BHP Billiton (BHP Billiton operator for this well – BP operator for all other activities)	Hydrocarbons encountered. See News Release dated 17 July 2009.

Petroleum exploration expenditure for the quarter ended 30 September 2009 was US\$29 million, of which US\$26 million was expensed.

Further information on BHP Billiton can be found on our Internet site: [www.bhpbilliton.com](http://www.bhpbilliton.com).

### Australia

Samantha Evans, Media Relations  
Tel: +61 3 9609 2898 Mobile: +61 400 693 915  
email: [Samantha.Evans@bhpbilliton.com](mailto:Samantha.Evans@bhpbilliton.com)

Peter Ogden, Media Relations  
Tel: +61 3 9609 2812 Mobile: +61 428 599 190  
email: [Peter.Ogden@bhpbilliton.com](mailto:Peter.Ogden@bhpbilliton.com)

Kelly Quirke, Media Relations  
Tel: +61 3 9609 2896 Mobile: +61 429 966 312  
email: [Kelly.Quirke@bhpbilliton.com](mailto:Kelly.Quirke@bhpbilliton.com)

Leng Lau, Investor Relations  
Tel: +61 3 9609 4202 Mobile: +61 403 533 706  
email: [Leng.Y.Lau@bhpbilliton.com](mailto:Leng.Y.Lau@bhpbilliton.com)

### South Africa

Bronwyn Wilkinson, Investor and Media Relations  
Tel: +44 20 7802 4015 Mobile: +44 7500 785 892  
email: [Bronwyn.Wilkinson@bhpbilliton.com](mailto:Bronwyn.Wilkinson@bhpbilliton.com)

BHP Billiton Limited ABN 49 004 028 077  
Registered in Australia  
Registered Office: 180 Lonsdale Street  
Melbourne Victoria 3000 Australia  
Tel +61 1300 55 4757 Fax +61 3 9609 3015

### United Kingdom

Andre Liebenberg, Investor Relations  
Tel: +44 20 7802 4131 Mobile: +44 7920 236 974  
email: [Andre.Liebenberg@bhpbilliton.com](mailto:Andre.Liebenberg@bhpbilliton.com)

Illtud Harri, Media Relations  
Tel: +44 20 7802 4195 Mobile: +44 7920 237 246  
email: [Illtud.Harri@bhpbilliton.com](mailto:Illtud.Harri@bhpbilliton.com)

### United States

Scott Espenshade, Investor Relations  
Tel: +1 713 599 6431 Mobile: +1 713 208 8565  
email: [Scott.Espenshade@bhpbilliton.com](mailto:Scott.Espenshade@bhpbilliton.com)

Ruban Yogarajah, Media Relations  
Tel: US +1 713 966 2907 or UK +44 20 7802 4033  
Mobile: UK +44 7827 082 022  
email: [Ruban.Yogarajah@bhpbilliton.com](mailto:Ruban.Yogarajah@bhpbilliton.com)

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

A member of the BHP Billiton group which is headquartered in Australia



# NEWS RELEASE



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## **BHP BILLITON EXPLORATION AND DEVELOPMENT REPORT FOR THE QUARTER ENDED 31 DECEMBER 2009**

This report covers the Group's exploration and development activities for the quarter ended 31 December 2009. Unless otherwise stated, BHP Billiton's interest in the projects referred to in this report is 100 percent and references to project schedules are based on calendar years.

### **Development**

During the December 2009 quarter Western Australia Iron Ore Rapid Growth Project 4 (RGP4) achieved first production, ahead of schedule and within budget. Klipspruit expansion project (energy coal) in South Africa is essentially complete and has delivered first coal. These projects will not be reported in future Exploration and Development Reports.

The approval of the Antamina Expansion project (base metals) in Peru was also announced on 5 January 2010.

On 18 January 2010 BHP Billiton announced US\$267 million (BHP Billiton share) of pre-approval capital expenditure to accelerate the development of the Caval Ridge and Hay Point Coal Terminal Stage 3 Expansion (HPX3) projects. The funds will be used for feasibility studies, the procurement of long-lead time items and initial project activities.

On 20 January 2010 BHP Billiton announced approval for US\$240 million (BHP Billiton share 100%) of capital expenditure to support the development of the first stages of the Jansen Potash Project in Saskatchewan, Canada. This pre-approval expenditure will facilitate the early stage work for the establishment of the production and service shafts. The Jansen project is being designed to ultimately produce approximately 8 million tonnes per annum of agricultural grade potash, and represents BHP Billiton's first production of potash.

Future Exploration and Development Reports will disclose progress updates for all projects with US\$250 million or above of BHP Billiton share of capital investment, which aligns disclosures with internal approval thresholds. Development projects that are currently disclosed with an investment amount below this threshold will continue to be shown until first production is announced.

Project And Ownership	Share Of Approved Capex US\$M	Initial Production Target Date	Production Capacity (100%)	Quarterly Progress
Petroleum Projects				
Pyrenees (Australia) 71.43% Oil/Gas	1,200	H1 CY10	96,000 barrels of oil and 60 million cubic feet gas per day	On schedule and budget. Floating Production Storage and Offtake (FPSO) arrived on location and commissioning continues. 9 wells completed (7 producers, 1 gas injector and 1 water injector).
Angostura Gas Phase II (Trinidad and Tobago) 45% Gas	180	H1 CY11	280 million cubic feet gas per day	On schedule and budget. Jacket fabrication completed. Topsides fabrication continues.
Bass Strait Kipper (Australia) 32.5% - 50% Gas/Gas Liquids	500	CY11	10,000 bpd condensate and processing capacity of 80 million cubic feet gas per day	Schedule and budget under review following advice from operator. West Tuna platform retrofit work continuing.
Bass Strait Turrum (Australia) 50% Gas/Gas Liquids	625	CY11	11,000 bpd condensate and processing capacity of 200 million cubic feet gas per day	On schedule and budget. Platform fabrication continues.
North West Shelf CWLH Life Extension (Australia) 16.67% Oil	245	CY11	Replacement vessel with capacity of 60,000 bpd oil	On schedule and budget. Floating Production Storage and Offtake (FPSO) conversion continues.
North West Shelf North Rankin B Gas Compression (Australia) 16.67% LNG	850	CY12	2,500 million cubic feet gas per day	On schedule and budget. Jacket fabrication continuing ahead of schedule.
Minerals Projects				
Worsley Efficiency & Growth (Australia) 86% Alumina	1,900	H1 CY11	1.1 million tpa of additional alumina	On schedule and budget. Engineering is near complete, procurement and contracting activities are well advanced and construction is 11% complete.



Project And Ownership	Share Of Approved Capex US\$M	Initial Production Target Date	Production Capacity (100%)	Quarterly Progress
Antamina Expansion (Peru) 33.75% Copper	435	Q4 CY11	Increases ore processing capacity to 130,000 tpd	Approval announced, see news release dated 5 January 2010.
Iron Ore (Western Australia) RGP4 86.2% Iron Ore	1,850	H1 CY10	26 million tpa of additional iron ore system capacity	First ore produced ahead of schedule. The official opening of the Newman Hub occurred in November 2009.
Iron Ore (Western Australia) RGP5 85% Iron Ore	4,800	H2 CY11	50 million tpa additional iron ore system capacity	On schedule and budget. Engineering is over 85% complete, procurement and contracting activities are well advanced. Construction has reached 25% complete.
Klipspruit (South Africa) 100% Energy Coal	450	H2 CY09	Incremental 1.8 million tpa export thermal coal. Incremental 2.1 million tpa domestic thermal coal	On schedule and budget. Commissioning of coal processing plant is essentially complete. Relocation to new industrial and office complexes successful. Project is 99% complete.
Douglas-Middelburg Optimisation (South Africa) 100% Energy Coal	975	Mid CY10	10 million tpa export thermal coal and 8.5 million tpa domestic thermal coal (sustains current output)	On schedule and budget. Construction activities are progressing well with installation of all mechanical equipment at the ROM Tip complete. Erection of the coal processing plant continues as scheduled. Project is 84% complete.
Newcastle Third Port Project (Australia) 35.5% Energy Coal	390	CY10	30 million tpa export coal loading facility	On schedule and budget. Inbound concrete systems and structures completed with conveyor modules and substation installation progressing well. Project is 88% complete.
MAC20 Project (Australia) 100% Energy Coal	260	H1 CY11	Increases saleable thermal coal production by approximately 3.5 million tpa	On schedule and budget. Coal handling and preparation plant construction commenced in September 2009. Project is 40% complete.

## Minerals Exploration

BHP Billiton continues to identify and prioritise various exploration activities. All of the exploration activities are reviewed regularly to ensure that we are capturing value accretive opportunities for future development.

Grassroots exploration continued on copper targets in Chile, Argentina and Zambia; nickel targets in Australia; manganese targets in Gabon; and diamond targets in Canada. Exploration for iron ore, coal, bauxite and manganese was undertaken in a number of regions including Australia, South America, Russia and West Africa.

For the half year ended 31 December 2009, BHP Billiton spent US\$239 million on minerals exploration, of which US\$220 million was expensed.

## Petroleum Exploration

Exploration and appraisal wells drilled during the quarter or in the process of drilling as at 31 December 2009.

Well	Location	BHP Billiton Equity	Status
Knotty Head-2	Green Canyon Gulf of Mexico GC 512	25% BHP Billiton (Nexen operator)	Drilling ahead
Dabakan-1	Sandakan Basin Philippines SC-56	25% BHP Billiton (Exxon operator)	Hydrocarbons encountered
Deep Blue-1	Green Canyon Gulf of Mexico GC 723	31.875% BHP Billiton (Noble operator)	Drilling ahead
Double Mountain-1	Green Canyon Gulf of Mexico GC 555	70% BHP Billiton (operator)	Drilling ahead
Wolverine-1	Laurentian Basin Canada E.L. 1087R	45% BHP Billiton (CoP operator)	Drilling ahead
SE Remora-1	Gippsland Basin Australia VIC/RL4	50% BHP Billiton (Exxon operator)	Drilling ahead

Consistent with BHP Billiton's growth strategy, the total forecast exploration expenditure for the 2010 financial year has increased by US\$200 million to US\$800 million. This is primarily due to increased drilling activity.

Petroleum exploration expenditure for the half year ended 31 December 2009 was US\$200 million, of which US\$75 million was expensed.

Further information on BHP Billiton can be found on our Internet site: [www.bhpbilliton.com](http://www.bhpbilliton.com)

#### **Australia**

Samantha Evans, Media Relations

Tel: +61 3 9609 2898 Mobile: +61 400 693 915

email: [Samantha.Evans@bhpbilliton.com](mailto:Samantha.Evans@bhpbilliton.com)

Amanda Buckley, Media Relations

Tel: +61 3 9609 2209 Mobile: +61 419 801 349

email: [Amanda.Buckley@bhpbilliton.com](mailto:Amanda.Buckley@bhpbilliton.com)

Kelly Quirke, Media Relations

Tel: +61 3 9609 2896 Mobile: +61 429 966 312

email: [Kelly.Quirke@bhpbilliton.com](mailto:Kelly.Quirke@bhpbilliton.com)

Leng Lau, Investor Relations

Tel: +61 3 9609 4202 Mobile: +61 403 533 706

email: [Leng.Y.Lau@bhpbilliton.com](mailto:Leng.Y.Lau@bhpbilliton.com)

BHP Billiton Limited ABN 49 004 028 077

Registered in Australia

Registered Office: 180 Lonsdale Street

Melbourne Victoria 3000 Australia

Tel +61 1300 55 4757 Fax +61 3 9609 3015

#### **United Kingdom & South Africa**

Andre Liebenberg, Investor Relations

Tel: +44 20 7802 4131 Mobile: +44 7920 236 974

email: [Andre.Liebenberg@bhpbilliton.com](mailto:Andre.Liebenberg@bhpbilliton.com)

Illtud Harri, Media Relations

Tel: +44 20 7802 4195 Mobile: +44 7920 237 246

email: [Illtud.Harri@bhpbilliton.com](mailto:Illtud.Harri@bhpbilliton.com)

#### **Americas**

Scott Espenshade, Investor Relations

Tel: +1 713 599 6431 Mobile: +1 713 208 8565

email: [Scott.Espenshade@bhpbilliton.com](mailto:Scott.Espenshade@bhpbilliton.com)

Ruban Yogarajah, Media Relations

Tel: US +1 713 966 2907 or UK +44 20 7802 4033

Mobile: UK +44 7827 082 022

email: [Ruban.Yogarajah@bhpbilliton.com](mailto:Ruban.Yogarajah@bhpbilliton.com)

BHP Billiton Plc Registration number 3196209

Registered in England and Wales

Registered Office: Neathouse Place

London SW1V 1BH United Kingdom

Tel +44 20 7802 4000 Fax +44 20 7802 4111

Members of the BHP Billiton group which is headquartered in Australia





# NEWS RELEASE



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## BHP BILLITON EXPLORATION AND DEVELOPMENT REPORT FOR THE QUARTER ENDED 31 MARCH 2010

This report covers the Group's exploration and development activities for the quarter ended 31 March 2010. 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. This report, together with the Production Report, represents the Interim Management Statement for the purposes of the UK Listing Authority's Disclosure and Transparency Rules. There have been no significant changes to the financial position of the Group in the quarter ended 31 March 2010.

### Development

During the March 2010 quarter the Pyrenees project (oil and gas), offshore Western Australia, achieved first production on schedule and within budget. This project will not be reported in future Exploration and Development Reports.

Project And Ownership	Share Of Approved Capex US\$M	Initial Production Target Date	Production Capacity (100%)	Quarterly Progress
Petroleum Projects				
Pyrenees (Australia) 71.43% Oil/Gas	1,200	H1 CY10	96,000 barrels of oil and 60 million cubic feet gas per day	First production announced, on schedule. See News Release dated 1 March 2010.
Angostura Gas Phase II (Trinidad and Tobago) 45% Gas	180	H1 CY11	280 million cubic feet gas per day	On schedule and budget. Installation campaign has commenced. Topsides fabrication continues. The overall project is 50% complete.
Bass Strait Kipper (Australia) 32.5% - 50% Gas/Gas Liquids	500	CY11	10,000 bpd condensate and processing capacity of 80 million cubic feet gas per day	Schedule and budget under review following advice from operator. West Tuna platform retrofit work continuing. The overall project is 33% complete.



