BHP BILLITON LTD
Form 20-F
September 21, 2010
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 20-F

(Mark One)

¨ **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR 12(g) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

x **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE FISCAL YEAR ENDED 30 JUNE 2010

OR

¨ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES AND EXCHANGE ACT OF 1934**

¨ **SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of event requiring this shell company report ______

For the transition period from ______ to ______

Commission file number: 001-09526

BHP BILLITON LIMITED

(ABN 49 004 028 077)

(Exact name of Registrant as specified in its charter)

VICTORIA, AUSTRALIA
(Jurisdiction of incorporation or organisation)

180 LONSDALE STREET, MELBOURNE, VICTORIA

3000 AUSTRALIA
(Address of principal executive offices)

Commission file number: 001-31714

BHP BILLITON PLC

(REG. NO. 3196209)

(Exact name of Registrant as specified in its charter)

ENGLAND AND WALES
(Jurisdiction of incorporation or organisation)

NEATHOUSE PLACE, VICTORIA, LONDON,

UNITED KINGDOM
(Address of principal executive offices)

Securities registered or to be registered pursuant to section 12(b) of the Act.

Title of each class	Name of each exchange on which registered	Title of each class	Name of each exchange on which registered
American Depositary Shares*	**New York Stock Exchange**	**American Depositary Shares***	**New York Stock Exchange**
Ordinary Shares**	**New York Stock Exchange**	**Ordinary Shares, nominal value US$0.50 each****	**New York Stock Exchange**

* Evidenced by American Depositary Receipts. Each American Depositary Receipt represents two ordinary shares of BHP Billiton Limited or BHP Billiton Plc, as the case may be.

** Not for trading, but only in connection with the listing of the applicable American Depositary Shares.

Securities registered or to be registered pursuant to Section 12(g) of the Act. None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act. None

Indicate the number of outstanding shares of each of the issuer s classes of capital or common stock as of the close of the period covered by the annual report.

	BHP Billiton Limited	**BHP Billiton Plc**
Fully Paid Ordinary Shares	3,358,359,496	2,231,121,202

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes x No ¨

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes ¨ No x

Note Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No ¨

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ¨ No ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer x Accelerated filer ¨ Non-accelerated filer ¨

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP ¨ International Financial Reporting Standards as issued by the International Accounting Standards Board x Other ¨

If Other has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow. Item 17 ¨ Item 18 ¨

If this is an annual report, indicate by checkmark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ¨ No x

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A	Selected financial information	1.4.1
B	Capitalisation and indebtedness	Not applicable
C	Reasons for the offer and use of proceeds	Not applicable
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7.	**Major shareholders and related party transactions**	
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1 Key information

1.1 Our business

We are the world s largest diversified natural resources company. Our corporate objective is to create long-term value for shareholders through the discovery, development and conversion of natural resources, and the provision of innovative customer and market-focused solutions. We pursue this objective through our unchanged strategy of investing in tier one assets that are large, low-cost and long-life to provide a balanced portfolio of export-oriented commodities:

- steelmaking products - iron ore, metallurgical coal, manganese;
- non-ferrous products - copper, aluminium, nickel, diamonds, potash;
- energy products - petroleum, energy coal, uranium.

We continue to invest in the future and have a deep inventory of growth assets.

Our operations and investments are designed to ensure the Group remains stable in the long term and responsive to market volatility in the short term.

The Group is headquartered in Melbourne, Australia, and consists of the BHP Billiton Limited Group and the BHP Billiton Plc Group as a combined enterprise, following the completion of the Dual Listed Company (DLC) merger in June 2001. BHP Billiton Limited and BHP Billiton Plc have each retained their separate corporate identities and maintained their separate stock exchange listings, but they are operated and managed as if they are a single unified economic entity, with their boards and senior executive management comprising the same people.

BHP Billiton Limited has a primary listing on the Australian Securities Exchange (ASX) in Australia. BHP Billiton Plc has a premium listing on the London Stock Exchange (LSE) in the UK and a secondary listing on the Johannesburg Stock Exchange in South Africa. In addition, BHP Billiton Limited American Depositary Receipts (ADRs) and BHP Billiton Plc ADRs trade on the New York Stock Exchange (NYSE) in the US.

As at 30 June 2010, we had a market capitalisation of approximately US$165.6 billion. For the year ended 30 June 2010, we reported net operating cash flow of US$17.9 billion, profit attributable to shareholders of US$12.7 billion and revenue of US$52.8 billion. We have approximately 100,000 employees and contractors working in more than 100 operations in over 25 countries.

We operate nine businesses, called Customer Sector Groups (CSGs), which are aligned with the commodities we extract and market:

- Petroleum
- Aluminium
- Base Metals (including Uranium)
- Diamonds and Specialty Products
- Stainless Steel Materials

Iron Ore

Manganese

Metallurgical Coal

Energy Coal.

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1.2 Chairman s Review

I am pleased to report that in a difficult global economic and financial environment, BHP Billiton continued to perform well and strengthened its strategic and financial position.

While the global economic outlook has improved, the recovery remains fragile. Despite a near-term slowing in China, we continue to believe that the fundamentals driving Asian growth are robust. It is clear to the Board that the long-term outlook for BHP Billiton is strong. We have unique assets that are critical to the growth of the world s developing economies, and a geographic and commodity spread that reduces risk and optimises opportunity.

During the year, your Chief Executive, Marius Kloppers, and his team focused on delivering strong production and cost performance as well as investing in new growth opportunities.

Our strategy is clear and remains unchanged since 2001. We focus on large, long-life, low-cost, upstream, high-quality assets, diversified by commodity, geography and markets. This strategy means more predictable business performance over time which, in turn, underpins the creation of value for our shareholders, customers, employees and, importantly, the communities in which we operate.

The execution of our strategy resulted in a profit from operations, excluding exceptional items, of US$19.7 billion an increase of 8.3 per cent. Net operating cash flows were US$17.9 billion, US$7.7 billion of which was reinvested in new growth projects. In addition, the Board increased dividends by 6.1 per cent to 87 cents per share, in line with our progressive dividend policy.

While the Board is pleased with these results, our progress in the critical area of safety is still below expectation. We continued to reduce the number of workplace injuries, however five people lost their lives at our operations this year. This is clearly unacceptable and a tragedy for their families, friends and colleagues.

In August 2010, we announced a fully funded takeover of Potash Corporation of Saskatchewan. The proposed acquisition meets our criteria of developing quality long-life assets using our existing mining skills to gain a leading position in the growing world market for fertiliser. We are committed to being a strong corporate citizen in Saskatchewan and New Brunswick, Canada, and our intention is to establish a global potash business based in Canada.

Important governance developments occurred in the UK, US and Australia during the year responding to the challenges of the global recession. We support the changes, particularly the emphasis on ensuring Boards comprise Directors with the collective set of essential skills and experience to govern the Group supported by robust succession planning and performance evaluation.

As part of our Board succession, Carolyn Hewson and Malcolm Broomhead joined the Board in March 2010. Together they bring deep experience in industrial and resource companies, financial markets and investment risk management. During the year, Don Argus, Paul Anderson, Gail de Planque, David Jenkins and David Morgan retired from the Board. We thank each of them for their contribution, particularly former Chairman Don Argus AC.

We have always believed that corporate governance and executive remuneration practices are critical issues for any company and its stakeholders. We support the need for simplified and transparent executive remuneration reporting, and these have been key influences on the structure of our remuneration report this year.

Our Remuneration Committee reviewed the Group s Long Term Incentive Plan for our most senior executives. The plan was originally introduced in 2004 and, given the changes in the global environment, the Committee believed a review was warranted. We consulted widely with our shareholders as well as governance advisers. As a result, we continue to believe that the duration of our five-year, long-term plan is appropriate. However, we also believe it is important to change some design elements as the plan produced highly leveraged outcomes not reflective of our business strategy. This is a matter on which we will seek shareholder approval.

One thing that has impressed me since the time I started as a Director in 2006 has been the quality of BHP Billiton people throughout the Group. In resources, as in many other industries, results are not only a function of the quality of the assets but the quality of the people operating and managing those assets.

Marius is a talented Chief Executive and he has developed a strong and diverse team with a depth of talent to support him. On your behalf, the Board would like to thank everyone involved with our Company for the contribution they have made in this challenging year.

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Finally, since becoming Chairman this year after the retirement of Don Argus, I have had the privilege of meeting many of our institutional and individual shareholders. This is a rewarding part of my role and I look forward to meeting many more of you over the coming years.

1.3 Chief Executive Officer s Report

Financial year 2010 was a year that presented a broad mix of challenges and achievements. Despite continued volatility and ongoing uncertainty across the global economy, BHP Billiton delivered a strong operational and financial performance.

It is our consistent and long-term strategy of focusing on a portfolio of upstream, tier one, low-cost assets diversified by commodity, market and geography that underpinned our ability to overcome the challenges during the year. I am encouraged by the Group s performance, which is testament to our focus on creating shareholder value in the long term.

