



Shenzi

# Offshore Executive Conference

**Steve Pastor**

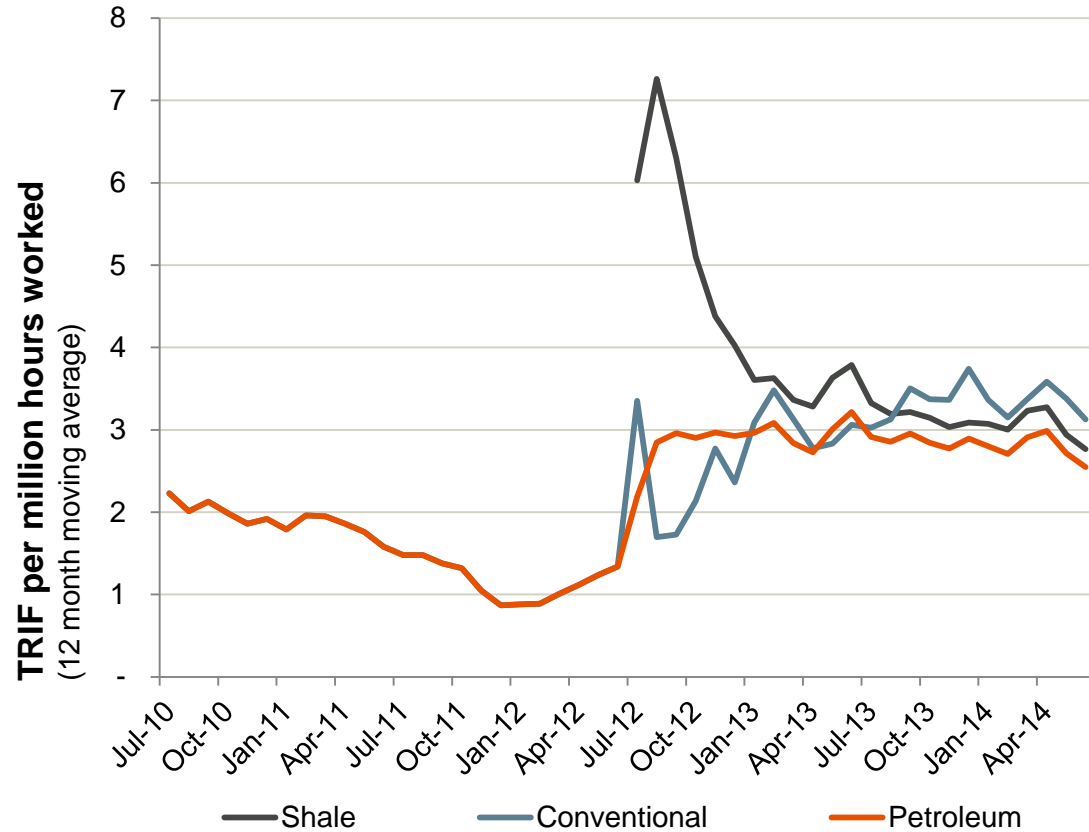
Asset President, Conventional

16 October 2014



# HSEC is our first priority

**Total Recordable Injury Frequency**  
(TRIF, 12 month moving average)



## HSEC Focus areas

### Health



Minimise exposure to silica during hydraulic fracturing operations in our Shale business

