BHP Billiton Limited
171 Collins Street
Melbourne Victoria 3000 Australia
GPO BOX 86
Melbourne Victoria 3001 Australia
Tel +61 1300 55 47 57 Fax +61 3 9609 3015
bhpbilliton.com

BHP Billiton Plc
Neathouse Place
London SW1V 1LH UK
Tel +44 20 7802 4000
Fax + 44 20 7802 4111
bhpbilliton.com

16 August 2016

To: Australian Securities Exchange
New York Stock Exchange

RESULTS PRESENTATION YEAR ENDED 30 JUNE 2016

Attached are the presentation slides for a presentation that will be given by the Chief Executive Officer and Chief Financial Officer shortly.

The Webcast for this presentation can be accessed at:

http://edge.media-server.com/m/p/fga4tpfi

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

Rachel Agnew
Company Secretary

bhpbilliton

Financial results
Year ended
30 June 2016

Olympic Dam

Disclaimer

Forward-looking statements

This presentation contains forward-looking statements, including statements regarding: trends in commodity prices and currency exchange rates; 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; capital costs and scheduling; operating costs and shortages of materials and skilled employees; anticipated productive lives of projects, mines and facilities; provisions and contingent liabilities; tax and regulatory developments.

Forward-looking statements can be identified by the use of terminology such as ‘intend’, ‘aim’, ‘project’, ‘anticipate’, ‘estimate’, ‘plan’, ‘believe’, ‘expect’, ‘may’, ‘should’, ‘will’, ‘continue’, ‘annualised’ 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 presentation. Readers are cautioned not to put undue reliance on forward-looking statements.

For example, future revenues from our operations, projects or mines described in this presentation 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; labour unrest; and other factors identified in the risk factors discussed in BHP Billiton’s filings with the US Securities and Exchange Commission (the “SEC”) (including in Annual Reports on Form 20-F) which are available on the SEC’s website at www.sec.gov.

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.

Past performance cannot be relied on as a guide to future performance.

Non-IFRS financial information

BHP Billiton results are reported under International Financial Reporting Standards (IFRS) including Underlying EBIT and Underlying EBITDA which are used to measure segment performance. This release may also include certain non-IFRS and other financial measures including Adjusted effective tax rate, Free cash flow, Gearing ratio, Net debt, Net operating assets, Underlying attributable profit, Underlying basic (loss)/earnings per share, Underlying EBIT margin and Underlying EBITDA margin. These measures are used internally by management to assess the performance of our business, make decisions on the allocation of our resources and assess operational management. Non-IFRS and other financial measures have not been subject to audit or review and should not be considered as an indication of or alternative to an IFRS measure of profitability, financial performance or liquidity.

Presentation of data

Unless specified otherwise: all data is presented on a continuing operations basis to exclude the contribution from assets that were demerged with South32; references to Underlying EBITDA margin exclude third party trading activities; data from subsidiaries is shown on a 100 per cent basis and data from equity accounted investments and other operations is shown on a proportionate consolidation basis. Queensland Coal comprises the BHP Billiton Mitsubishi Alliance (BMA) asset, jointly operated with Mitsubishi, and the BHP Billiton Mitsui Coal (BMC) asset, operated by BHP Billiton. Numbers presented may not add up precisely to the totals provided due to rounding.

No offer of securities

Nothing in this presentation should be construed as either an offer to sell or a solicitation of an offer to buy or sell BHP Billiton securities in any jurisdiction, or be treated or relied upon as a recommendation or advice by BHP Billiton.

Reliance on third party information

The views expressed in this presentation contain information that has been derived from publicly available sources that have not been independently verified. No representation or warranty is made as to the accuracy, completeness or reliability of the information. This presentation should not be relied upon as a recommendation or forecast by BHP Billiton.

bhpbilliton

Financial results

Year ended 30 June 2016

Andrew Mackenzie Chief Executive Officer

South Walker Creek

Solid performance in a challenging year

Safety	**Committed to addressing consequences of the Samarco tailings dam failure** **Zero fatalities at BHP Billiton operated sites**
Volume	**Record WAIO and metallurgical coal production; strong conventional petroleum volumes** **Offset by anticipated Escondida grade decline and deferral of Onshore US activity**
Cost	**Unit cash costs across the Group down 16% from FY15[1]** **Productivity gains of US$437 million (gains of US$2.0 billion excluding Escondida grade decline)**
Financial results	**Underlying EBITDA of US$12.3 billion; Underlying EBITDA margin of 41%** **Underlying attributable profit of US$1.2 billion; Attributable loss of US$6.4 billion**
Cash flow	**Net operating cash flow of US$10.6 billion** **Free cash flow[2] of US$3.4 billion**
Balance sheet	**Net debt of US$26.1 billion** **Liquidity of US$16.3 billion and long-dated maturity profile**
Dividend	**Final dividend of US$0.14 per share** **Total FY16 dividend determined of US$0.30 per share**

1. Presented on a continuing operations basis excluding BHP Billiton's share of volumes from equity accounted investments; operating cost per copper equivalent tonne calculated using FY16 realised prices.
2. Free cash flow: net operating cash flows less net investing cash flows.

Committed to Samarco

- **Rehabilitation progressing well**
  - Germano and Santarem Dams reinforcement works continue
  - 90% of the 41 work programs initiated
  - community resettlement ongoing
- **Foundation established**
  - Framework Agreement is the appropriate long-term response
- **Expect findings of the external investigation into the cause of the dam failure to be released shortly**
- **Preparation for the wet season a priority**
- **Technical studies indicate Samarco can restart safely**
  - completion of stabilisation work, range of permits and community support required

Samarco infrastructure

Santarem Dam, November 2015

Rebuilt Santarem Dam, March 2016

Environment

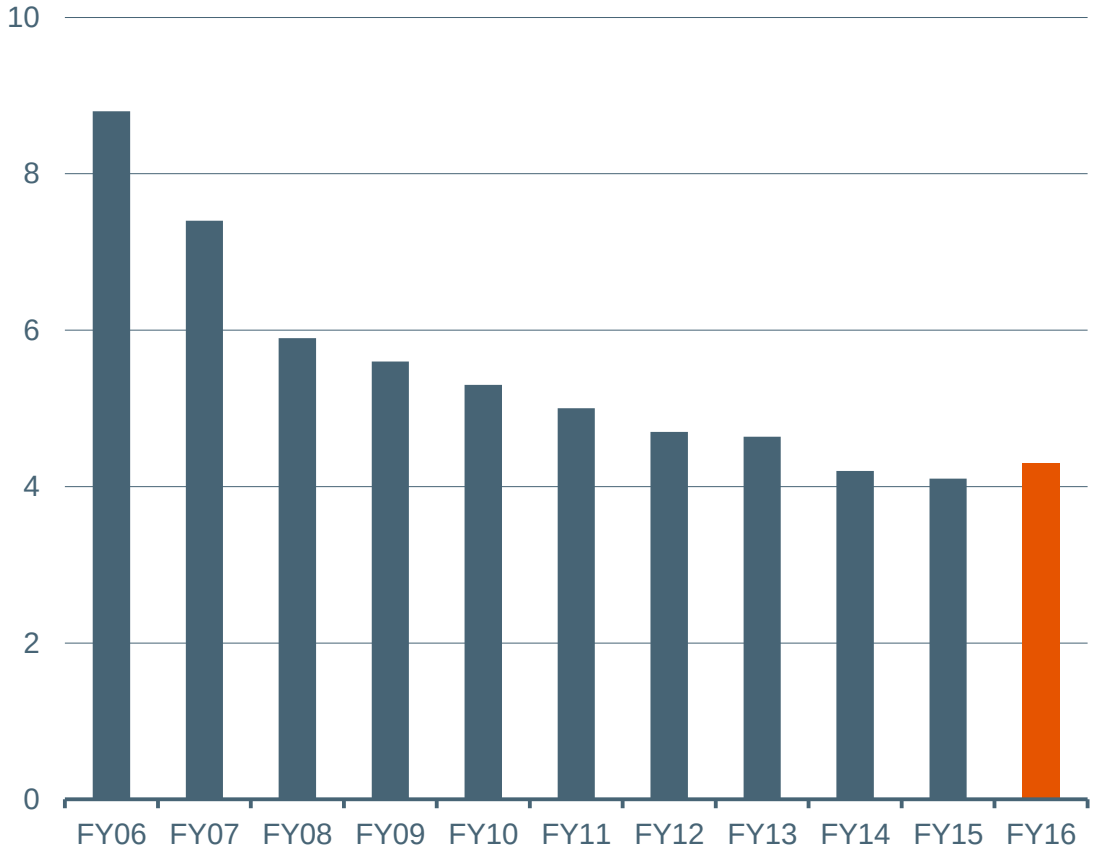
Barra Longa, November 2015

River stabilisation at Barra Longa, May 2016

Safety is paramount

- **The health and safety of our people and communities always come first**
  - tragically 19 lives were lost following the Samarco dam failure
- **Strong safety performance at BHP Billiton operated sites**
  - zero fatalities in FY16
  - TRIF of 4.3 per million hours worked
  - 20% reduction in high potential safety events
  - better investigation quality and learning from past events

Total Recordable Injury Frequency at operated sites
(number of recordable injuries per million hours worked[1])