We are a leading global resources company and our successes and achievements are significant. However, we cannot say we are truly successful until we eliminate fatalities and serious injuries in our workplace. This year we continued to make progress in reducing the number of injuries, though we did not meet our targets. It is with great sadness that I report to you that five of our colleagues lost their lives at work during the year and I personally extend my condolences to the families and friends of those individuals.

This is a stark reminder that we must lead in a way that ensures a safe workplace, and we can only do this by creating operating discipline and simplifying the way we work. Safety starts with strong leadership and I cannot emphasise enough how important this is to me personally and to our Group.

I am pleased to announce that BHP Billiton operations this year delivered solid results, with annual production records achieved in our Iron Ore and Petroleum businesses. In Iron Ore, this marked the tenth consecutive annual production record, and for Petroleum, it was the third consecutive production record. Our long-life, low-cost expandable assets provide our Company with the capacity to continue to deliver and strengthen our position in a range of markets.

By operating at full capacity whenever possible and staying focused on eliminating low value activities, we maintained our low-cost position and our ability to generate robust cash flows.

Of significant note in FY2010 was the move from annually negotiated benchmark prices in metallurgical coal and iron ore to shorter-term reference pricing. We have long advocated a move to a more transparent pricing regime and will actively support the development of a wider traded market in these commodities.

This move brings metallurgical coal and iron ore into line with how the rest of our portfolio is priced globally and moves us closer to achieving our stated objective of market prices for all of our commodities. More broadly, prices for our products recovered during the year driven by demand in China and restocking in the Organisation for Economic Co-operation and Development (OECD) countries. While government stimulus measures generally supported a gradual return to normalised global trade, the improvement in the developed economies was from a low base.

We believe that the recovery momentum of the major economies will remain uncertain as the impact of fiscal and monetary stimuli fades. Therefore, we are still cautious in our short-term view of the economy.

In the longer term, we are encouraged by the fundamentals underpinning sustained growth in China and India, which will continue to drive a strong demand for our products. This, along with our strong balance sheet, supports our capacity for future growth. We have extensive experience operating in emerging resource regions and we have the capability to capture additional opportunities as they arise.

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Our disciplined approach to capital deployment has enabled BHP Billiton to both invest in the expansion of high-quality assets and further diversify our portfolio by commodity, market and geography, consistent with our unchanged strategy. The acquisition of Athabasca Potash earlier this year ensures our Group has access to more than 14,000 square kilometres of prospective exploration ground in the world-class Saskatchewan potash basin. Our all-cash bid to acquire Potash Corporation of Saskatchewan, the world s largest integrated fertiliser company and world s largest producer of potash by capacity, is consistent with our strategy and is a natural fit with BHP Billiton s greenfield land holdings in Canada. This acquisition represents an acceleration of our entry into the fertiliser industry.

This, plus the delivery of five major capital projects, is evidence of our growth capabilities.

However, we only earn the right to grow this business if we can do it safely, in an environmentally sound manner and in a way that demonstrates our unqualified commitment to working with integrity. I believe it is worth reiterating that safe growth underpinned by demonstrating our Charter values can only be achieved through leadership commitment and operating discipline. I want to take this opportunity to sincerely thank our employees and contractors and other stakeholders for their efforts in responding to the accountabilities articulated in our operating model.

Our Company has a clear strategy for growing our value, within a disciplined framework, and using prudent decision-making. Who and what we are today is the product of the vision and efforts of previous management teams in executing a consistent strategy. It is our responsibility to not only preserve, but enhance and increase the value of that legacy.

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1.4 Selected key measures

1.4.1 Financial information

Our selected financial information reflects the operations of the BHP Billiton Group, and should be read in conjunction with the 2010 financial statements, together with the accompanying notes.

We prepare our consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board, and as outlined in note 1 Accounting policies to the financial statements in this Annual Report. We publish our consolidated financial statements in US dollars.

	2010	2009	2008	2007 [(a)]	2006 [(a)]
Consolidated Income Statement (US$M except per share data)					
Revenue	**52,798**	50,211	59,473	47,473	39,099
Profit from operations	**20,031**	12,160	24,145	19,724	15,716
Profit attributable to members of BHP Billiton Group	**12,722**	5,877	15,390	13,416	10,450
Dividends per ordinary share paid during the period (US cents)	**83.0**	82.0	56.0	38.5	32.0
Dividends per ordinary share declared in respect of the period (US cents)	**87.0**	82.0	70.0	47.0	36.0
Earnings per ordinary share (basic) (US cents) [(b)]	**228.6**	105.6	275.3	229.5	173.2
Earnings per ordinary share (diluted) (US cents) [(b)]	**227.8**	105.4	274.8	228.9	172.4
Number of ordinary shares (millions)					
- At period end	**5,589**	5,589	5,589	5,724	5,964
- Weighted average	**5,565**	5,565	5,590	5,846	6,035
- Diluted	**5,595**	5,598	5,605	5,866	6,066
Consolidated Balance Sheet (US$M)					
Total assets	**88,852**	78,770	76,008	61,404	51,343
Share capital (including share premium)	**2,861**	2,861	2,861	2,922	3,242
Total equity attributable to members of BHP Billiton Group	**48,525**	39,954	38,335	29,667	24,218
Other financial information					
Underlying EBIT (US$M) [(c)]	**19,719**	18,214	24,282	20,067	15,277
Net operating cash flow (US$M)	**17,920**	18,863	17,817	15,957	11,325
Gearing [(d)]	**6.3%**	12.1%	17.8%	25.0%	27.2%

(a) On 1 July 2007, the Group adopted the policy of recognising its proportionate interest in the assets, liabilities, revenues and expenses of jointly controlled entities within each applicable line item of the financial statements. All such interests were previously recognised using the equity method. Comparative figures for the years 2007 and 2006 that were affected by the policy change have been restated.

(b) The calculation of the number of ordinary shares used in the computation of basic earnings per share is the aggregate of the weighted average number of ordinary shares outstanding during the period of BHP Billiton Limited and BHP Billiton Plc after deduction of the weighted average number of shares held by the Billiton share repurchase scheme and the Billiton Employee Share Ownership Plan Trust and the BHP Bonus Equity Plan Trust and adjusting for the BHP Billiton Limited bonus share issue. Included in the calculation of fully diluted earnings per share are shares contingently issuable under Employee Share Ownership Plans.

(c) Underlying EBIT is profit from operations, excluding the effect of exceptional items. See section 3.6.1 for more information about this measure, including a reconciliation to profit from operations.

(d) See section 10 for glossary definitions.

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1.4.2 Operational information

Our Board and Group Management Committee monitor a range of financial and operational performance indicators, reported on a monthly basis, to measure performance over time. We also monitor a comprehensive set of health, safety, environment and community contribution indicators.

	FY2010	FY2009	FY2008
People and Licence to operate Health, safety, environment and community			
Total Recordable Injury Frequency (TRIF) [a]	**5.3**	5.6	5.9
Community investment (US$M) [a] [b]	**200.5**	197.8[b]	141.0
Production [c]			
Total Petroleum Production (million barrels of oil equivalent)	**158.56**	137.97	130.07
Alumina (000 tonnes)	**3,841**	4,396	4,554
Aluminium (000 tonnes)	**1,241**	1,233	1,298
Copper cathode and concentrate (000 tonnes)	**1,075.2**	1,207.1	1,375.5
Nickel (000 tonnes)	**176.2**	173.1	167.9
Iron ore (000 tonnes)	**124,962**	114,415	112,260
Metallurgical coal (000 tonnes)	**37,381**	36,416	35,193
Manganese alloys (000 tonnes)	**583**	513	775
Manganese ores (000 tonnes)	**6,124**	4,475	6,575
Energy coal (000 tonnes)	**66,131**	66,401	80,868

(a) See section 10 for glossary definitions.

(b) In FY2009 we established a UK-based charitable company, BHP Billiton Sustainable Communities, registered with the UK Charities Commission for the purpose of funding community investment globally. In FY2010 our voluntary community contribution included the provision of US$80 million (2009: US$60 million; 2008: $US0 million) to BHP Billiton Sustainable Communities.

(c) Further details appear in section 2.3 of this Report.

1.5 Risk factors

We believe that, because of the international scope of our operations and the industries in which we are engaged, there are numerous factors which may have an effect on our results and operations. The following describes the material risks that could affect the BHP Billiton Group.

