BHP

Financial results
Half year ended 31 December 2018

Western Australia Iron Ore

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 including, but not limited to, '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'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.

Presentation of data

Unless specified otherwise: variance analysis relates to the relative performance of BHP and/or its operations during the December 2018 half year compared with the December 2017 half year; operations includes operated assets and non-operated assets; total operations refers to the combination of continuing and discontinued operations; continuing operations refers to data presented excluding the impacts of South32 from the 2014 financial year onwards, and Onshore US from the 2017 financial year onwards; copper equivalent production based on 2018 financial year average realised prices; references to Underlying EBITDA margin exclude third party trading activities; data from subsidiaries are shown on a 100 per cent basis and data from equity accounted investments and other operations is presented, with the exception of net operating assets, reflecting BHP's share; medium term refers to our five year plan. 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. Numbers presented may not add up precisely to the totals provided due to rounding. All footnote content contained on slide 36.

Alternative performance measures

We use various alternative performance measures to reflect our underlying performance. For further information please refer to alternative performance measures set out on pages 58 to 67 of the BHP Results for the half year ended 31 December 2018.

No offer of securities

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

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.

BHP and its subsidiaries

In this presentation, the terms 'BHP', 'Group', 'BHP Group', 'we', 'us', 'our' and 'ourselves' are used to refer to BHP Group Limited, BHP Group Plc and, except where the context otherwise requires, their respective subsidiaries set out in note 13 'Related undertaking of the Group' in section 5.2 of BHP's Annual Report on Form 20-F. Notwithstanding that this presentation may include production, financial and other information from non-operated assets, non-operated assets are not included in the BHP Group and, as a result, statements regarding our operations, assets and values apply only to our operated assets unless otherwise stated.

BHP

Financial results

Half year ended 31 December 2018

BHP's Onshore US assets have been presented as discontinued operations.

Andrew Mackenzie Chief Executive Officer

BHP's investment proposition

We have the assets, options, capability and discipline to grow long-term shareholder value and returns

Maximise cash flow

Low-cost producer
efficiency, technology, culture

Volume growth
productivity, project delivery

Constructive outlook
for our commodities,
solid demand, disciplined supply

Capital discipline

US$10-15 bn net debt
range to be maintained

<US$8 bn capex
per annum to FY20

Organic opportunities
rich option set across commodities
and time periods

Value and returns

ROCE to ~20%
by FY22 (at FY17 prices)

Optimised portfolio
post Onshore US divestment

Shareholder returns
>US$25 bn returned

Note: Disciplined supply: reflects lower levels of investment across the industry. ROCE: based on Global Metals, Mining and Steel Conference presentation on 15 May 2018. Shareholder returns: includes dividends determined since 1 January 2016 and Onshore US proceeds.

H1 FY19 financial scorecard

Returns to shareholders of ~US$13 billion over the last six months

Profitability

US$**10.5 bn**

Underlying EBITDA and 52% margin

diversified contribution across the portfolio

Free cash flow

US$**3.6 bn**

free cash flow

>US$10 bn including Onshore US proceeds

Net debt

US$**9.9 bn**

net debt

down US$1 bn since June 2018

Dividend

55 US cps

payout ratio of 75 %

additional 102 US cps special dividend paid in January 2019

Share buy-back

US$**5.2 bn**

off-market buy-back

of BHP Group Limited shares successfully completed

ROCE

15%

ROCE

down from 17% in H1 FY18; impacted by production outages and higher taxes

Note: EBITDA, EBITDA margin, Free cash flow (except as noted), ROCE presented on a continuing operations basis. Other metrics presented on a total operations basis.

Sustainability is one of our core values

We will continue our work to improve safety at our operations

Safety

- Tragically, we had one fatality at Saraji (December 2018)
- TRIF at operated assets of 4.3 per million hours worked, down 2%

25% ⬇

high potential injury frequency rate[1]

Health

- Occupational health exposures reduction projects progressing
- Mental Health Framework focused on culture, capacity to support, prevention and recovery

12% ⬇

potential exposures above OEL[2]

Environment

- BHP the only resources company to receive A rating in CDP's assessment of climate disclosure and performance
- Release of inaugural water report
- Escondida desalination plant continues to ramp up as part of long term strategy to reduce reliance on freshwater

Samarco

- Committed to social and environmental rehabilitation
- Key milestones achieved in each of the three relocation programs
- Turbidity levels of impacted river areas returned to historical levels
- Restart important but must be safe, economically viable and community supported

Note: Presented on a total operations basis.

BHP

Financial results

Half year ended 31 December 2018

Peter Beaven Chief Financial Officer

Queensland Coal

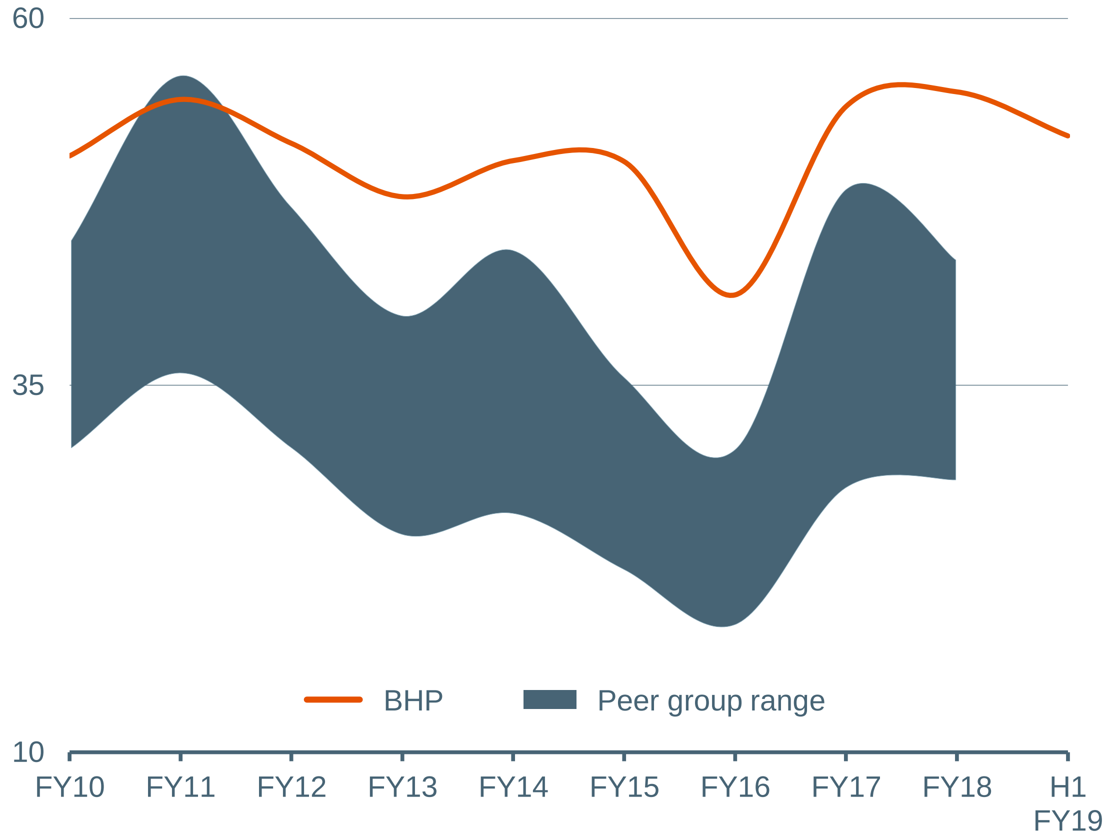
Financial performance

Solid free cash flow generation and EBITDA margin above 50%

Summary H1 FY19 Income Statement
(US$ billion)

Total operations (including Onshore US)		
Underlying attributable profit	3.7	
Net exceptional items	0.1	
Attributable profit	3.8	
Underlying basic earnings per share	70 US cps	↓ 8%
Interim dividend per share	55 US cps	0%
Continuing operations		
Underlying EBITDA	10.5	↓ 3%
Underlying EBITDA margin	52%	
Underlying EBIT	7.5	↑ 2%
Adjusted effective tax rate[3]	36.1%	
Adjusted effective tax rate incl. royalties	45.2%	
Underlying attributable profit	4.0	↓ 8%

Strong margins through the cycle
(Underlying EBITDA margin[4], %)