1. FY06 to FY14 presented on a total operations basis.

Financial results

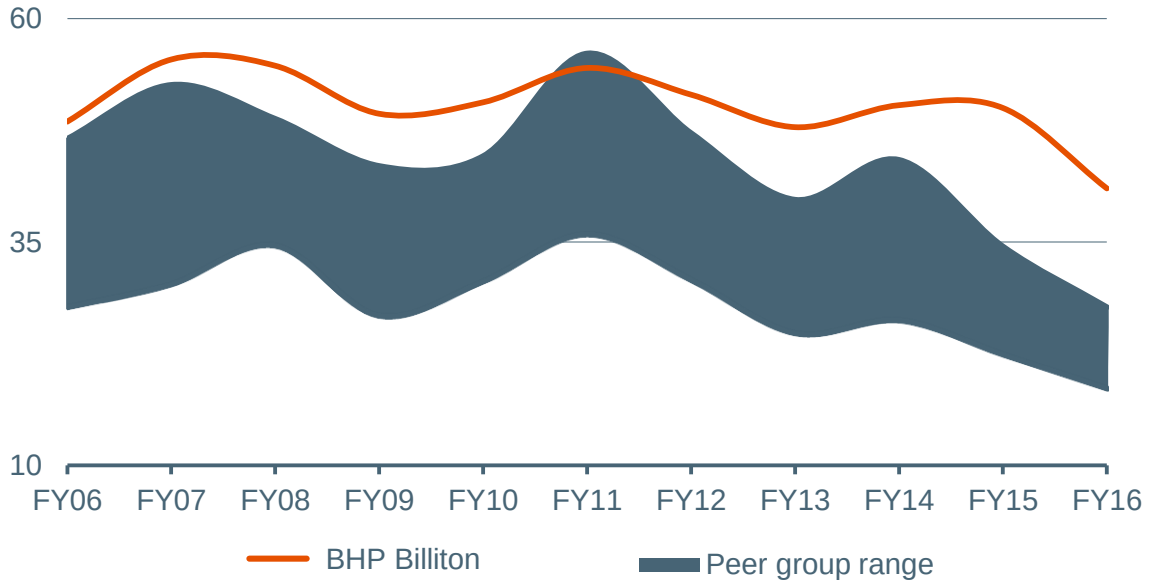
Year ended 30 June 2016

Peter Beaven Chief Financial Officer

Asset quality and operating performance drive margins

- **Underlying EBITDA of US$12.3 billion**
  - Underlying EBITDA margin of 41%
  - 16% reduction in unit costs
- **Underlying EBIT of US$3.5 billion**
- **Underlying attributable profit of US$1.2 billion**
  - Attributable loss of US$6.4 billion
  - US$7.7 billion of exceptional items (after tax)

Leading margins through the cycle
(Underlying EBITDA margin[1], %)



Petroleum
240 MMboe
Conventional cost: US$ 8.53/boe
EBITDA: US$3.7 billion
EBITDA margin: 54%

Copper
1,580 kt
Cost: US$1.20/lb
EBITDA: US$2.6 billion
EBITDA margin: 35%

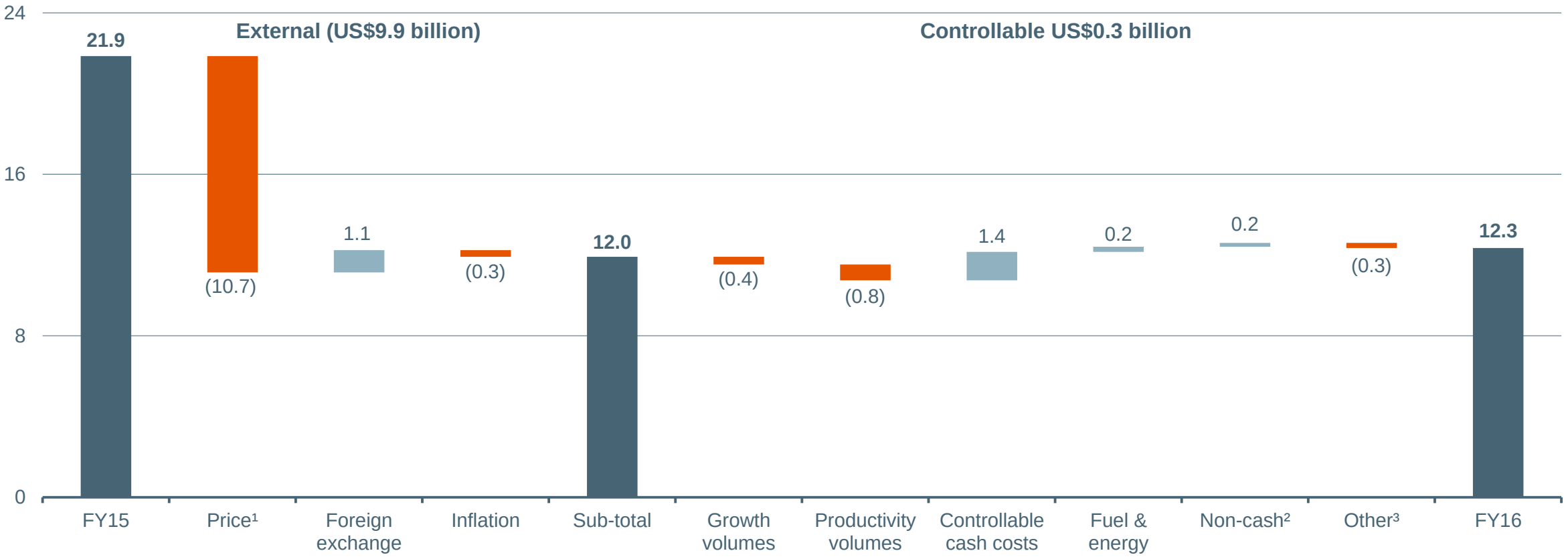
Iron Ore
227 Mt
Cost[2]: US$15/t
EBITDA[2]: US$5.5 billion
EBITDA[2] margin: 53%

Metallurgical Coal
43 Mt
Cost[2]: US$55/t
EBITDA[2]: US$584 million
EBITDA[2] margin: 17%

1. BHP Billiton data for FY06 to FY14 presented on a total operations basis. Peer group comprises Anglo American, Rio Tinto and Vale.
2. Unit cost, EBITDA and EBITDA margins refer to Western Australia Iron Ore and Queensland Coal.

Group EBITDA waterfall

Underlying EBITDA variance
(US$ billion)



1. Net of price-linked costs.
2. Non-cash includes deferred stripping depletion.
3. Other includes ceased and sold operations, asset sales, one-off items and other items (including profit/loss from equity accounted investments).

Financial impact of Samarco dam failure

- **Investment in Samarco written down to US$nil at 31 December 2015**
- **US$1.2 billion provision at 30 June 2016 reflects uncertainty around potential restart**
  - equivalent to 50% share of current estimate of Samarco's funding obligations under terms of Framework Agreement
  - US$134 million funding support to Foundation's reparatory and compensatory programs will be offset against provision
- **Direct costs incurred by BHP Billiton[1] of US$70 million**
- **Samarco financial support made available for remediation and stabilisation work and to support operations**
  - short-term funding facility of US$116 million for restart and working capital will be released only as required
  - safe restart is an important priority, along with the restructure of Samarco's debt

Equity accounted investment in Samarco

Income statement impacts (US$ million)	**H1 FY16**	**H2 FY16**	**FY16**
Share of loss relating to dam failure & impairment of carrying value of the investment in Samarco	(1,180)	-	(1,180)
BHP Billiton Brasil provision	-	(1,200)	(1,200)
Costs incurred directly by BHP Billiton[1] in relation to the Samarco dam failure	(8)	(62)	(70)
Total pre-tax Samarco dam failure exceptional expense	**(1,188)**	**(1,262)**	**(2,450)**
Income tax benefit / (expense)	330	(77)	253
Total Samarco dam failure exceptional expense	**(858)**	**(1,339)**	**(2,197)**

Balance sheet impacts (US$ million)	**FY15**	**H1 FY16**	**H2 FY16**	**FY16**
Investment in Samarco	1,044[2]	-	-	-
BHP Billiton Brasil provision	-	-	(1,200)	(1,200)

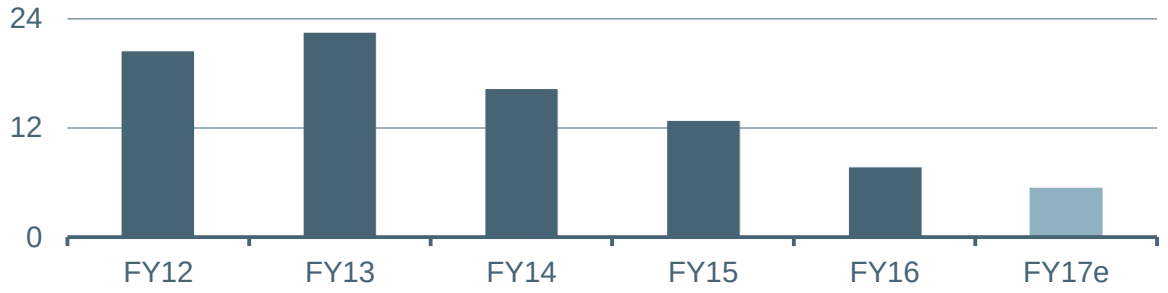
1. Includes BHP Billiton Brasil and other BHP Billiton entities.
2. Excludes US$136 million representing share of operating profit prior to the dam failure on 5 November 2015.