Project And Ownership	Share Of Approved Capex US\$M	Initial Production Target Date	Production Capacity (100%)	Quarterly Progress
Bass Strait Turrum (Australia) 50% Gas/Gas Liquids	625	CY11	11,000 bpd condensate and processing capacity of 200 million cubic feet gas per day	Schedule and budget under review following advice from operator. Platform fabrication continues. The overall project is 29% complete.
North West Shelf CWLH Life Extension (Australia) 16.67% Oil	245	CY11	Replacement vessel with capacity of 60,000 bpd oil	On schedule and budget. Floating Production Storage and Offtake (FPSO) conversion continues. The overall project is 76% complete.
North West Shelf North Rankin B Gas Compression (Australia) 16.67% LNG	850	CY12	2,500 million cubic feet gas per day	On schedule and budget. Jacket fabrication continuing ahead of schedule. The overall project is 46% complete.
<b>Minerals Projects</b>				
Worsley Efficiency & Growth (Australia) 86% Alumina	1,900	H1 CY11	1.1 million tpa of additional alumina	On schedule and budget. Engineering is essentially complete. Construction is 19% complete. The overall project is 38% complete.
Antamina Expansion (Peru) 33.75% Copper	435	Q4 CY11	Increases ore processing capacity to 130,000 tpd	On schedule and budget. Engineering is 58% complete. Construction commenced during the quarter. The overall project is 11% complete.
Iron Ore (Western Australia) RGP5 85% Iron Ore	4,800	H2 CY11	50 million tpa additional iron ore system capacity	On schedule and budget. Engineering is 93% complete. Construction is now 41% complete. The overall project is 46% complete.
Douglas-Middelburg Optimisation (South Africa) 100% Energy Coal	975	Mid CY10	10 million tpa export thermal coal and 8.5 million tpa domestic thermal coal (sustains current output)	On schedule and budget. The overall project is 96% complete.
Newcastle Third Port Project (Australia) 35.5% Energy Coal	390	Mid CY10	30 million tpa export coal loading facility	On schedule and budget. First vessel successfully loaded in March 2010. The overall project is 97% complete.

Project And Ownership	Share Of Approved Capex US\$M	Initial Production Target Date	Production Capacity (100%)	Quarterly Progress
MAC20 Project (Australia) 100% Energy Coal	260	H1 CY11	Increases saleable thermal coal production by approximately 3.5 million tpa	On schedule and budget. Engineering is 90% complete. Construction is 50% complete. The overall project is 65% complete.

### Minerals Exploration

Grassroots exploration continued on copper targets in Chile and Zambia; nickel targets in Australia; manganese targets in Gabon; and diamond targets in Canada. Exploration for iron ore, coal, bauxite and manganese was undertaken in a number of regions including Australia, South America, Russia and West Africa.

During the quarter, the announced acquisitions of United Minerals Corporation NL and Athabasca Potash Inc. were completed. In addition, BHP Billiton entered into binding agreements with a subsidiary of PT Adaro Energy TBK (Adaro) to create a new joint venture for the Indonesian Coal Project (ICP). Subject to approvals, Adaro will acquire a 25 per cent interest in the ICP joint venture.

For the nine months ended ended 31 March 2010, BHP Billiton spent US\$346 million on minerals exploration, of which US\$315 million was expensed.

### Additional Information

Following requests for information from the U.S. Securities and Exchange Commission as a part of an investigation relating primarily to certain terminated minerals exploration projects, the Company has disclosed to relevant authorities evidence that it has uncovered regarding possible violations of applicable anti-corruption laws involving interactions with government officials. Accordingly, the Company is cooperating with the relevant authorities including conducting an internal investigation, which is continuing. It is not possible at this time to predict the scope or duration of the investigation or its likely outcome.



## Petroleum Exploration

Exploration and appraisal wells drilled during the quarter or in the process of drilling as at 31 March 2010.

Well	Location	BHP Billiton Equity	Status
Double Mountain-1	Green Canyon Gulf of Mexico GC 555	70% BHP Billiton (operator)	Drilling ahead
Firefox-1	Green Canyon Gulf of Mexico GC 817	50% BHP Billiton (operator)	Drilling ahead
Bel Air-1	Liverpool Bay 110/13b	46.1% BHP Billiton (operator)	Drilling ahead
Cerah-1	Sabah Block N	60% BHP Billiton (operator)	Plugged & abandoned Dry hole
SE Remora-1	Gippsland Basin Australia VIC/RL4	50% BHP Billiton (Exxon operator)	Plugged & abandoned Hydrocarbons encountered
Knotty Head-2	Green Canyon Gulf of Mexico GC 512	25% BHP Billiton (Nexen operator)	Suspended Hydrocarbons encountered
Deep Blue-1	Green Canyon Gulf of Mexico GC 723	31.875% BHP Billiton (Noble operator)	Drilling ahead
Wolverine-1	Laurentian Basin Canada E.L. 1087R	45% BHP Billiton (CoP operator)	Drilling ahead
Banduria-1	Sandakan Basin Philippines SC-56	25% BHP Billiton (Exxon operator)	Plugged & abandoned Dry hole

Petroleum exploration expenditure for the nine months ended 31 March 2010 was US\$587 million, of which US\$206 million was expensed.

Further information on BHP Billiton can be found on our Internet site: [www.bhpbilliton.com](http://www.bhpbilliton.com)

#### **Australia**

Amanda Buckley, Media Relations  
Tel: +61 3 9609 2209 Mobile: +61 419 801 349  
email: [Amanda.Buckley@bhpbilliton.com](mailto:Amanda.Buckley@bhpbilliton.com)

Fiona Martin, Media Relations  
Tel: +61 3 9609 2211 Mobile: +61 427 777 908  
email: [Fiona.Martin2@bhpbilliton.com](mailto:Fiona.Martin2@bhpbilliton.com)

Leng Lau, Investor Relations  
Tel: +61 3 9609 4202 Mobile: +61 403 533 706  
email: [Leng.Y.Lau@bhpbilliton.com](mailto:Leng.Y.Lau@bhpbilliton.com)

BHP Billiton Limited ABN 49 004 028 077  
Registered in Australia  
Registered Office: 180 Lonsdale Street  
Melbourne Victoria 3000 Australia  
Tel +61 1300 55 4757 Fax +61 3 9609 3015

#### **United Kingdom & South Africa**

Andre Liebenberg, Investor Relations  
Tel: +44 20 7802 4131 Mobile: +44 7920 236 974  
email: [Andre.Liebenberg@bhpbilliton.com](mailto:Andre.Liebenberg@bhpbilliton.com)

Illtud Harri, Media Relations  
Tel: +44 20 7802 4195 Mobile: +44 7920 237 246  
email: [Illtud.Harri@bhpbilliton.com](mailto:Illtud.Harri@bhpbilliton.com)

#### **Americas**

Scott Espenshade, Investor Relations  
Tel: +1 713 599 6431 Mobile: +1 713 208 8565  
email: [Scott.Espenshade@bhpbilliton.com](mailto:Scott.Espenshade@bhpbilliton.com)

Ruban Yogarajah, Media Relations  
Tel: US +1 713 966 2907 or UK +44 20 7802 4033  
Mobile: UK +44 7827 082 022  
email: [Ruban.Yogarajah@bhpbilliton.com](mailto:Ruban.Yogarajah@bhpbilliton.com)

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

Members of the BHP Billiton group which is headquartered in Australia





# NEWS RELEASE



**Release Time** IMMEDIATE  
**Date** 21 July 2010  
**Number** 19/10

## BHP BILLITON EXPLORATION AND DEVELOPMENT REPORT FOR THE QUARTER ENDED 30 JUNE 2010

### Development

The Newcastle Third Port Project (energy coal) was completed in June 2010, ahead of schedule and budget. This project will not be reported in future Exploration and Development reports.

During the year ended 30 June 2010 a further three projects achieved first production and two projects were sanctioned for development. The three commissioned projects were Western Australia Iron Ore Rapid Growth Project 4 (iron ore), Klipspruit Expansion (energy coal) and Pyrenees (oil and gas). The sanctioned projects were MAC20 Project (energy coal) and Antamina Expansion (copper).

In addition, US\$2.4 billion of pre-commitment expenditure was approved to accelerate development of Western Australia Iron Ore Rapid Growth Project 6 (iron ore), Caval Ridge and Hay Point Coal Terminal Stage 3 Expansion (both metallurgical coal) and the first stages of the Jansen Potash Project (potash).

Project And Ownership	Share Of Approved Capex US\$M	Initial Production Target Date	Production Capacity (100%)	Quarterly Progress
Petroleum Projects				
Angostura Gas Phase II (Trinidad and Tobago) 45% Gas	180	H1 CY11	280 million cubic feet gas per day	On schedule and budget. Installation campaign is ongoing. Compression platform jacket installed. Topsides fabrication continues. The overall project is 69% complete.
Bass Strait Kipper (Australia) 32.5% - 50% Gas/Gas Liquids	500	CY11	10,000 bpd condensate and processing capacity of 80 million cubic feet gas per day	Schedule and budget under review following advice from the operator.
Bass Strait Turrum (Australia) 50% Gas/Gas Liquids	625	CY11	11,000 bpd condensate and processing capacity of 200 million cubic feet gas per day	Schedule and budget under review following advice from the operator.

Project And Ownership	Share Of Approved Capex US\$M	Initial Production Target Date	Production Capacity (100%)	Quarterly Progress
North West Shelf CWLH Life Extension (Australia) 16.67% Oil	245	CY11	Replacement vessel with capacity of 60,000 bpd oil	On schedule and budget. Floating Production Storage and Offtake (FPSO) conversion continues. The overall project is 81% complete.
North West Shelf North Rankin B Gas Compression (Australia) 16.67% LNG	850	CY12	2,500 million cubic feet gas per day	On schedule and budget. Jacket fabrication continuing ahead of schedule. The overall project is 51% complete.
Minerals Projects				
Worsley Efficiency & Growth (Australia) 86% Alumina	1,900	H1 CY11	1.1 million tpa of additional alumina	On schedule and budget. Construction is 27% complete. The overall project is 44% complete.
Antamina Expansion (Peru) 33.75% Copper	435	Q4 CY11	Increases ore processing capacity to 130,000 tpd	On schedule and budget. Engineering is 75% complete. Construction is 7% complete. The overall project is 18% complete.
Iron Ore (Western Australia) RGP5 85% Iron Ore	4,800	H2 CY11	50 million tpa additional iron ore system capacity	On schedule and budget. Engineering is 97% complete. Construction is 61% complete. The overall project is 64% complete.
Douglas-Middelburg Optimisation (South Africa) 100% Energy Coal	975	Mid CY10	10 million tpa export thermal coal and 8.5 million tpa domestic thermal coal (sustains current output)	On schedule and budget. Commissioning of the coal processing plant is underway. The overall project is 98% complete.
Newcastle Third Port Project (Australia) 35.5% Energy Coal	390	Mid CY10	30 million tpa export coal loading facility	Project has been completed ahead of schedule and budget, with the terminal becoming operational in June 2010.
MAC20 Project (Australia) 100% Energy Coal	260	H1 CY11	Increases saleable thermal coal production by approximately 3.5 million tpa	On schedule and budget. Engineering is complete. Construction is 75% complete. The overall project is 81% complete.



## Minerals Exploration

Grassroots exploration continued on copper targets in Chile and Zambia; nickel targets in Australia; manganese targets in Gabon; and diamond targets in Canada. Exploration for iron ore, coal, bauxite, potash and manganese was undertaken in a number of regions including Australia, Canada, South America, Russia and Africa.

During the quarter, BHP Billiton confirmed the strength of its position in the Saskatchewan potash basin in Canada with the reporting of an in-situ Mineral Resource<sup>1</sup> of 3,370 million tonnes @ 25.4% K<sub>2</sub>O at its wholly-owned Jansen Potash Project. In addition, the Indonesian Coal Project (ICP) joint venture was formed following Government approvals. PT Adaro Energy TBK has acquired a 25 per cent interest in the ICP joint venture, with BHP Billiton holding the remaining 75 per cent.

For the year ended 30 June 2010, BHP Billiton spent US\$516 million on minerals exploration, of which US\$467 million was expensed. This includes US\$73 million of exploration spend for potash in Saskatchewan, Canada.

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### <sup>1</sup> Competent Person's Statement

The statement of Mineral Resource being presented is based on information compiled by J.McElroy (MAusIMM) BHP Billiton, B.Nemeth (MAusIMM) BHP Billiton, and A. D. Mackintosh (APEGGS) A.D.M Consulting and relates to Mineral Resource estimates as at 10 May 2010. A full statement of the Mineral Resource is provided in a BHP Billiton news release dated 7 June 2010. Competent Persons are full time employees of BHP Billiton (unless otherwise stated), have sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity they are undertaking to qualify as a Competent Person as defined in the JORC Code. All Competent Persons are members of either the Australian Institute of Mining & Metallurgy (AusIMM) or a Recognised Overseas Professional Organisation (ROPO). The Competent Persons consent to the inclusion in this report of the matters based on their information in the form and context in which it appears.

## Petroleum Exploration

Exploration and appraisal wells drilled during the quarter or in the process of drilling as at 30 June 2010.

Well	Location	BHP Billiton Equity	Status
Deep Blue-1	Green Canyon Gulf of Mexico GC 723	31.875% BHP Billiton (Noble operator)	Temporarily suspended Hydrocarbons encountered
Double Mountain-1	Green Canyon Gulf of Mexico GC 555	70% BHP Billiton (operator)	Plugged & abandoned Dry hole
Firefox-1	Green Canyon Gulf of Mexico GC 817	50% BHP Billiton (operator)	Plugged & abandoned Dry hole
Wolverine-1	Laurentian Basin Canada E.L. 1087R	45% BHP Billiton (CoP operator)	Plugged & abandoned Dry hole
Bel Air-1	Liverpool Bay 110/13b	46.1% BHP Billiton (operator)	Plugged & abandoned Dry hole
Toroa-1	East Falkland Basin PL015_02	51% BHP Billiton (operator)	Drilling ahead
Furness C-1	Exmouth Sub-basin WA-255-P	50% BHP Billiton (operator)	Drilling ahead

Petroleum exploration expenditure for the year ended 30 June 2010 was US\$817 million, of which US\$563 million was expensed.