### Safety



Leverage systems and technology to manage material risks

### Environment



Manage water usage and reduce greenhouse gas emissions

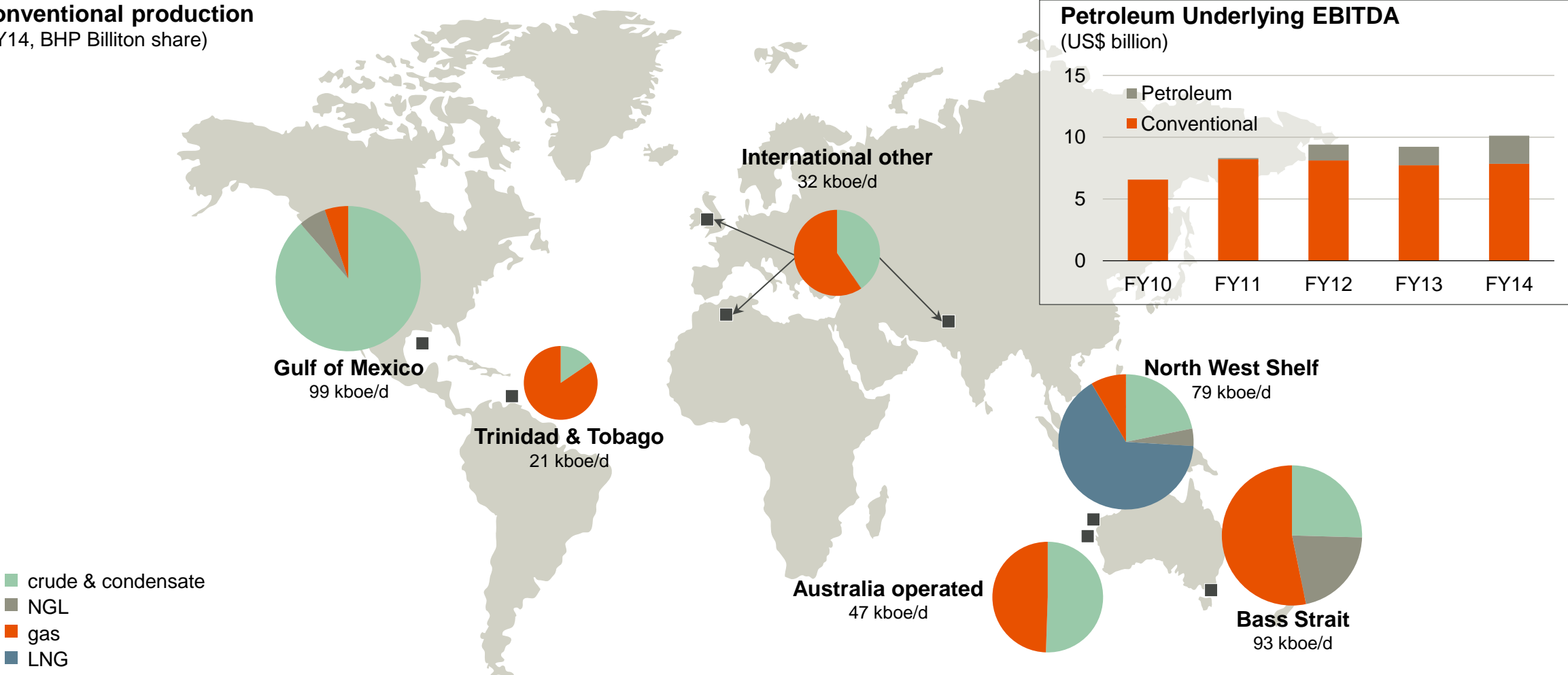
### Community



Continue to make a meaningful contribution through social investment and partnerships