Fluctuations in commodity prices and impacts of the global financial crisis may negatively impact our results

The prices we obtain for our oil, gas, minerals and other commodities are determined by, or linked to, prices in world markets, which have historically been subject to substantial variations. The Group s usual policy is to sell its products at the prevailing market prices. The diversity provided by the Group s broad portfolio of commodities may not fully insulate the effects of price changes. Fluctuations in commodity prices can occur due to sustained price shifts reflecting underlying global economic and geopolitical factors, industry demand and supply balances, product substitution and national tariffs. The ongoing effects of the global financial crisis has impacted commodity markets in terms of lower prices, reduced demand and increased price volatility. The ongoing uncertainty and impact on global economic growth, particularly in the developed economies, may impact future demand and prices for commodities. The influence of hedge and other financial investment funds participating in commodity markets has increased in recent years, contributing to higher levels of price volatility. The impact of potential longer-term sustained price shifts and shorter-term price volatility creates the risk that our financial and operating results and asset values will be materially and adversely affected by unforeseen declines in the prevailing prices of our products.

We seek to maintain a solid A credit rating as part of our strategy. Notwithstanding our financial and capital management programs the ongoing effects of the global financial crisis may impact our future cash flows, ability to adequately access and source capital from financial markets and our credit rating.

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Our profits may be negatively affected by currency exchange rate fluctuations

Our assets, earnings and cash flows are influenced by a wide variety of currencies due to the geographic diversity of the countries in which we operate. Fluctuations in the exchange rates of those currencies may have a significant impact on our financial results. The US dollar is the currency in which the majority of our sales are denominated. Operating costs are influenced by the currencies of those countries where our mines and processing plants are located and also by those currencies in which the costs of imported equipment and services are determined. The Australian dollar, South African rand, Chilean peso, Brazilian real and US dollar are the most important currencies influencing our operating costs. Given the dominant role of the US currency in our affairs, the US dollar is the currency in which we present financial performance. It is also the natural currency for borrowing and holding surplus cash. We do not generally believe that active currency hedging provides long-term benefits to our shareholders. We may consider currency protection measures appropriate in specific commercial circumstances, subject to strict limits established by our Board. Therefore, in any particular year, currency fluctuations may have a significant impact on our financial results.

The commercial counterparties we transact with may not meet their obligations and negatively impact our results

We commercially contract with a large number of commercial and financial counterparties including customers, suppliers, and financial institutions. The global financial crisis has placed strains on global financial markets, reduced liquidity and impacted business conditions generally. Our existing counterparty credit controls may not prevent a material loss due to credit exposure to a major customer or financial counterparty. In addition, customers, suppliers, contractors or joint venture partners may fail to perform against existing contracts and obligations. Non-supply of key inputs or equipment may unfavourably impact our operations. Reduced liquidity and available sources of capital in financial markets may impact the cost and ability to fund planned investments. These factors could negatively affect our financial condition and results of operations.

Failure to discover new reserves, maintain or enhance existing reserves or develop new operations could negatively affect our future results and financial condition

The increased demand for our products and increased production rates from our operations in recent years has resulted in existing reserves being depleted at an accelerated rate. As our revenues and profits are related to our oil and gas and minerals operations, our results and financial conditions are directly related to the success of our exploration and acquisition efforts, and our ability to replace existing reserves. Exploration activity occurs adjacent to established operations and in new regions, in developed and less developed countries. These activities may increase land tenure, infrastructure and related political risks. A failure in our ability to discover new reserves, enhance existing reserves or develop new operations in sufficient quantities to maintain or grow the current level of our reserves could negatively affect our results, financial condition and prospects.

There are numerous uncertainties inherent in estimating ore and oil and gas reserves, and geological, technical and economic assumptions that are valid at the time of estimation may change significantly when new information becomes available. The impacts of the global financial crisis may impact economic assumptions related to reserve recovery and require reserve restatements. Reserve restatements could negatively affect our reputation, results, financial condition and prospects.

Reduction in Chinese demand may negatively impact our results

The Chinese market has become a significant source of global demand for commodities. In CY2009, China represented 56 per cent of global seaborne iron ore demand, 36 per cent of copper demand, 35 per cent of nickel demand, 39 per cent of aluminium demand, 42 per cent of energy coal demand and nine per cent of oil demand. China s demand for these commodities has been driving global materials demand over the past decade.

The strong economic growth and infrastructure development in China of recent years has been tempered by the global financial crisis. Sales into China generated US$13.2 billion (FY2009: US$9.9 billion), or 25.1 per cent (FY2009: 19.7 per cent), of our revenue in the year ended 30 June 2010. A slowing in China s economic growth could result in lower prices and demand for our products and therefore reduce our revenues.

In response to its increased demand for commodities, China is increasingly seeking strategic self-sufficiency in key commodities, including investments in existing businesses or new developments in other countries. These investments may adversely impact future commodity demand and supply balances and prices.

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Actions by governments or political events in the countries in which we operate could have a negative impact on our business

We have operations in many countries around the globe, some of which have varying degrees of political and commercial stability. We operate in emerging markets, which may involve additional risks that could have an adverse impact upon the profitability of an operation. These risks could include terrorism, civil unrest, nationalisation, renegotiation or nullification of existing contracts, leases, permits or other agreements, and changes in laws and policy, as well as other unforeseeable risks. Risks relating to bribery and corruption may be prevalent in some of the countries in which we operate. If one or more of these risks occurs at one of our major projects, it could have a negative effect on the operations in those countries, as well as the Group s overall operating results and financial condition.

Our operations are based on material long term investments that anticipate long term fiscal stability. Following the global financial crisis some governments face increased debt and funding obligations and may seek additional sources of revenue and economic rent by increasing rates of taxation, royalties or resource rent taxes to levels that are globally uncompetitive to the resource industry. Such taxes may negatively impact the financial results of existing businesses and reduce the anticipated future returns and overall level of prospective investment in those countries.

On 2 May 2010, the Australian Government proposed a Resource Super Profits Tax at a rate of 40 per cent on profits made from the extraction of non-renewable resources. Subsequently, on 2 July 2010, this proposal was amended to a Minerals Resource Rent Tax (MRRT), at a rate of 30 per cent (with a 25 per cent extraction allowance effectively resulted in a 22.5 per cent additional tax on profits) for iron ore and coal, while the current Petroleum Resource Rent Tax (PRRT) will be extended to all Australian oil and gas projects, including the North West Shelf. Legislation is proposed to be introduced into parliament in late CY2011, and then for the commencement date of the new tax regime to be 1 July 2012. The MRRT would operate in parallel with State and Territory royalty regimes, and those royalties in place or scheduled at 2 May 2010 would be creditable against the MRRT. The proposed MRRT would increase the effective tax rate of Australian coal and iron ore operations and the North West Shelf project. This could have a negative effect on the operating results of the Group s Australian operations. The MRRT is subject to passing by the Australian Parliament and may differ (wholly or in part) in its final form.

With the objective of raising more funds to face the reconstruction following the recent earthquake in Chile, the Chilean Government announced on 16 April 2010 an intention to increase the Corporate Income Tax rate (First Category Tax FCT) as well as changing the Mining Tax in exchange for extending the tax invariability period available to investors, from 2017 currently in place for an extra eight years to 2025. The current draft legislation proposes a temporary increase of the FCT rate for two years (2010-2011) with the change in the Mining Tax regime having been removed from the current proposed bill. Any potential tax changes in the future if implemented may impact our financial results from Chilean operations.

Our business could be adversely affected by new government regulation, such as controls on imports, exports and prices. Increasing requirements relating to regulatory, environmental and social approvals can potentially result in significant delays in construction and may adversely impact upon the economics of new mining and oil and gas projects, the expansion of existing operations and results of our operations.

Infrastructure, such as rail, ports, power and water, is critical to our business operations. We have operations or potential development projects in countries where government provided infrastructure or regulatory regimes for access to infrastructure, including our own privately operated infrastructure, may be inadequate or uncertain. These may adversely impact the efficient operations and expansion of our businesses. On 30 June 2010, the Australian Competition Tribunal granted declaration of BHP Billiton s Goldsworthy rail line, but rejected the application for declaration of its Newman rail line under Part IIIA of the Trade Practices Act. Following the tribunal s decision, access seekers may now negotiate for access to the Goldsworthy railway. These negotiations, and the availability and terms of access, would be governed by the Part IIIA statutory framework, and either the access seeker or BHP Billiton could refer disputed matters to the ACCC for arbitration. The outcome of this process would govern whether access would be provided and on what terms.

In South Africa, the Mineral and Petroleum Resources Development Act (2002) (MPRDA) came into effect on 1 May 2004. The law provides for the conversion of existing mining rights (so called Old Order Rights) to rights under the new regime (New Order Rights) subject to certain undertakings to be made by the company applying for such conversion. The Mining Charter requires that mining companies achieve 15 per cent ownership by historically disadvantaged South Africans of South African mining assets by 1 May 2009 and 26 per cent ownership by 1 May 2014. If we are unable to convert our South African mining rights in accordance with the MPRDA and the Mining Charter, we could lose some of those rights. Where New Order Rights are obtained under the MPRDA, these rights may not be equivalent to the Old Order Rights in terms of duration, renewal, rights and obligations.