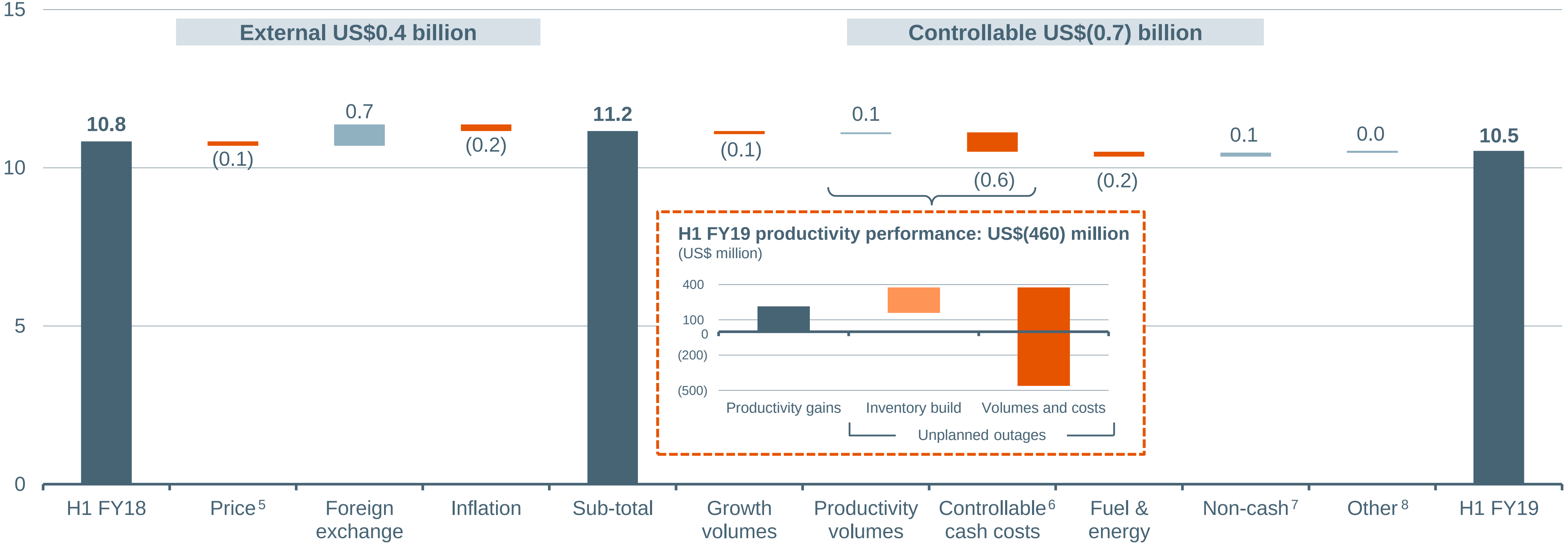


BHP

Group EBITDA waterfall

EBITDA impacted by H1 unplanned outages; strong H2 expected; FY19 productivity expected to be broadly flat

Underlying EBITDA variance
(US$ billion)



Note: Presented on a continuing operations basis. Productivity of US$(460) million includes change in capitalised exploration.

Segment performance

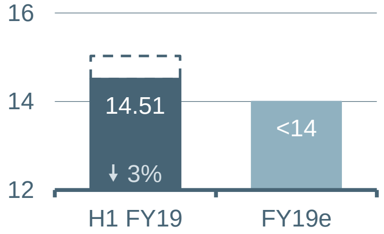
Full-year unit cost guidance unchanged with stronger volumes anticipated in H2

	Iron Ore[10]	Petroleum[11]	Coal	Copper
	Record Jimblebar production volumes	*Strong uptime performance*	*First coal from Caval Ridge Southern Circuit*	*Record ore milled at Spence and Cerro Colorado*
% of Group EBITDA[9]	**41%**	**22%**	**19%**	**18%**
EBITDA:	**US$4.3 bn**	**US$2.3 bn**	**US$2.0 bn**	**US$1.9 bn**
EBITDA margin:	**59%**	**70%**	**45%**	**43%**
ROCE:	**29%**	**19%**	**26%**	**4%**

Unit cost:

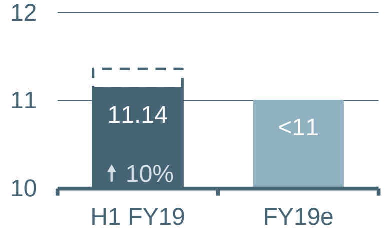
Cost
Cost at FX guidance
FY19 guidance

WAIO
(US$/t)

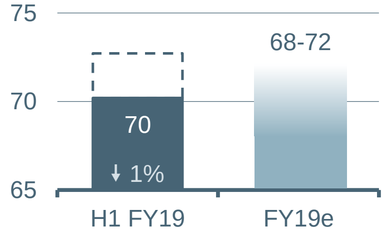


C1 costs US$13.85/t (ex. 3rd party royalties)[12]

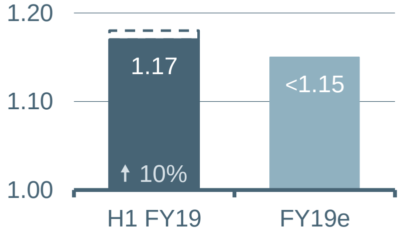
Conventional
(US$/boe)



Queensland Coal
(US$/t)



Escondida
(US$/lb)



Performance drivers:

Iron Ore:
- Derailment in H1
- Higher H2 volumes
- Maintenance schedules optimised

Petroleum:
- Higher planned maintenance in H1
- Stronger uptime in H1

Coal:
- Record stripping up 10% year on year
- Higher planned maintenance in H1
- Higher H2 volumes

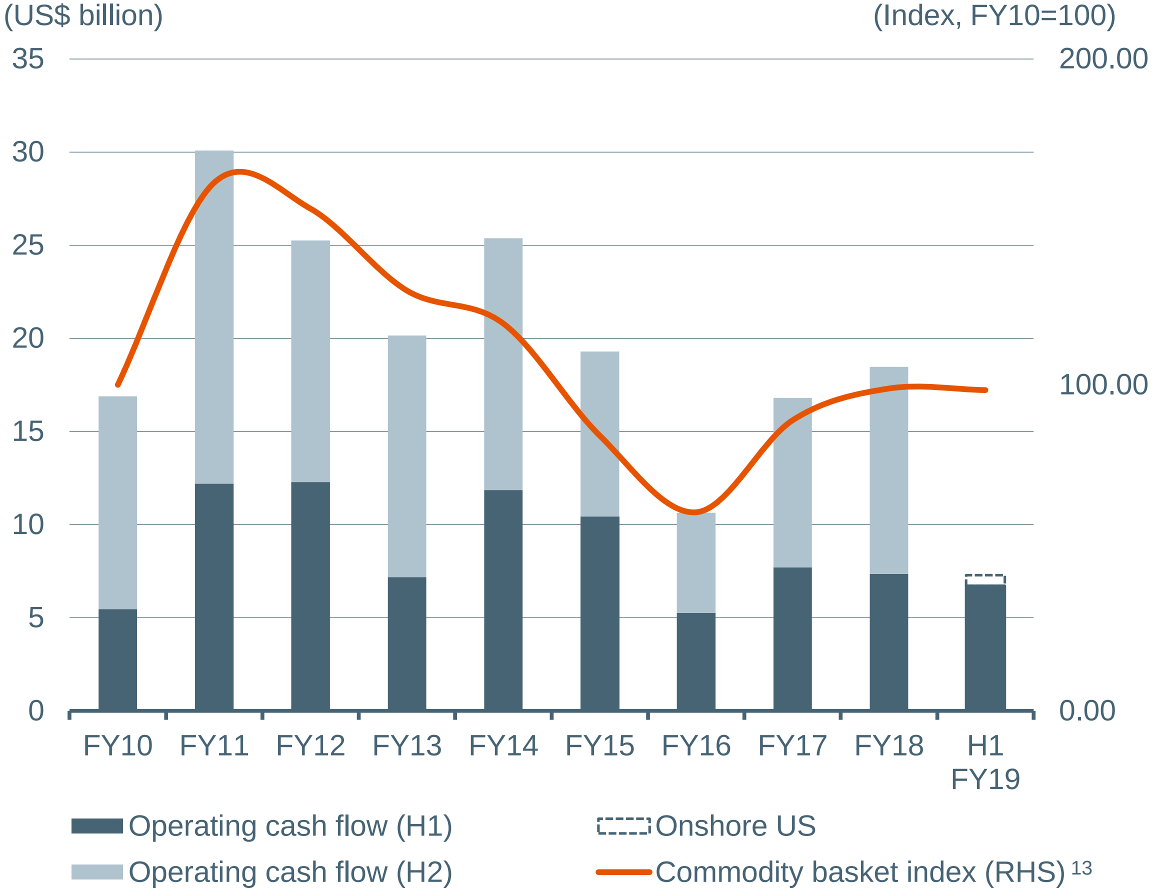
Copper:
- End of negotiation bonus paid in H1
- Expected grade decline of ~15% year on year
- Increased equipment utilisation and labour productivity

Note: Presented on a continuing operations basis.