Free cash flow provides optionality

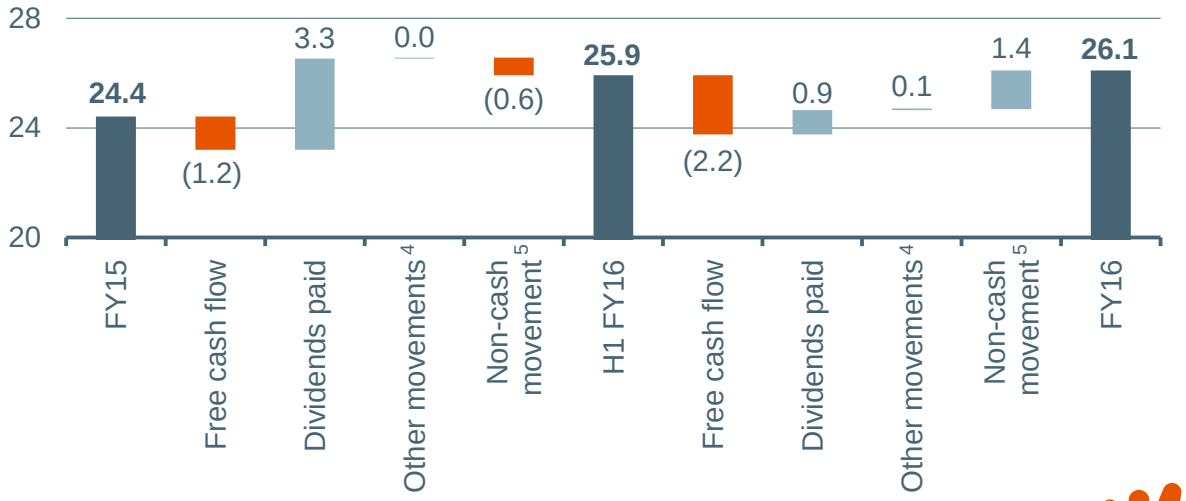
- **Free cash flow of US$3.4 billion**
  - net operating cash flow of US$10.6 billion
  - capital and exploration expenditure of US$7.7 billion[1]
  - working capital release of US$0.2 billion
  - ~40% reduction in Group overheads over 4 years[2]

- **Balance sheet is strong**
  - net debt of US$26.1 billion
  - average debt maturity of 9 years
  - liquidity of US$16.3 billion
  - 'A' credit rating maintained[3]

Capital and exploration expenditure (cash basis)
(US$ billion)



Movements in net debt
(US$ billion)

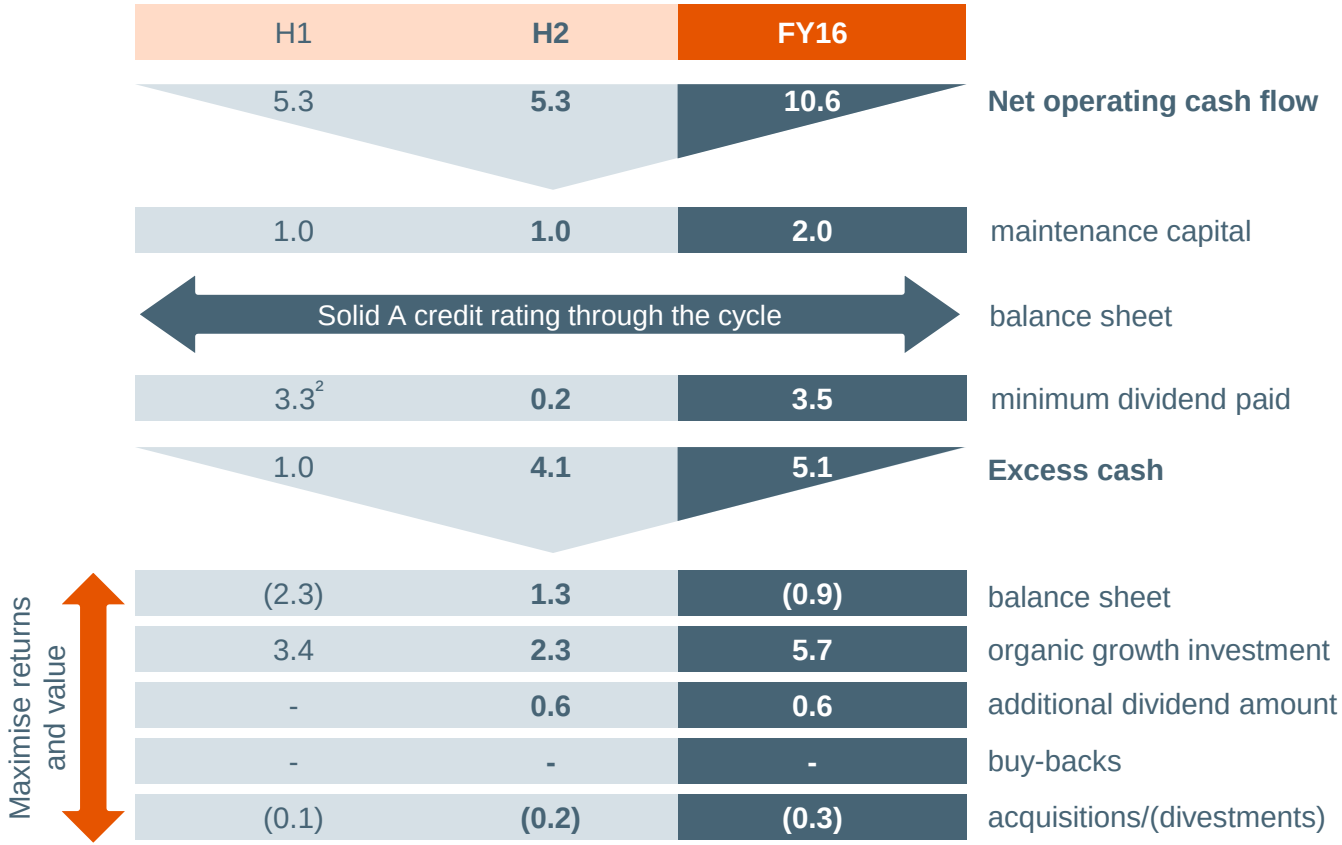


1. Cash basis. Capital and exploration expenditure of US$6.4 billion on a BHP Billiton share basis.
2. Excludes Samarco and Group capital expenditure.
3. Current credit rating of A (S&P) and A3 (Moody's). We manage to a solid A credit rating through the cycle.
4. Includes purchase of shares by Employee Share Ownership Plan Trusts.
5. Non-cash movements include non-cash foreign exchange variance due to the revaluations of local currency denominated debt offset by non-cash fair value adjustment on hedged debt.

Disciplined capital allocation

- **Our Capital Allocation Framework balances value creation, shareholder returns and balance sheet strength**
  - 'A' credit rating maintained[1]
  - total dividends paid of US$4.1 billion
  - growth capital and exploration expenditure of US$5.7 billion
- **Board will consider additional cash returns over minimum 50% payout at every reporting period**
- **US$0.30 per share dividend determined in FY16**
  - H1: US$0.16 per share (US$0.04 plus US$0.12 additional)
  - H2: US$0.14 per share (US$0.08 plus US$0.06 additional)

Capital allocation in FY16
(US$ billion)



1. Current credit rating of A (S&P) and A3 (Moodys). We manage to a solid A credit rating through the cycle.
2. Final dividend determined under progressive dividend policy in August 2015.

bhpbilliton

Financial results

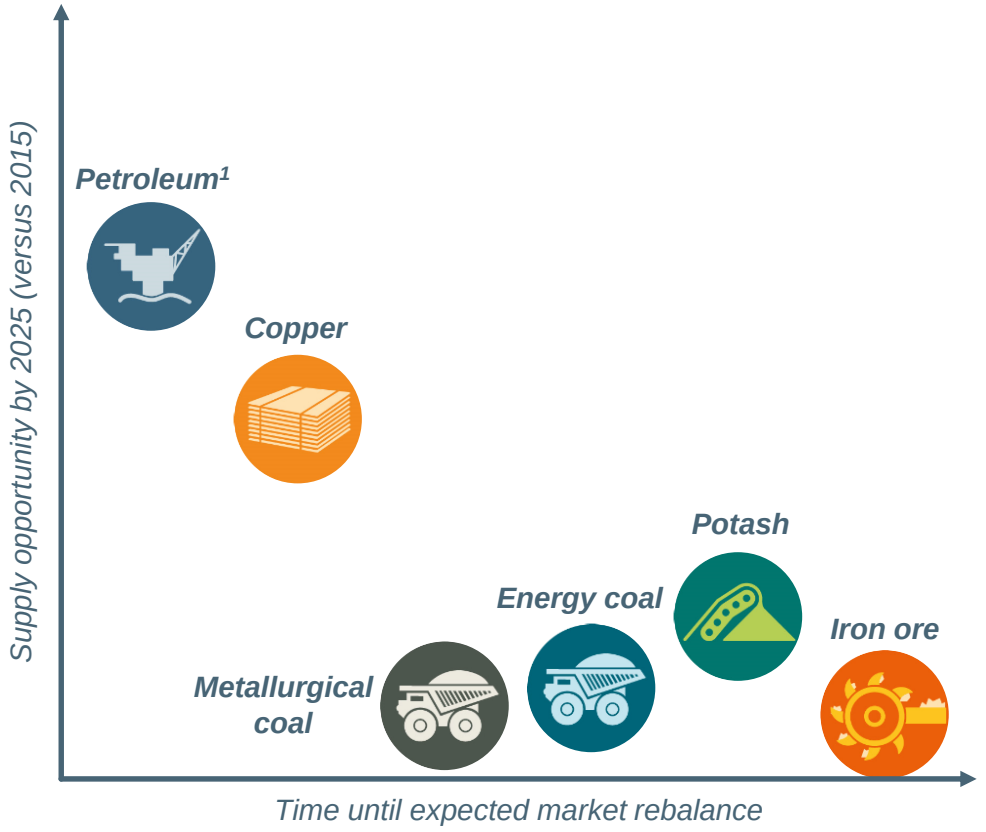
Year ended 30 June 2016

Andrew Mackenzie Chief Executive Officer

Well placed for the conditions we expect

- **Near-term is difficult**
  - well-supplied markets across our commodity suite
  - ineffective monetary policy, political uncertainty, populist rejection of free trade suppressing business confidence
- **Fundamentals to return as markets rebalance over the medium term**
- **Robust longer-term demand outlook**
  - China's industrial output and fixed investment solid
  - urbanisation, industrialisation and freer trade will lift demand from other emerging markets