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In May 2010, in response to the oil spill from BP s Macondo well, the United States Government announced a deepwater drilling moratorium in the Gulf of Mexico. There is uncertainty as to potential new permitting requirements that may be imposed on deepwater drilling. Our business could be adversely affected by the moratorium and any new regulatory requirements.

We operate in several countries where ownership of land is uncertain and where disputes may arise in relation to ownership. In Australia, the Native Title Act (1993) provides for the establishment and recognition of native title under certain circumstances. In South Africa, the Extension of Security of Tenure Act (1997) and the Restitution of Land Rights Act (1994) provide for various landholding rights. Such legislation could negatively affect new or existing projects.

We may not be able to successfully integrate our acquired businesses

We have grown our business in part through acquisitions. We expect that some of our future growth will stem from acquisitions. There are numerous risks encountered in business combinations. These include adverse regulatory conditions and obligations, commercial objectives not achieved due to minority interests, unforeseen liabilities arising from the acquired businesses, retention of key staff, sales revenues and the operational performance not meeting our expectations, anticipated synergies and cost savings being delayed or not being achieved, uncertainty in sales proceeds from planned divestments, and planned expansion projects are delayed or cost more than anticipated. These factors could negatively affect our financial condition and results of operations.

We may not recover our investments in mining and oil and gas projects

Our operations may be impacted by changed market or industry structures, commodity prices, technical operating difficulties, inability to recover our mineral, oil or gas reserves and increased operating cost levels. These may impact the ability for assets to recover their historical investment and may require financial write-downs adversely impacting our financial results.

Our non-controlled assets may not comply with our standards

Some of our assets are controlled and managed by joint venture partners or by other companies. Some joint venture partners may have divergent business objectives which may impact business and financial results. Management of our non-controlled assets may not comply with our management and operating standards, controls and procedures (including health, safety, and environment). Failure to adopt equivalent standards, controls and procedures at these assets could lead to higher costs and reduced production and adversely impact our results and reputation.

Operating cost pressures and shortages could negatively impact our operating margins and expansion plans

Increasing cost pressures and shortages in skilled personnel, contractors, materials and supplies that are required as critical inputs to our existing operations and planned developments may occur across the resources industry. As the prices for our products are determined by the global commodity markets in which we operate we may not have the ability to offset these cost increases resulting in operating margins being reduced. Notwithstanding our efforts to reduce costs and a number of key cost inputs being commodity price-linked, the inability to reduce costs and a timing lag may impact our operating margins for an extended period.

Changing industrial relations legislation such as the Australian Fair Work Act 2009 may impact workforce flexibility, productivity and costs. Labour unions may seek to pursue claims under the new framework. Industrial action may impact our operations resulting in lost production and revenues. Since the introduction of the Australian Fair Work Act in 2009, increasing occurrences of low-level industrial activity have been experienced across many Australian assets. The additional claims relate to increased access and coverage as provided by the legislation. If this activity continues, some negative productivity impacts may result.

A number of our operations are energy or water intensive and, as a result, the Group s costs and earnings could be adversely affected by rising costs or by supply interruptions. These could include the unavailability of energy, fuel or water due to a variety of reasons, including fluctuations in climate, significant increases in costs, inadequate infrastructure capacity, interruptions in supply due to equipment failure or other causes and the inability to extend supply contracts on economical terms.

These factors could lead to increased operating costs at existing operations.

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Increased costs and schedule delays may impact our development projects

Although we devote significant time and resources to our project planning, approval and review process, we may underestimate the cost or time required to complete a project. In addition, we may fail to manage projects as effectively as we anticipate, and unforeseen challenges may emerge. Any of these may result in increased capital costs and schedule delays at our development projects impacting anticipated financial returns.

Health, safety, environmental and community exposures and related regulations may impact our operations and reputation negatively

We are a major producer of carbon-related products such as energy and metallurgical coal, oil, gas, and liquefied natural gas. Our oil and gas operations are both onshore and offshore.

The nature of the industries in which we operate means that our activities are highly regulated by health, safety and environmental laws. As regulatory standards and expectations are constantly developing, we may be exposed to increased litigation, compliance costs and unforeseen environmental rehabilitation expenses.

Potential health, safety, environmental and community events that may materially impact our operations include rockfall incidents in underground mining operations, aircraft incidents, light vehicle incidents, explosions or gas leaks, incidents involving mobile equipment, uncontrolled tailings breaches, escape of polluting substances, community protests or civil unrest.

Longer-term health impacts may arise due to unanticipated workplace exposures by employees or site contractors. These effects may create future financial compensation obligations.

We provide for operational closure and site rehabilitation. Our operating and closed facilities are required to have closure plans. Changes in regulatory or community expectations may result in the relevant plans not being adequate. This may impact financial provisioning and costs at the affected operations.

We contribute to the communities in which we operate by providing skilled employment opportunities, salaries and wages, taxes and royalties and community development programs. Notwithstanding these actions, local communities may become dissatisfied with the impact of our operations, potentially affecting costs and production, and in extreme cases viability.

Legislation requiring manufacturers, importers and downstream users of chemical substances, including metals and minerals, to establish that the substances can be used without negatively affecting health or the environment may impact our operations and markets. These potential compliance costs, litigation expenses, regulatory delays, rehabilitation expenses and operational costs could negatively affect our financial results.

We may continue to be exposed to increased operational costs due to the costs and lost time associated with the HIV/AIDS and malaria infection rate mainly within our African workforce. Because we operate globally, we may be affected by potential pandemic influenza outbreaks, such as A(H1N1) and avian flu, in any of the regions in which we operate.

Despite our best efforts and best intentions, there remains a risk that health, safety, environmental and/or community incidents or accidents may occur that may negatively impact our reputation or licence to operate.

Unexpected natural and operational catastrophes may adversely impact our operations

We operate extractive, processing and logistical operations in many geographic locations both onshore and offshore. Our operational processes may be subject to operational accidents such as port and shipping incidents, fire and explosion, pitwall failures, loss of power supply, railroad incidents, loss of well control, environmental pollution and mechanical failures. Our operations and geographic locations may also be subject to unexpected natural catastrophes such as earthquakes, flood, hurricanes and tsunamis. Based on our claims, insurance premiums and loss experience, our risk management approach is to maintain self-insurance for property damage and business interruption related risk exposures. Existing business continuity plans may not provide protection for all of the costs that arise from such events. The impact of these events could lead to disruptions in production and loss of facilities more than offsetting premiums saved and adversely affect our financial results and prospects. Third party claims arising from these events may also exceed the limit of liability insurance policies we have in place.

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Climate change and greenhouse effects may adversely impact our operations and markets

Carbon based energy is a significant input in a number of the Group s mining and processing operations and we have significant sales of carbon based energy products.

A number of governments or governmental bodies have introduced or are contemplating regulatory change in response to the impacts of climate change. The December 1997 Kyoto Protocol established a set of greenhouse gas emission targets for developed countries that have ratified the Protocol. The European Union Emissions Trading System (EU ETS), which came into effect on 1 January 2005, has had an impact on greenhouse gas and energy-intensive businesses based in the EU. Our Petroleum assets in the UK are currently subject to the EU ETS, as are our EU based customers. Elsewhere, there is current and emerging climate change regulation that will affect energy prices, demand and margins for carbon intensive products. The Australian Government s plan of action on climate change includes the introduction of a national emissions trading scheme by 2013 and a mandatory renewable energy target of 20 per cent by the year 2020. From a medium to long-term perspective, we are likely to see some changes in the cost position of our greenhouse-gas-intensive assets and energy-intensive assets as a result of regulatory impacts in the countries in which we operate. These regulatory mechanisms may impact our operations directly or indirectly via our suppliers and customers. Inconsistency of regulations particularly between developed and developing countries may also change the competitive position of some of our assets. Assessments of the potential impact of future climate change regulation are uncertain given the wide scope of potential regulatory change in the many countries in which we operate.

The physical impacts of climate change on our operations are highly uncertain and will be particular to the geographic circumstances. These may include changes in rainfall patterns, water shortages, rising sea levels, increased storm intensities and higher average temperature levels. These effects may adversely impact the productivity and financial performance of our operations.

Our human resource talent pool may not be adequate to support our growth

Our existing operations and especially our pipeline of development projects in regions of numerous large projects, such as Western Australia, when activated, require many highly skilled staff with relevant industry and technical experience. In such a competitive environment, the inability of the Group and industry to attract and retain such people may adversely impact our ability to adequately meet demand in projects. Skills shortages in engineering, technical service, construction and maintenance may impact activities. These shortages may adversely impact the cost and schedule of development projects and the cost and efficiency of existing operations.

Breaches in our information technology (IT) security processes may adversely impact the conduct of our business activities

We maintain global IT and communication networks and applications to support our business activities. IT security processes protecting these systems are in place and subject to assessment as part of the review of internal control over financial reporting. These processes may not prevent future malicious action or fraud by individuals or groups, resulting in the corruption of operating systems, theft of commercially sensitive data, misappropriation of funds and disruptions to our business operations.

