

NEWS RELEASE

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ONSHORE US ASSET REVIEW

BHP Billiton expects to recognise an impairment charge of approximately US\$2 billion post-tax (or approximately US\$2.8 billion pre-tax) against the carrying value of its Onshore US assets as an exceptional item in the 2015 financial year results.

The gas focused Hawkville field accounts for the substantial majority of this charge reflecting its geological complexity, product mix, acreage relinquishments and amended development plans. The remainder relates to the impairment of goodwill associated with the Petrohawk acquisition.

Following this impairment, the Group's Onshore US business will have net operating assets of approximately US\$24 billion¹. The value of this business is supported by ongoing cost reductions and improving well performance which help offset increased commodity price volatility and lower near term capital expenditure. Consistently positive results from the appraisal and development of the Permian have also unlocked significant value and we now see the ultimate potential of this field at over 150 kboe/d (up from our previous estimate of 100 kboe/d).

BHP Billiton Petroleum President, Tim Cutt, said: "While the impairment of the Hawkville is disappointing, it does not reflect the quality of our broader Onshore US business. The Black Hawk continues to exceed expectations, the Permian offers significant upside across multiple zones and the Haynesville, one of the industry's premier dry gas positions, provides an excellent development option as market conditions improve. With industry-leading drilling costs and recoveries, we are well positioned to realise significant value for shareholders as we develop our high-quality resource base."

BHP Billiton plans to invest US\$1.5 billion in the Onshore US in the 2016 financial year, which will support a development program of 10 operated rigs. At an oil price of US\$60 per barrel (West Texas Intermediate) and a gas price of US\$3.00 per Mscf (Henry Hub), the Group expects its Onshore US business to be free cash flow positive in the 2016 financial year. Associated production guidance will be provided in the June 2015 Operational Review to be released on 22 July 2015.

The broader carrying value assessment of the Group's assets will be finalised in conjunction with the preliminary financial results to be released on 25 August 2015.

¹ This excludes approximately US\$4 billion deferred tax liability.

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

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