Commodity market outlook to 2025

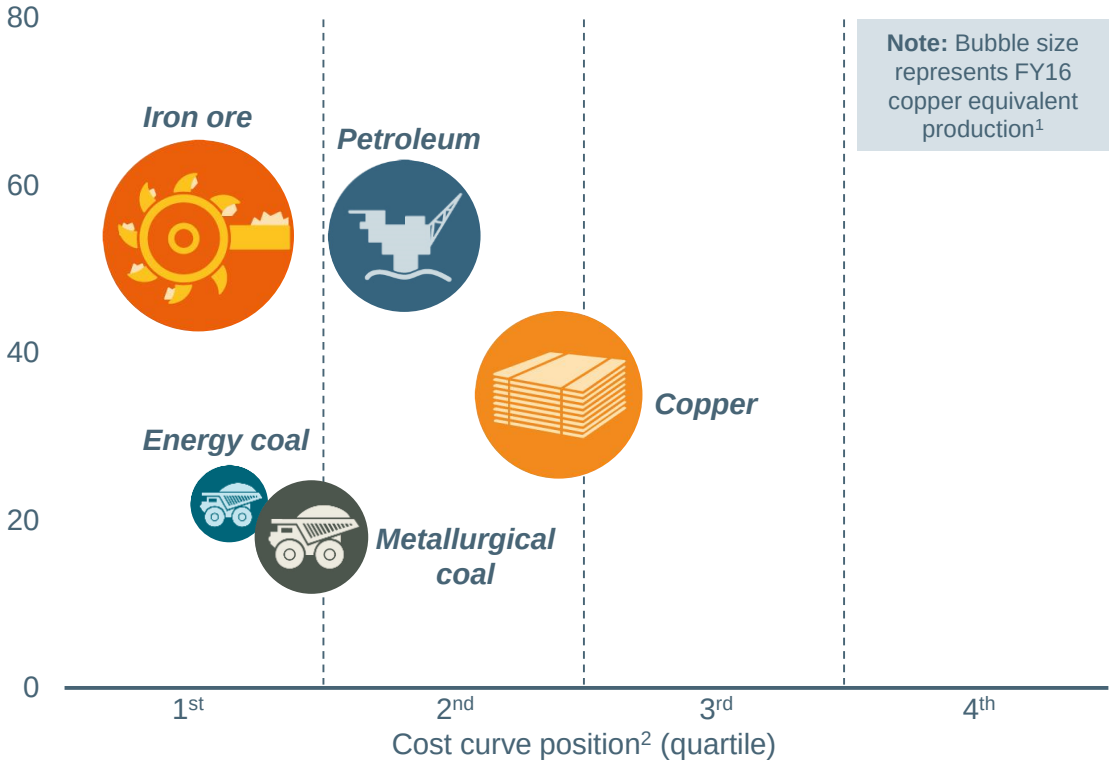


Source: Wood Mackenzie, BHP Billiton analysis.
1. Includes crude and US gas.

Focused portfolio and simplified operating model

- **Optimal portfolio after divestments and demerger**
  - well-capitalised, low-cost, long-life assets with expansion options
  - diversified across the right commodities
  - favourable geographic concentration
- **New operating model accelerates productivity gains**
  - assets focused solely on safety, volume and cost
  - globally integrated functions co-located with the assets
  - centres of excellence for maintenance, projects and geoscience
  - new structure has lowered overheads through fewer layers and increased spans of control

Tier 1 portfolio
(FY16 Underlying EBITDA margin, %)



Source: AME; Wood Mackenzie; BHP Billiton analysis.
1. Copper equivalent production based on FY16 realised prices.
2. Based on weighted average equity share of production using quality-adjusted operating cost curves versus contestable demand in the markets in which our assets operate.

Broad suite of opportunities offers significant upside

We have made significant progress to capture valuation upside and improve returns

Productivity	**On track to deliver US$2.2 billion of gains over two years to end FY17** Absorbed US$1.6 billion impact of grade decline at Escondida in FY16
Latent capacity	**Latent capacity options equate to >10% of current production at a capital cost of ~US$1.5 billion** Los Colorados Extension approved; Spence Recovery Optimisation ramping up; new Jimblebar capacity by December; Queensland Coal capacity creep; Olympic Dam on track for 230 ktpa by 2021
Shale	**Onshore US free cash flow positive in FY17 at consensus prices** Launched hedging program to unlock resource in the Haynesville
Projects	**Mad Dog 2 investment decision expected in the next 12 months** Spence Growth Option due for Board review in H2 CY17; Olympic Dam Brownfield Expansion (BFX) now at concept study phase
Exploration	**Counter cyclical investment to accelerate oil and copper exploration** Exploration wells currently drilling in the Gulf of Mexico and Trinidad & Tobago
Technology	**Ongoing investment in technology to lower costs and unlock resources** IROC for Coal approved; Olympic Dam heap leach trials moved to next stage

Momentum builds into the new financial year

Steady volumes…

- FY17 copper equivalent volume growth of up to 4% (ex-Onshore US)
- Onshore US will respond to market conditions

…lower costs…

- productivity gains of US$1.8 billion expected in FY17
- unit costs expected to reduce by 12%[1]

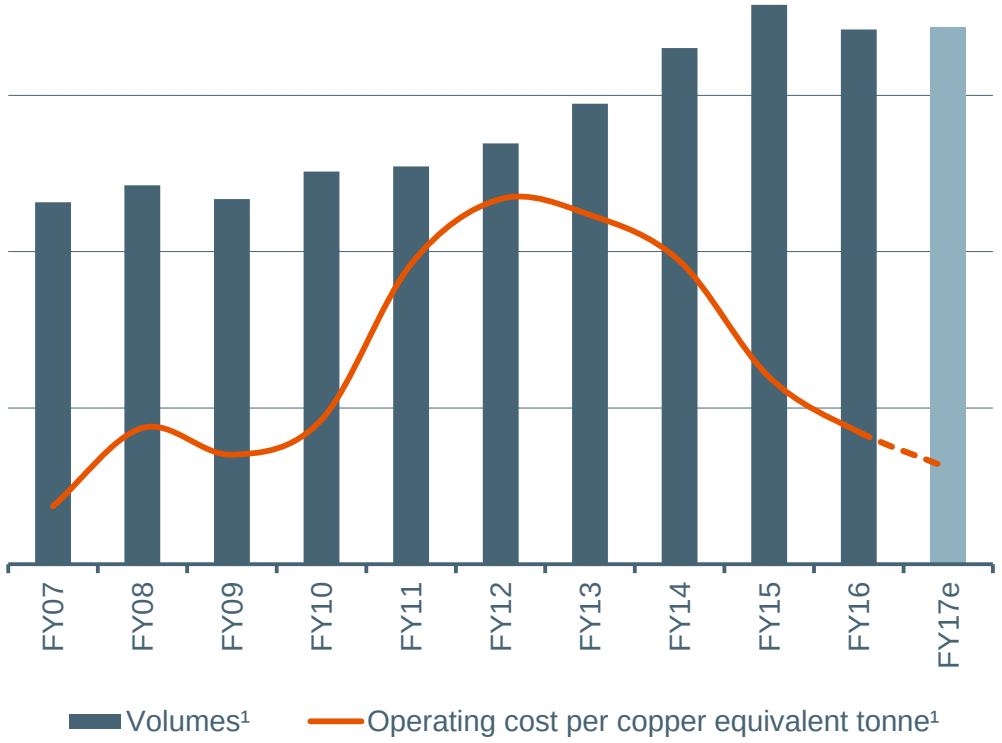
…and higher capital productivity…

- FY17 capital and exploration expenditure of US$5.4 billion[2]
- biased to latent capacity and low-cost growth

…will drive free cash flow and lower debt

- free cash flow of over US$7 billion in FY17 at spot prices[3]
- FY16 net debt of US$26.1 billion expected to be the peak this cycle

Lowest unit operating costs in a decade expected in FY17
(Mt, operating cost per copper equivalent tonne)



1. Presented on a continuing operations basis excluding BHP Billiton's share of volumes from equity accounted investments; operating cost per copper equivalent tonne calculated using FY16 realised prices.
2. On a cash basis. Capital and exploration expenditure of US$5.0 billion on BHP Billiton share basis.
3. Spot prices at 8 August 2016.

Positioned to grow value and returns

The right commodities…

- optimal diversification with petroleum and copper markets expected to rebalance first

…the right assets…

- optimal portfolio of well-capitalised, low-cost, long life assets

…the right structure…

- 12 operated assets, 4 commodities, 3 operating groups

…to maximise free cash flow[1]

- free cash flow of over US$7 billion in FY17 at spot prices[2]

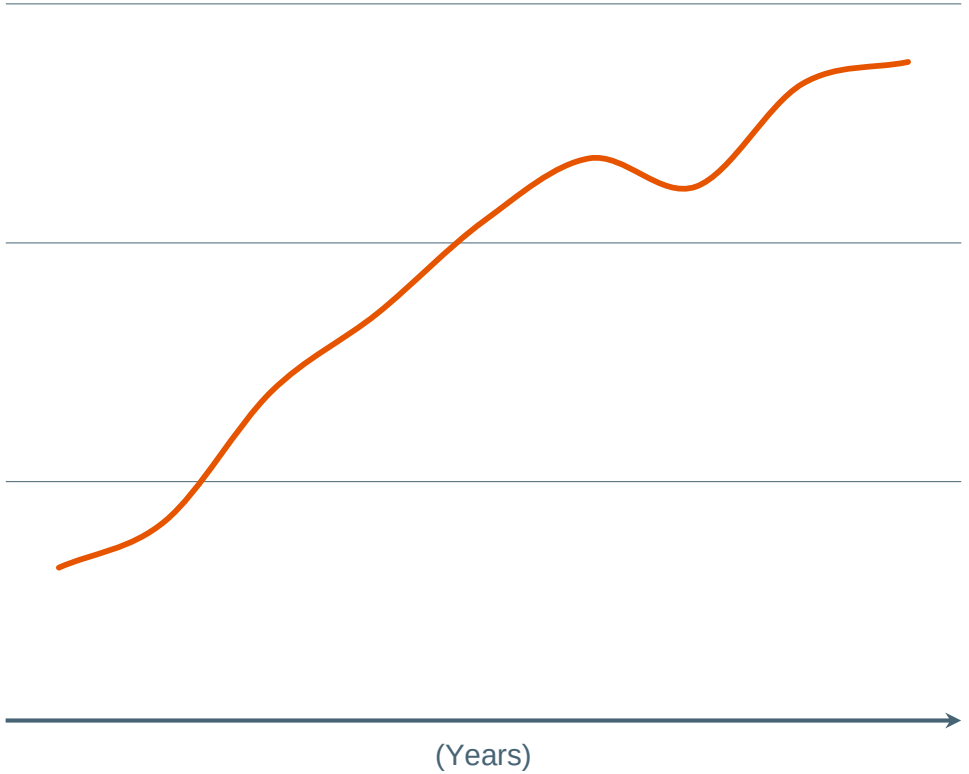
The right capital allocation framework…

- balances value creation, shareholder returns and balance sheet strength

…to drive value and returns

- strong progress on suite of opportunities to grow value and improve ROIC

We have opportunities to significantly increase returns
(Return on Capital Employed[3] at consensus prices, nominal)



1. Free cash flow: operating cash flow less capital expenditure and exploration.
2. Spot prices at 8 August 2016.
3. Assumes all latent capacity and growth options (including Onshore US) proceed.

bhpbilliton

bhpbilliton

Appendix

BHP Billiton guidance

Group	FY17e	FY18e	
Capital and exploration expenditure (US$bn)	5.4	6.2	Cash basis.
Including:			
Maintenance	2.0		
Exploration	0.8	0.8	US$700m Petroleum and US$60m Copper exploration program planned for FY17.