A breach in our governance processes may lead to regulatory penalties and loss of reputation

We operate in a global environment straddling multiple jurisdictions and complex regulatory frameworks. Our governance and compliance processes, which include the review of internal control over financial reporting, may not prevent future potential breaches of law, accounting or governance practice. Our *BHP Billiton* Code of Business Conduct, anti-bribery and corruption, and anti-trust standards may not prevent instances of fraudulent behaviour and dishonesty nor guarantee compliance with legal or regulatory requirements. This may lead to regulatory fines, litigation, loss of operating licences or loss of reputation.

1.6 Forward looking statements

This Annual Report contains forward looking statements, including statements regarding:

- estimated reserves

- trends in commodity prices

demand for commodities

plans, strategies and objectives of management

closure or divestment of certain operations or facilities (including associated costs)

anticipated production or construction commencement dates

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expected costs or production output

anticipated productive lives of projects, mines and facilities

provisions and contingent liabilities.

Forward looking statements can be identified by the use of terminology such as intend , aim , project , anticipate , estimate , plan , believe , may , should , will , continue or similar words. These statements discuss future expectations concerning the results of operations or financial condition, or provide other forward looking statements.

These forward looking statements are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, and which may cause actual results to differ materially from those expressed in the statements contained in this Annual Report. Readers are cautioned not to put undue reliance on forward looking statements.

For example, our future revenues from our operations, projects or mines described in this Annual Report will be based, in part, upon the market price of the minerals, metals or petroleum produced, which may vary significantly from current levels. These variations, if materially adverse, may affect the timing or the feasibility of the development of a particular project, the expansion of certain facilities or mines, or the continuation of existing operations.

Other factors that may affect the actual construction or production commencement dates, costs or production output and anticipated lives of operations, mines or facilities include our ability to profitably produce and transport the minerals, petroleum and/or metals extracted to applicable markets; the impact of foreign currency exchange rates on the market prices of the minerals, petroleum or metals we produce; activities of government authorities in some of the countries where we are exploring or developing these projects, facilities or mines, including increases in taxes, changes in environmental and other regulations and political uncertainty; and other factors identified in the description of the risk factors above.

We cannot assure you that our estimated economically recoverable reserve figures, closure or divestment of such operations or facilities, including associated costs, actual production or commencement dates, cost or production output or anticipated lives of the projects, mines and facilities discussed in this Annual Report, will not differ materially from the statements contained in this Annual Report.

Except as required by applicable regulations or by law, the Group does not undertake any obligation to publicly update or review any forward looking statements, whether as a result of new information or future events.

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2 Information on the Company

2.1 BHP Billiton locations

Petroleum

Ref	Country	Asset	Description	Ownership
1	Algeria	Ohanet	Joint operator with Sonatrach of wet gas development	45%
2	Algeria	ROD Integrated Development	Onshore oil development (non-operated)	38%
3	Australia	BassStrait	Producer of oil, condensate, LPG, natural gas and ethane (non-operated)	50%
4	Australia	Minerva	Operator of Minerva gas field development in the Otway Basin of Victoria	90%
5	Australia	North West Shelf	One of Australia s largest resource projects, producing liquids, LNG and domestic gas (non-operated)	8.33 16.67%
6	Australia	Pyrenees	Operator of Pyrenees floating, production, storage and offloading vessel, which produces oil in Western Australia	71.43%
7	Australia	Stybarrow	Operator of Stybarrow floating, production, storage and offloading vessel, which produces oil in Western Australia	50%
8	Pakistan	Zamzama	Operator of onshore gas development in Sindh province	38.5%
9	Trinidad and Tobago	Angostura	Operator of oil field located offshore east Trinidad	45%
10	UK	Bruce/Keith	Oil and gas production in the UK North Sea	Bruce 16% Keith 31.83%
11	UK	Liverpool Bay	Operator of oil and gas developments in the Irish Sea	46.1%
12	US	Gulf of Mexico	Interests in several producing assets, including deepwater oil and gas production at: - Atlantis (44%) - Shenzi (44%) - Mad Dog (23.9%) - Neptune (35%) Additional other interests in producing assets and a significant exploration acreage position (4.95 100%)	4.95 100%

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Aluminium

Ref	Country	Asset	Description	Ownership
13	Australia	Worsley	Integrated alumina refinery and bauxite mine in Western Australia	86%
14	Brazil	Alumar	Integrated alumina refinery and aluminium smelter	36 40%
15	Brazil	MRN	Bauxite mine	14.8%
16	Mozambique	Mozal	Aluminium smelter near Maputo	47.1%
17	SouthAfrica	Aluminium South Africa	Two aluminium smelters at Richards Bay	100%

Base Metals

Ref	Country	Asset	Description	Ownership
18	Australia	Cannington	Silver, lead and zinc mine in northwest Queensland	100%
19	Chile	Pampa Norte	Integration of Cerro Colorado and Spence open-cut mines producing copper cathode in Atacama Desert, northern Chile	100%
20	Chile	Escondida	The world s largest copper mine, located in northern Chile	57.5%
21	Peru	Antamina	Copper and zinc mine located in the Andes, north-central Peru	33.75%
22	US	Pinto Valley	Copper mine located in State of Arizona	100%

Uranium [(a)]

Ref	Country	Asset	Description	Ownership
23	Australia	Olympic Dam	The largest poly-metallic ore body in the world and Australia s biggest underground mine, producing uranium, copper and gold	100%

(a) Uranium forms part of the Base Metals Customer Sector Group.

Diamonds and Specialty Products

Ref	Country	Asset	Description	Ownership
24	Canada	EKATI	Diamond mines in the Northwest Territories of Canada	80%
25	South Africa	Richards Bay Minerals	Integrated titanium smelter and mineral sands mine	37%

Stainless Steel Materials

Ref	Country	Asset	Description	Ownership
26	Australia	Nickel West	Sulphide nickel assets including Mt Keith and Leinster nickel operations, Kalgoorlie nickel smelter and Kambalda nickel concentrator and the Kwinana nickel refinery	100%
27	Colombia	Cerro Matoso	Integrated laterite ferronickel mining and smelting complex in northern Colombia	99.94%

Iron Ore

Ref	Country	Asset	Description	Ownership
28	Australia	Western Australia Iron	Integrated iron ore mines, rail and port operations in the Pilbara	85 100%

		Ore		
29	Brazil	Samarco	An efficient low-cost producer of iron ore pellets in southeast Brazil	50%

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Manganese

Ref	Country	Asset	Description	Ownership
30	Australia	GEMCO	Producer of manganese ore in the Northern Territory	60%
31	Australia	TEMCO	Producer of manganese alloys in Tasmania	60%
32	South Africa	Samancor Manganese	Integrated producer of manganese ore (Hotazel Manganese Mines) and alloy (Metalloys)	60%

Metallurgical Coal

Ref	Country	Asset	Description	Ownership
33	Australia	Illawarra Coal	Underground coal mines (West Cliff, Dendrobium, Appin) in southern NSW, with access to rail and port facilities	100%
34	Australia	BHP Billiton Mitsubishi Alliance	Integrated mine, rail and port operations, including a loading terminal at Hay Point, in the Bowen Basin, Central Queensland	50%
35	Australia	BHP Mitsui Coal	Two open-cut coal mines in the Bowen Basin, Central Queensland	80%

Energy Coal

Ref	Country	Asset	Description	Ownership
36	Australia	NSW Energy Coal	Open-cut coal mine that supplies thermal coal to export markets and for domestic electricity generation	100%
37	Colombia	Cerrejón	Largest thermal coal exporter in Colombia, with integrated rail and port facilities	33.3%
38	South Africa	BHP Billiton Energy Coal South Africa	One of the largest producers and exporters of thermal coal in South Africa	50 100%
39	US	New Mexico Coal	Two mines in New Mexico supplying energy coal to adjacent power stations	100%

BHP Billiton office locations

Ref	Country	Office location	Business area
40	Australia	Adelaide	Shared Services Centre Uranium Head Office Marketing
41	Australia	Brisbane	Metallurgical Coal Head Office Project Hub Marketing
42	Australia	Melbourne	Global Headquarters
43	Australia	Newcastle	Marketing
44	Australia	Perth	Iron Ore Head Office

			Project Hub
			Stainless Steel Materials Head Office
			Marketing
45	Australia	Sydney	Energy Coal Head Office
46	Belgium	Antwerp	Marketing
47	Brazil	Rio de Janeiro	Marketing
48	Canada	Vancouver	Diamonds and Specialty Products Head Office
			Project Hub

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Ref	Country	Office location	Business area
49	Chile	Santiago	Base Metals Head Office Marketing Project Hub Shared Services Centre
50	China	Shanghai	Marketing
51	India	New Delhi	Marketing
52	Japan	Tokyo	Marketing
53	Malaysia	Kuala Lumpur	Global Shared Services Centre
54	Netherlands	The Hague	Marketing
55	Pakistan	Islamabad	Marketing
56	Singapore	Singapore	Corporate Centre Marketing Minerals Exploration
57	South Africa	Johannesburg	Manganese Head Office Marketing
58	South Africa	Richards Bay	Marketing
59	South Korea	Seoul	Marketing
60	Switzerland	Baar	Marketing
61	UK	London	Aluminium Head Office Corporate Centre
62	US	Houston	Petroleum Head Office Project Hub Shared Services Centre Marketing
63	US	Pittsburgh	Marketing

Projects and exploration activities are not shown on this map

¡ Offices

l Operations

2.2 Business Overview

2.2.1 History and development

Since 29 June 2001, we have operated under a Dual Listed Company (DLC) structure. Under the DLC structure, the two parent companies, BHP Billiton Limited (formerly BHP Limited and before that The Broken Hill Proprietary Company Limited) and BHP Billiton Plc (formerly Billiton Plc) operate as a single economic entity, run by a unified Board and management team. More details of the DLC structure are located under section 2.11 of this Report.