# Australia and the GOM represent Conventional production heartlands

## Conventional production (FY14, BHP Billiton share)

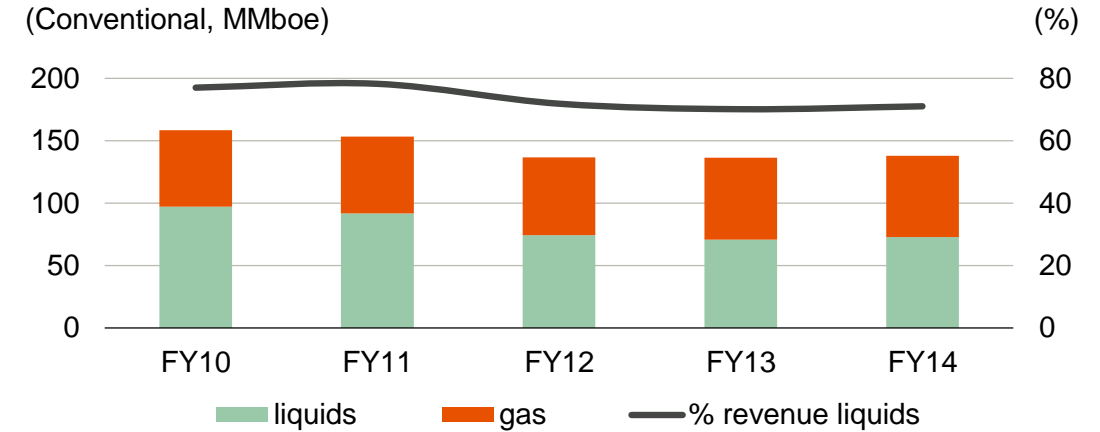


Note: Conventional volumes, BHP Billiton share. Based on FY14 actual production. Size of bubbles scaled to production rates.

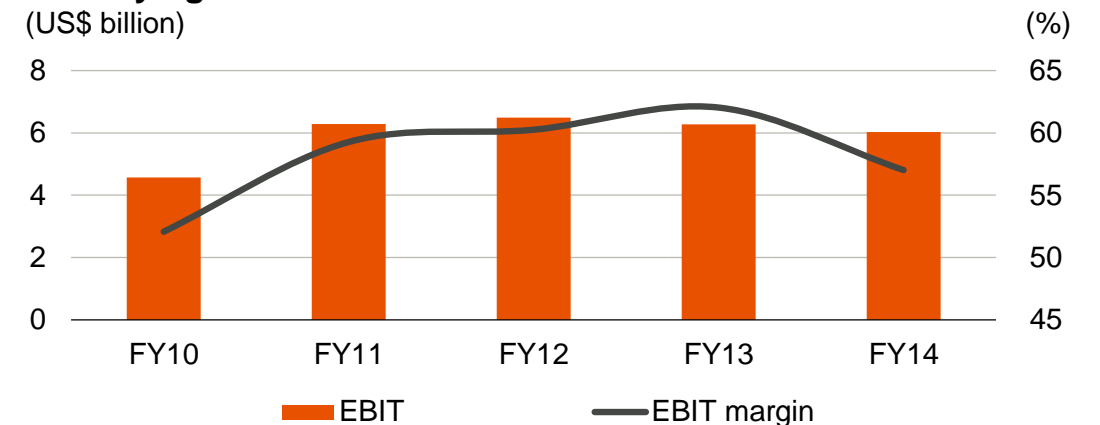
# Steady production, low cost and balanced product mix deliver strong earnings and margins

- Australia and the Gulf of Mexico are our core regions with valuable infrastructure positions
- Conventional volumes have remained steady
  - ~50% crude, condensate and NGL
  - ~50% natural gas
- Liquids contributed ~70% of revenue in FY14, underpinning exceptional EBIT margins
- Our Conventional business continues to deliver strong, stable free cash flow

## Production volume



## Underlying EBIT





# Strong track record of project delivery

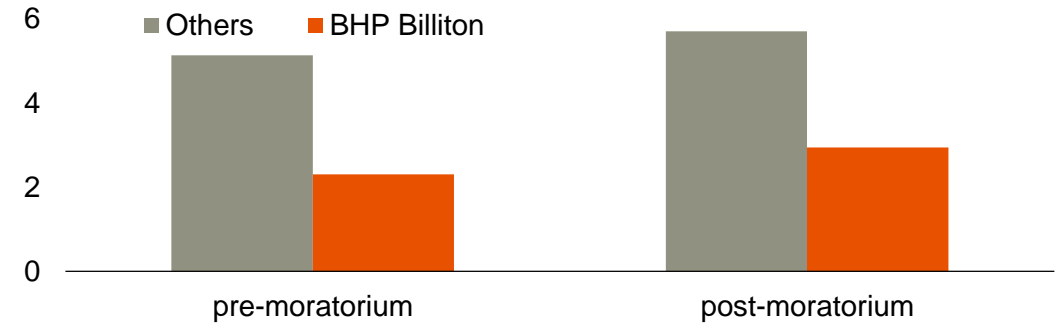
- Demonstrated ability to deliver our projects on budget and schedule
- Six major operated projects completed on schedule and budget in the last six years
  - two deepwater Tension Leg Platforms (TLP) in the Gulf of Mexico, Shenzi and Neptune
  - two Floating Production Storage and Offtake (FPSO) vessels in Western Australia, Stybarrow and Pyrenees
  - Angostura Phase 2 gas project in Trinidad
  - Macedon gas development in Western Australia



