

BHP

Port Haven A part of Port Hedland

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Agenda

- **BHP overview**
- **Port Hedland accommodation overview**
- **Port Haven Village**
 - Overview
 - Our village
 - Our guests
 - Subsidised community rooms
 - Our team
 - Our community
- **BHP workforce model**
- **Benefits to Port Hedland**
- **Summary**



Our WA assets

Western Australia Iron Ore (WAIO)

Integrated system of four processing hubs connected by >1,300km of rail and two world class port facilities.

- FY17 production: 268 Mt (100% basis)
- FY18 guidance: 275-280 Mt

Petroleum

Operator of the Macedon offshore gas field and onshore domestic gas processing facility.

Operator of Pyrenees offshore oil fields.

Joint venture partner in the North West Shelf.

Nickel West

A fully integrated mine-to-market nickel business with mines, concentrators a smelter and a refinery.



Port



Port Haven – A Part of Port Hedland
November 2017

BHP Economic Contribution



Jobs

- ~1,150 residential employees in Hedland
- 200 apprentices and trainees in WAIO in 2018

Taxes

- State and Federal

Operational Spend

FY17 A\$3.6 billion operational spend

- Pilbara – A\$638M (18%)

Indigenous Contracting

- FY17 Direct spend on Indigenous Vendors \$49.4M

Total Payments to TOPH A\$M

- FY 17 \$5.1M

Residential Housing Portfolio – Rates

FY18	\$3.4M
FY17	\$3.4M
FY16	\$3.4M
FY15	\$3.6M
FY14	\$3.4M

FIFO Camp Rate

Port Haven ~\$1M/annum

BHP Residential Commitment

- Operations - Port and Rail over multiple sites including Finucane Island/ Nelson Point, Mooka, Redmont, Newman and across the Central Pilbara.
- **Approximately 1,150 operational employees and their families reside in Hedland.**
- Large BHP residential portfolio across Port and South Hedland
 - ~1,200 properties
 - ~250 residential employees in other non-BHP housing (ie; HOS, HPP, Third Party)
- **Since 2008 BHP capital expenditure on residential accommodation in Port Hedland exceeds \$500M.**

BHP Residential Commitment

- **Over 300 new homes constructed in the Pilbara over the last six years.**

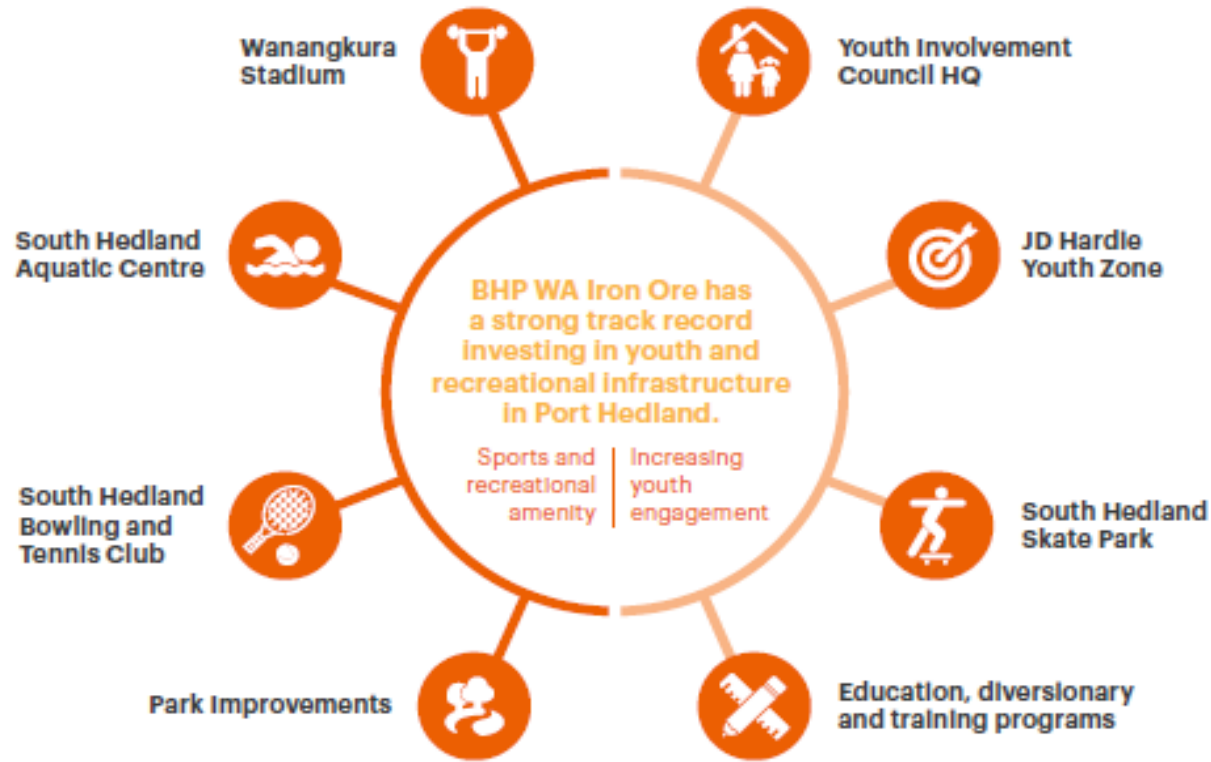
Developments include:

- **\$78M St Cecilia's development:** 45 new townhouses (3, 4 & 5 bedrooms)
 - **\$66.8M Quattro development:** 55 townhouses, 20 apartments (1 & 2 bedrooms), and commercial office space.
 - **\$76M Murdoch Drive development** - 84 new homes (3 & 4 bedrooms) built on Murdoch Drive.
 - **Counihan Apartments** – 42 apartments in Pretty Pool, and commercial space.
 - **Hedland Accommodation Program (HAP4)** – New builds in Pretty Pool.
- During FY17 we also invested over A\$17M in maintaining the quality of our Hedland housing portfolio. This included major refurbishment works to more than 226 dwellings.

BHP Current Social Investment - Port Hedland

In FY17 our total community development expenditure in Western Australia was **A\$234.6 million**, with 90 per cent invested in the Pilbara.

Port Hedland



Port Haven Village

Port Haven Village is a purpose-built accommodation village providing modern accommodation primarily for BHP fly-in fly-out (FIFO) personnel and contractors working in Port Hedland and surrounding areas.



Port Haven Village

A Brief History

Came from a 2008 Council tender for a facility at the Port Hedland International Airport.

Port Haven's location was selected by TOPH.

BHP worked closely with TOPH (and ESS) to develop world class accommodation for FIFO workers.

Port Haven Village was a option that provided:

- BHP with essential accommodation for an expanding operational and construction workforce
- TOPH Rooms for essential services and small business to use
- Rates and lease income to TOPH
- Easing of pressure on limited accommodation supply in town at the time

BHP spent \$256M on the camp, a significant investment into a long term solution for accommodation in consultation with the ToPH.



Other Miners...

- FMG – bought caravan park and converted it (Freehold land)
- Roy Hill – built on State Government Land (lease for life of their asset to 2032)

Our village

- 1,202 ensuite rooms
- Fully serviced village
- Central dining hub and in-house chefs
- Sporting and recreational facilities
- Mobile and internet coverage
- Conference, meeting and function rooms

Port Haven is primarily an accommodation facility for BHP personnel.