BHP Billiton Limited was incorporated in 1885 and is registered in Australia with ABN 49 004 028 077. BHP Billiton Plc was incorporated in 1996 and is registered in England and Wales with registration number 3196209. Successive predecessor entities to BHP Billiton Plc have operated since 1860.

The registered office of BHP Billiton Limited is 180 Lonsdale Street, Melbourne, Victoria 3000, Australia, and its telephone number is 1300 55 47 57 (within Australia) or +61 3 9609 3333 (outside Australia). The registered office of BHP Billiton Plc is Neathouse Place, London SW1V 1BH, UK, and its telephone number is +44 20 7802 4000. Our agent for service in the United States is Earl K. Moore at 1360 Post Oak Boulevard, Suite 150, Houston, TX 77056.

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2.2.2 Petroleum Customer Sector Group

Our Petroleum CSG comprises a base of large, long-life, low unit cost production operations that are located in six countries throughout the world. We pursue significant upstream opportunities with multiple options for growth to ensure continued success.

During FY2010, Petroleum delivered its third consecutive annual production record by realising 158.56 million barrels of oil equivalent following the successful delivery of a series of growth projects in the Gulf of Mexico and Australia. The Pyrenees facility (Australia) was brought on stream on schedule during the third quarter FY2010 and our deepwater Shenzi field (US) performed at or above design capacity during the year. We also realised strong reservoir performance from Atlantis North (US). All three factors plus strong base operating uptime worldwide contributed to a 27 per cent increase in high margin crude oil and condensate production over the previous year. This was accomplished while keeping our unit operating cost below US$6 per barrel.

Production in FY2010 from our Gulf of Mexico projects has not been materially impacted by events following the oil spill from BP s Macondo well. However, our current understanding of the Gulf of Mexico drilling moratorium, updated by the US Department of the Interior on 12 July 2010, indicates that it will be extremely unlikely for any new producing wells to commence drilling until at least very late in CY2010 which is expected to have a significant impact on FY2011 production.

We continue to invest in our business through economic cycles and maintain a long-term view. Our consistently strong project execution over the past four years has led us to successfully deliver four major operated projects, the latest one being the Pyrenees floating production storage and offtake facility offshore Western Australia. Combined with Shenzi and Neptune in the deepwater Gulf of Mexico and Stybarrow in Western Australia, we have proven our ability to safely deliver large, technically-challenging projects in diverse and challenging environments.

Our financial strength allows us to continue to aggressively pursue exploration opportunities around the globe. Our focus is on capturing and operating large acreage positions in areas that are material to BHP Billiton. Over the past four years, we have substantially grown our captured acreage position and commenced one of the most aggressive drilling campaigns in the Group s history that will continue into the coming years.

Information on Petroleum operations

The following table contains additional details of our production operations. This table should be read in conjunction with the production (see section 2.3.1) and reserve tables (see section 2.14.1).

Name, location and type of asset	Ownership and operation	Title/lease	Facilities
AUSTRALIA			
Bass Strait Offshore Victoria, Australia Oil and gas production	We hold a 50% interest in the Bass Strait fields. Esso Australia, a subsidiary of Exxon Mobil, owns the other 50% interest and is the operator. Oil Basins Ltd holds a 2.5% royalty interest in 18 of the production licences.	The venture holds 20 production licences and two retention leases issued by the Commonwealth of Australia with expiry dates ranging between 2016 to end of life of field. One of the 20 production licences is held with additional partner Santos Ltd.	There are 20 producing fields with 21 offshore developments (14 steel jacket platforms, three subsea developments, two steel gravity based mono towers and two concrete gravity based platforms). Onshore infrastructure includes the Longford Facility, which includes three gas plants and liquid processing facilities, interconnecting pipelines, the Long Island Point LPG and crude oil storage facilities and an ethane pipeline.

Name, location and type of asset	Ownership and operation	Title/lease	Facilities
			The Bass Strait production capacity is as follows: - Crude 200 Mbbl/d - Gas 1,075 MMcf/d - LPG 5,150 tpd - Ethane 850 tpd
North West Shelf (NWS) gas, LNG, LPG and condensate North Rankin, Goodwyn, Perseus, Echo-Yodel and Angel, and Searipple fields offshore Dampier in Western Australia, Australia Domestic gas, LPG and condensate production and LNG liquefactions	We are a participant in the NWS Project, an unincorporated joint venture. We hold 8.33% of the original domestic gas joint venture. Our share of domestic gas production will progressively increase from 8.33% to 16.67%. We also hold 16.67% of the Incremental Pipeline Gas (IPG) domestic gas joint venture, 16.67% of the original LNG joint venture, 12.5% of the China LNG joint venture, 16.67% of the LPG joint venture and approximately 15% of current condensate production. Other participants in the respective NWS joint ventures are subsidiaries of Woodside Energy, Chevron, BP, Shell, Mitsubishi/Mitsui and the China National Offshore Oil Corporation. Woodside Petroleum Ltd is the operator.	The venture holds nine production licences issued by the Commonwealth of Australia, of which six expire in 2022 and three expire five years after the end of production.	Production from the North Rankin and Perseus fields is currently processed through the North Rankin A platform, which has the capacity to produce 2,300 MMcf/d of gas and 60 Mbbl/d of condensate. Production from the Goodwyn, Searipple and Echo-Yodel fields is processed through the Goodwyn A platform, which has the capacity to produce 1,450 MMcf/d of gas and 110 Mbbl/d of condensate. Four subsea wells in the Perseus field are tied into the Goodwyn A platform. Production from Angel field is currently processed through the Angel platform, which has the capacity to produce 960 MMcf/d of gas and 50 Mbbl/day of condensate. An onshore gas treatment plant at Withnell Bay has a current capacity to process approximately 600 MMcf/d of gas for the domestic market. An existing five train LNG plant has the capacity to produce an average rate of 45,000 tpd of LNG.
North West Shelf crude oil	We hold a 16.67% working interest in oil production from these fields. The other 83.33% is held by Woodside Energy (33.34%), with BP	The venture holds three production licences issued by the Commonwealth of Australia, with expiry dates ranging between 2012	The oil is produced to a floating production storage and offtake unit, the Cossack Pioneer, which has a production capacity of 140

Approximately 30 km northeast of the North Rankin gas and condensate field, offshore Western Australia, Australia	Developments Australia, Chevron Australia, and Japan Australia LNG (MIMI) each holding 16.67%.	and 2018.	Mbbl/d and a storage capacity of 1.15 MMbbl of crude oil.
Crude oil production is from the Wanaea, Cossack, Lambert and Hermes oil fields.	Woodside Petroleum Ltd is the operator.		
Griffin	We hold a 45% interest in the Griffin venture. The other 55% is held by Mobil Exploration and Producing Australia (35%) and Inpex Alpha (20%).	The venture holds a production licence issued by the Commonwealth of Australia that expires in 2014.	Oil and gas were produced using a floating production storage and offtake facility. Natural gas was piped to shore, where it was delivered directly into a pipeline.
Situated in the Carnarvon Basin, 62 km offshore Western Australia, Australia			
Comprises the Griffin, Chinook and Scindian offshore oil and gas fields	We are the operator.	The venture ceased production in October 2009.	
Minerva	We hold a 90% share of the Minerva venture. The other 10% is held by Santos (BOL) Pty Ltd.	The venture holds a production licence issued by the Commonwealth of Australia that expires five years after production ceases.	The Minerva development consists of two well completions in 60 m of water. A single flow line transports gas to an onshore gas processing facility with an original production design capacity of 150 TJ/d and 600 bbl/d of condensate.
Approximately 10 km offshore in the Otway Basin of Victoria, Australia	We are the operator.		
Single offshore gas reservoir with two compartments. Gas plant is situated approximately 4 km inland from Port Campbell.			