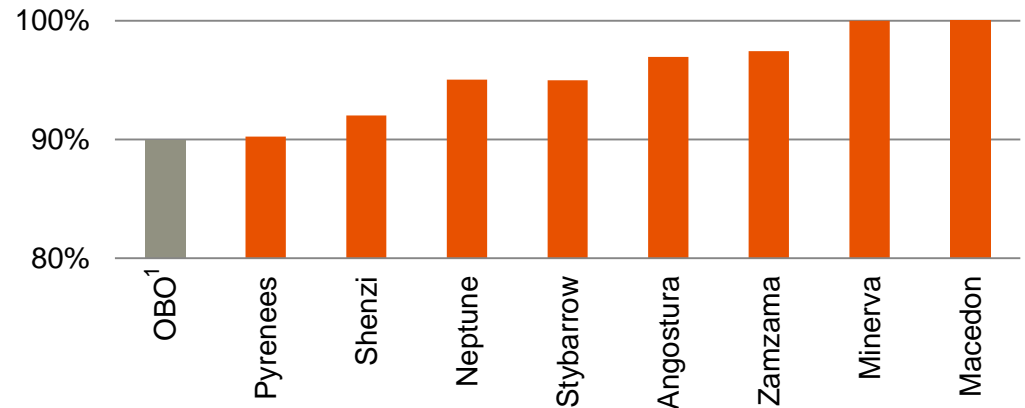
# Maximising value through operational excellence

- We are an industry leader in deepwater drilling capability and operational uptime
  - our drilling times are well below industry average
  - we were the first operator to resume production drilling in the Gulf of Mexico post-Macondo
  - average operated facility uptime ~96%
- We are applying technology to increase value and identify additional resources
  - 4D seismic technology and reservoir simulation to identify infill opportunities
  - water injection to maximise recovery

**Average drill time per 1,000 ft**  
(Deepwater Gulf of Mexico, subsalt, days)



**FY14 facility uptime**



Source: Average drill time per 1,000 ft, Rushmore Associates' The Rushmore Reviews, Scout Tickets and BHP Billiton analysis as at 3 October 2014.

1. OBO – Operated By Others.

# Gulf of Mexico: High margin deepwater assets

## Shenzi: Delivering best in-class results

- Excellent development and operating performance still producing near nameplate capacity 5 years since startup

## Neptune: Our first deepwater operated asset

- The original discovery in Green Canyon Atwater fold belt, still producing with an uptime of ~95%