Petroleum	FY17e	
Total petroleum production (MMboe)	200 - 210	
Onshore US		
Capital expenditure (US$bn)	0.6	Development activity tailored to market conditions.
Production (MMboe)	77 - 83	We continue to balance near-term cash flow performance and long-term value maximisation.
Conventional Petroleum		
Capital expenditure (US$bn)	0.8	Focused on life extension projects at Bass Strait and North West Shelf.
Production (MMboe)	123 - 127	35 day maintenance shutdown at Atlantis in Q1 FY16, deferral of infill drilling in the Gulf of Mexico for value and natural field decline.
Unit cost (US$/barrel)	10	Excludes inventory movements, freight, and third party and exploration expense.
Exploration (US$bn)	0.7	Focused on Gulf of Mexico, the Caribbean and the Northern beagle sub-basin.

BHP Billiton guidance (continued)

Copper	FY17e	
Total copper production (Mt)	1.66	Guidance for Escondida at 1.07 Mt. Pampa Norte production is expected to increase. Olympic Dam production guidance to remain unchanged. Guidance for Antamina production to decrease to 130 kt as planned mining sequence moves through lower a copper grade zone.
Escondida		
Production (Mt, 100% basis)	1.07	Enabled by the commissioning of the Escondida Water Supply project and the ramp up of the Los Colorados Extension.
Unit cash costs (US$/lb)	1.00	Excludes freight and treatment and refining charges. Net of by-product credits. Based on an exchange rate of USD/CLP 698.

Iron Ore	FY17e	
Total iron ore production (Mt)	228 - 237	Excludes production from Samarco.
Western Australia Iron Ore		
Production (Mt, 100% basis)	265 - 275	
Unit cash costs (US$/t)	14	Excludes freight and royalties; based on an exchange rate of AUD/USD 0.71.
Sustaining capital expenditure (US$/t)	4	Long term average; +/- 50% in any given year.

Coal	FY17e	
Total metallurgical coal production (Mt)	44	
Total energy coal production (Mt)	30	The divestment of Navajo Coal to Navajo Transitional Energy Company was completed on 29 July 2016.
Queensland Coal		
Production (Mt)	44	
Unit cash costs (US$/t)	52	Excludes freight and royalties; based on an exchange rate of AUD/USD 0.71.
Sustaining capital expenditure (US$/t)	6	Long term average; +/- 50% in any given year.
NSW Energy Coal		
Production (Mt)	19	
Unit cash costs (US$/t)	38	Excludes freight and royalties; based on an exchange rate of AUD/USD 0.71.
Sustaining capital expenditure (US$/t)	4	Long term average; +/- 50% in any given year.

Key Underlying EBITDA sensitivities

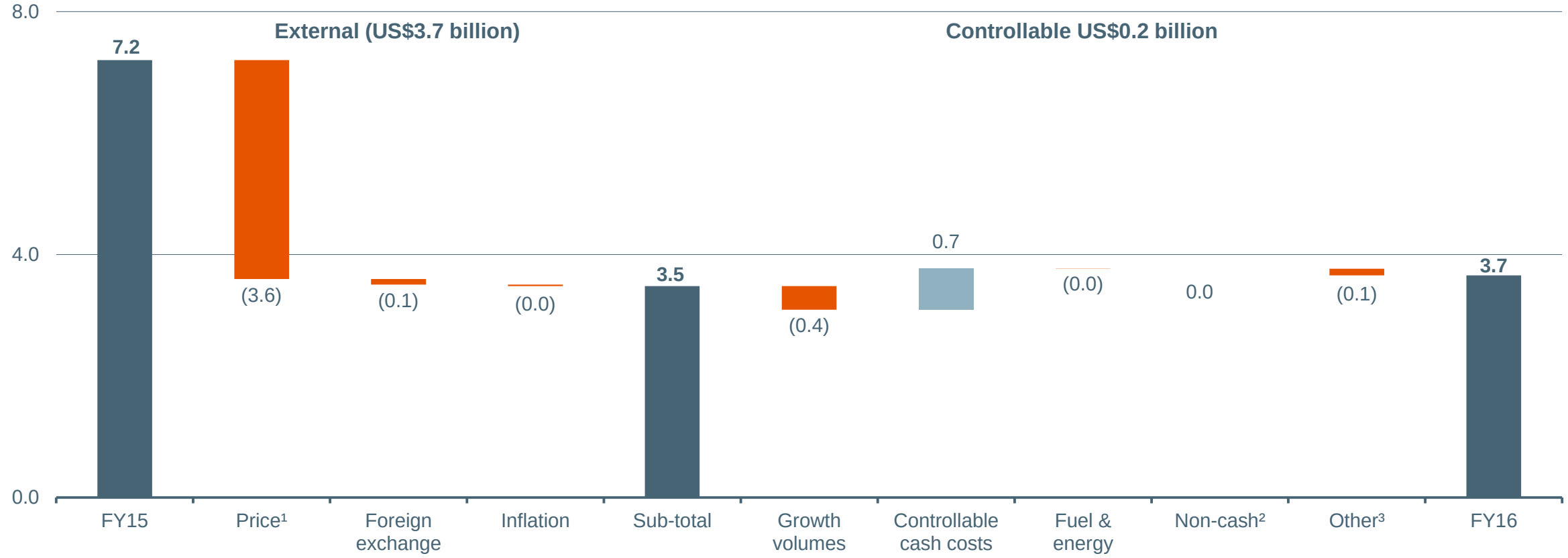
Approximate impact[1] on FY17 Underlying EBITDA of changes of:	US$ million
US$1/t on iron ore price[2]	217
US$1/bbl on oil price[3]	79
US¢10/MMbtu on US gas price	26
US$1/t on metallurgical coal price	42
US¢1/lb on copper price[2]	34
US$1/t on energy coal price[2]	18
US¢1/lb on nickel price	2
AUD (US¢1/A$) operations[4]	78

1. Assumes total volume exposed to price; determined on the basis of BHP Billiton's existing portfolio.
2. Excludes impact of equity accounted investments.
3. Excludes impact of change in input costs across the Group.
4. Based on average exchange rate for the period.

Petroleum EBITDA waterfall

Underlying EBITDA variance

(US$ billion)

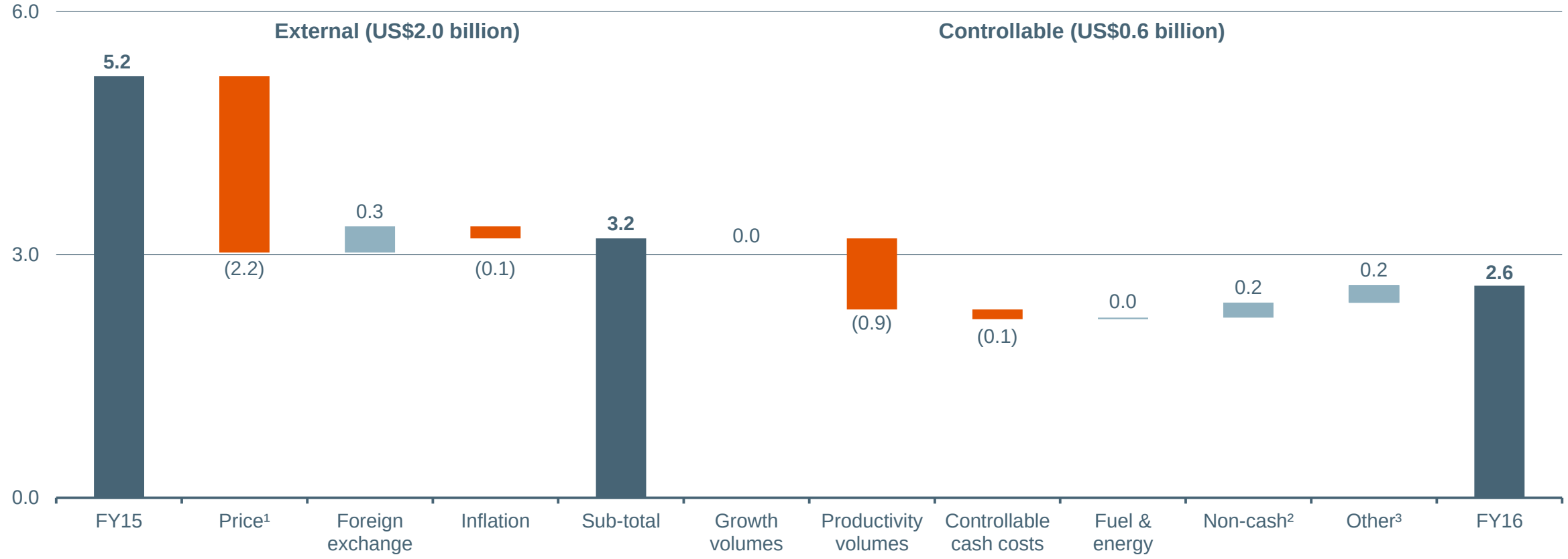


1. Net of price-linked costs.
2. Non-cash includes change in deferred stripping depletion.
3. Other includes ceased and sold operations, asset sales, one-off items and other items (including profit/loss from equity accounted investments).