Further information on BHP Billiton can be found on our Internet site: [www.bhpbilliton.com](http://www.bhpbilliton.com)

#### **Australia**

Amanda Buckley, Media Relations  
Tel: +61 3 9609 2209 Mobile: +61 419 801 349  
email: [Amanda.Buckley@bhpbilliton.com](mailto:Amanda.Buckley@bhpbilliton.com)

Fiona Martin, Media Relations  
Tel: +61 3 9609 2211 Mobile: +61 427 777 908  
email: [Fiona.Martin2@bhpbilliton.com](mailto:Fiona.Martin2@bhpbilliton.com)

Leng Lau, Investor Relations  
Tel: +61 3 9609 4202 Mobile: +61 403 533 706  
email: [Leng.Y.Lau@bhpbilliton.com](mailto:Leng.Y.Lau@bhpbilliton.com)

Brendan Harris, Investor Relations  
Tel: +61 3 9609 4323 Mobile: +61 437 134 814  
email: [Brendan.Harris@bhpbilliton.com](mailto:Brendan.Harris@bhpbilliton.com)

BHP Billiton Limited ABN 49 004 028 077  
Registered in Australia  
Registered Office: 180 Lonsdale Street  
Melbourne Victoria 3000 Australia  
Tel +61 1300 55 4757 Fax +61 3 9609 3015

#### **United Kingdom & South Africa**

Andre Liebenberg, Investor Relations  
Tel: +44 20 7802 4131 Mobile: +44 7920 236 974  
email: [Andre.Liebenberg@bhpbilliton.com](mailto:Andre.Liebenberg@bhpbilliton.com)

Illtud Harri, Media Relations  
Tel: +44 20 7802 4195 Mobile: +44 7920 237 246  
email: [Illtud.Harri@bhpbilliton.com](mailto:Illtud.Harri@bhpbilliton.com)

#### **Americas**

Scott Espenshade, Investor Relations  
Tel: +1 713 599 6431 Mobile: +1 713 208 8565  
email: [Scott.Espenshade@bhpbilliton.com](mailto:Scott.Espenshade@bhpbilliton.com)

Ruban Yogarajah, Media Relations  
Tel: US +1 713 966 2907 or UK +44 20 7802 4033  
Mobile: UK +44 7827 082 022  
email: [Ruban.Yogarajah@bhpbilliton.com](mailto:Ruban.Yogarajah@bhpbilliton.com)

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

Members of the BHP Billiton group which is headquartered in Australia





# NEWS RELEASE



**Release Time** IMMEDIATE  
**Date** 20 October 2010  
**Number** 29/10

## BHP BILLITON EXPLORATION AND DEVELOPMENT REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2010

This report covers the Group's exploration and development activities for the quarter ended 30 September 2010. 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. This report, together with the Production Report, represents the Interim Management Statement for the purposes of the UK Listing Authority's Disclosure and Transparency Rules. There have been no significant changes to the financial position of the Group in the quarter ended 30 September 2010.

### Development

During the quarter, the Douglas-Middelburg Optimisation Project (energy coal) was completed and delivered first coal on schedule and budget. This project will no longer be reported in future Exploration and Development Reports.

The approval of the Macedon Project (gas), offshore Western Australia, was announced on 24 September 2010.

Project And Ownership	Share Of Approved Capex US\$M	Initial Production Target Date	Production Capacity (100%)	Quarterly Progress
Petroleum Projects				
Macedon (Australia) 71.43% Gas	1,050	CY13	200 million cubic feet gas per day	Approval announced, see news release dated 24 September 2010. Drilling campaign commenced. The overall project is 3% complete.
Angostura Gas Phase II (Trinidad and Tobago) 45% Gas	180	H1 CY11	280 million cubic feet gas per day	On schedule and budget. Topsides fabrication completed and en route to Trinidad. Installation campaign progressing. The overall project is 74% complete.
Bass Strait Kipper (Australia) 32.5% - 50% Gas/Gas Liquids	500	CY11	10,000 bpd condensate and processing capacity of 80 million cubic feet gas per day	Schedule and budget under review following advice from the operator.

Project And Ownership	Share Of Approved Capex US\$M	Initial Production Target Date	Production Capacity (100%)	Quarterly Progress
Bass Strait Turrum (Australia) 50% Gas/Gas Liquids	625	CY11	11,000 bpd condensate and processing capacity of 200 million cubic feet gas per day	Schedule and budget under review following advice from the operator.
North West Shelf CWLH Life Extension (Australia) 16.67% Oil	245	CY11	Replacement vessel with capacity of 60,000 bpd oil	On schedule and budget. Floating Production Storage and Offtake (FPSO) conversion continues. The overall project is 84% complete.
North West Shelf North Rankin B Gas Compression (Australia) 16.67% LNG	850	CY12	2,500 million cubic feet gas per day	On schedule and budget. Jacket fabrication continuing ahead of schedule. The overall project is 56% complete.
<b>Minerals Projects</b>				
Worsley Efficiency & Growth (Australia) 86% Alumina	1,900	H1 CY11	1.1 million tpa of additional alumina	On schedule and budget. Construction is 38% complete. The overall project is 53% complete.
Antamina Expansion (Peru) 33.75% Copper	435	Q4 CY11	Increases ore processing capacity to 130,000 tpd	On schedule and budget. Engineering is 82% complete. Construction is 21% complete. The overall project is 27% complete.
Iron Ore (Western Australia) RGP5 85% Iron Ore	4,800	H2 CY11	50 million tpa additional iron ore system capacity	Engineering is 98% complete. Construction is 77% complete. The overall project is 79% complete. However, scope is currently being reviewed in order to confirm car dumping and ship loading requirements.
Douglas-Middelburg Optimisation (South Africa) 100% Energy Coal	975	Mid CY10	10 million tpa export thermal coal and 8.5 million tpa domestic thermal coal (sustains current output)	Project is complete. First coal delivered on schedule and budget.
MAC20 Project (Australia) 100% Energy Coal	260	H1 CY11	Increases saleable thermal coal production by approximately 3.5 million tpa	On schedule and budget. Engineering is complete. Construction is 86% complete. The overall project is 92% complete.



## Minerals Exploration

Grassroots exploration continued on copper targets in Chile and Zambia; nickel targets in Australia; manganese targets in Gabon; and diamond targets in Canada. Exploration for iron ore, coal, bauxite, potash and manganese was undertaken in a number of regions including Australia, Canada, South America and Africa.

For the quarter ended 30 September 2010, BHP Billiton spent US\$129 million on minerals exploration, of which US\$106 million was expensed.

## Petroleum Exploration

Exploration and appraisal wells drilled during the quarter or in the process of drilling as at 30 September 2010.

Well	Location	BHP Billiton Equity	Status
Deep Blue-1	Green Canyon Gulf of Mexico	31.875%	Temporarily suspended
	GC 723	(Noble operator)	Hydrocarbons encountered
Black Pearl-1	Exmouth Sub-basin	71.43%	Plugged & abandoned
	WA-42-L	(operator)	Hydrocarbons encountered
Toroa-1	East Falkland Basin	51%	Plugged & abandoned
	PL015_02	(operator)	Dry hole
Furness C-1	Exmouth Sub-basin	50%	Plugged & abandoned
	WA-255-P	(operator)	Dry hole

Petroleum exploration expenditure for the quarter ended 30 September 2010 was US\$74 million, of which US\$56 million was expensed. Our guidance for petroleum exploration expenditure for the June 2011 financial year is unchanged at approximately US\$900 million and is expected to be heavily weighted to the second half.

Further information on BHP Billiton can be found on our Internet site: [www.bhpbilliton.com](http://www.bhpbilliton.com)

#### **Australia**

Brendan Harris, Investor Relations  
Tel: +61 3 9609 4323 Mobile: +61 437 134 814  
email: [Brendan.Harris@bhpbilliton.com](mailto:Brendan.Harris@bhpbilliton.com)

Leng Lau, Investor Relations  
Tel: +61 3 9609 4202 Mobile: +61 403 533 706  
email: [Leng.Y.Lau@bhpbilliton.com](mailto:Leng.Y.Lau@bhpbilliton.com)

Amanda Buckley, Media Relations  
Tel: +61 3 9609 2209 Mobile: +61 419 801 349  
email: [Amanda.Buckley@bhpbilliton.com](mailto:Amanda.Buckley@bhpbilliton.com)

Kelly Quirke, Media Relations  
Tel: +61 3 9609 2896 Mobile: +61 429 966 312  
email: [Kelly.Quirke@bhpbilliton.com](mailto:Kelly.Quirke@bhpbilliton.com)

Fiona Martin, Media Relations  
Tel: +61 3 9609 2211 Mobile: +61 427 777 908  
email: [Fiona.Martin2@bhpbilliton.com](mailto:Fiona.Martin2@bhpbilliton.com)

BHP Billiton Limited ABN 49 004 028 077  
Registered in Australia  
Registered Office: 180 Lonsdale Street  
Melbourne Victoria 3000 Australia  
Tel +61 1300 55 4757 Fax +61 3 9609 3015

#### **United Kingdom & South Africa**

Andre Liebenberg, Investor Relations  
Tel: +44 20 7802 4131 Mobile: +44 7920 236 974  
email: [Andre.Liebenberg@bhpbilliton.com](mailto:Andre.Liebenberg@bhpbilliton.com)

#### **United Kingdom & Americas**

Ruban Yogarajah, Media Relations  
Tel: US +1 713 966 2907 or UK +44 20 7802 4033  
Mobile: UK +44 7827 082 022  
email: [Ruban.Yogarajah@bhpbilliton.com](mailto:Ruban.Yogarajah@bhpbilliton.com)

#### **Americas**

Scott Espenshade, Investor Relations  
Tel: +1 713 599 6431 Mobile: +1 713 208 8565  
email: [Scott.Espenshade@bhpbilliton.com](mailto:Scott.Espenshade@bhpbilliton.com)

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

Members of the BHP Billiton group which is headquartered in Australia



# GROUP 150

June 2010



**Darren Martin**  
Gresham Advisory Partners  
dmartin@gresham.com.au  
+61 8 9486 7077  
+61 412 144 719



**GRESHAM**  
1985 TWENTY-FIFTH ANNIVERSARY 2010

## ASX RESOURCES - GROUP 150

We are pleased to present the June edition of 'Group 150', a ranking of the top 150 ASX listed resources companies (excluding oil and gas), by market capitalisation.

Australia's resource sector was negatively impacted by several factors during May. First, the federal government released details of the Resource Super Profits Tax (or "RSPT") and markets very quickly began to price in this new dimension of Australian sovereign risk. This, coupled with seasonal weakness in commodities markets, the usual "sell in May and go away" dynamic on Wall Street, and concerns over the impact of the European bailout on forecast global growth rates, saw the market value of the Group 150 at the end of May fall to \$471 billion, a decrease of 6.5% from the end of April. The entry point into the Group 150 for May was \$69.8 million versus \$73.7 million for April. The ASX/S&P 200 Resources Index fell 6.2% during May, while the ASX All Ordinaries and ASX/S&P 200 Index both decreased 7.9%.

In this edition of 'Group 150', we assess the impact on the market capitalisation of the Group 150 companies with domestic projects versus international projects versus globally diversified operations, in an attempt to estimate the impact of the RSPT. The average market value of domestic focussed companies declined 12.2%, while international focused companies only declined 0.9%. Globally diversified companies (which are predominantly BHP Billiton and Rio Tinto) declined an average of 10.0%. The results are consistent with industry views that the new tax will increase the cost of capital for domestically-focussed miners, increasing the relative attractions of offshore projects.

One interesting question is whether the market has now priced in a worst-case outcome for the tax, which may prove overly pessimistic if the Government takes heed of industry concerns. Based on Gresham's conversations with industry participants, those concerns appear to revolve primarily around 1) high effective tax rates, 2) retrospective application to existing projects, 3) the low government bond hurdle rate of 6%; and 4) discrimination against high capital and low operating cost projects. There is also a view the proposed RSPT works in favour of foreign investors exploiting marginal resources in Australia to add value offshore, a potentially unintended consequence that the architects of the RSPT either did not appreciate or chose to ignore.

The resources sector has been a strong contributor to the Australian economy in the 21st century, ensuring Australia weathered the GFC better than other developed nations. While the finer details of the RSPT are yet to be settled, assuming it is introduced, the new tax will inevitably impose a handicap on one of the most profitable and competitive sectors in Australia. We expect that global suppliers of capital will reassess their priorities in light of the new tax (and indeed are already doing so), potentially directing risk capital to more favourable jurisdictions. The March 2010 Euromoney Country Risk survey ranked Australia 10th behind the Scandinavian countries, Luxembourg, Switzerland, Austria, Canada and the Netherlands. Will this be the case in the September 2010 survey?

In edition 2 of 'Group 150', we questioned whether in-market, domestic M&A was making a comeback, underpinned by strengthening valuations. In fact May was a quiet month for M&A, with the counter offer for DMC Mining being the only corporate deal announced. While we still believe the hypothesis is valid, the RSPT and sharp market correction clearly alters the dynamic somewhat. In the short term, M&A activity is less likely to be driven by increasing valuations, and potentially more by opportunistic circumstances.

We continue to welcome feedback and suggestions for improvements and we look forward to the end of financial year edition next month.

**Gresham Advisory Partners Limited**

*Edition 3*

*Gresham Advisory Partners is a leading Australian mergers and acquisitions/corporate advisory business and one of Australia's largest and highest ranking independent corporate advisors.*