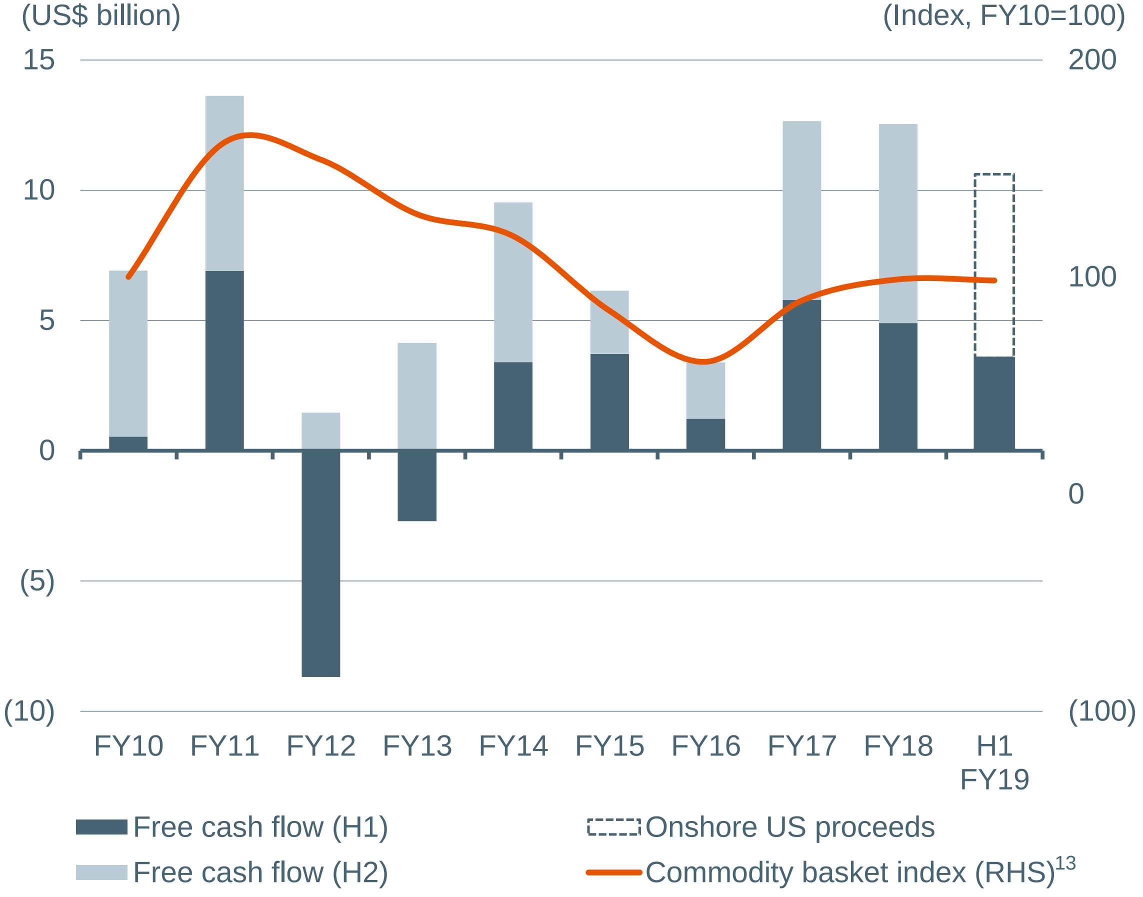
Cash generation

Solid free cash flow generation despite higher tax payments and capital expenditure

Operating cash flow



Free cash flow



Note: Presented on a total operations basis.

Capital allocation

Disciplined adherence to our Capital Allocation Framework

H1 FY19

Operating productivity | **Capital productivity**

Net operating cash flow
US$7.3 bn

Maintenance capital — US$0.8 bn

Strong balance sheet — ✓

Minimum 50% payout ratio dividend[14] — US$2.5 bn

Excess cash
US$3.6 bn

Includes US$0.6 bn of dividends paid to NCIs
Excludes US$0.2 bn of exploration expensed

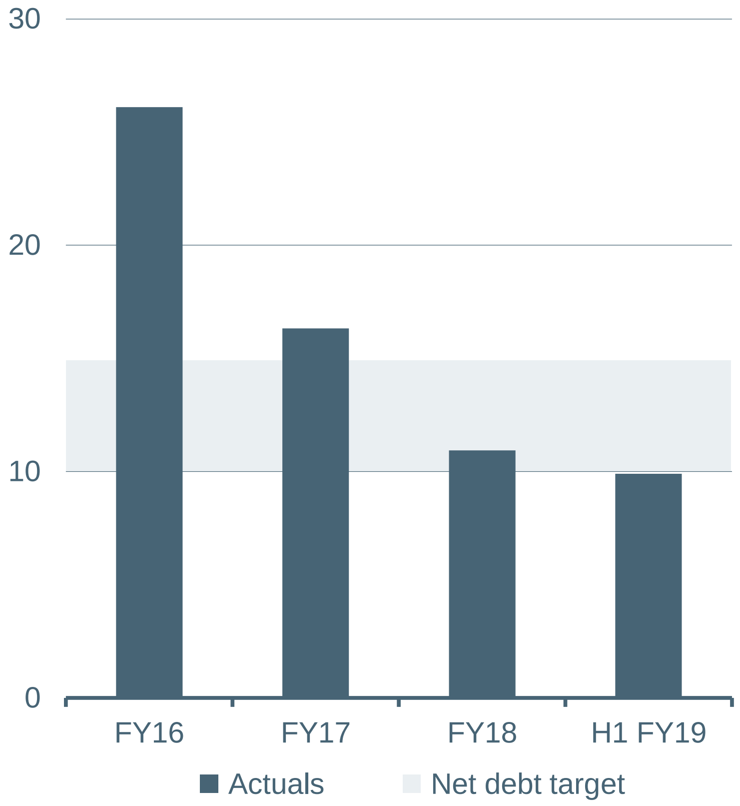
Balance sheet	Additional dividends[14]	Buy-backs	Organic development	Acquisitions/ (Divestments)
US$1.8 bn	US$0.9 bn	US$5.2 bn	US$2.7 bn	US$(7.0) bn
	H2 FY18		• US$1.0 bn improvement • US$0.2 bn latent capacity • US$0.7 bn major projects • US$0.4 bn exploration • US$0.4 bn Onshore US	• Onshore US sale

Note: Presented on a total operations basis. Excess cash excludes exploration expense of US$0.2 bn which is classified as organic development in accordance with the Capital Allocation Framework and after dividends paid to NCIs[15]. Onshore US proceeds of US$7.0 billion received in H1 FY19 with the remaining US$3.5 billion to be received by April 2019 (less customary completion adjustments).

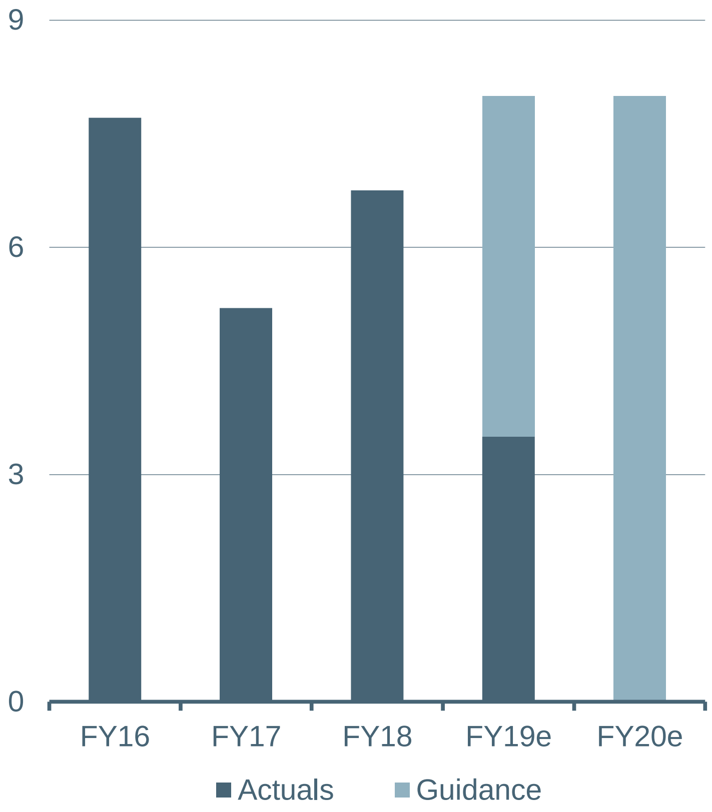
Striking the right balance to maximise value and returns

US$16 billion reduction in net debt; ~US$20 billion reinvested; US$25 billion returned to shareholders[16]

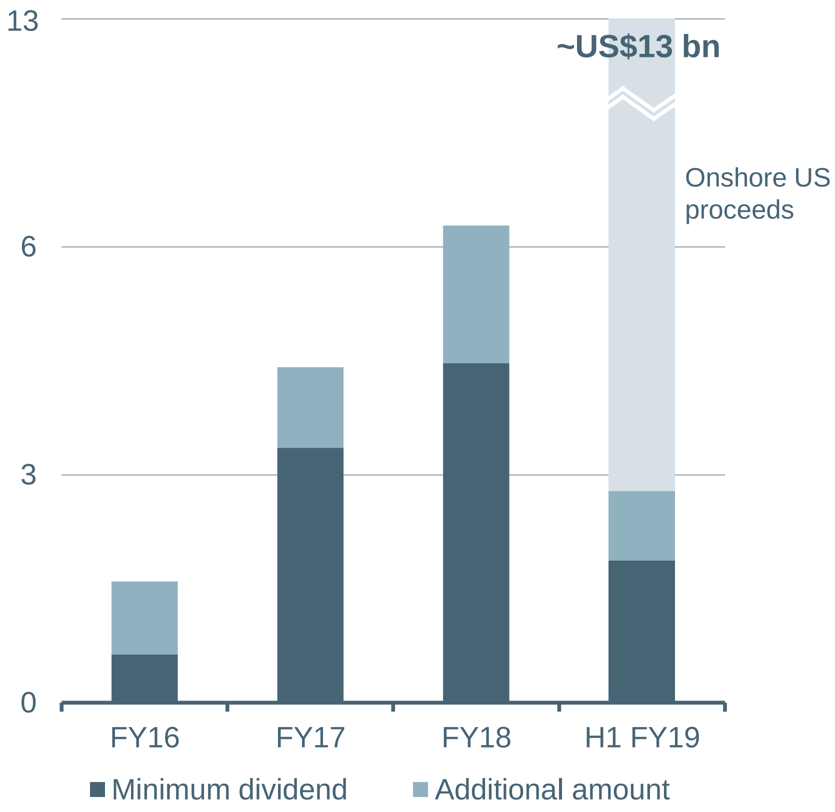
Net debt slightly below target range
(Net debt, US$ billion)



Disciplined investment
(Capital and exploration expenditure, US$ billion)



Increased returns to shareholders
(Dividends determined and share buy-backs, US$ billion)