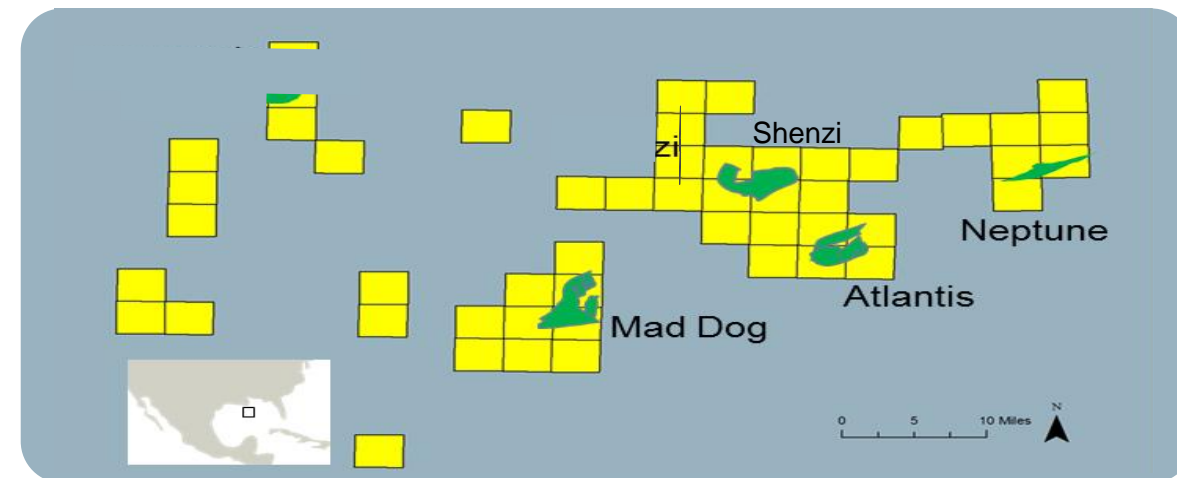
## Atlantis (OBO): High activity & growing production

- Giant field with world-class facilities currently producing ~135 kboe/d (100% basis)

## Mad Dog (OBO): Active Phase 1, planning Phase 2

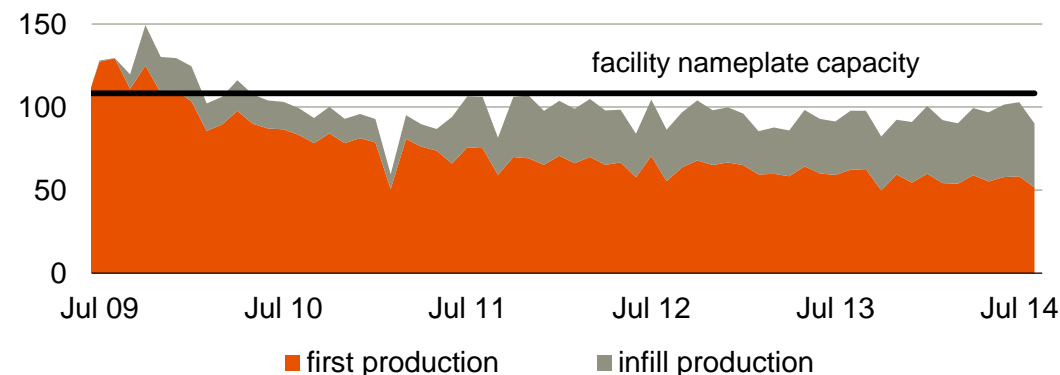
- Infill drilling is expected to increase Phase 1 production in FY16
- Substantial resource potential for Mad Dog Phase 2 under evaluation
  - Development drilling underway for Phase 2

## Gulf of Mexico assets



## Shenzi production

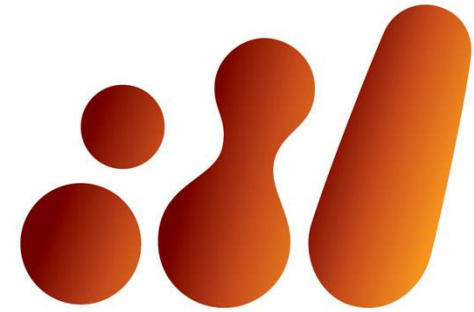
(kboe/d, 100% basis)



# Key themes

- GOM is a heartland for BHP Billiton
- Demonstrated technical capability to deliver projects on budget and schedule, over a number of decades
- Exceptional operating performance in GOM deepwater
- Pursuing low-risk, high return infill drilling and brownfield expansions to extend our production profile and extract remaining value from assets
- We are looking to leverage our capabilities on both the US and Mexico side of the GOM





**bhpbilliton**

resourcing the future