# GROUP 150



GRESHAM

1985 TWENTY-FIFTH ANNIVERSARY 2010

## TOP 150 ASX LISTED RESOURCE COMPANIES - MAY By Market Capitalisation

May	Apr	Company	Mkt Cap (A\$m)		%
			31-May-10	30-Apr-10	
1	1	BHP Billiton Ltd. (ASX:BHP)	\$212,817.9	\$226,786.9	(6.2%)
2	2	Rio Tinto Ltd. (ASX:RIO)	\$131,704.7	\$141,432.1	(6.9%)
3	3	Newcrest Mining Ltd. (ASX:NCM)	\$15,529.8	\$15,998.8	(2.9%)
4	4	Fortescue Metals Group Ltd. (ASX:FMG)	\$12,551.8	\$14,229.5	(11.8%)
5	5	Lihir Gold Limited (ASX:GLI)	\$9,427.5	\$9,024.9	4.5%
6	6	Coal & Allied Industries Ltd. (ASX:CNA)	\$7,793.5	\$8,442.0	(7.7%)
7	9	Alumina Ltd. (ASX:AWC)	\$4,099.5	\$3,806.7	7.7%
8	7	New Hope Corp. Ltd. (ASX:NHC)	\$3,691.7	\$4,080.7	(9.5%)
9	10	OZ Minerals Limited (ASX:OZL)	\$3,339.5	\$3,605.1	(7.4%)
10	8	MacArthur Coal Ltd. (ASX:MCC)	\$3,024.0	\$3,934.5	(23.1%)
11	12	Aquarius Platinum Ltd. (ASX:AQP)	\$3,014.6	\$3,291.3	(8.4%)
12	13	Equinox Minerals Ltd. (ASX:EQN)	\$2,929.2	\$3,077.7	(4.8%)
13	11	Aquila Resources Ltd. (ASX:AQA)	\$2,848.9	\$3,309.7	(13.9%)
14	15	Paladin Energy Ltd. (ASX:PDN)	\$2,832.7	\$2,868.6	(1.3%)
15	14	Energy Resources of Australia Ltd. (ASX:ERA)	\$2,660.8	\$3,009.8	(11.6%)
16	16	Whitehaven Coal Limited (ASX:WHC)	\$2,418.4	\$2,625.7	(7.9%)
17	17	Iluka Resources Ltd. (ASX:ILU)	\$1,996.5	\$1,938.1	3.0%
18	19	Riversdale Mining Ltd. (ASX:RIV)	\$1,887.0	\$1,830.6	3.1%
19	20	Extract Resources Ltd. (ASX:EXT)	\$1,712.2	\$1,772.9	(3.4%)
20	18	Mount Gibson Iron Ltd. (ASX:MGX)	\$1,637.3	\$1,842.0	(11.1%)
21	21	Centennial Coal Co. Ltd. (ASX:CEY)	\$1,607.2	\$1,697.7	(5.3%)
22	23	Andean Resources Ltd. (ASX:AND)	\$1,521.6	\$1,507.5	0.9%
23	22	PanAust Limited (ASX:PNA)	\$1,417.9	\$1,511.4	(6.2%)
24	24	Zimplats Holdings Ltd. (ASX:ZIM)	\$1,076.4	\$1,255.1	(14.2%)
25	25	Ivanhoe Australia Limited (ASX:IVA)	\$1,052.7	\$1,219.0	(13.6%)
26	29	Gloucester Coal Ltd. (ASX:GCL)	\$983.5	\$995.8	(1.2%)
27	26	Atlas Iron Limited (ASX:AGO)	\$975.4	\$1,128.9	(13.6%)
28	32	Medusa Mining Limited (ASX:MMI)	\$862.1	\$884.6	(2.5%)
29	38	CGA Mining Limited (ASX:CGX)	\$861.1	\$758.4	13.5%
30	30	OM Holdings Limited (ASX:OMH)	\$854.9	\$992.5	(13.9%)
31	28	Murchison Metals Limited (ASX:MMX)	\$851.2	\$1,001.4	(15.0%)
32	31	Lynas Corp. Ltd. (ASX:LYC)	\$836.0	\$894.0	(6.5%)
33	27	Minara Resources Ltd. (ASX:MRE)	\$835.0	\$1,027.7	(18.8%)
34	35	Kingsgate Consolidated Limited (ASX:KCN)	\$819.8	\$841.3	(2.6%)
35	44	OceanaGold Corporation (ASX:OGC)	\$798.0	\$597.4	33.6%
36	37	White Energy Company Limited (ASX:WEC)	\$789.9	\$813.6	(2.9%)
37	33	Mirabela Nickel Ltd. (ASX:MBN)	\$782.1	\$881.2	(11.2%)
38	36	Gindalbie Metals Ltd. (ASX:GBG)	\$757.3	\$835.2	(9.3%)
39	40	Perseus Mining Ltd. (ASX:PRU)	\$749.3	\$666.9	12.4%
40	34	Western Areas NL (ASX:WSA)	\$721.8	\$869.4	(17.0%)
41	39	Grange Resources Limited (ASX:GRR)	\$604.7	\$702.6	(13.9%)
42	45	Mantra Resources Limited (ASX:MRU)	\$602.1	\$579.3	3.9%
43	41	Avoca Resources Ltd. (ASX:AVO)	\$597.4	\$642.6	(7.0%)
44	47	ST Barbara Ltd. (ASX:SBM)	\$595.4	\$536.8	10.9%
45	42	Gujarat NRE Coking Coal Limited (ASX:GNM)	\$578.3	\$621.1	(6.9%)
46	46	Mineral Deposits Ltd. (ASX:MDL)	\$559.3	\$550.7	1.6%
47	43	CuDeco Ltd. (ASX:CDU)	\$532.3	\$617.8	(13.8%)
48	48	Independence Gold NL (ASX:IGO)	\$508.3	\$527.5	(3.6%)
49	52	Citadel Resource Group Limited (ASX:CGG)	\$490.2	\$497.4	(1.4%)
50	53	Indophil Resources NL (ASX:IRN)	\$483.9	\$494.1	(2.1%)

May	Apr	Company	Mkt Cap (A\$m)		%
			31-May-10	30-Apr-10	
51	54	Summit Resources Ltd. (ASX:SMM)	\$461.7	\$481.0	(4.0%)
52	51	Brockman Resources Limited (ASX:BRM)	\$440.2	\$507.4	(13.2%)
53	49	Panoramic Resources Ltd. (ASX:PAN)	\$435.2	\$515.1	(15.5%)
54	58	Northern Iron Limited (ASX:NFE)	\$426.6	\$422.2	1.0%
55	55	Sandfire Resources (ASX:SFR)	\$426.0	\$464.9	(8.4%)
56	56	Resolute Mining Ltd. (ASX:RSG)	\$410.8	\$455.3	(9.8%)
57	60	Allied Gold Ltd. (ASX:ALD)	\$404.8	\$405.7	(0.2%)
58	50	Kagara Ltd (ASX:KZL)	\$387.8	\$509.2	(23.8%)
59	62	Giralia Resources NL (ASX:GIR)	\$379.8	\$372.6	1.9%
60	59	NKWE Platinum Ltd. (ASX:NKP)	\$365.6	\$411.9	(11.2%)
61	63	Regis Resources Limited (ASX:RRL)	\$356.1	\$357.6	(0.4%)
62	57	Sundance Resources Ltd. (ASX:SDL)	\$352.3	\$433.6	(18.8%)
63	61	Mincor Resources NL (ASX:MCR)	\$331.3	\$382.4	(13.4%)
64	65	Straits Resources Ltd. (ASX:SRL)	\$327.9	\$320.0	2.5%
65	68	Dominion Mining Limited (ASX:DOM)	\$282.1	\$299.6	(5.8%)
66	78	Bougainville Copper Ltd. (ASX:BOC)	\$276.7	\$248.7	11.3%
67	73	Cockatoo Coal Limited (ASX:COI)	\$271.0	\$274.0	(1.1%)
68	71	Iron Ore Holdings Limited (ASX:IOH)	\$262.4	\$292.5	(10.3%)
69	76	CBH Resources Ltd. (ASX:CBH)	\$257.4	\$251.8	2.2%
70	85	Silver Lake Resources Limited (ASX:SLR)	\$256.6	\$218.1	17.7%
71	72	Cape Lambert Resources Limited (ASX:CFE)	\$253.4	\$287.8	(12.0%)
72	66	Moly Mines Ltd. (ASX:MOL)	\$242.0	\$305.6	(20.8%)
73	69	Sphere Minerals Limited (ASX:SPH)	\$241.1	\$295.4	(18.4%)
74	82	Coalspur Mines Limited (ASX:CPL)	\$237.1	\$236.3	0.3%
75	64	Aditya Birla Minerals Limited (ASX:ABY)	\$236.6	\$338.4	(30.1%)
76	67	Platinum Australia Limited (ASX:PLA)	\$235.9	\$300.1	(21.4%)
77	102	Intrepid Mines Limited (ASX:IAU)	\$235.8	\$166.9	41.3%
78	77	Ampella Mining Limited (ASX:AMX)	\$234.9	\$249.1	(5.7%)
79	74	Catalpa Resources Limited (ASX:CAH)	\$232.9	\$264.4	(11.9%)
80	70	Perilya Ltd. (ASX:PEM)	\$230.8	\$293.7	(21.4%)
81	83	Discovery Metals Ltd. (ASX:DML)	\$230.5	\$231.6	(0.5%)
82	75	Sylvania Resources Ltd. (ASX:SLV)	\$226.1	\$262.5	(13.9%)
83	86	Troy Resources NL (ASX:TRY)	\$223.1	\$214.3	4.1%
84	84	Gold One International Limited (ASX:GDO)	\$221.6	\$221.4	0.1%
85	79	Galaxy Resources (ASX:GXY)	\$202.0	\$240.1	(15.9%)
86	90	Kingsrose Mining Limited (ASX:KRM)	\$195.6	\$192.3	1.7%
87	88	Integra Mining Ltd. (ASX:IGR)	\$181.4	\$200.3	(9.4%)
88	92	Metals X Limited (ASX:MLX)	\$177.5	\$191.2	(7.2%)
89	103	Adamus Resources Ltd. (ASX:ADU)	\$177.5	\$165.8	7.1%
90	87	Jabiru Metals Limited (ASX:JML)	\$176.8	\$212.8	(16.9%)
91	91	Orocobre Limited (ASX:ORE)	\$175.4	\$192.3	(8.8%)
92	81	Deep Yellow Ltd. (ASX:DYL)	\$174.5	\$236.4	(26.2%)
93	99	Saracen Mineral Holdings Ltd. (ASX:SAR)	\$169.6	\$177.9	(4.7%)
94	101	Berkeley Resources Ltd. (ASX:BKY)	\$162.0	\$170.9	(5.2%)
95	80	Hindars Mines Limited. (ASX:HMS)	\$161.9	\$236.5	(31.5%)
96	96	Highlands Pacific Limited (ASX:HIG)	\$157.0	\$182.9	(14.2%)
97	113	Gryphon Minerals Ltd. (ASX:GRY)	\$155.5	\$137.3	13.3%
98	93	Rex Minerals Limited. (ASX:RXM)	\$153.5	\$190.1	(19.3%)
99	97	Northern Energy Corporation Ltd (ASX:NEC)	\$149.6	\$180.5	(17.1%)
100	94	Tanami Gold NL (ASX:TAM)	\$148.6	\$187.5	(20.7%)

Includes ASX Resource companies excluding oil and gas



May	Apr	Company	Mkt Cap (A\$m)		%
			31-May-10	30-Apr-10	
101	104	FerrAus Ltd. (ASX:FRS)	\$143.9	\$162.5	(11.4%)
102	110	Hunnu Coal Limited (ASX:HUN)	\$142.8	\$146.9	(2.8%)
103	98	Hillgrove Resources Ltd. (ASX:HGO)	\$141.9	\$180.4	(21.3%)
104	109	Centrex Metals Limited (ASX:CMX)	\$139.5	\$148.8	(6.3%)
105	95	Nucol Resources NL (ASX:NCR)	\$138.3	\$186.3	(25.8%)
106	108	BC Iron Limited (ASX:BCI)	\$137.6	\$151.9	(9.4%)
107	105	Aurox Resources Ltd. (ASX:AXO)	\$135.3	\$159.1	(15.0%)
108	116	Ramellus Resources Ltd. (ASX:RMS)	\$132.6	\$133.9	(1.0%)
109	106	Focus Minerals Limited (ASX:FMI)	\$131.7	\$154.6	(14.8%)
110	100	Arafura Resources Limited (ASX:ARU)	\$129.3	\$172.9	(25.2%)
111	115	Conquest Mining Limited (ASX:CQT)	\$127.2	\$134.2	(5.2%)
112	114	Red 5 Ltd. (ASX:RED)	\$127.0	\$136.8	(7.2%)
113	111	Alliance Resources Ltd. (ASX:AGS)	\$124.5	\$145.0	(14.1%)
114	131	Metminco Limited. (ASX:MNC)	\$124.1	\$103.5	19.9%
115	123	Astron Ltd. (ASX:ATR)	\$122.1	\$121.1	0.8%
116	118	Norton Gold Fields Limited (ASX:NGF)	\$122.0	\$131.4	(7.2%)
117	112	Kangaroo Resources Limited (ASX:KRL)	\$116.5	\$141.9	(17.9%)
118	119	Bendigo Mining Ltd. (ASX:BDG)	\$114.3	\$129.5	(11.7%)
119	107	Red Hill Iron Ltd (ASX:RHI)	\$114.2	\$153.7	(25.7%)
120	89	Australasian Resources Ltd (ASX:ARH)	\$106.1	\$194.5	(45.4%)
121	125	Magma Metals Ltd. (ASX:MMW)	\$104.6	\$111.5	(6.2%)
122	122	Terramin Australia Ltd. (ASX:TZN)	\$102.9	\$121.2	(15.1%)
123	124	Citigold Corporation Limited (ASX:CTO)	\$99.9	\$118.1	(15.4%)
124	127	Jupiter Mines Ltd. (ASX:JMS)	\$99.8	\$109.1	(8.5%)
125	129	Beadell Resources Ltd (ASX:BDR)	\$99.5	\$105.9	(6.0%)

Source: Capital IQ

May	Apr	Company	Mkt Cap (A\$m)		%
			31-May-10	30-Apr-10	
126	133	IMX Resources Ltd. (ASX:IXR)	\$99.2	\$102.4	(3.1%)
127	120	Robust Resources Limited (ASX:ROL)	\$98.0	\$123.3	(20.5%)
128	138	Tiger Resources Ltd. (ASX:TGS)	\$97.5	\$95.2	2.4%
129	132	Greenland Minerals and Energy Ltd (ASX:GGG)	\$95.2	\$103.0	(7.6%)
130	117	Golden West Resources Limited (ASX:GWR)	\$93.7	\$133.0	(29.5%)
131	121	Reed Resources Ltd. (ASX:RDR)	\$91.3	\$122.3	(25.3%)
132	130	Morning Star Gold NL (ASX:MCO)	\$90.8	\$105.9	(14.3%)
133	147	Carrick Gold Ltd. (ASX:CRK)	\$83.4	\$86.2	(3.2%)
134	163	Azumah Resources Ltd (ASX:AZM)	\$82.1	\$70.9	15.8%
135	153	Westgold Resources Limited (ASX:WGR)	\$82.0	\$83.2	(1.4%)
136	126	North Australian Diamonds Limited (ASX:NAD)	\$81.7	\$109.7	(25.5%)
137	128	Toro Energy Ltd (ASX:TOE)	\$81.1	\$106.1	(23.6%)
138	139	Exco Resources Ltd. (ASX:EXS)	\$78.9	\$94.6	(16.6%)
139	142	Thundelarra Exploration Ltd. (ASX:THX)	\$77.8	\$90.1	(13.7%)
140	156	Chalice Gold Mines Ltd. (ASX:CHN)	\$75.6	\$78.7	(3.9%)
141	145	Blackthorn Resources Limited (ASX:BTB)	\$74.8	\$87.6	(14.6%)
142	135	Crescent Gold Limited (ASX:CRE)	\$74.4	\$99.2	(25.0%)
143	136	Resource Generation Limited (ASX:RES)	\$74.1	\$98.8	(25.0%)
144	144	Alkane Resources Limited (ASX:ALK)	\$73.5	\$88.4	(16.9%)
145	134	Strike Resources Limited (ASX:SRK)	\$72.8	\$101.4	(28.2%)
146	141	Rocklands Richfield Limited (ASX:RCL)	\$72.2	\$91.6	(21.2%)
147	184	Nyota Minerals Limited (ASX:NYO)	\$72.0	\$58.7	22.7%
148	0	Vantage Goldfields Limited (ASX:VGO)	\$70.8	-	-
149	152	Energy Metals Limited (ASX:EME)	\$69.8	\$83.3	(16.2%)
150	159	Energy and Minerals Australia Ltd (ASX:EMA)	\$69.8	\$73.7	(5.3%)