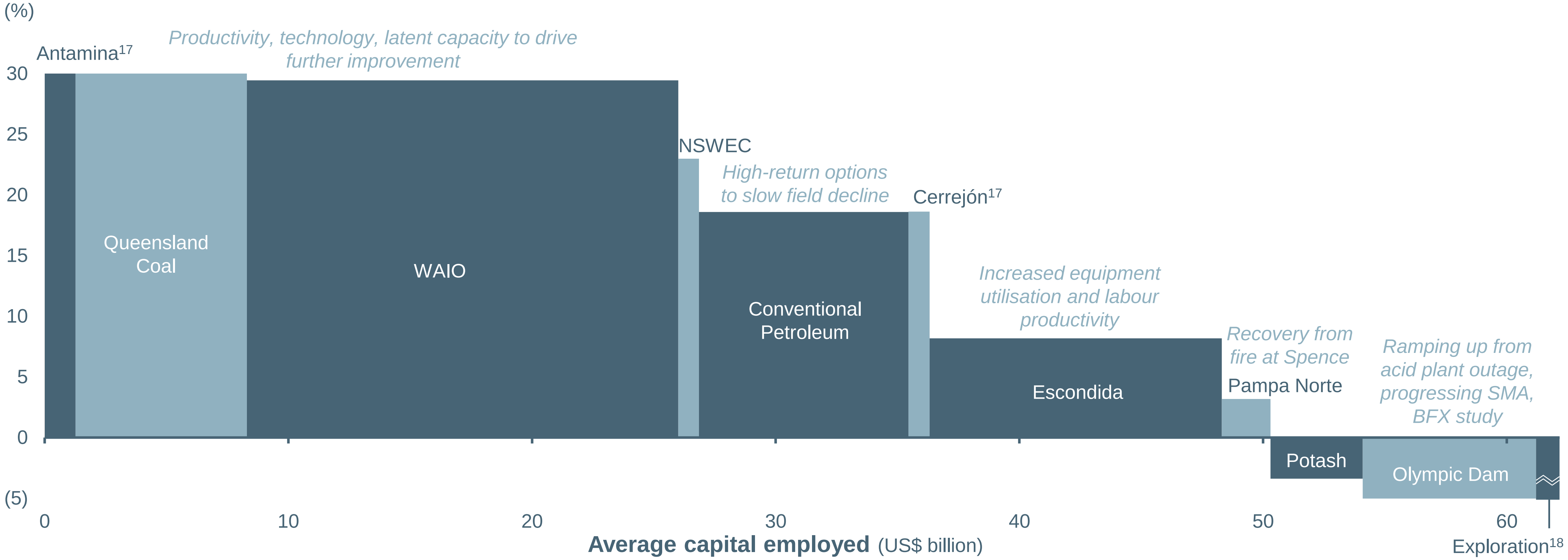


Note: Presented on a total operations basis.

Return on Capital Employed

H1 FY19 ROCE 15%; tailored plans to improve ROCE at every asset

ROCE by asset



ROCE to ~20% by FY22 (at FY17 prices)

Note: Presented on a continuing operations basis.

BHP

BHP

Financial results

Half year ended 31 December 2018

Andrew Mackenzie Chief Executive Officer

Market outlook

Near-term uncertainty, attractive long-term fundamentals

Short term		Medium term		Long term	
Policy uncertainty	Growth moderating	New supply	Steeper cost curves	Growth in population, wealth	New demand centres and themes
Sentiment mixed	Prudently cautious	Sustainable productivity	Emerging Asia	Decarbonisation and electrification	Technology

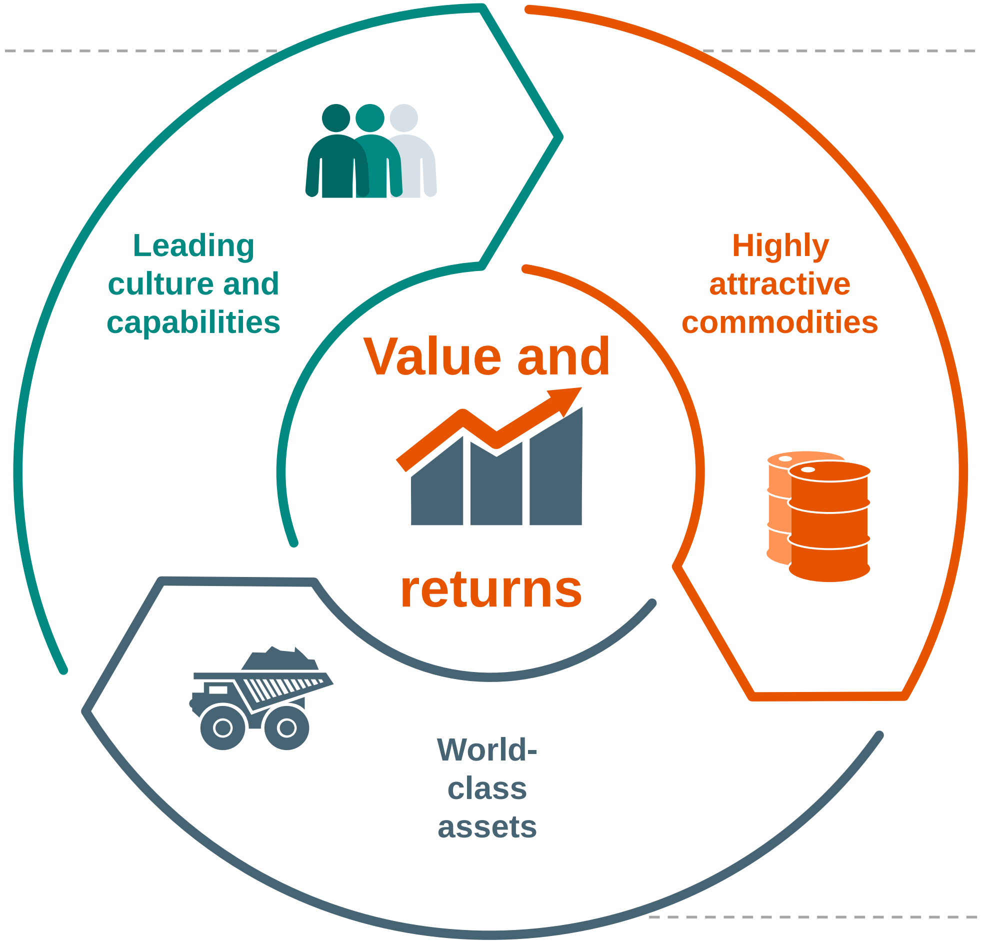
Note: Further information on BHP's economic and commodity outlook can be found at www.bhp.com/prospects.

Our strategic framework

Leveraging our values, capabilities and resources to meet the evolving needs of markets

Culture and capabilities that enables the execution of our business strategy to create long-term value and returns

Continuing to transform our business
- BHP Operating System
- Value Chain Automation
- World Class Functions



Commodities with high economic rent potential that match our capabilities

Increasing options in our favoured commodities
- Copper
- Oil

Further simplifying our portfolio
- Onshore US sale
- Bruce/Keith sale

Assets that are resilient through the cycle, have embedded growth options, and match our capabilities

Our strategy in action

Continued progress against our six focus areas

Cost efficiencies	Technology	Latent capacity
H2 reduction	**Integration**	**4**
in unit costs expected with improved reliability and operational performance; H1 impacted by production outages	CIO live in July 2019; VCA incorporated in asset 5-year plans; autonomous drill study for Escondida; autonomous truck study progressing	projects progressing to plan; Caval Ridge Southern Circuit conveyed first coal

Major projects	Exploration	Onshore US
6	**New additions**	**Sale complete**
projects progressing to plan; Greater Western Flank-B first production; Atlantis Phase 3 approved	in copper and oil: SolGold, Stuart Shelf, Orphan Basin	with US$10.4 bn of proceeds returned to shareholders

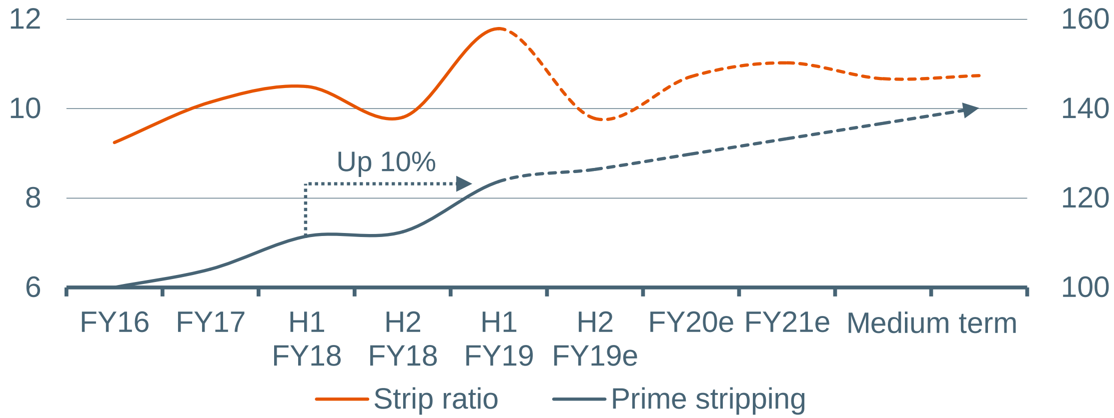
Note: 4 latent capacity projects include WAIO 290 Mtpa, West Barracouta, Olympic Dam Southern Mine Area and Escondida Water Supply Expansion; 6 major projects include Atlantis Phase 3, Mad Dog 2, Greater Western Flank-B, Spence Growth Option, South Flank and completion of the Jansen shafts. CIO - Copper Integrated Operations; VCA - Value Chain Automation.

