

BHP BILLITON SA LTD

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BHP BILLITON LTD IS A LEADING GLOBAL RESOURCES COMPANY FOCUSING ON THE DISCOVERY, DEVELOPMENT AND CONVERSION OF NATURAL RESOURCES WITH OPERATIONS IN 25 COUNTRIES, INCLUDING SOUTH AFRICA.

GOING UNDERGROUND TODAY:

Current activities and structures

BHP Billiton is the world's largest diversified resources company, with good quality resource assets and diversification across several countries, commodities and markets.

The global company has 38 000 employees working in more than 100 operations in 25 countries with interests in major commodity businesses, including aluminium, energy coal and metallurgical coal, copper, manganese, iron ore, uranium, nickel, silver and titanium minerals, and having substantial interests in oil, gas, liquefied natural gas and diamonds.

BHP Billiton is divided into customer sector groups and functional teams. In southern Africa there are three customer sector groups, namely aluminium, coal and manganese, and a large minerals exploration team.

BHP Billiton South Africa Ltd is run by Dr Vincent Maphai (chairman); Peter Beaven (president: Manganese); Dr Xolani Mkhwanazi (president and chief operating officer: Aluminium SA); Ken Greve (vice-president: Business Strategy and Development); Wayne Isaacs (president and COO BHP Billiton Energy Coal SA) and Marius Kloppers (group president: Non Ferrous Materials and CEO of BHP Billiton globally from 1 October 2007).

In South Africa, BHP Billiton reports that a number of new coal prospecting licences have been granted and that positive feedback has been received regarding the process of conversion of existing licences.

More than half of BHP Billiton's global minerals exploration spend in the last financial year was focused in Africa. BHP Billiton is active in 12 countries on the continent from a base in Johannesburg, with offices in Kinshasa, Conakry (Guinea) and Luanda and extensive exploration activities throughout Africa.

BHP Billiton has two Technology Centres globally for the processing of samples. One is based in Johannesburg.

The global company supports the South African government's efforts in terms of black economic empowerment (BEE) and believes that BEE is a business imperative in South Africa. A number of empowerment transactions have been concluded, most notably in BHP Billiton's coal assets. The sale of Koorfontein Colliery to a BEE consortium was concluded in June 2007 together with the conversion of its mining rights, and negotiations are underway

to sell Optimum Colliery this year. BHP Billiton and Rio Tinto have also recently announced a transaction that will involve the transfer of a 26% share of mining and beneficiation aspects of Richards Bay Minerals to a consortium which includes local communities.

BHP Billiton has a transformation charter that commits the company to exceed legislative requirements of the Minerals and Petroleum Resources Development Act as well as to meet the broader Department of Trade and Industry codes of good practice.

LOOKING BACK:

Defining moments in the history of the company

BHP Billiton was created through the merger of BHP Limited (now BHP Billiton Limited) and Billiton Plc (now BHP Billiton Plc) concluded on 29 June 2001.

BHP Billiton Limited and BHP Billiton Plc continue to exist as separate companies, but operate on a combined basis as BHP Billiton. The headquarters of BHP Billiton Limited, and the global headquarters of the combined BHP Billiton Group, are located in Melbourne, Australia. BHP Billiton Plc is located in London, United Kingdom. Both companies have identical boards of directors and are run by a unified management team. Shareholders in each company have equivalent economic and voting rights in the BHP Billiton Group as a whole.

BHP Billiton is the world's sixth largest producer of primary aluminium, with a total operating capacity in excess of one million tonnes of aluminium, 14 million tonnes of bauxite and four million tonnes of alumina a year with sites in South America, Southern Africa and Australia. Within South Africa they own

100% of Hillside Aluminium and Bay-side Aluminium, both smelters based in Richard's Bay.

Manganese operations produce a combination of ores, alloys and metal from sites in South Africa and Australia. BHP Billiton ranks number one in the world for seaborne supply of manganese ore and is one of the top three producers of alloy. Within South Africa, BHP Billiton has a 60% ownership of Samancor Manganese producing manganese ore and alloy, and a 31% ownership in Manganese Metal Company producing electrolytic manganese.