Copper EBITDA waterfall

Underlying EBITDA variance

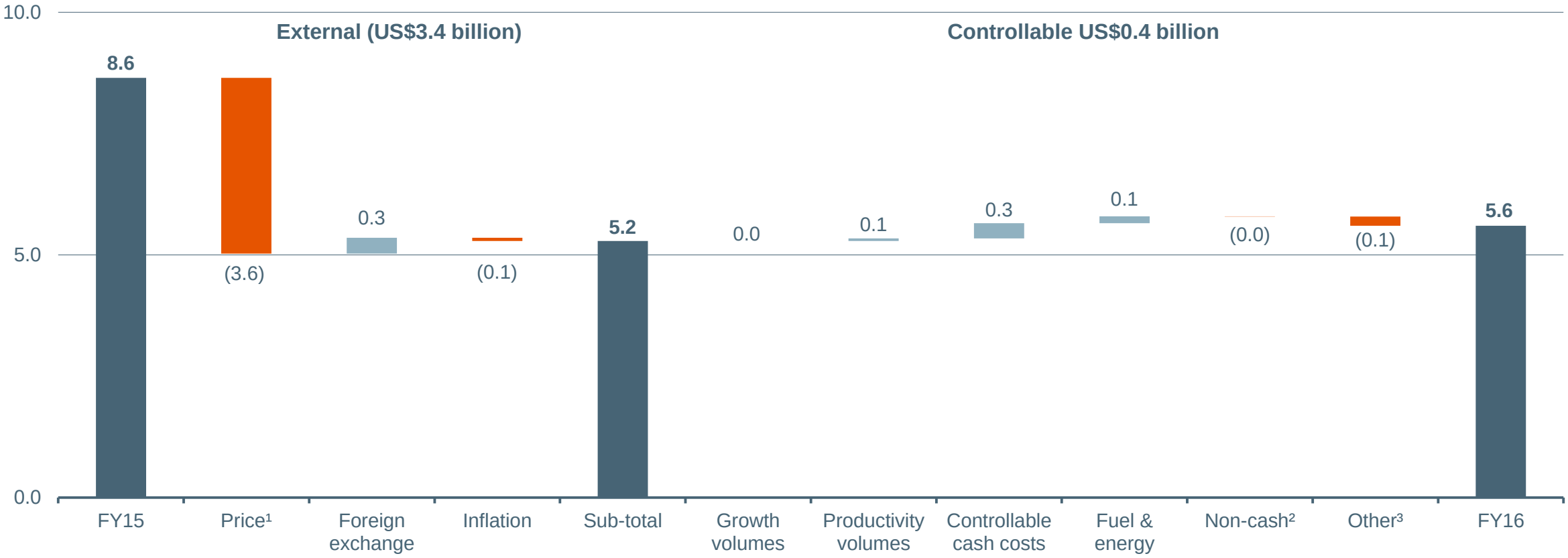
(US$ billion)



1. Net of price-linked costs.
2. Non-cash includes change in deferred stripping depletion.
3. Other includes asset sales, one-off items and other items (including profit/loss from equity accounted investments).

Iron Ore EBITDA waterfall

Underlying EBITDA variance
(US$ billion)

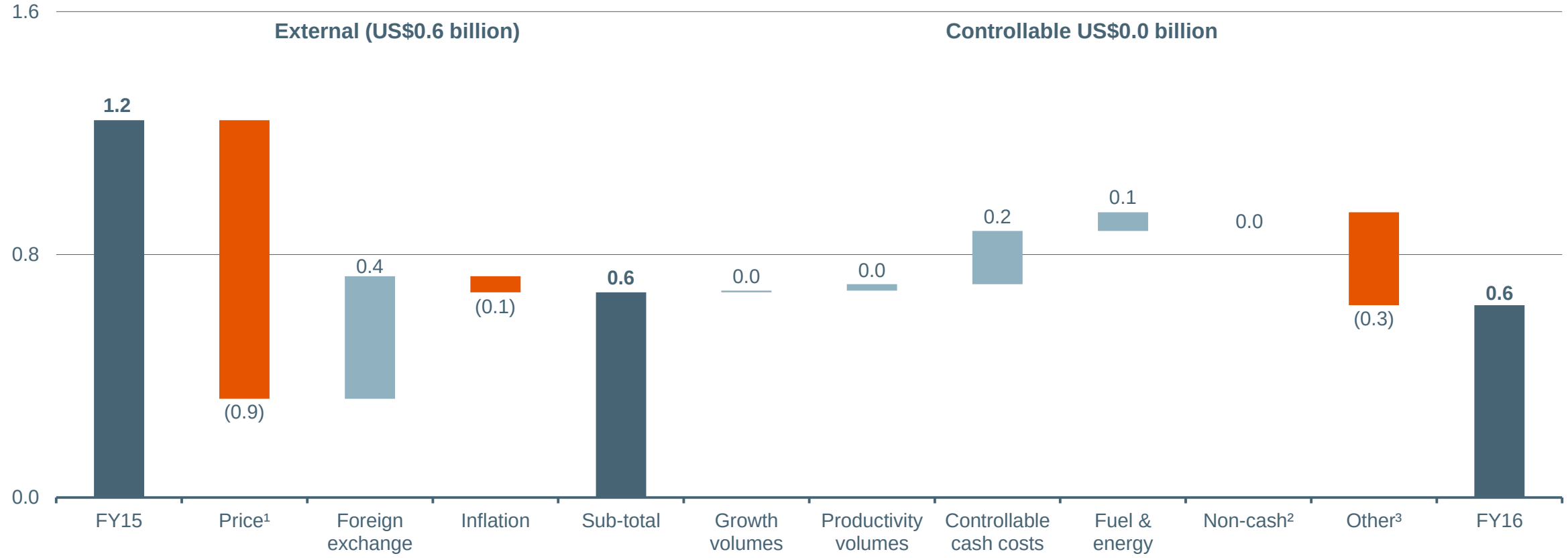


1. Net of price-linked costs.
2. Non-cash includes change in deferred stripping depletion.
3. Other includes ceased and sold operations, asset sales, one-off items and other items (including profit/loss from equity accounted investments).

Coal EBITDA waterfall

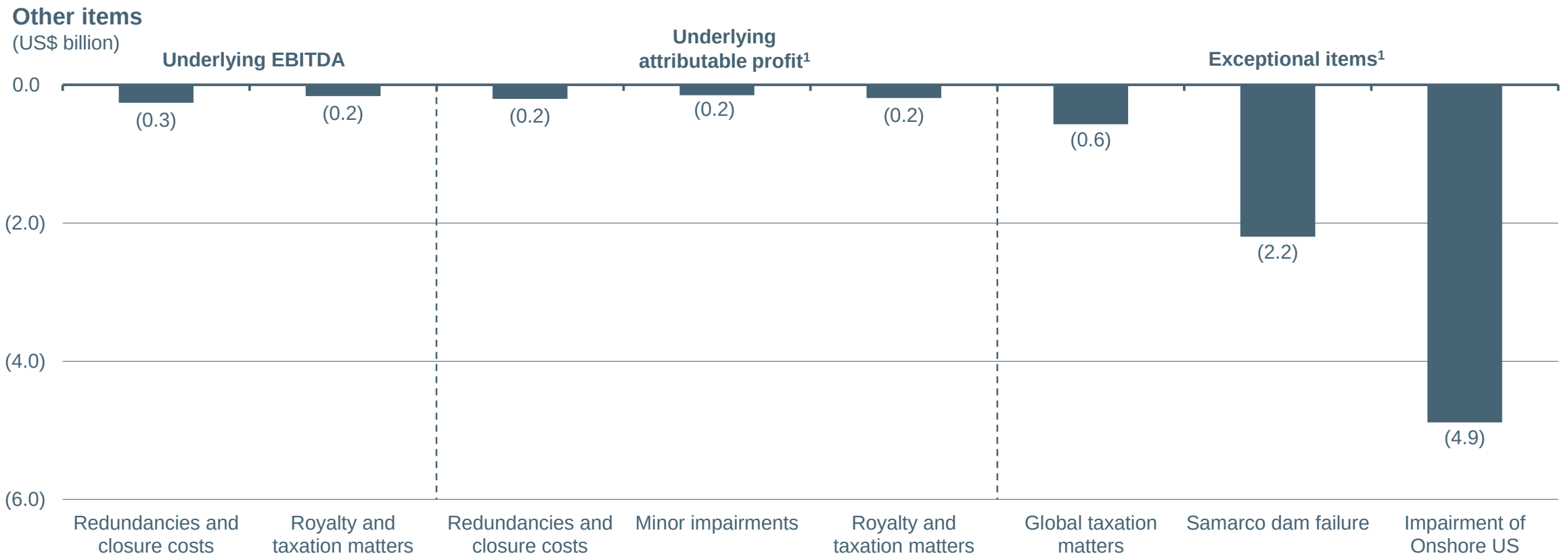
Underlying EBITDA variance

(US$ billion)



1. Net of price-linked costs.
2. Non-cash includes change in deferred stripping depletion.
3. Other includes ceased and sold operations, asset sales, one-off items and other items (including profit/loss from equity accounted investments).