Minerals Australia

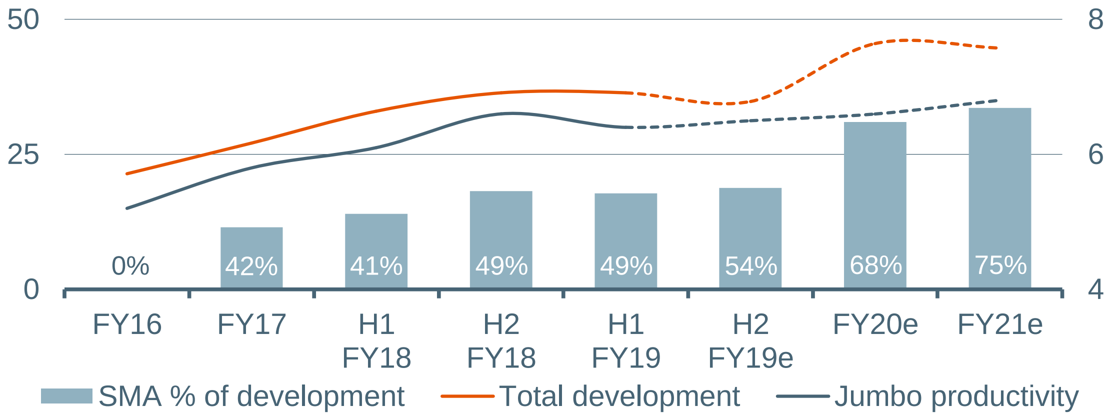
Focusing on bottlenecks to release latent capacity across our operations

Cost efficiencies	**Cost reductions at all assets anticipated in H2** • WAIO FY19 unit costs: <US$14/t, – ↓ ~10% from H1 • Queensland Coal FY19 unit costs: US$68-72/t – ↓ 2% from H1 • Operations Services to accelerate productivity improvements
Latent capacity	**Minerals Australia volumes up ~10% in H2** • WAIO: record production at Jimblebar • Queensland Coal: first coal conveyed at CRSC • Olympic Dam: 3rd decline now fully operational
Technology	**Ramping up technology roll-out** • Investigating phased roll-out of autonomous trucks following improved truck utilisation and safety at Jimblebar • Eastern Ridge Innovation Mine to further trial integration and automation technologies

Record stripping at Queensland Coal



Record underground development at Olympic Dam



Note: CRSC – Caval Ridge Southern Circuit; SMA – Southern Mine Area.

Minerals Americas

Major projects and exploration provide optionality

Latent capacity

Sustainable options with limited risk
- EWSE on track to deliver first water in FY20
- Reviewing power supply to increase renewables use

Increased equipment availability continues
- Spence record ore milled through maintenance program
- New labour agreements increased truck utilisation at Escondida

Major projects

SGO on schedule and budget
- 34% complete, on track for first production in FY21

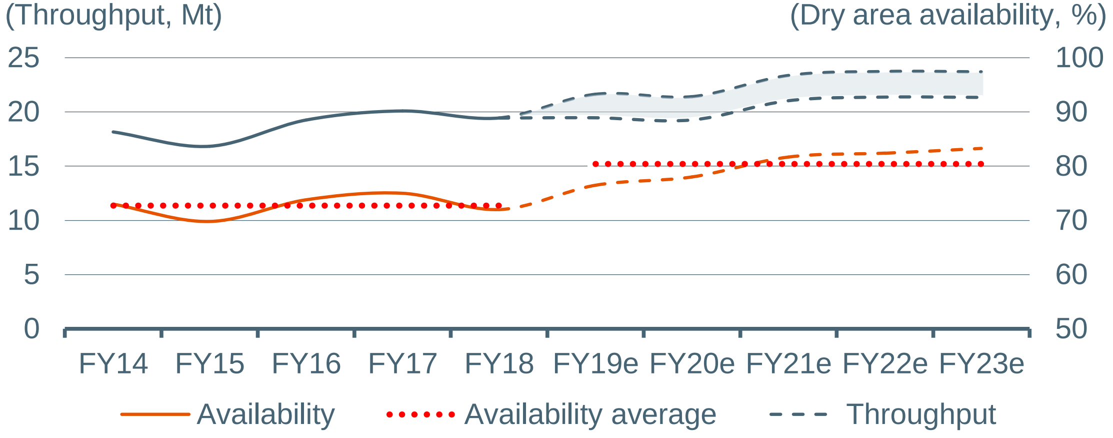
Jansen is a strategic option
- Current scope 82% complete, shafts excavation complete, work to finalise lining and progress essential surface infrastructure

Exploration

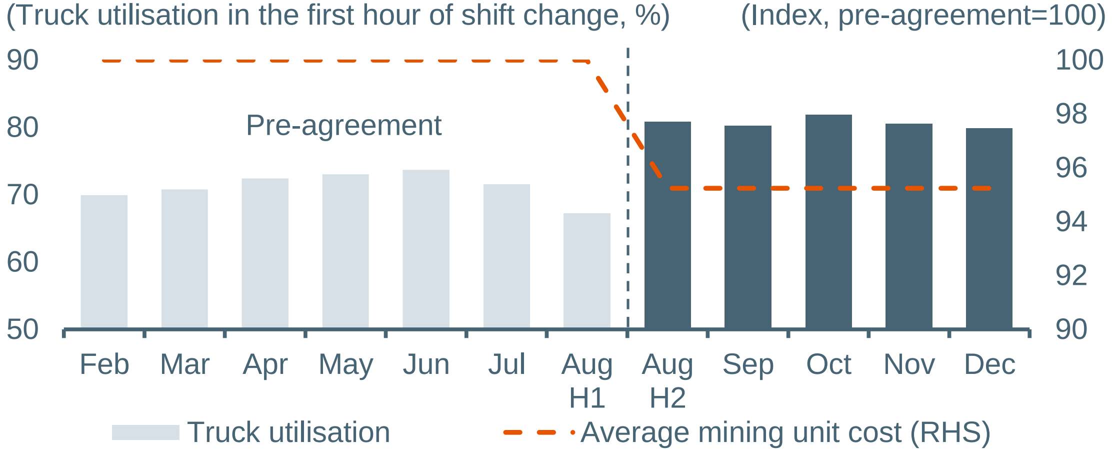
New copper drilling program in Stuart Shelf
- Potential new iron oxide, copper, gold mineralised system
- Drilling program in H2 to determine the extension of the mineralisation

11.2% interest in SolGold acquired
- Strategic position in the Cascabel copper exploration project

Spence productivity underpinned by maintenance excellence



New labour agreements drive Escondida truck performance



Note: EWSE – Escondida Water Supply Expansion; SGO – Spence Growth Option.

Conventional Petroleum

Strong operating performance supported by promising short, medium and long-term growth options

Latent capacity

Bass Strait West Barracouta approved
- First gas expected in CY21

~30 improvement and infill well programs with average returns of >40%
- Five projects to seek approval in the next 12 months
- Continue to mature embedded options to offset decline

Major projects

Current investments profitable well below US$50/bbl
- Atlantis Phase 3 approved, first oil expected in FY21
- Mad Dog 2 on track, Greater Western Flank-B first production

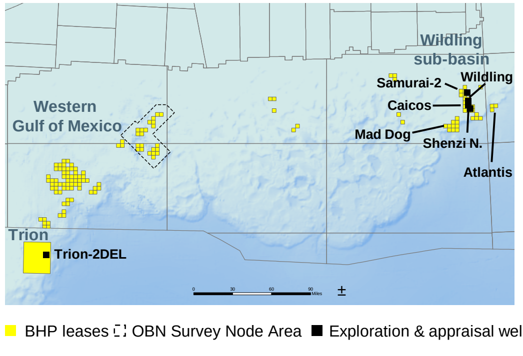
Pipeline of seven projects with average returns of ~25%
- Ruby investment decision expected in CY19
- Scarborough processing options being evaluated

Exploration

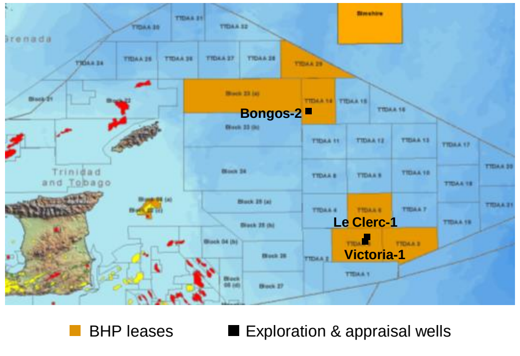
Exploration program continues progressing well
- Trion: 2DEL and ST encountered oil, 3DEL well sanctioned
- GoM: Samurai-2 and ST delineation successful
- Trinidad: Bongos-2 discovery accelerates Phase 3 drilling

Further exploration options added to the portfolio
- Acquired licences in the Orphan Basin (Eastern Canada)

Gulf of Mexico

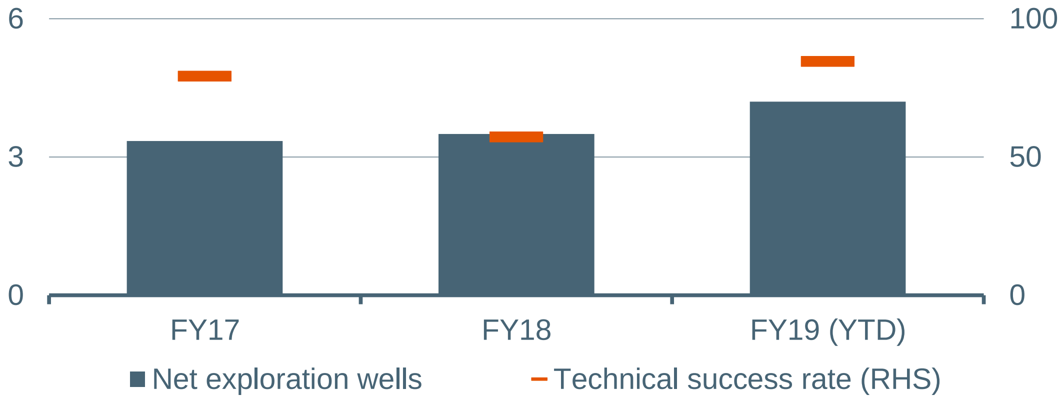


Trinidad & Tobago



Exploration wells and success rate[19]

(Net exploration wells) (Successful wells/wells drilled, %)



Note: GoM – Gulf of Mexico; ST – sidetrack.