## NEW ENTRANTS - MAY

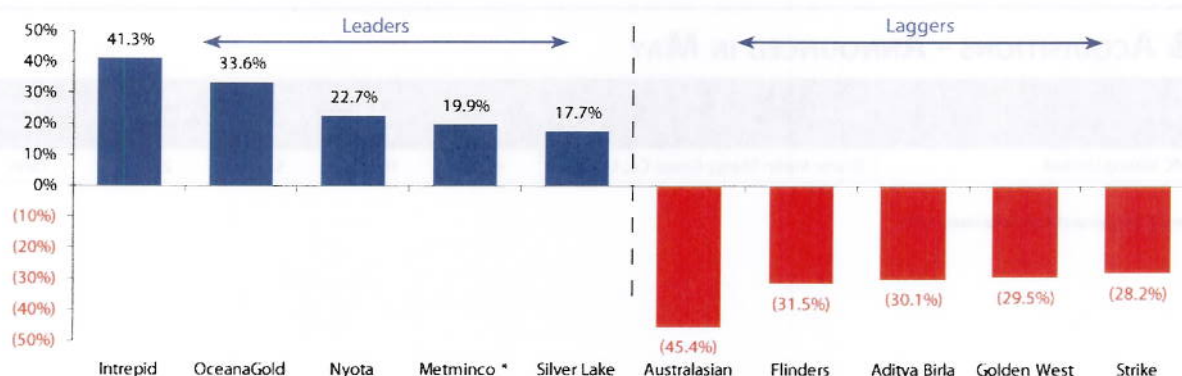
- 134 Azumah Resources Ltd (ASX:AZM)
- 135 Westgold Resources Limited (ASX:WGR)
- 140 Chalice Gold Mines Ltd. (ASX:CHN)
- 147 Nyota Minerals Limited (ASX:NYO)
- 148 Vantage Goldfields Limited (ASX:VGO)
- 149 Energy Metals Limited (ASX:EME)
- 150 Energy and Minerals Australia Limited (ASX:EMA)

Based on market capitalisation as at 31 May 2010 vs 30 April 2010

## EXITS - MAY

- Aurora Minerals Ltd. (ASX:ARM)
- Bannerman Resources Limited (ASX:BMN)
- Talisman Mining Ltd (ASX:TLM)
- Western Plains Resources Limited (ASX:WPG)
- Bauxite Resources Limited, (ASX:BAU)
- Manhattan Corporation Limited (ASX:MHC)
- Minemakers Limited (ASX:MAK)

## GROUP 150 LEADERS AND LAGGERS - MARKET CAPITALISATION PERFORMANCE - MAY



\* Included placement, acquisition and/or material option conversion during month



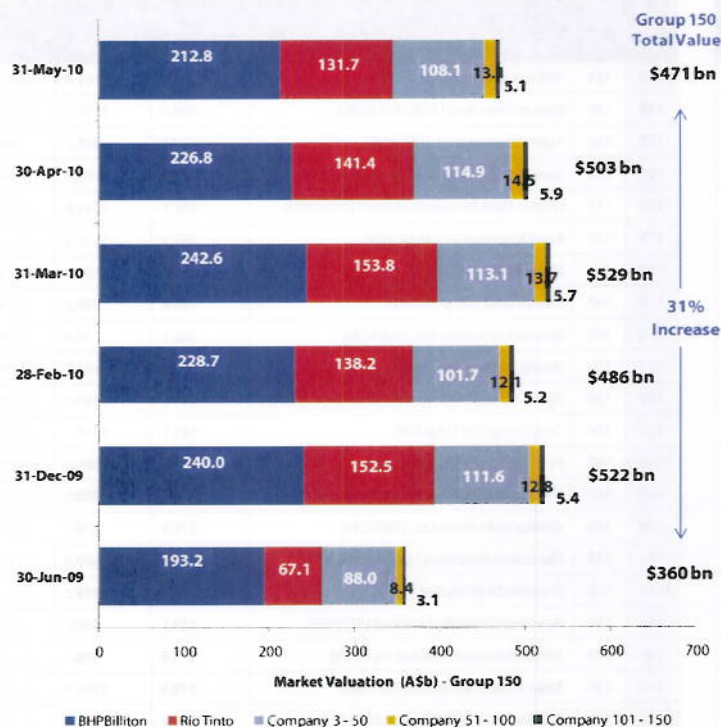
# GROUP 150



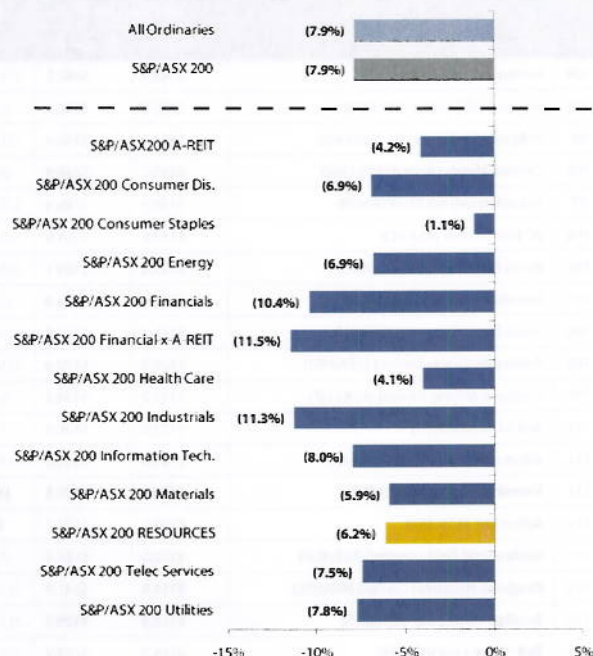
**GRESHAM**

1985 TWENTY-FIFTH ANNIVERSARY 2010

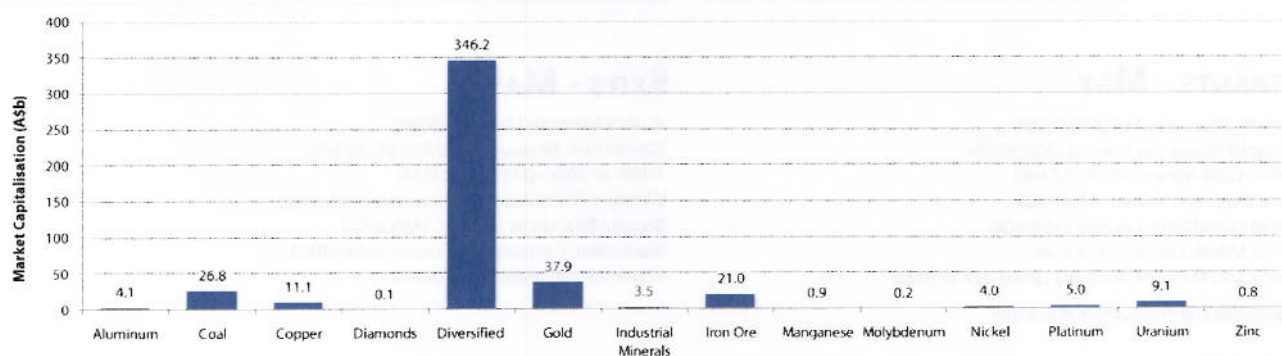
## GROUP 150 MARKET CAPITALISATION



## ASX INDEX PERFORMANCE - MAY



## GROUP 150 SECTOR MARKET CAPITALISATION - MAY



## MERGER & ACQUISITIONS - ANNOUNCED IN MAY

Date Announced	Target	Acquirer	Value (A\$m)	Percent Sought (%)	Premium - 1 Day Prior (%)	Premium - 1 Month Prior (%)	Consideration Offered
7-May-10	DMC Mining Limited	Shanxi Meijin Energy Group Co., Ltd	46.0	100	3.9	29.3	Cash

Source: Capital IQ  
Announced Australian Resources (excluding oil and gas) Mergers and Acquisitions > A\$10m

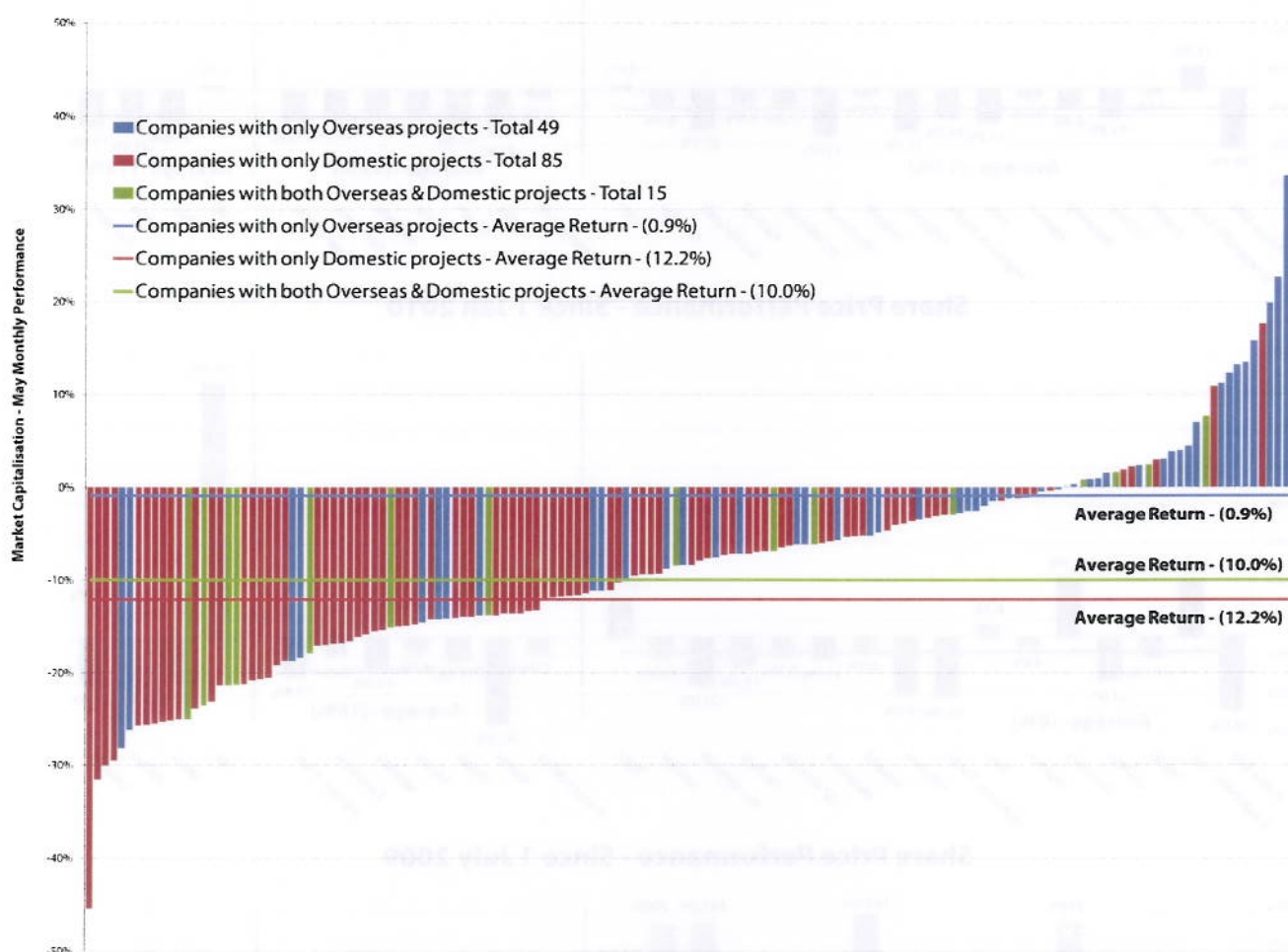


## GROUP 150 MONTHLY PERFORMANCE - BASED ON PROJECT/S LOCATION

Below, we assess the impact on the market capitalisation of the Group 150 companies with domestic projects versus international projects versus globally diversified operations, in an attempt to provide a visualisation of the impact of the RSPT.

The average market value of domestic focussed companies declined 12.2%, while international focused companies only declined 0.9%. Globally diversified companies (which are predominantly BHP Billiton and Rio Tinto) declined an average of 10.0%.

The results are consistent with industry views that the new tax will increase the cost of capital for domestically-focussed miners, increasing the relative attractions of offshore projects.



Monthly Performance	Overseas	Domestic	Overseas/ Domestic	Total
Spread of "Group 150" by Project/s Location	49	85	15	149
- Simple Average Return	(0.9%)	(12.2%)	(10.0%)	
Spread of "Group 150" with Positive Monthly Return	20	5	4	29
- Simple Average Return	10.6%	7.1%	3.2%	
Spread of "Group 150" with Negative Monthly Return	29	80	11	120
Simple Average Return	(8.9%)	(13.4%)	(14.8%)	

Only 149 in data set as Vantage Goldfields was a new IPO during the month and therefore has no base to calculate monthly performance