BHP Billiton Energy Coal South Africa Limited is one of the largest energy coal exporters in the world, with 100% ownership of three collieries (Khutala, Klipspruit, and Optimum) and joint ownership of two others which they operate (Douglas and Middleburg) in Mpumalanga, South Africa, with Xstrata Plc.

The company also has a 37,43 percent stake in the Richards Bay Coal Terminal, through which a total of 51 948 million tonnes of coal was exported for the financial year ended 30 June 2006 and employs 5 297 people in South Africa.

Douglas mine has reserves of a 15 year mine life. Middleburg has 30 years, Khutala reserves are expected to last for 24 years, and Optimum for 17 years. The fledgling Klipspruit Colliery in Ogieis is the first new mine to be established by BHP Billiton Energy Coal South Africa Limited in 14 years.

THE WAY FORWARD:

Opportunities and challenges

BHP Billiton Energy Coal South Africa Limited is one of the largest suppliers to the seaborne energy coal market, selling to the



Hillside

Far East, India, Africa and South America, with a lower grade coal being sold to South Africa's energy utility, Eskom.

The new mining activities at Klipspruit, established in 2003, utilises the latest technologies in order to ensure that the colliery becomes a leader in the latest production methods, labour practices, environment and health issues, as well as safety.

Klipspruit currently uses a box-cut with a BE1570 dragline and produces 3,6 million tonnes of coal a year with 111 employees and 500 contractors.

The management of operations at BHP Billiton is driven by a comprehensive company charter that advocates the creation of long-term value, throughout its world-wide operations. The charter advocates integrity, the establishment of

win-win relationships and an overriding commitment to health, safety, environmental responsibility and sustainable development.

BHP Billiton's sustainable development policy states that it aspires to do zero harm to people, host communities and the environment, and to strive to lead industry practice in this regard. This includes upholding ethical business practices and meeting or, where laws are less stringent, exceeding applicable legal and other requirements. This commitment underlines all operating and management practices in the company.

In South Africa this also drives the company's efforts to fight HIV/Aids and malaria.

The company is particularly proud of its progress in fighting malaria in partner-

INTERESTING FACTS AND FIGURES

BHP Billiton has a diversified range of more than 100 operations in 25 countries with an emphasis on sustainability and zero harm to its employees, the environment and the communities which host its operations.

In South Africa the company has two aluminium smelters, manganese mining in Hotazel and smelting at Metalloys, south of Johannesburg, and Nelspruit; and coal mines at Khutala, Douglas, Middelburg and the Klipspruit project in Mpumalanga - using both open-cast and underground mining operations.

BHP Billiton Energy Coal South Africa Limited sells relatively small quantities of coal to the South African market, but is still Eskom's largest supplier.

Recent highlights for BHP Billiton are record financial results over the last three years and playing an important role in the reduction of the incidence of malaria in northern KwaZulu-Natal and southern Mozambique by up to 90%.



ship with three regional governments and international organisations. BHP Billiton contributed US\$480 000 for the first year of the Lubombo Spatial Development Initiative's malaria protocol covering areas within which it operated in eastern Swaziland, southern Mozambique, and north-eastern KwaZulu-Natal.

Scientific surveys were undertaken with the support of the World Health Organisation and a spraying programme was launched in 1999. One of the keys to success has been good project management and the careful use of DDT in the correct quantities to ensure effectiveness against malaria without harming humans or wildlife.

The United Nations Global Fund has awarded this regional initiative US\$22 million over five years and malaria prevalence is down by an average of more than 90%.

CURRENT FINANCIAL STATUS:

The central tenet of the BHP Billiton business model is the creation of a diversified portfolio of high quality assets. This provides a stable cash flow and greater capacity to drive growth than the traditional resource cyclicals. As a result BHP Billiton is less susceptible to fluctuations in individual commodity prices.

In the financial year ended 30 June 2007, BHP Billiton generated a global turnover of US\$47,5 billion and underlying earnings before interest and tax (underlying EBIT) of US\$20,1 billion. There was an attributable profit (excluding exceptional items) of US\$13,7 billion and net operating cash flow of US\$15,6 billion. As at 1 October 2007 BHP Billiton's market capitalisation was US\$219,7 billion.