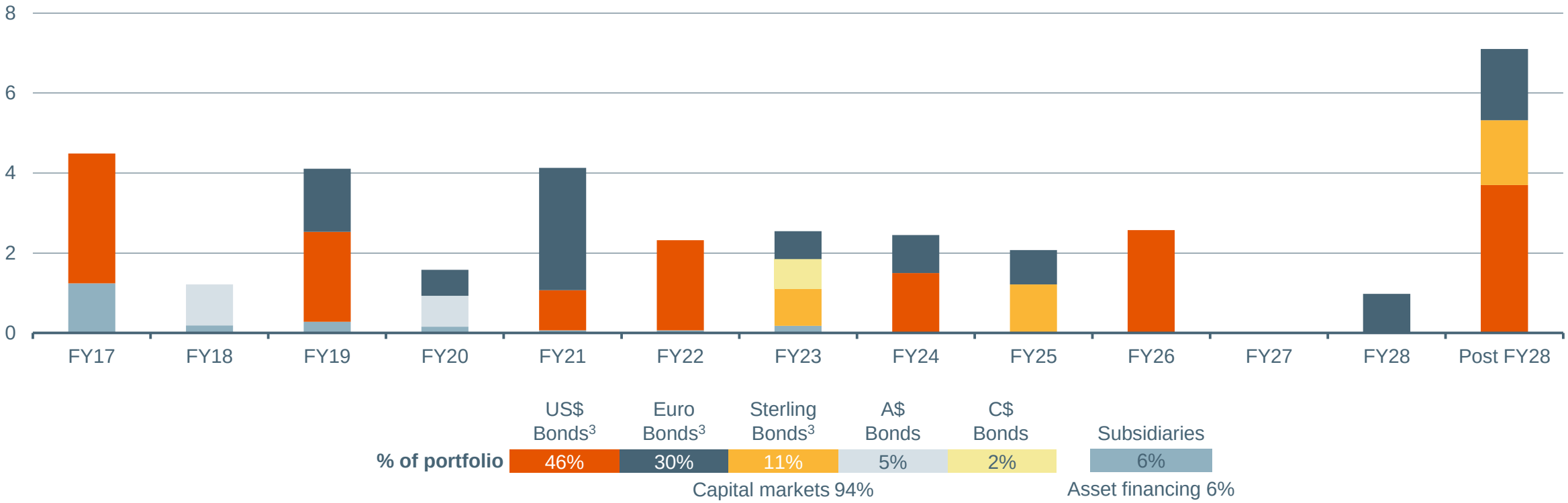
Other items affecting profitability



1. Post tax consequences.

Debt maturity profile

Debt balances[1]
(US$ billion[2])



1. All debt balances are represented in notional US$ values and based on financial years. As at 30 June 2016.
2. Subsidiary debt is presented in accordance with IFRS 10 and IFRS 11.
3. Includes hybrid bonds (18% of portfolio: 9% in US$, 6% in Euro, 3% in Sterling).

We remain positive on long-term copper fundamentals

Short-term overcapacity in copper remains persistent

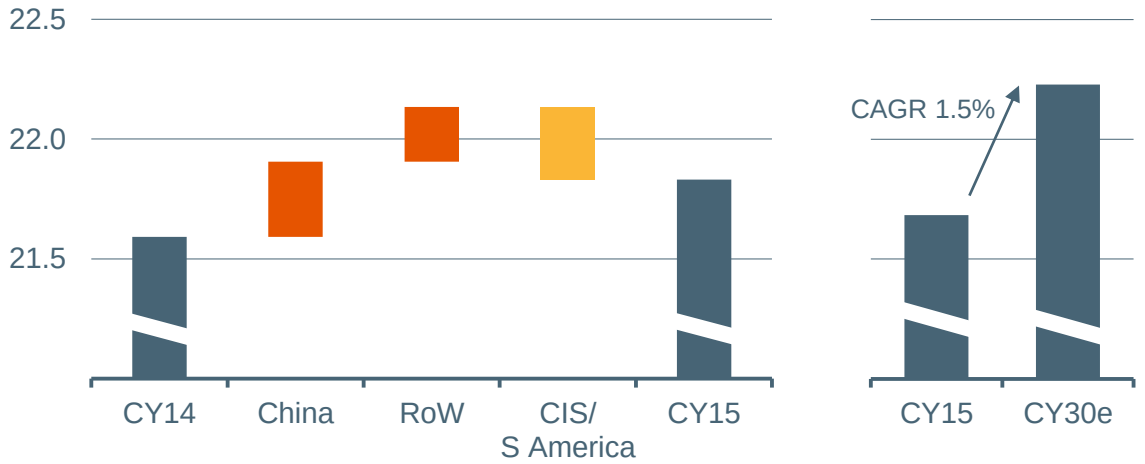
- Subdued demand with slower than expected growth in China and recession in key non-Asian emerging economies
- Increased supply from new and expanded operations with more growth expected near term

Long-term fundamentals are sound

- Demand growth will continue as China transitions to a consumer-driven economy, and copper-intensive renewable energy capacity and electric vehicles grow rapidly
- Emerging markets will recover and converge to their natural intensity curves
- Grade decline and mine depletions will require investment in new supply

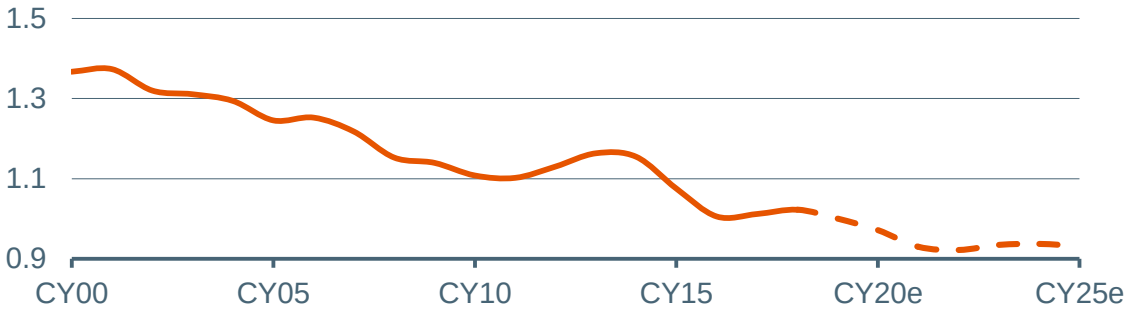
Global demand slow recently, but long run trend is still positive

(Refined copper demand[1], Mt)



Continued global ore grade decline expected

(Copper grades[2], %)



Source: Wood Mackenzie.

1. The two upper panels are not set to the same scale.
2. Based on average grade weighted by paid copper.

Oil and US gas markets expected to rebalance

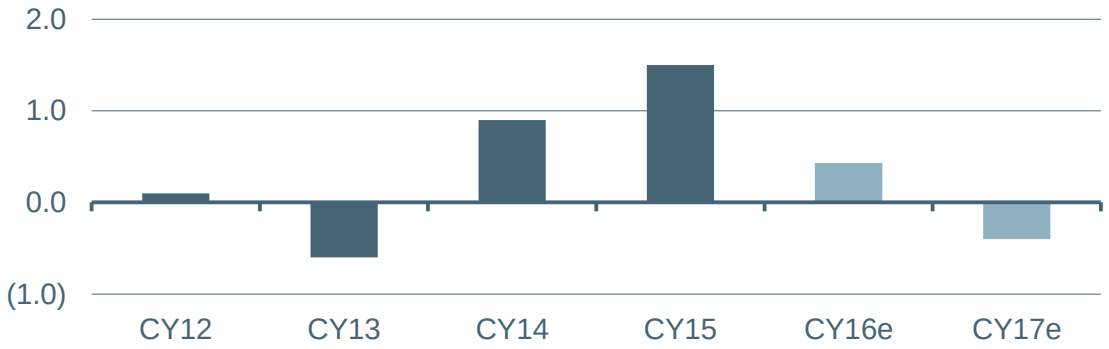
Outlook remains healthy

- Fundamentals tightening, as healthy demand growth intersects with slower global production growth due to falling production in the US
- Rate of inventory drawdown will impact price recovery - OPEC and US production remain key watch points
- Higher prices will be required to induce the new supply needed to offset natural field decline and meet growing demand

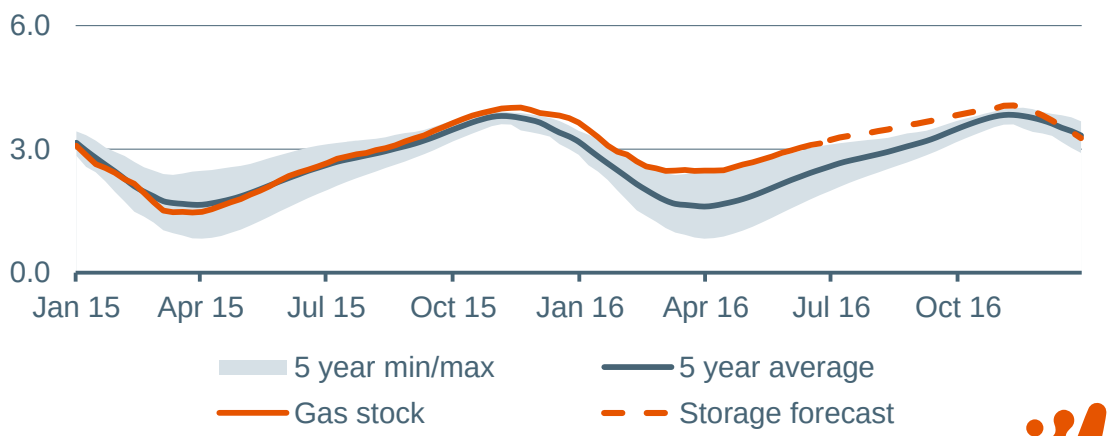
Near-term US natural gas prices driven by storage and weather; long-term market supported by robust demand growth

- Mild winter, industry-wide productivity gains and resilient supply resulted in record inventory levels
- Inventories forecast to return to average levels by end CY16 on strong demand growth and declining production
- While investment in new supply sources will be required, the abundant lower-cost supply will moderate price inflation

Oil mass balance: global
(Inventory change, MMbbl/d)



Gas storage: US Lower 48
(tcf)



Source: BHP Billiton analysis; US Energy Information Administration (August 2016).