We expect to deliver on our plans in FY19

Maximise cash flow

Cu Eq volumes
broadly flat in FY19, weighted to H2

>US$9 bn
free cash flow at spot prices

Unit cost
guidance maintained,
with strong operational
performance expected in H2

Capital discipline

Net debt
to remain at lower end of target range[20]

<US$8 bn
capex

Increasing optionality
continued development of latent capacity and major projects, increased exploration portfolio

Value and returns

20% ROCE
at spot prices

Minimum 50%
of underlying earnings as dividends

US$10.4 bn
of Onshore US proceeds returned

Note: Spot prices as of 12 February 2019.

BHP's investment proposition

We have the assets, options, capability and discipline to grow long-term shareholder value and returns

Maximise cash flow	Capital discipline	Value and returns
Low-cost producer efficiency, technology, culture	**US$10-15 bn net debt** range to be maintained[20]	**ROCE to ~20%** by FY22 (at FY17 prices)
Volume growth productivity, project delivery	**<US$8 bn capex** per annum to FY20	**Optimised portfolio** post Onshore US divestment
Constructive outlook for our commodities, solid demand, disciplined supply	**Organic opportunities** rich option set across commodities and time periods	**Shareholder returns** >US$25 bn returned

Note: Disciplined supply: reflects lower levels of investment across the industry. ROCE: based on Global Metals, Mining and Steel Conference presentation on 15 May 2018. Shareholder returns includes dividends determined since 1 January 2016 and Onshore US proceeds.

BHP

BHP

Appendix

Samarco and Renova Foundation

Committed to social and environmental rehabilitation

Rehabilitation (Renova Foundation)

Communities

- Key milestones achieved in each of the three relocation programs

River stabilisation

- River remediation efforts have seen turbidity levels of impacted areas returned to historical levels

Compensation (Renova Foundation)

- More than 8,200 of about 19,200 general damages claims resolved
- More than 260,000, or 98 per cent, of claims for water damages resolved in 2018

Bento Rodrigues resettlement

Samarco legal developments and restart

- Requires licensing approvals and the funding needed for restart preparation works
- State Prosecutors of Minas Gerais agreed to Samarco commencing construction work of Alegria Sul, a new tailings disposal site
  - preparation work started in October 2018 and is progressing as planned
- Working towards restart but will only occur if safe, economically viable and community in support

Note: Water damages compensation does not include legal claims in court under dispute.

Dams and tailings management

Increased rigour of our assessment and management of tailings storage facilities since the failure of the Fundão dam at Samarco

Facilities

115
tailings storage facilities across all sites[21]

20
active tailings storage facilities across all sites[21]

13
active upstream construction dams (all in Australia)[22]

34
inactive upstream construction dams across all sites[21]

Safety

External annual
dam safety inspections

93%
of >400 dam risk review actions completed[23]

Emergency response
plans in place[24]

New technology
advancing for monitoring and dewatering

Governance

Centralised dam function
within our Resource Engineering Centre of Excellence

Canadian Dam Association
guidance applied in Dam Safety Reviews

External Engineers of Record
appointed for all dams

Tailings Stewardship Board
being rolled-out across all operations[25]

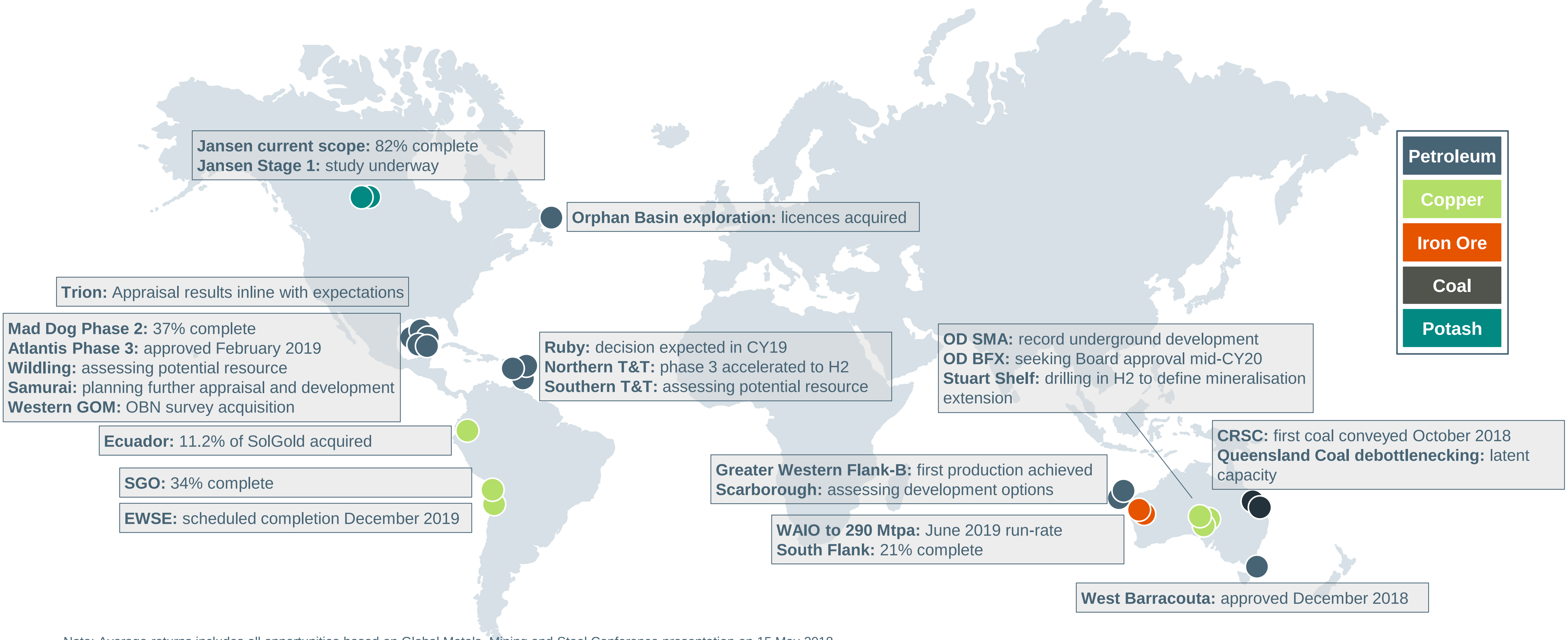
We will review and apply lessons of the Brumandinho failure as they emerge

We welcome a common, international and independent body to oversee integrity of construction and operation of all dams across the industry

We support calls for greater transparency in disclosure to inform better stewardship of tailings storage facilities

Broad suite of attractive opportunities

Latent capacity average returns of >100%; major project average returns of ~17%; exploration offers upside potential



Note: Average returns includes all opportunities based on Global Metals, Mining and Steel Conference presentation on 15 May 2018.
Only near-term opportunities shown on map. BXF – Brownfield Expansion; CRSC – Caval Ridge Southern Circuit; EWSE – Escondida Water Supply Expansion; SGO – Spence Growth Option; SMA – Southern Mine Area.

The transformative power of Technology

Systems approach to the integration and automation of our value chains to unlock resources and drive a step change in safety, volume and cost

GEOSCIENCE & PLANNING	MINING	PROCESSING	TRANSPORT	MARKETING
Optimised planning and reduced resource uncertainty	**Autonomous and higher productivity systems reduce variability**	**Improved throughput from advanced process control**	**Improved train scheduling with less unplanned events**	**Meet specific customer demand while maximising realised price**
INTEGRATED PROGRAMS				
P Machine Learning for Exploration P Real time resource characterisation P Dynamic live 4D model O Live Planning P Live Scheduling	O Autonomous Drill O Autonomous Truck P Material movement optimised for value O Surveying drones & laser technology P Precision mining P Drill & blast highly automated	O Improved tracking of ore quality P Automation and integration P Next-generation concentrator P Energy efficient Conveyors P Advanced Process control	O Monitored and optimisation of rail scheduling, track conditions and port P Highly automated logistics O Volumetric train loadout O Autonomous shiploader	O Increased direct shipping P Customer product matching / targeting O Moisture Tracking O Brand Relativity Evaluation Tool (BRET)

SYSTEMS WIDE

- O Cyber Security Operations Centre
- O Robotic Process Automation
- P Industrial Internet of Things
- O Mobility Competency Centre
- O Historian Platforms
- O One global ERP

Stage of initiative: P Pilot / Study O Operational

BHP guidance

Group	FY19e	
Capital and exploration expenditure (US$ bn)	<8.0	Cash basis.
Including:		
Maintenance	2.1	Includes non-discretionary capital expenditure to maintain asset integrity, reduce risks, and meet compliance requirements. Also includes capitalised deferred stripping of US$1.0 billion for FY19.
Improvement	2.2	Includes North West Shelf Greater Western Flank-B, Conventional Petroleum infill drilling and South Flank.
Latent capacity	0.6	Includes Escondida Water Supply Extension, Caval Ridge Southern Circuit, Olympic Dam Southern Mine Area, Western Australia Iron Ore to 290 Mtpa, West Barracouta.
Major growth	1.8	Includes Spence Growth Option, Mad Dog Phase 2, Jansen, Atlantis Phase 3.
Exploration	0.9	Includes US$750 million Petroleum and ~US$70 million Copper exploration program planned for FY19.
Onshore US	0.4	Includes expenditure to the end of October 2018 to operate five rigs in Onshore US.