# GROUP 150

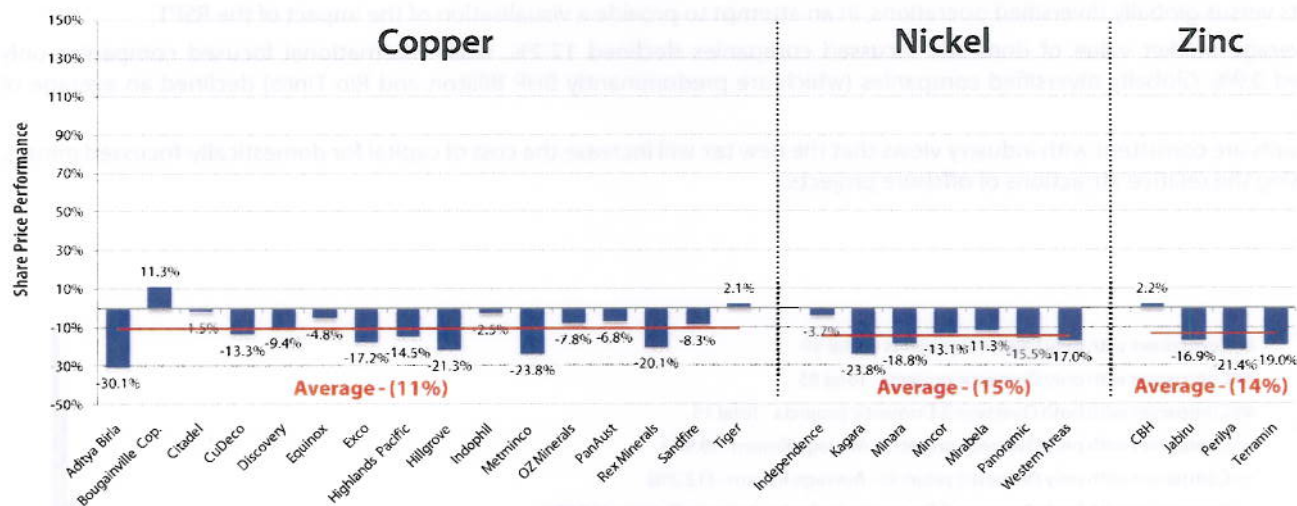


**GRESHAM**

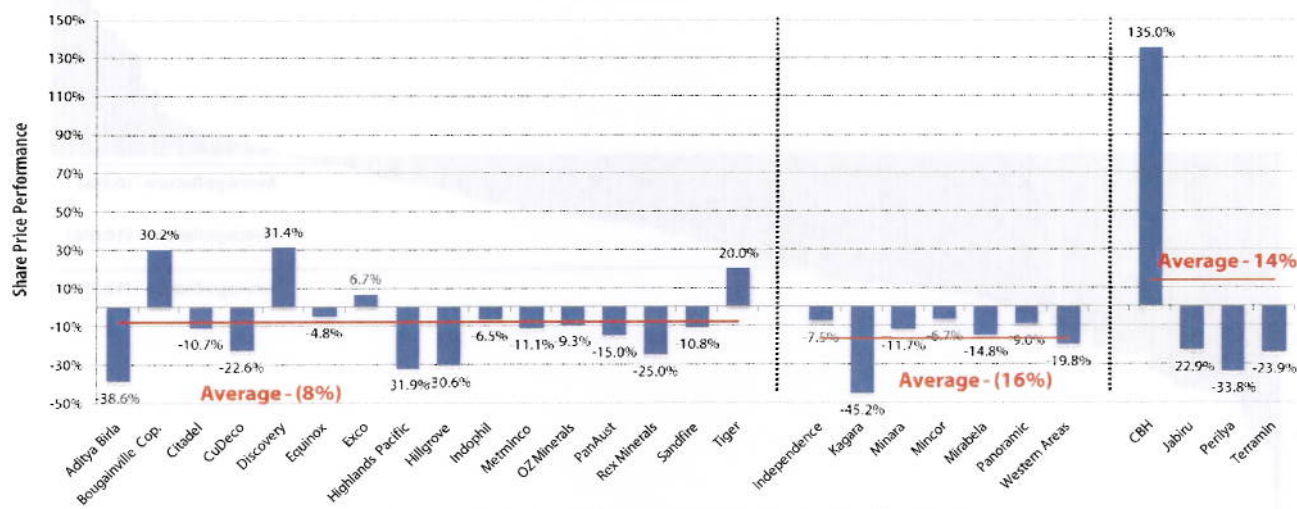
1985 TWENTY-FIFTH ANNIVERSARY 2010

## BASE METALS - SECTOR PERFORMANCE

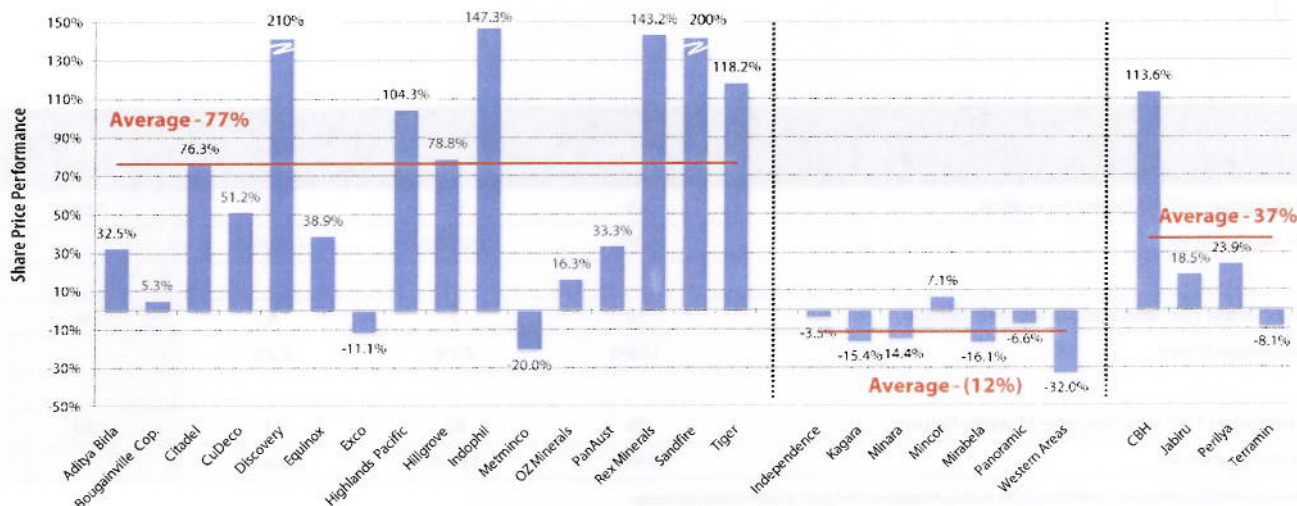
### Share Price Performance - May 2010



### Share Price Performance - Since 1 Jan 2010



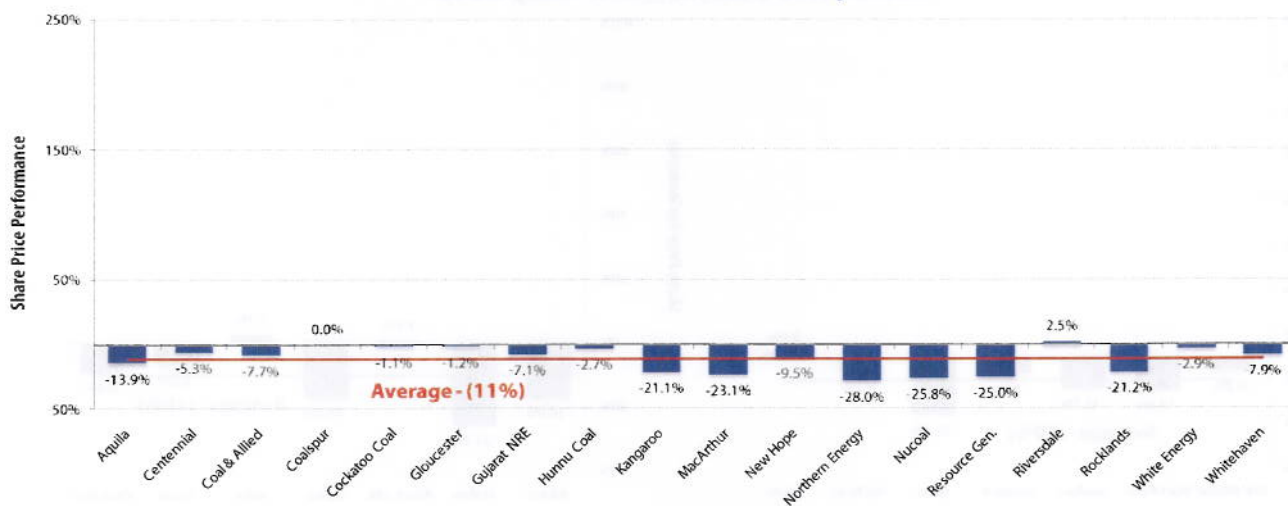
### Share Price Performance - Since 1 July 2009



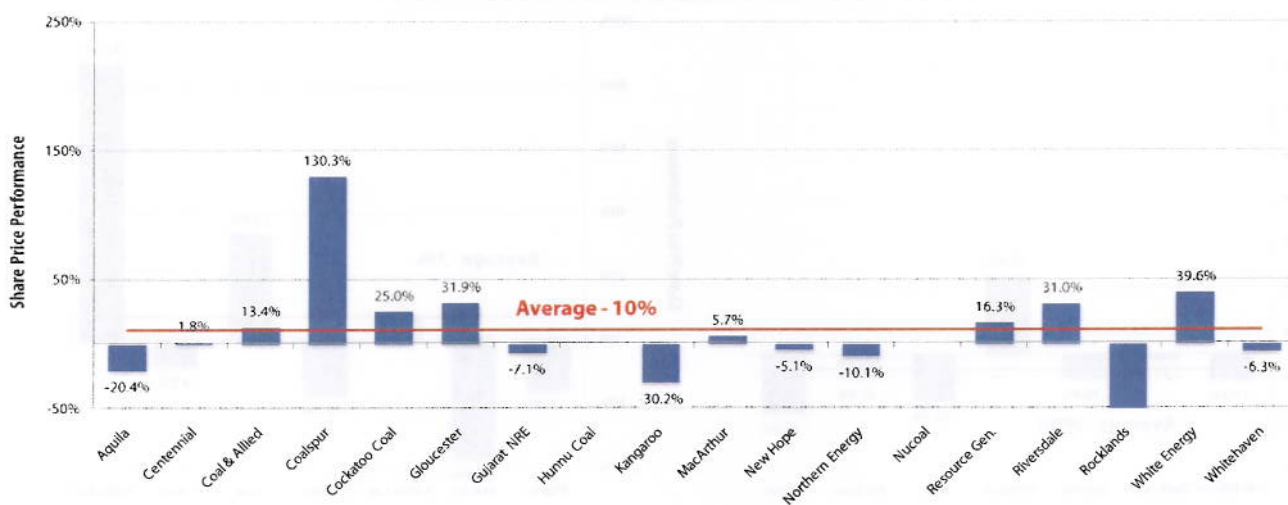


## COAL - SECTOR PERFORMANCE

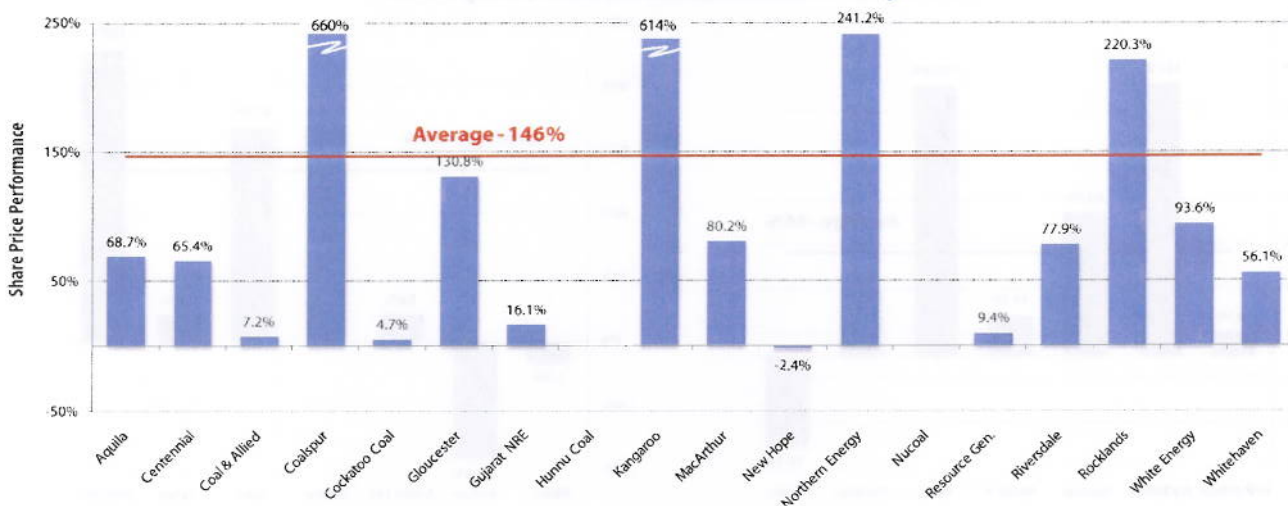
Share Price Performance - May 2010



Share Price Performance - Since 1 Jan 2010



Share Price Performance - Since 1 July 2009





# GROUP 150

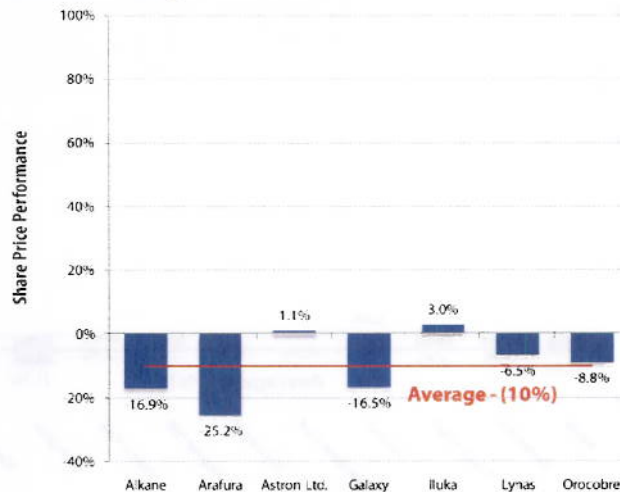
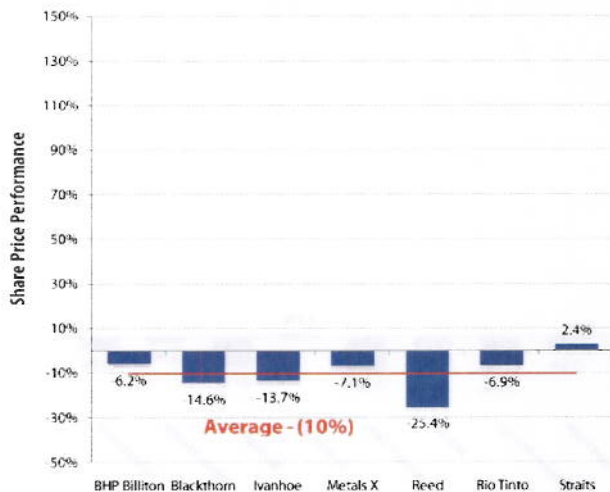


**GRESHAM**  
1985 TWENTY-FIFTH ANNIVERSARY 2010

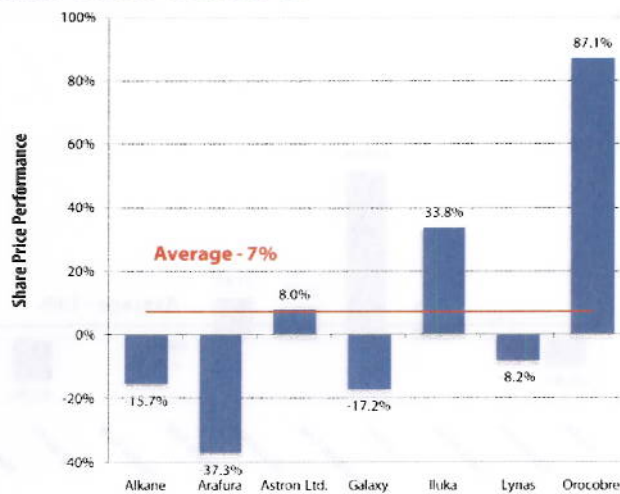
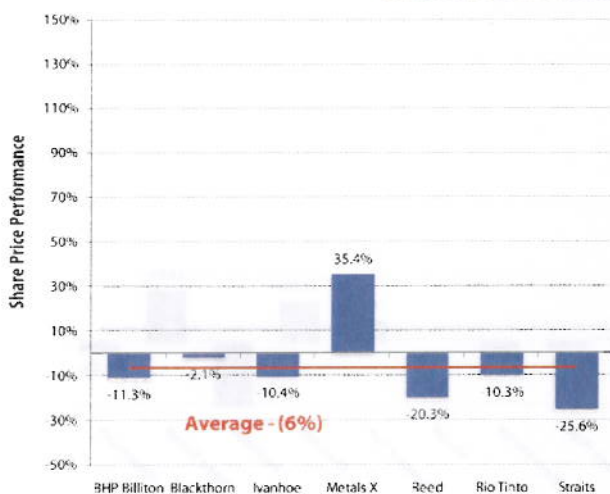
## DIVERSIFIED - SECTOR PERFORMANCE