Iron ore demand outlook remains modest

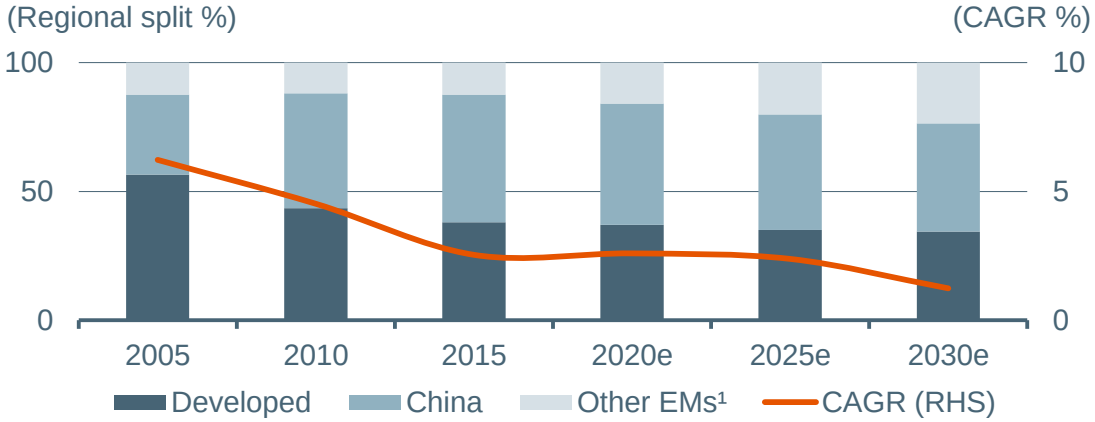
Chinese and global steel growth to slow

- Global steel production is likely to grow modestly in the future
- China's steel demand growth to become more cyclical as it moves past the inflection point on its intensity curve
- As China slows, global steel demand growth will mostly come from emerging economies, primarily India and Southeast Asia

Low-cost iron ore to continue to displace higher cost supply

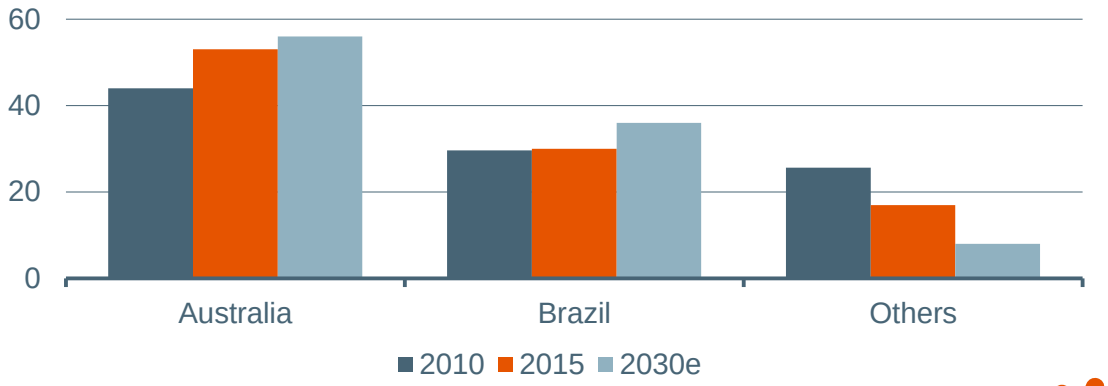
- Supply growth will continue to outweigh demand growth in coming years
- Lower costs through productivity is likely to remain a long-term feature
- Pilbara production expected to remain highly cost competitive

Global steel production break-down



Seaborne iron ore exports by region

(% of global market)



Source: Worldsteel; BHP Billiton analysis.
1. Other emerging markets: including developing Asian countries, Middle East, Africa and Latin America.

Metallurgical coal outlook supported by growing demand for high-quality product

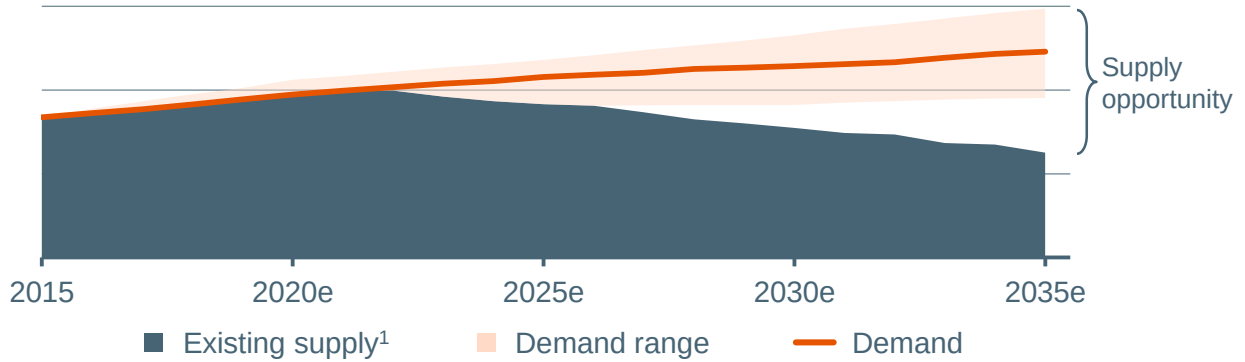
Demand improvement to be moderate, supply slowly adjusting

- Cost curve has flattened
- Lower prices are leading to closures and reduced investment

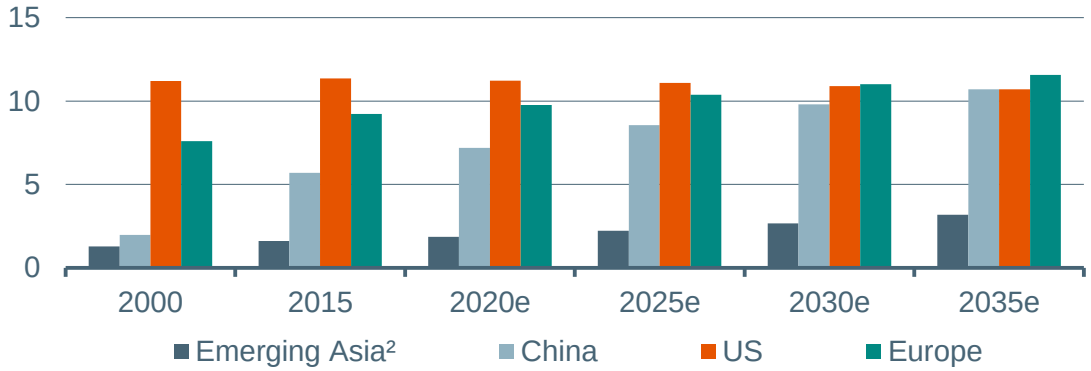
The world continues to require steel and metallurgical coal is essential for pig iron production

- China expected to continue to import seaborne metallurgical coal
  - demand supported by coastal market access and requirement for consistent, quality product in larger blast furnaces
  - encouraging signs following domestic coal supply reforms
- Robust outlook underpinned by scarcity of high-quality resources and demand growth in emerging economies
  - particularly in India where we expect strong steel production growth

Seaborne metallurgical coal supply and demand
(Bt)



Gap to close in emerging market steel stock
(finished steel per capita, t)



Source: Wood Mackenzie; Worldsteel; BHP Billiton analysis.
1. Includes productivity improvements.
2. Emerging Asia includes India, ASEAN and other South Asia. Excludes China, Japan, Taiwan and South Korea.

Energy coal expected to remain an important part of the global energy complex

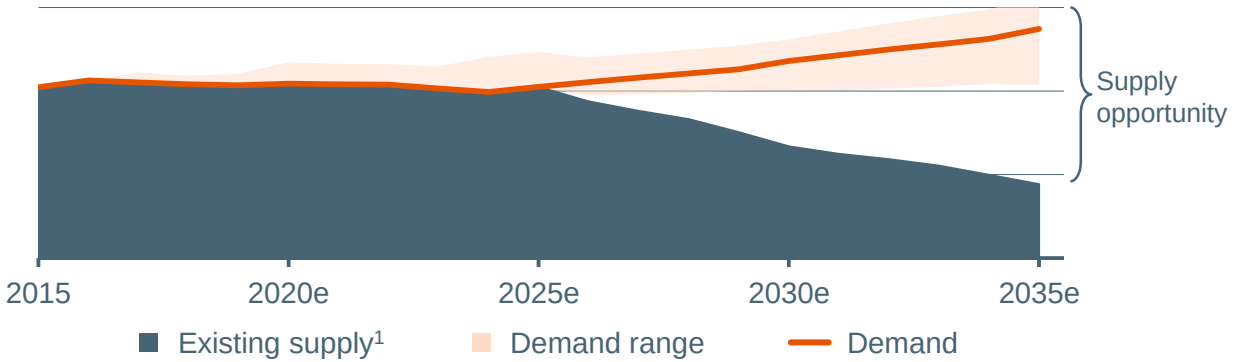
Markets expected to remain oversupplied in the near term

- China's demand for imports is likely to fall further as domestic overcapacity persists, however coal supply reforms encouraging
- More supply rationalisation is required to balance the market

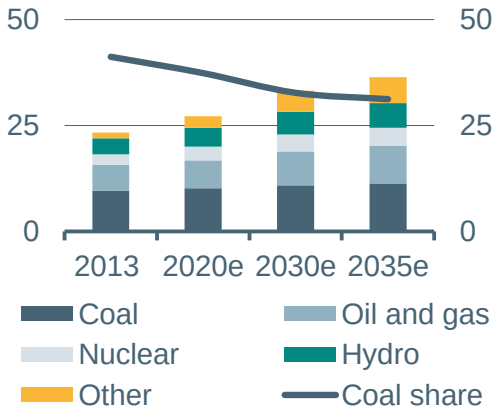
Coal's share of the fuel mix will decline but total volume will grow due to cost competitiveness in Asia

- Absolute demand expected to increase by 10-15% by the mid-2020s, despite a declining share in the global electricity generation fuel mix
- India and South East Asia have 26% of the world's population, but still account for only 13% of global electricity generation
  - low-cost energy coal is expected to be a preferred fuel source

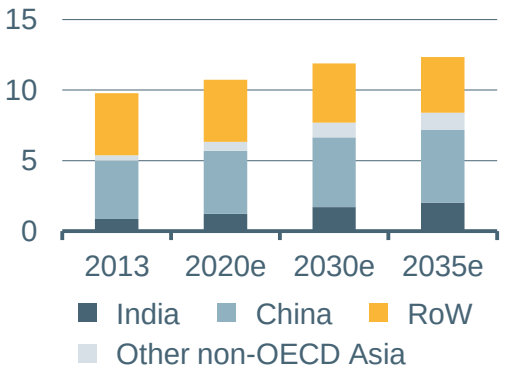
Additional seaborne supply required to meet expected demand
(Bt)



Global electricity fuel mix[2]
(PWh) (coal share, %)



Energy coal use in electricity[2]
(PWh)



Source: Wood Mackenzie; IEA; BHP Billiton analysis.
1. Includes productivity improvements.
2. Based on IEA data from WEO2015_AnnexA © OECD/IEA, www.iea.org/statistics. Licence: www.iea.org/t&c; as modified by BHP Billiton.