- Average 450 BHP employees rising to approximately 1,100 people during peak shutdown periods (fortnightly).
- Roles accommodated include Operations, Geoscience and Exploration, Major Projects, Asset Projects, Shutdowns and Track Renewals
- The village also welcomes guests from: Government departments, Business personnel, School groups, Not-for-profits and community groups



Subsidised Community Rooms

80 rooms for community use

By agreement with the Town of Port Hedland the village also makes 80 subsidised rooms accessible to the wider Port Hedland community supporting affordable and easily accessible accommodation for essential services such as:

- Medical and police services
- Not-for-profit
- Community organisations
- Small businesses

These 80 rooms are managed through the Port Hedland Chamber of Commerce and Industry, and create a revenue stream for the Chamber that is re-invested back into supporting small businesses in town.

Over the past 18 months **17,438** subsidised overnight stays have been booked.



Our team

Operated by Compass Group and its subsidiary ESS who provide our village operations and facilities management.

- ~36% of village employees are local
- Recruitment of more local roles currently in progress
- Diverse roles: Chefs and cooks, housekeepers, utility workers, security, grounds people, trades and administration
- Traineeships and apprenticeships – 5 new apprentices to commence by December
- Work readiness employment programs
- Adapting Compass/ESS operations and rosters to better suit residential workers

We're committed to progressively move towards a 100% local workforce.



Our community

Contributing to our community and supporting the long-term future and growth of Port Hedland.

- \$1.65M local spend in Hedland (FY17)
- Prioritising local supply, services and employment
- Town of Port Hedland rates revenue ~\$1M/annum
- Partners with the Port Hedland Chamber of Commerce and Industry
- Workplace learning
- Facilitating community participation and engagement
- Accommodation and facilities available

*Top: West Pilbara Young Indigenous Girls Leadership Camp at Port Haven.
Bottom: Port Haven employees attending the West End Markets together.*



BHP workforce model supports both residential and FIFO

A combined residential and fly-in fly-out workforce

An element of the BHP workforce will continue to be fly-in fly-out for a range of operational and personal choice reasons.

BHP will continue to require an accommodation facility such as Port Haven for its FIFO workforce.

Approximately 1,150 residential employees call Hedland home

Port Haven is:

- **Cost effective**
- **Logistically efficient**
- **A safe and appropriate environment**
- **Focused on health and wellness**



Port Haven - Benefits to Port Hedland

More than just an accommodation facility.



33%
of village
employees are
local



24%
increase in
local employment
at Port Haven



39
local supply and
service business
contracts FY2017



\$1.65 million
injected into the
local economy
FY2017



Port Haven – A part of Port Hedland.

In Summary

BHP already has the largest residential workforce and investment in Port Hedland, and we will continue to offer, promote and assess more residential opportunities as part of our planning and recruitment processes.

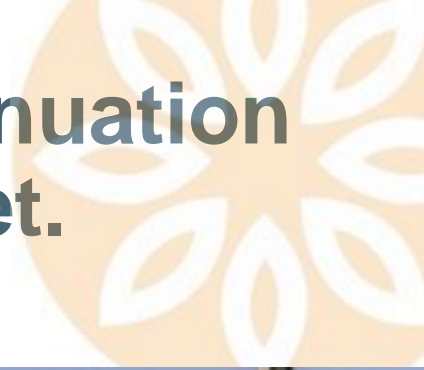
Port Haven is a \$256M key asset in BHP's operating business model that was built and developed in consultation with the Town of Port Hedland

It provides local employment, supply and revenue streams for Port Hedland.

If BHP is not granted a lease extension it will result in:

- Loss of 30 local jobs and 5 new apprentice positions
- Loss of 39 local supply contracts
- Loss of \$1M per annum revenue to ToPH in rates
- Loss of revenue to the Airport that underpins Airport Masterplan Improvements
- Loss of 80 rooms which provides affordable accommodation to local community organisations and businesses which will mean loss of revenue
- Loss of workplace training and work experience placements for local people
- Loss of \$1.65M injected into the local economy
- BHP triggering an alternative FIFO facility option, as our requirements cannot be transformed into residential commitments.

We hope you will support the continuation of this important Port Hedland asset. Thank you.



BHP