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Name, location and type of asset	Ownership and operation	Title/lease	Facilities
Stybarrow Situated in the Exmouth Sub-basin, 65 km offshore Western Australia, Australia Comprises the Stybarrow and Eskdale oil and gas fields.	We own a 50% share of the Stybarrow venture. The other 50% interest is held by Woodside Energy. We are the operator.	The venture holds a production licence issued by the Commonwealth of Australia that expires five years after production ceases.	Oil is produced by the Stybarrow development which comprises of a floating production storage and offtake facility, nine subsea well completions (including five producers, three water injectors and one gas injector) in 825 m of water. The Stybarrow facility has a crude oil production and storage capacity of 80 Mbbl/d and 900 Mbbl respectively. Gas production is reinjected into the reservoirs.
Pyrenees Situated in the Exmouth Sub-basin, 23 km offshore Western Australia, Australia Comprises the Crosby, Stickle and Ravensworth oil fields. The Ravensworth field straddles both the WA-42-L and WA-43-L production permits.	We hold a 71.43% share in the WA-42-L permit. The remaining 28.57% is held by Apache PVG. We hold a 40% share in the WA-43-L permit. The remaining 60.01% is held by Apache Permits (31.5%) and Inpex Alpha (28.5%). We are the operator.	The venture holds a production licence issued by the Commonwealth of Australia that expires five years after production ceases.	Oil is produced by the Pyrenees development which comprises of a floating production storage and offtake facility, 17 subsea well completions (including thirteen producers, three water injectors and one gas injector) in an average water depth of 200 m. The Pyrenees facility has crude oil production and storage capacity of 96 Mbbl/de and 920 Mbbl respectively. Production commenced in third quarter FY2010.
UNITED STATES			
Neptune (Green Canyon 613) Gulf of Mexico, approximately 195 km offshore of Fourchon, Louisiana, US Deepwater oil and gas field	We hold a 35% interest in the joint venture. The other owners are Marathon Oil (30%), Woodside Energy (20%) and Maxus US Exploration (15%). We are the operator.	The venture holds a lease from the US as long as oil and gas are produced in paying quantities.	The production facility consists of a tension-leg platform permanently moored in 1,300 m of water. The facility has nameplate processing capacity of 50 Mbbl/d of oil and 50 MMcf/d of gas.
Shenzi (Green Canyon 653) Gulf of Mexico, approximately 200 km offshore of Fourchon, Louisiana, US	We hold a 44% interest in the joint venture. The other owners are Hess Corporation (28%) and Repsol (28%).	The venture holds a lease from the US as long as oil and gas are produced in paying quantities.	The Shenzi production facility consists of a stand-alone tension-leg platform (TLP) permanently moored in 1,310 m of water.

Deepwater oil and gas field	We are the operator.		The facility has nameplate processing capacity of 100 Mbbl/d of oil and 50 MMcf/d of gas.
			The Genghis Khan field is part of the same geological structure as the Shenzi project and consists of a tieback to the existing Marco Polo TLP.
West Cameron 76	We hold a 33.76% interest in the joint venture.	The venture holds a lease from the US as long as oil and gas are produced in paying quantities.	The production facility consists of two conventional gas platforms with a capacity of 120 MMcf/d of gas and 800 bbl/d of condensate.
Gulf of Mexico, approximately 20 km offshore, Central Louisiana, US	The other owners are ENI Petroleum (40%), Merit Management Partners (15%) and Ridgewood Energy Company (11.24%).		
Offshore gas and condensate field			
	We are the operator.		

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Name, location and type of asset	Ownership and operation	Title/lease	Facilities
Starlifter (West Cameron 77)	We hold a 30.95% interest in the joint venture.	The venture holds a lease from the US as long as oil and gas are produced in paying quantities.	The production facility consists of a single conventional gas platform with a capacity of 40 MMcf/d of gas and 450 bbl/d of condensate.
Gulf of Mexico, approximately 25 km offshore, Central Louisiana, US	The other owners are McMoRan (33.75%), Seneca Resources (11.25%) Merit Management Partners (13.75%) and Ridgewood Energy Company (10.3%).		
Offshore gas and condensate field	We are the operator.		
Mustang (West Cameron 77)	We hold a 43.66% interest in the joint venture.	The venture holds a lease from the US as long as oil and gas are produced in paying quantities.	The production facility consists of a single conventional gas platform with a capacity of 40 MMcf/d of gas and 450 bbl/d of condensate.
Gulf of Mexico, approximately 25 km offshore, Central Louisiana, US	The other owners are ENI Petroleum (22.4%), Merit Management Partners (19.4%) and Ridgewood Energy Company (14.54%).		
Offshore gas and condensate field	We are the operator.		
Atlantis (Green Canyon 743)	We hold a 44% working interest in the joint venture.	The venture holds a lease from the US as long as oil and gas are produced in paying quantities.	The production facility consists of a semi-submersible platform permanently moored in 2,155 m of water.
Gulf of Mexico, approximately 200 km offshore of Fourchon, Louisiana, US	The other owner is BP (56%).		
Deepwater oil and gas field	BP is the operator.		The facility has nameplate processing capacity of 200 Mbbl/d of oil and 180 MMcf/d of gas.
Mad Dog (Green Canyon 782)	We hold a 23.9% interest in the joint venture.	The venture holds a lease from the US as long as oil and gas are produced in paying quantities.	The production facility consists of an integrated truss spar equipped with facilities for simultaneous production and drilling operations, permanently moored in 1,310 m of water.
Gulf of Mexico, approximately 210 km offshore of Fourchon, Louisiana, US	The other owners are BP (60.5%) and Chevron (15.6%).		
Deepwater oil and gas field	BP is the operator.		The facility has the capacity to process 100 Mbbl/d of oil and 60 MMcf/d of gas.
Genesis (Green Canyon 205)	We hold a 4.95% interest in the joint venture.	The venture holds a lease from the US as long as oil and gas are produced in paying quantities.	The production facility consists of a floating cylindrical hull (spar) moored to the seabed with integrated drilling facilities and a capacity of 55 Mbbl/d of oil and

Gulf of Mexico, approximately 155 km offshore of Fourchon, Louisiana, US	The other owners are Chevron (56.67%) and ExxonMobil (38.38%).	72 MMcf/d of gas.
Deepwater oil and gas field	Chevron is the operator.	

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Name, location and type of asset **OTHER**	Ownership and operation	Title/lease	Facilities
Liverpool Bay Douglas and Douglas West oil fields, Hamilton, Hamilton North and Hamilton East gas fields, and Lennox oil and gas field in the Irish Sea, approximately 10 km off the northwest coast of England Offshore oil and gas fields	We hold a 46.1% interest in the joint venture. The other 53.9% is held by ENI. We are the operator.	The joint venture holds three production licences issued by the Crown of the United Kingdom, which expire in 2016, 2025 and 2027.	The Liverpool Bay asset is an integrated development of six fields. Oil from the Lennox and Douglas fields is treated at the Douglas complex and piped 17 km to an oil storage barge for export by tankers. Gas from the Hamilton, Hamilton North, Hamilton East and Lennox fields is initially processed at the Douglas complex then piped by subsea pipeline to the Point of Ayr gas terminal for further processing. The facility has the capacity to produce 308 MMcf/d of gas and 70 Mbbl/d of oil and condensate.
Bruce/Keith North Sea, approximately 380 km northeast offshore of Aberdeen, Scotland The Keith field is located adjacent to the Bruce field. Offshore oil and gas fields	We hold a 16% interest in the Bruce field. The other 84% is owned by BP (37%), Total (43.25%) and Marubeni (3.75%). BP is the operator of Bruce. We hold a 31.83% interest in the Keith field. The other 68.17% is owned by BP (34.84%), Total (25%) and Marubeni (8.33%). We are the operator of Keith.	The joint venture holds three production licences issued by the Crown of the United Kingdom, which expire in 2011, 2015 and 2018.	Production is via an integrated oil and gas platform. The capacity of the Bruce facility has, since 2002, been increased to 920 MMcf/d. The Keith field was developed as a tie-back to the Bruce platform facilities.
Ohanet Approximately 1,300 km southeast of Algiers, Algeria Four onshore gas and condensate fields	We have an effective 45% interest in the Ohanet joint venture. The other 55% is held by Japan Ohanet Oil and Gas Co. Ltd. (30%), Woodside Energy (Algeria) Pty. Ltd. (15%) and Petrofac Energy Developments (Ohanet) LLC (10%). The project is operated by a Sonatrach/BHP Billiton staffed	The joint venture is party to a risk service contract with the title holder, Sonatrach, which expires in 2011, with an option to extend under certain conditions. Under this contract, the joint venture is reimbursed and remunerated for its investments in liquids.	Ohanet is a wet gas (LPG and condensate) development consisting of four gas and condensate fields and a gas processing plant with the capacity to treat 20 MMcm/d of wet gas and 61 Mbbl/d of associated liquids (LPG and condensate).

	organisation.		
ROD Integrated Development Berkine Basin, 900 km southeast of Algiers, Algeria Six onshore oil fields	We hold a 45% interest in the 401a/402a production sharing contract, with ENI holding the remaining 55%. We have an effective 38% interest in ROD unitised integrated development. ENI owns the remaining 62%. Our interest is subject to a contractual determination to ensure that interest from participating association leases is accurately reflected. Future redetermination of our interest may be possible under certain conditions. A joint Sonatrach/ENI entity is the operator.	The venture is party to a production sharing contract with the title holder, Sonatrach, which expires in 2016, with an option for two five-year extensions under certain conditions.	Comprises the development and production of six oil fields, the largest two of which, ROD and SFNE, extend into the neighbouring blocks 403a and 403d. The ROD Integrated Development is being produced through a dedicated processing train located adjacent to BRN processing facilities on block 403, with the capacity to process approximately 80 Mbbl/d of oil.