## INDUSTRIAL MINERALS - SECTOR PERFORMANCE

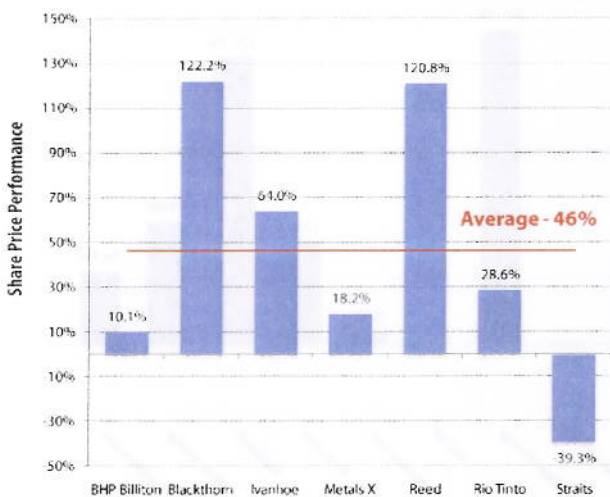
### Share Price Performance - May 2010



### Share Price Performance - Since 1 Jan 2010

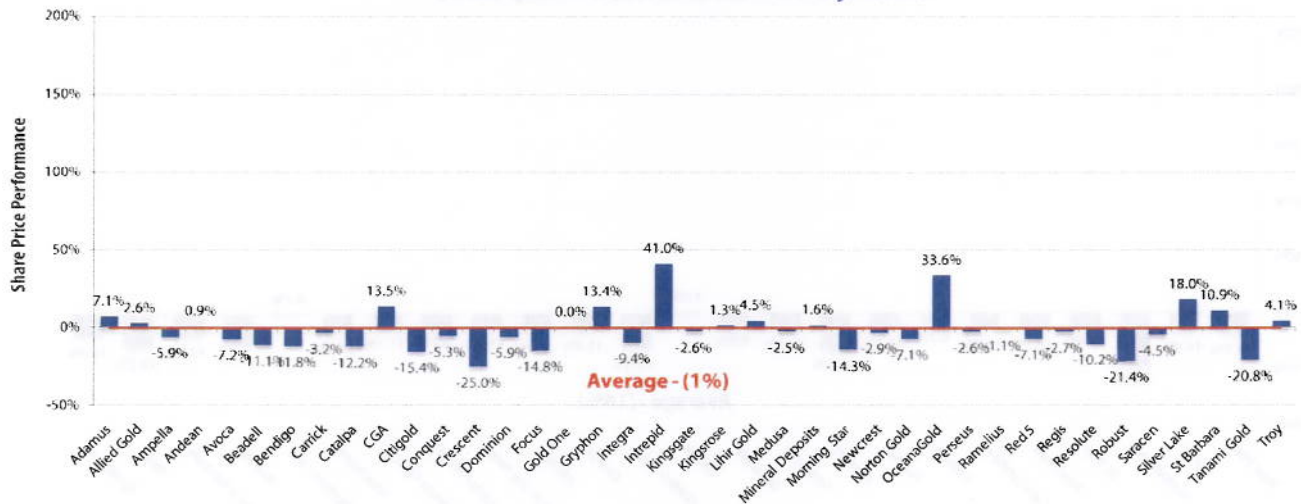


### Share Price Performance - Since 1 July 2009

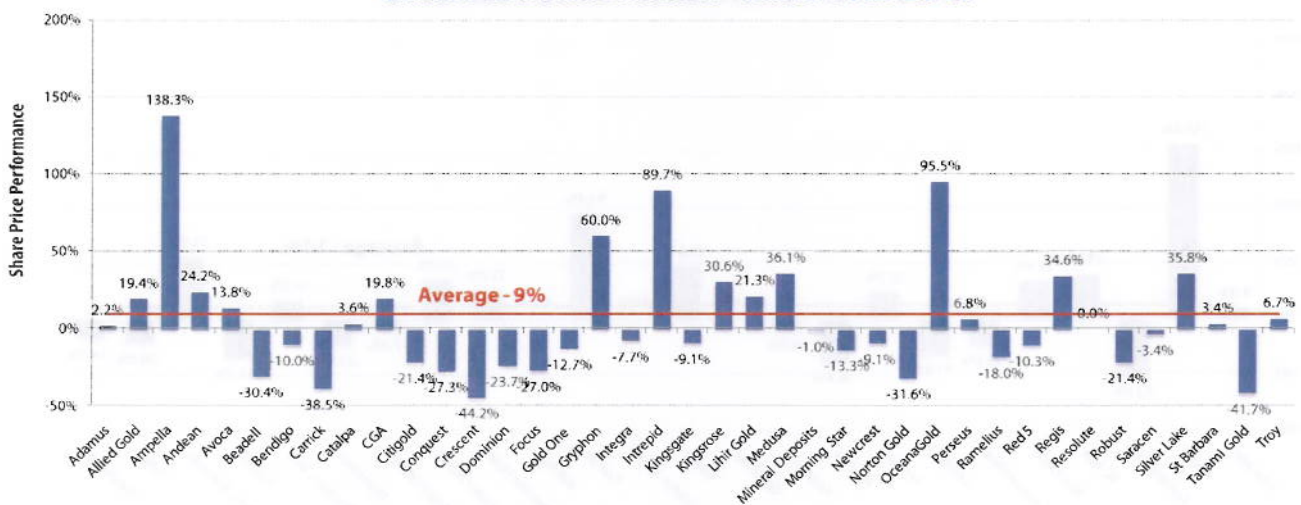


## GOLD - SECTOR PERFORMANCE

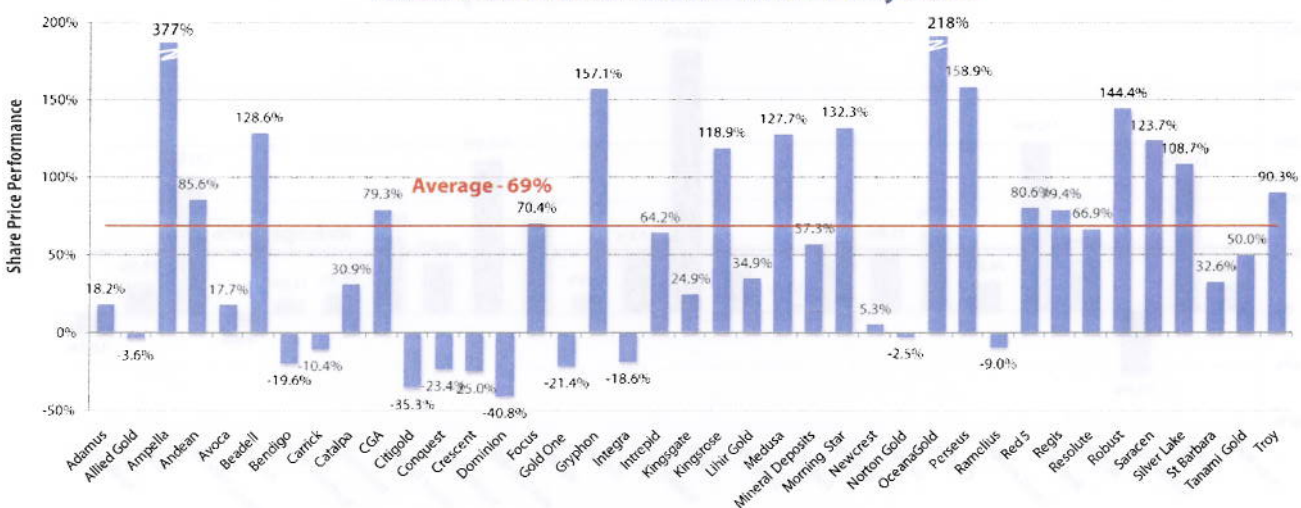
Share Price Performance - May 2010



Share Price Performance - Since 1 Jan 2010



Share Price Performance - Since 1 July 2009





# GROUP 150

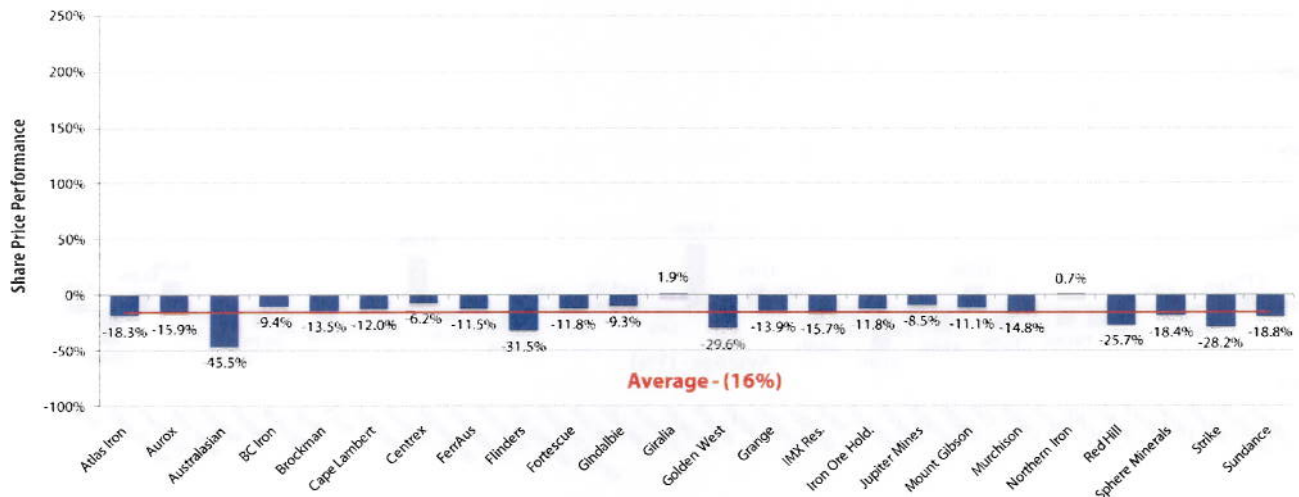


**GRESHAM**

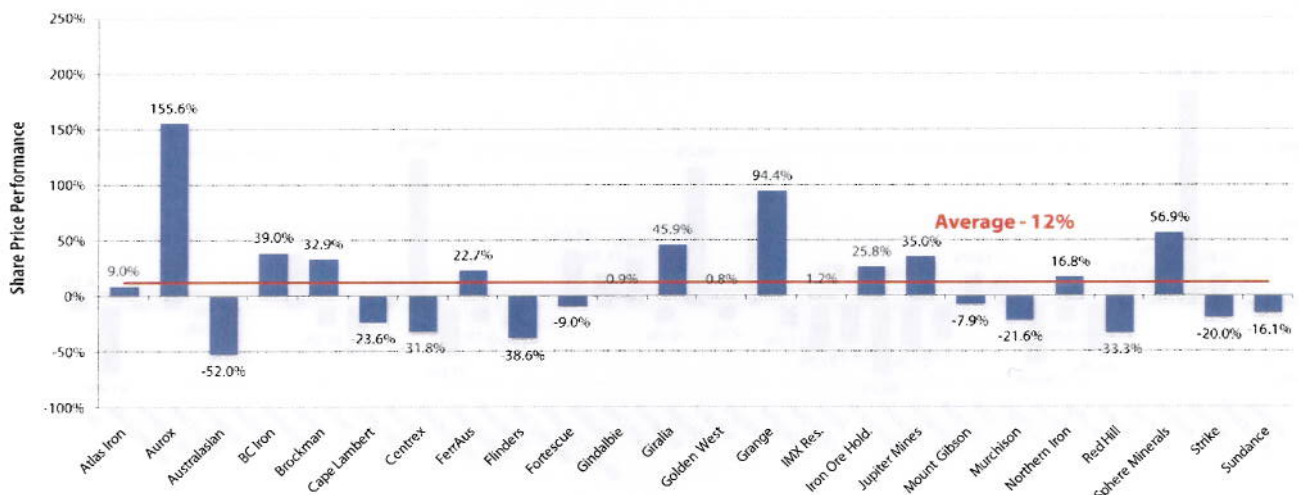
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## IRON ORE - SECTOR PERFORMANCE

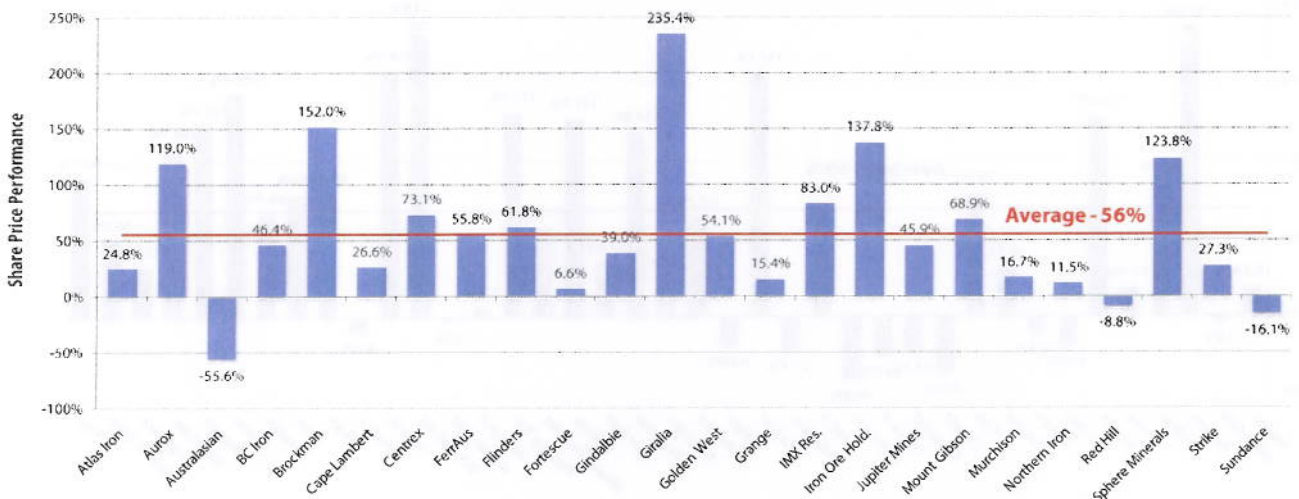
### Share Price Performance - May 2010



### Share Price Performance - Since 1 Jan 2010



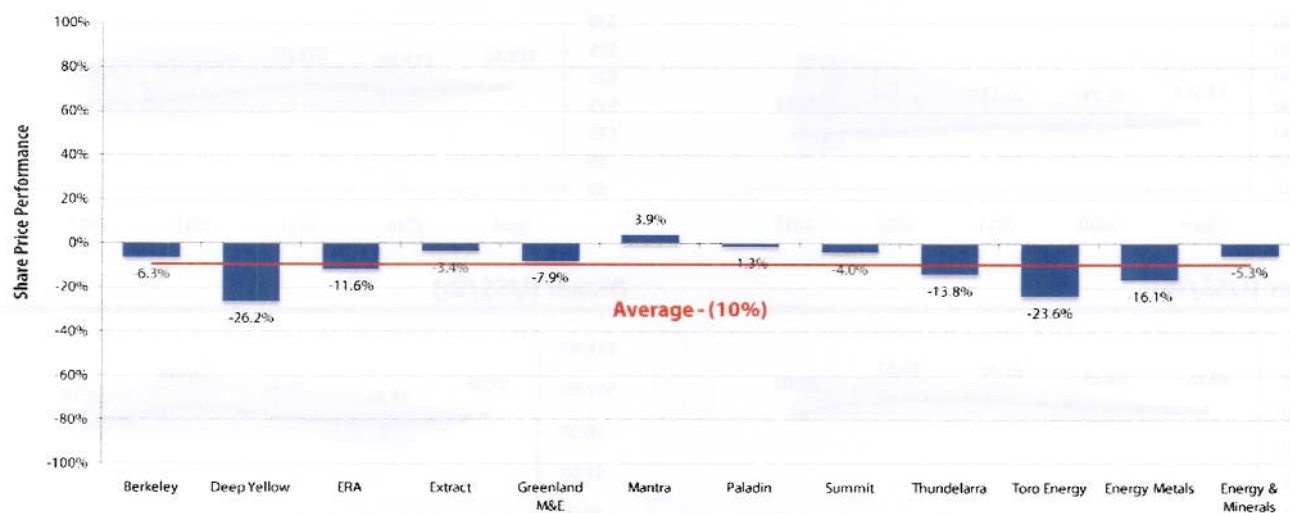
### Share Price Performance - Since 1 July 2009