Petroleum	FY19e	
Total Conventional petroleum production (MMboe)	113 – 118	Infill drilling projects are more than offset by planned dry dock maintenance at Pyrenees and natural field decline across the portfolio.
Capital expenditure (US$m)	730	Primarily focused on progressing the Mad Dog Phase 2 project and completing the North West Shelf Greater Western Flank-B project.
Unit cost (US$/boe)	<11	Excludes inventory movements, embedded derivatives movements, freight, third party product purchases and exploration expense. Based on exchange rates of AUD/USD 0.75.
Exploration (US$m)	750	Focused on Mexico, the Gulf of Mexico and the Caribbean.

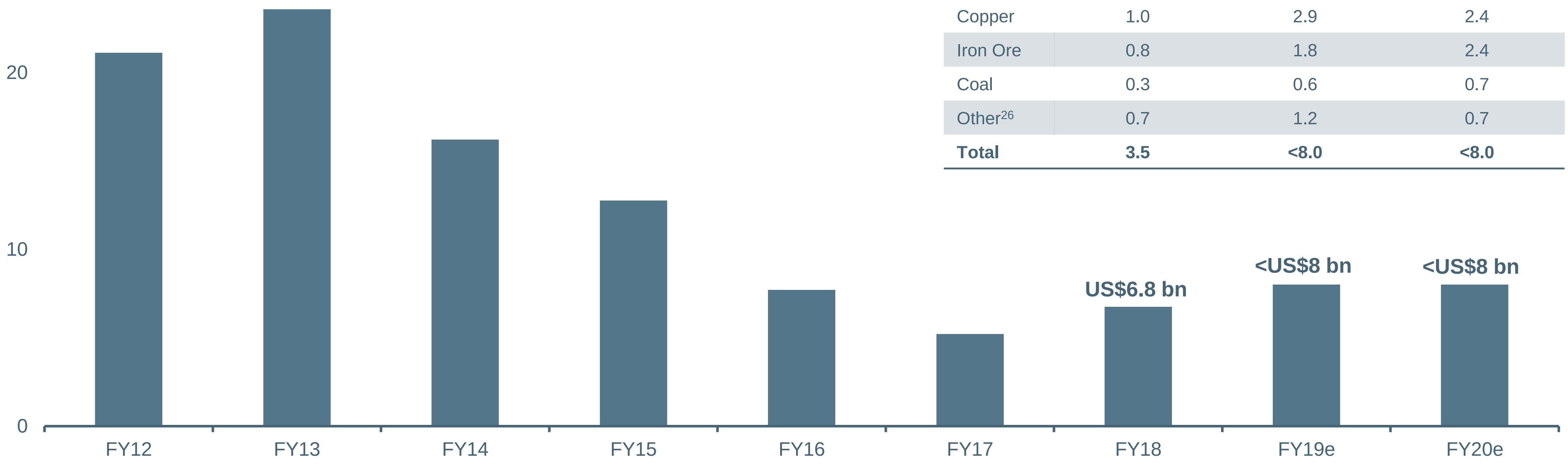
BHP guidance (continued)

Copper	FY19e	
Total copper production (Mt)	1.645 – 1.740	Includes Escondida at 1.12 - 1.18 Mt, Olympic Dam at 170 – 180 kt, Spence at 160 – 175 kt, Cerro Colorado at 60 – 70 kt, Antamina 135 kt.
Escondida		
Production (Mt, 100% basis)	1.12 – 1.18	Reflects significant decrease in average concentrator head grade consistent with the mine plan. Volumes expected to be towards lower end of range.
Unit cash costs (US$/lb)	<1.15	Excludes freight and treatment and refining charges; net of by-product credits; includes costs to settle labour negotiations; based on an exchange rate of USD/CLP 663.
Iron Ore	**FY19e**	
Total iron ore production (Mt)	241 – 250	A program of work to optimise maintenance schedules across our supply chain and improve port reliability and performance is planned for the first half of the 2019 financial year, with a corresponding impact expected on production and unit costs. Excludes production from Samarco.
Western Australia Iron Ore		
Production (Mt, 100% basis)	273 – 283	
Unit cash costs (US$/t)	<14	Excludes freight and royalties; based on an exchange rate of AUD/USD 0.75.
Sustaining capital expenditure (US$/t)	4	Medium term average; +/- 50% in any given year. Includes South Flank of US$45 per tonne.
Coal	**FY19e**	
Total metallurgical coal production (Mt)	43 – 46	An extensive maintenance program is planned for the first half of the 2019 financial year, with a corresponding impact also expected on unit costs.
Total energy coal production (Mt)	28 – 29	
Queensland Coal		
Production (Mt)	43 – 46	
Unit cash costs (US$/t)	68 – 72	Excludes freight and royalties; based on an exchange rate of AUD/USD 0.75.
Sustaining capital expenditure (US$/t)	8	Medium term average; +/- 50% in any given year.
NSW Energy Coal		
Unit cash costs (US$/t)	43 – 48	Excludes freight and royalties; based on an exchange rate of AUD/USD 0.75.
Sustaining capital expenditure (US$/t)	5	Medium term average; +/- 50% in any given year.

Investing for the future

Ongoing improvements in capital productivity are enabling us to thrive on lower levels of capex

Capital and exploration expenditure
(US$ billion)



	H1 FY19 US$ billion	FY19e US$ billion	FY20e US$ billion
Petroleum	0.7	1.5	1.8
Copper	1.0	2.9	2.4
Iron Ore	0.8	1.8	2.4
Coal	0.3	0.6	0.7
Other[26]	0.7	1.2	0.7
Total	**3.5**	**<8.0**	**<8.0**

Capital and exploration expenditure guidance unchanged at below US$8 billion per annum in FY19 and FY20

Note: Presented on a total operations basis.

West Barracouta, Atlantis Phase 3, Ruby

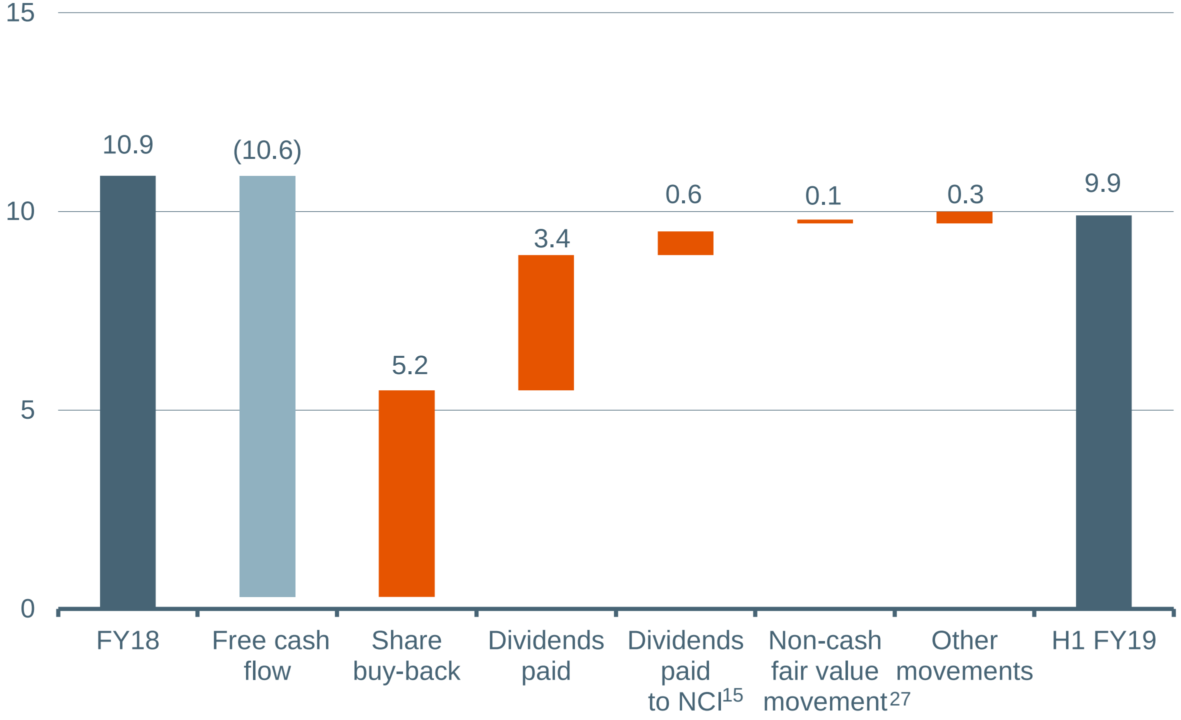
	West Barracouta	Atlantis Phase 3	Ruby
	Australia	USA Gulf of Mexico	Trinidad and Tobago
	Two well brownfield subsea tieback to existing Bass Strait facilities to supply the Australian domestic market.	New subsea production system from eight wells that will tie back to existing Atlantis facility unlocked through Advanced Seismic Imaging.	Oil and gas development consisting of five production wells tied back into existing operated processing facilities in Trinidad & Tobago.
Operator	Esso Australia	BP	BHP
BHP ownership	50%	44%	68%
IRR	~20%	~25%	>25%
Capex (US$m)	~120	~700	~330
Timing / phase	Sanctioned in December 2018	Sanctioned in February 2019	Investment decision expected in CY19
First production	FY21	FY21	FY22
Volumes (100% basis at peak)	104 MMscf/d	38,000 boe/d	16,000 bopd (oil) + 80 MMscf/d (gas)
Royalties and Tax	2.5% private royalty 40% Petroleum Resource Rent Tax 30% income tax	12.5% royalty (net revenue) 21% income tax	12.5% royalty Production entitlements paid in-kind under PSA

Note: Ruby ownership based on current participating interest per the Joint Operating Agreement. PSA – Production Sharing Agreement.

