



## NEWS RELEASE

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### **UPDATE: SAMARCO**

This release provides a further update following the breach of the Fundão tailings dam and Santarém water dam at the Samarco Mineração S.A (Samarco) iron ore operation in Minas Gerais, Brazil which occurred on 5 November 2015. BHP Billiton and Vale each hold a 50 per cent interest in Samarco.

At this stage there are 17 confirmed fatalities, being five members of the community and 12 people who were working on the dams at the time of the breach. In addition, two people who were working on the dams remain unaccounted for.

#### Response & Operations

Samarco continues to work with the government authorities in Brazil to relocate displaced people from temporary accommodation to rented housing and to distribute living wage debit cards to those who have been impacted. All displaced people will have been given the opportunity to relocate before 25 December 2015. Community access bridges are being rebuilt and public service centres have been established in affected communities. Planning for the reconstruction of impacted communities has also commenced.

Monitoring of the remaining dam structures at Samarco continues. Interim work to repair the damage to the dams and to reinforce parts of the structure continues, with work on the Selinha dike (which is the wall between the Germano and Fundão dams) and the Santarém dam being over 50 per cent complete.

Processing and mining operations at Samarco remain suspended.

#### Legal Proceedings

BHP Billiton's News Release 29/15 of 30 November 2015 referred to the proceedings proposed to be commenced by the Federal and certain State governments against Samarco, Vale and BHP Billiton Brazil for clean-up costs and damages. The action demanded that the companies establish a fund of BRL 20 billion (US\$5.2 billion at current exchange rates) in aggregate. The plaintiffs also requested certain interim injunctions. (BHP Billiton Brazil has not yet received formal notice of these proceedings.)

In connection with these proceedings, on 18 December 2015 the 12<sup>th</sup> Federal Court of Belo Horizonte handed down a decision on the interim injunctions requested.

The Federal Court ordered Samarco to deposit BRL 2 billion to a Court-managed bank account within 30 days. This amount comprises 10 per cent of the total amount sought by the plaintiffs to be included in the fund. The amounts must be used to pay for the community and environmental rehabilitation. A daily fine of BRL 1.5 million applies to Samarco for non-compliance with this deadline.

The Court imposed a restriction in relation to dealings in existing mining exploration concessions held by Samarco, BHP Billiton Brazil and Vale in Brazil such that those concessions cannot be transferred or sold by the current holder of the concession.

The Court also ordered Samarco, Vale and BHP Billiton Brazil to undertake certain remediation actions within specified timeframes. These remediation actions include preventing leakage of waste from the Fundão tailings dam, engaging a consultant to evaluate contamination of fish and implement pest control, removal of mud from the Rio Doce banks, adoption of measures to prevent sludge from reaching the lagoon, and presentation of a comprehensive plan for environmental recovery and socio-economic recovery.

Samarco has advised that the work being undertaken by its team and through external consultants is broadly consistent with the remediation actions ordered by the Court.

#### Rio Doce Water Quality

On 15 December 2015, the Brazilian Geological Service (CPRM) and National Water Agency (ANA) issued a second report in relation to additional sampling and analyses of the water quality of the Rio Doce. The report supports earlier assessments that the tailings material is non-toxic. The report states that, after proper treatment to comply with the potability standards defined by the Brazilian Ministry of Health, the water can be consumed by the population without any risk. Consistent with earlier studies, the report also indicates that levels of dissolved heavy metals in the Rio Doce (arsenic, cadmium, mercury, lead, copper, zinc and others) are, in general terms, similar to those found in analyses performed by CPRM in 2010.

All communities affected by the dam breach have access to drinking water, with Samarco having worked with municipal authorities to maintain potable water supplies.

#### Appointment of Country Director

BHP Billiton has appointed Flávio Bulcão as Country Director, Brazil, effective immediately. Mr Bulcão will represent the BHP Billiton team in Brazil, joining the project support team based in Belo Horizonte, Brazil. He will report to the Chief Commercial Officer, Dean Dalla Valle, who has assumed day-to-day responsibility at a Group Management Committee level for BHP Billiton's response to the Samarco dam breach. Mr Bulcão has extensive experience in the metals and mining industry, having held a number of senior executive roles with BHP Billiton in Brazil.

#### Update on Investigation into Cause

Vale, BHP Billiton and Samarco have jointly engaged New York-based law firm Cleary Gottlieb Steen & Hamilton LLP to conduct the external investigation into the

cause of the breach of the Fundão tailings dam and the Santarém water dam. Cleary Gottlieb will draw on expertise in disciplines such as geotechnical engineering and hydrology. BHP Billiton has committed to release publicly the findings of the external investigation, and to sharing the results with other resources companies.

Further information on BHP Billiton can be found at: **[bhpbilliton.com](http://bhpbilliton.com)**

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