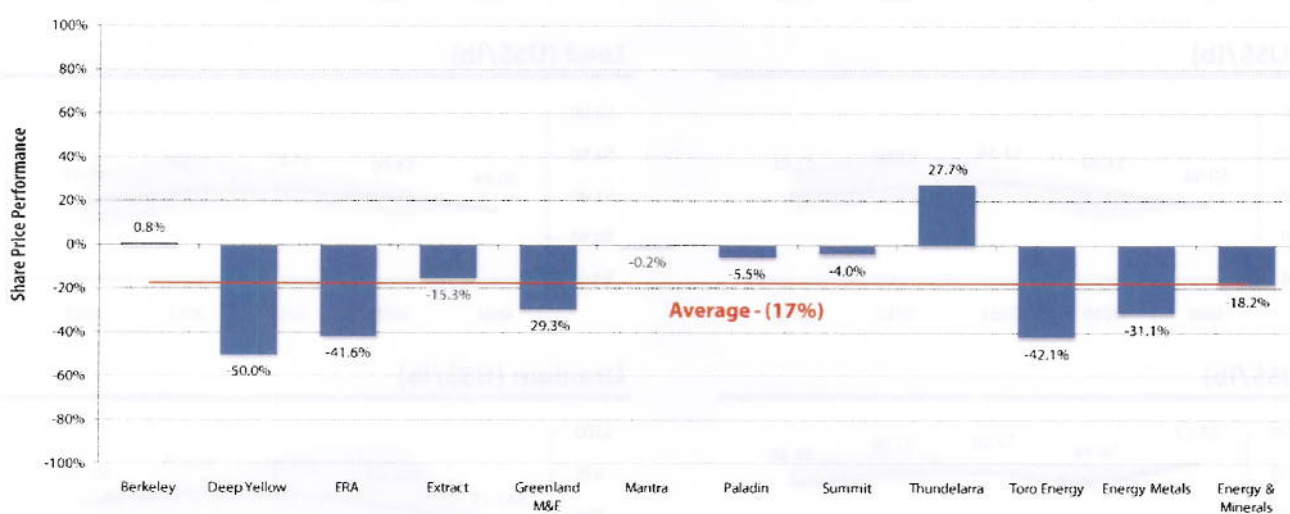


## URANIUM - SECTOR PERFORMANCE MERGERS AND ACQUISITIONS

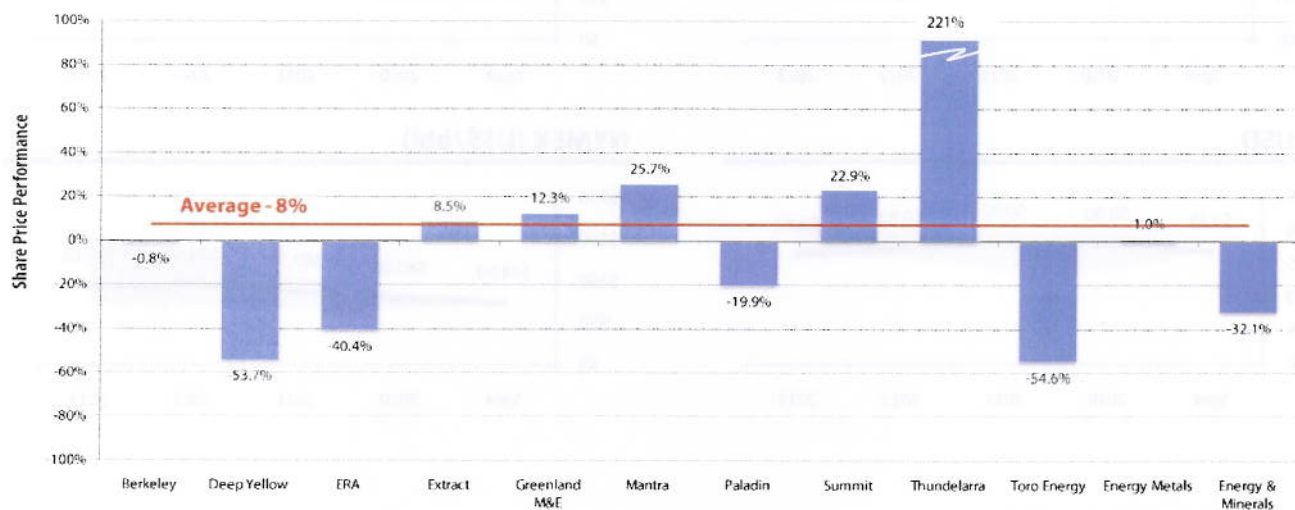
### Share Price Performance - May 2010



### Share Price Performance - Since 1 Jan 2010



### Share Price Performance - Since 1 July 2009



# GROUP 150

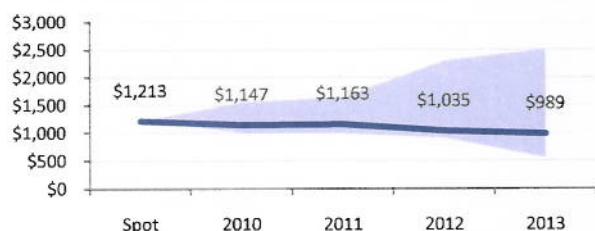


**GRESHAM**

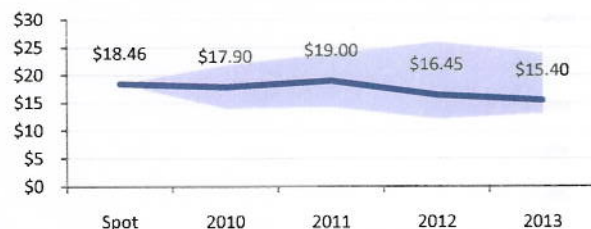
1985 TWENTY-FIFTH ANNIVERSARY 2010

## CONSENSUS COMMODITY PRICE FORECASTS - MAY

### Gold (US\$/oz)



### Silver (US\$/OZ)



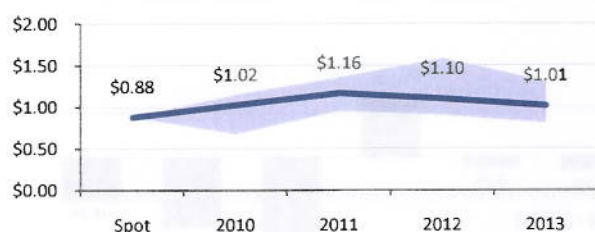
### Copper (US\$/lb)



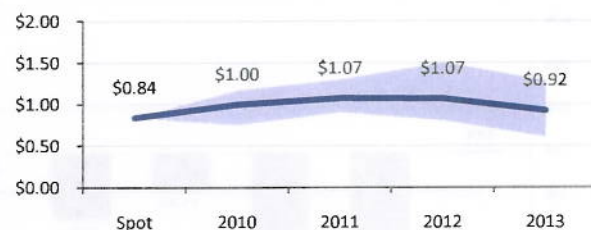
### Nickel (US\$/lb)



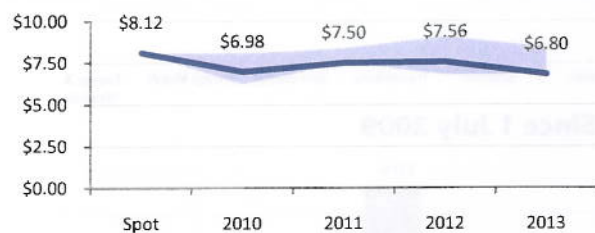
### Zinc (US\$/lb)



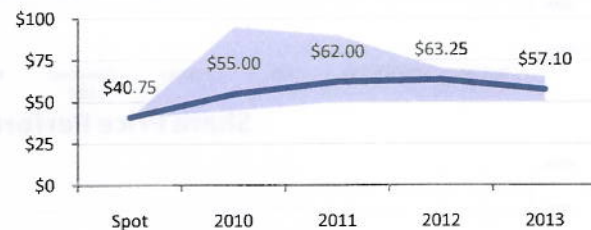
### Lead (US\$/lb)



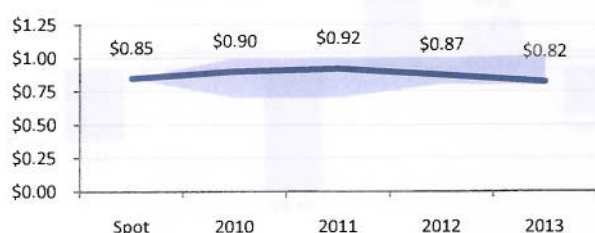
### Tin (US\$/lb)



### Uranium (US\$/lb)



### AUD:USD



### NYMEX (US\$/bbl)



Source: Bloomberg Consensus Estimates - Median / High / Low



## RECENT RESOURCES TRANSACTIONS

## Mergers and Acquisitions

 <p><b>bhpbilliton</b></p> <p>2010</p> <p>Advised BHP Billiton on its \$204m offer for United Minerals Corporation.</p> 	 <p><b>BG GROUP</b></p> <p>2009</p> <p>Advised BG Group on its \$1bn takeover offer for Pure Energy Resources Limited.</p> 	 <p><b>GRAM</b></p> <p>2009</p> <p>Advised Guandong Rising on its \$216m cornerstone investment in Pan Aust.</p> 	 <p><b>ALLIED GOLD LIMITED</b></p> <p>2009</p> <p>Advised Allied Gold on its \$54m acquisition of Australian Solomons Gold.</p> 	 <p><b>Kalahari minerals</b></p> <p>2008</p> <p>Advised Kalahari Minerals on its \$140m proposed merger with Extract Resources.</p> 	 <p><b>GEM DIAMONDS</b></p> <p>2008</p> <p>Advised Gem Diamonds on its \$300m acquisition of Kimberley Diamonds.</p> 	 <p><b>IAMGOLD CORPORATION</b></p> <p>2006</p> <p>Advised IAMGOLD Corporation on its \$265m acquisition of Gallery Gold.</p> 
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## Takeover Defence

 <p><b>POLARIS METALS NL</b></p> <p>2010</p> <p>Advised Polaris Metals NL on \$178m takeover offer by Mineral Resources Limited.</p> 	 <p><b>indophil resources nl</b></p> <p>2010</p> <p>Advised Indophil on \$545m recommended offer from Zijin.</p> 	 <p><b>CENTAURUS RESOURCES</b></p> <p>2010</p> <p>Advised Centaurus Resources on its \$20m merger with Glengarry Resources.</p> 	 <p><b>Energy Metals Limited</b></p> <p>2009</p> <p>Advised Energy Metals on its \$86m proportional takeover offer by China Guangdong Nuclear Power Group.</p> 	 <p><b>BRANDRILL LIMITED</b></p> <p>2009</p> <p>Advised Brandrill Limited on its \$45m takeover offer by Ausdrill Limited.</p> 	 <p><b>SUMMIT RESOURCES</b></p> <p>2007</p> <p>Advised Summit Resources on its A\$1.2bn takeover by Paladin Energy.</p> 	 <p><b>TETHYAN RESOURCES</b></p> <p>2007</p> <p>Advised Tethyan on its \$220m competing takeover offer by Crosby and Antogafasta/Barrick.</p> 
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## Strategic Advisory, Joint Ventures and Capital Markets

 <p><b>bhpbilliton</b></p> <p>2010</p> <p>Advised BHP Billiton on its US\$116bn iron ore production joint venture with Rio Tinto.</p> 	 <p><b>DENHAM CAPITAL</b></p> <p>2010</p> <p>Introduced Denham Capital to Trans Tasman Resources resulting in NZ iron sands investment.</p> 	 <p><b>bhpbilliton</b></p> <p>2009</p> <p>Advised BHP Billiton on the disposal of the Yabulu Nickel refinery.</p> 	 <p><b>BANNERIAN RESOURCES</b></p> <p>2008</p> <p>Advised Bannerian Resources on its financing with Resource Capital Funds.</p> 	 <p><b>ILUKA</b></p> <p>2009/08</p> <p>Advised Iluka on its \$114m institutional placement and \$353m accelerated right issue.</p> 	 <p><b>MML</b></p> <p>2008</p> <p>Advised Murchison Metals on its joint venture with Mitsubishi.</p> 	 <p><b>ILUKA</b></p> <p>2008</p> <p>Advised Iluka Resources on its \$54m Narama coal divestment to Xstrata.</p> 
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### Gresham Advisory Partners Limited

A.B.N. 97 003 344 269

Level 17, 167 Macquarie Street,  
Sydney NSW 2000

Telephone: 61 2 9221 5133  
Facsimile: 61 2 9221 6814

Level 10, 1 Collins Street,  
Melbourne VIC 3000

Telephone: 61 3 9664 0300  
Facsimile: 61 3 9650 7722

Level 3, 28 The Esplanade,  
Perth WA 6000

Telephone: 61 8 9486 7077  
Facsimile: 61 8 9486 7024

Website: [www.gresham.com.au](http://www.gresham.com.au)

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