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Name, location and type of asset	Ownership and operation	Title/lease	Facilities
Greater Angostura Approximately 40 km off the east coast of Trinidad Shallow water oil and gas field	We hold a 45% interest in the joint venture. The other 55% is held by Total (30%) and Chaoyang (25%). We are the operator.	The venture has entered into a production sharing contract with the Republic of Trinidad and Tobago that entitles the contractor to operate Greater Angostura until 2021.	Greater Angostura is an integrated oil and gas development. The infrastructure consists of a steel jacketed central processing platform with three satellite wellhead protector platforms and flow lines. A pipeline connects the processing platform to storage facilities at Guayaguayare, where an export pipeline has been installed to allow for offloading to tankers in Guayaguayare Bay. The facility has the capacity to process 100 Mbbl/d of oil.
Zamzama Dadu Block, Sindh Province, Pakistan Onshore gas wells	We hold a 38.5% working interest in the joint venture. The other 61.5% is owned by ENI Pakistan (M) Ltd (17.75%), PKP Exploration Ltd (9.375%), PKP Exploration Ltd 2 (9.375%), and Government Holdings (Private) Limited (25%). We are the operator.	20-year development and production lease starting April 2002 from the Government of Pakistan (with an option to extend five years beyond the 20-year term).	Zamzama currently consists of eight production wells and four process trains, with an existing capacity of 500 MMcf/d of gas and 3,350 bbl/d of condensate.

Our production assets are as follows:

Bass Strait

Together with our 50 50 joint venture partner, Esso Australia, a subsidiary of ExxonMobil, we have been producing oil and gas from Bass Strait, off the south-eastern coast of the Australian mainland, for 40 years, having participated in the original discovery of hydrocarbons there in 1965. We dispatch the majority of our Bass Strait crude oil and condensate production to refineries along the east coast of Australia. Gas is piped ashore to our Longford processing facility, from where we sell our production to domestic distributors under contracts with periodic price reviews.

North West Shelf

We are a domestic gas joint venture participant in the North West Shelf Project in Western Australia. The North West Shelf Project was developed in phases: the domestic gas phase, which supplies gas to the Western Australian domestic market mainly under long-term contracts, and a series of LNG expansion phases, which supply LNG to buyers in Japan, Korea and China under a series of long-term contracts. The North West Shelf Project also produces LPG and condensate.

We are also a joint venture participant in four nearby oil fields. Both the North West Shelf gas and oil ventures are operated by Woodside Petroleum Ltd.

Australia Operated

We are the operator of two oil fields offshore Western Australia and one gas field in Victoria.

The Pyrenees asset came on line in the third quarter FY2010 and is an oil development which consists of three fields (Crosby, Stickle and Ravensworth) located offshore Western Australia. The project uses a floating production storage and offtake facility.

The Stybarrow asset (50 per cent BHP Billiton share) is an oil development located offshore Western Australia. The project uses a floating production storage and offtake facility.

The Minerva asset (90 per cent BHP Billiton share) is a gas field located offshore Victoria. The asset consists of two subsea producing wells which pipe gas onshore to a processing plant. The gas is delivered into a pipeline and sold domestically.

Gulf of Mexico

We operate three fields in the Gulf of Mexico (Neptune, Shenzi and consolidated operations in the West Cameron area), and hold non-operating interests in a further three fields (Atlantis, Mad Dog and Genesis). We also own 25 per cent and 22 per cent, respectively, of the companies that own and operate the Caesar oil pipeline and the Cleopatra gas pipeline which transport oil and gas from the Green Canyon area, where a number of our fields are located, to connecting pipelines that transport product to the mainland. We deliver our oil production to refineries along the Gulf Coast of the United States.

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Liverpool Bay and Bruce/Keith

The Liverpool Bay integrated development consists of six offshore gas and oil fields in the Irish Sea, the Point of Ayr onshore processing plant in North Wales, and associated infrastructure. We deliver all of the Liverpool Bay gas by pipeline to E.ON s Connah s Quay power station. We own 46.1 per cent of and operate Liverpool Bay. We also hold a 16 per cent non-operating interest in the Bruce oil and gas field in the North Sea and operate the Keith field, a subsea tie-back, which is processed via the Bruce platform facilities.

Algeria

Our Algerian assets comprise our effective 45 per cent interest in the Ohanet wet gas development and our effective 38 per cent interest in the ROD Integrated Development, which consists of six satellite oil fields that pump oil back to a dedicated processing train.

Trinidad and Tobago

The Greater Angostura project is an integrated oil and gas development located offshore east Trinidad. We are the operator of the field and have a 45 per cent interest in the production sharing contract for the project.

Zamzama

We hold a 38.5 per cent working interest in and operate the Zamzama gas project in Sindh province of Pakistan. Both gas and condensate are sold domestically.

Development projects

Australia

North West Shelf North Rankin gas compression project

In March 2008, the Board approved the North West Shelf gas compression project to recover remaining lower pressure gas from the North Rankin and Perseus gas fields. A new gas compression platform, North Rankin B, capable of processing 2,500 million cubic feet of gas per day will be constructed adjacent to the existing North Rankin A platform, 135 kilometres offshore from Karratha on the northwest coast of Western Australia. The two platforms will be connected by a 100 metre long bridge and operate as a single facility. Our 16.67 per cent share of development costs is approximately US$850 million, of which US$257 million was incurred as of 30 June 2010. First gas is expected in 2012.

North West Shelf Cossack, Wanaea, Lambert, Hermes (CWLH) life extension

In December 2008, approval was announced to undertake a redevelopment project to replace and refurbish CWLH facilities because the existing operation had performed above expectation and had an expected field life much longer than originally planned. The project consists of the replacement of the existing Cossack Pioneer floating production storage and offtake vessel and selected refurbishment of existing subsea infrastructure and the existing riser turret mooring. Our 16.67 per cent share of the cost is approximately US$245 million, of which US$111 million was incurred as of 30 June 2010. First production through the redeveloped facilities is expected in CY2011.

Bass Strait Kipper gas field development

Initial development of the Kipper gas field in the Gippsland Basin located offshore Victoria was approved by the Board in December 2007. The first phase of the project includes two new subsea wells, three new pipelines and platform modifications to supply 10 thousand barrels of condensate per day and 80 million cubic feet of gas per day. Gas and liquids will be processed via the existing Gippsland Basin joint venture facilities. Our share of development costs is approximately US$500 million, of which US$216 million was incurred as of 30 June 2010. The initial production target date is CY2011. The schedule and budget are currently under review following advice from the operator.

We own a 32.5 per cent interest in the Kipper Unit Joint Venture, with Esso Australia and Santos owning the remaining 67.5 per cent. We own a 50 per cent interest in the Gippsland Basin joint venture.

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Bass Strait Turrum field development

Further expansion of the Gippsland Basin facilities is underway with the Board approving the full field development of the Turrum oil and gas field in July 2008. The project consists of a new platform, Marlin B, linked by a bridge to the existing Marlin A platform. The Turrum field, which has a capacity of 11 thousand barrels of oil per day and 200 million cubic feet of gas per day, is located 42 kilometres from shore in approximately 60 metres of water. Our share of development costs is approximately US$625 million, of which US$270 million was incurred as of 30 June 2010. The initial production target date is CY2011. The schedule and budget are currently under review following advice from the operator.

Other

Greater Angostura Phase 2

In September 2008, we announced the signing of a gas sales contract with the National Gas Company of Trinidad and Tobago Limited (NGC) for the purchase of gas from the second phase of the Greater Angostura field. In August 2008, we sanctioned an investment of approximately US$400 million (US$180 million our share, of which US$117 million was incurred as of 30 June 2010) to construct and install a new gas export platform alongside the Company s existing facilities within the Greater Angostura Field. Fabrication of the 280 million cubic feet per day facility started in February 2009 and is expected to be online during CY2011.

The development also includes modifications to the existing Greater Angostur