Balance sheet

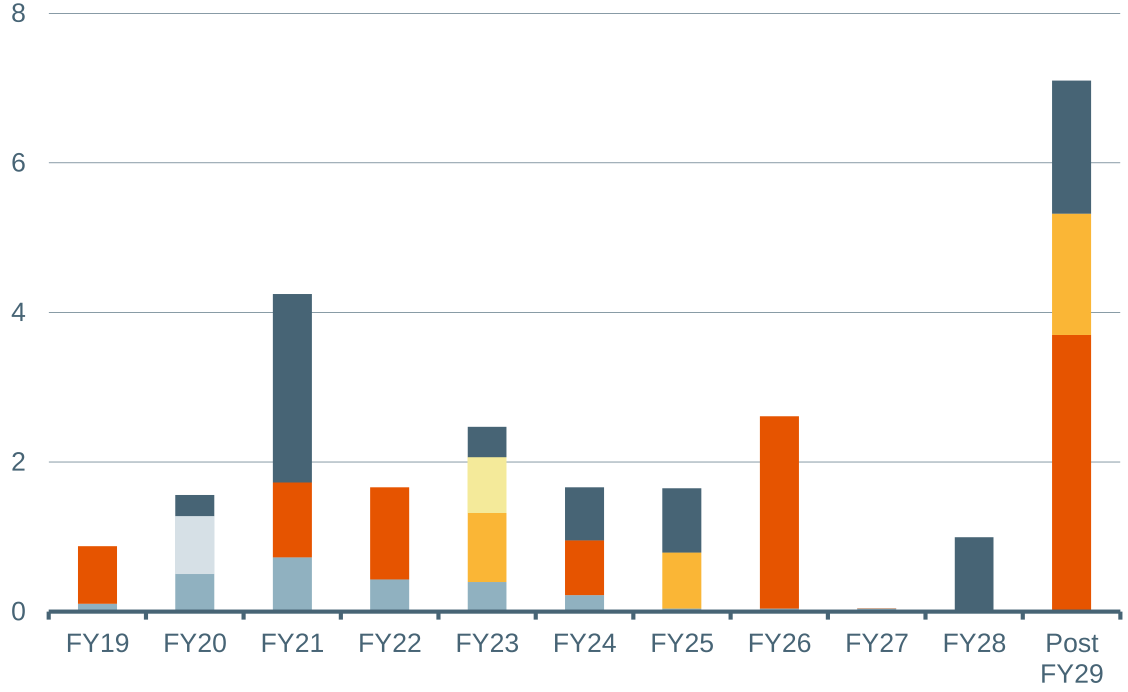
Net debt of US$9.9 billion and gearing of 15.2%

Movements in net debt
(US$ billion)



H2 FY19 net debt will include US$5.2 bn of special dividend partially offset by US$3.5 bn still to be received from Onshore US divestment

Debt maturity profile[28,29]
(US$ billion)



	US$ Bonds[30]	Euro Bonds[30]	Sterling Bonds[30]	A$ Bonds	C$ Bonds	Subsidiaries
% of portfolio	40%	31%	13%	3%	3%	10%
	Capital markets 90%					Asset financing 10%

Note: Presented on a total operations basis.

BHP

Key Underlying EBITDA sensitivities

Approximate impact[31] on FY19 Underlying EBITDA of changes of:	US$ million
US$1/t on iron ore price[32]	225
US$1/bbl on oil price[33]	46
US$1/t on metallurgical coal price	40
US¢1/lb on copper price[32]	33
US$1/t on energy coal price[32]	15
US¢1/lb on nickel price	2
AUD (US¢1/A$) operations[34]	114

Footnotes

1. Slide 6: High potential injury frequency rate: injury events where there was the potential for a fatality.
2. Slide 6: Occupational Exposure Limits (OELs): as compared to Q4 FY18 reported exposures and discounting the protection afforded by respiratory protective equipment.
3. Slide 8: Adjusted effective tax rate: excludes the influence of exchange rate movements and exceptional items.
4. Slide 8: Underlying EBITDA margin: BHP data presented on a total operations basis up to FY14 , excludes South 32 assets from FY15 onwards and excludes Onshore US in H1 FY19: peer group comprises Anglo American, Rio Tinto and Vale.
5. Slide 9: Price: net of price-linked costs.
6. Slide 9: Controllable cash costs: reflects increased planned maintenance activity; costs related to unplanned production outages at WAIO, Olympic Dam, Nickel West and Spence; increased contractor stripping activity and rates at Queensland Coal; and lower concentrator head grade at Escondida, partially offset by favourable inventory movements across a number of assets.
7. Slide 9: Non-cash: includes net deferred stripping costs.
8. Slide 9: Other: includes one-off items and other items (including profit/loss from equity accounted investments).
9. Slide 10: Segment EBITDA: percentage contribution to Group Underlying EBITDA, excluding Group and unallocated items.
10. Slide 10: Iron ore: unit cost, C1 unit cost excluding third party royalties, EBITDA margin and ROCE refer to Western Australia Iron Ore.
11. Slide 10: Petroleum: unit cost, EBITDA margin and ROCE refer to Conventional Petroleum.
12. Slide 10: WAIO C1 cost: excludes third party royalties, exploration expenses, depletion of production stripping, demurrage, exchange rate gains/losses, net inventory movements and other income.
13. Slide 11: Commodity basket index: represents equal-weighted average of oil, copper, iron ore and metallurgical coal prices.
14. Slide 12: Dividend: related to final dividend determined by the Board for FY18 and paid in September 2018.
15. Slide 12,34: NCIs: dividends paid to non-controlling interests of US$623 million predominantly relate to Escondida.
16. Slide 13: Shareholder returns: includes special dividend paid on 30 January 2019.
17. Slide 14: Antamina and Cerrejón: equity accounted investments; average capital employed represents BHP's equity interest.
18. Slide 14: Conventional Petroleum exploration: ROCE truncated for illustrative purposes.
19. Slide 21: Exploration wells and success rate: refers to the number of wells completed at any time during the respective year, regardless of when drilling was initiated. A successful well is an exploratory or extension well that is not a dry well or met its appraisal objective. Successful wells include wells in which hydrocarbons were encountered and the drilling or completion of which, has been suspended pending further drilling. Excludes wells that had mechanical issues (Burrokeet-1 and Wildling-1 in FY17 and Bongos-1 in FY19) where the opportunities were tested by a subsequent well.
20. Slide 22: Adoption of IFRS16 Leases is first effective for the Group from 1 July 2019 and potential impact is currently under review.
21. Slide 27: All sites include operated, closed, and non-operated sites (excluding the Bullmoose closed site non-operated joint venture). The number of tailings storage facilities is calculated based on the definition used by the Responsible Dam Engineers at our sites. We keep this definition under review. BHP's tailings storage facilities are located at seven operated sites in Australia and Chile; there are a further seven closed sites throughout North America, and four non-operated joint ventures in North America and South America.
22. Slide 27: The 13 operational upstream tailings storage facilities are located at the following operated sites: one at Mt Whaleback (Western Australia), two at Olympic Dam (South Australia), two at Goonyella and one at Blackwater (Queensland), and seven at Nickel West (Western Australia). The number of tailings storage facilities is calculated based on the definition used by the Responsible Dam Engineers at our sites. We keep this definition under review.
23. Slide 27: Dam Risk Reviews were completed for active, inactive and closed tailings storage facilities across our business. The reviews identified no significant deficiencies to the stability or management of our tailings storage facilities. Improvement recommendations have been implemented with a minor number of actions remaining in progress, such as administrative actions and long lead items regarding closure and climate change. None of these actions are overdue. Dam Safety Reviews were then completed at significant tailings storage facilities following the guidelines recommended by the Canadian Dam Association.
24. Slide 27: Emergency response plans are in place for all significant tailings storage facilities.
25. Slide 27: The establishment of independent Tailings Stewardship Boards to undertake reviews for all active and many inactive and closed tailings dams including design, construction, operation and closure is underway to provide independent third party input. A trial of the stewardship program has been completed at our Olympic Dam asset in South Australia.
26. Slide 32: Other includes discontinued operations (Onshore US assets) in H1 FY19 and FY19.
27. Slide 34: Non-cash fair value movement: relates to foreign exchange variance due to the revaluation of local currency denominated cash and debt to USD and movements in interest rates.
28. Slide 34: Debt maturity profile: all debt balances are represented in notional USD values and based on financial years; as at 31 December 2018.
29. Slide 34: Debt maturity profile: subsidiary debt is presented in accordance with IFRS 10 and IFRS 11.
30. Slide 34: Debt maturity profile: includes hybrid bonds (26% of portfolio: 13% in USD, 9% in Euro, 4% in Sterling) with maturity shown at first call date.
31. Slide 35: EBITDA sensitivities: assumes total volume exposed to price; determined on the basis of BHP's existing portfolio.
32. Slide 35: EBITDA sensitivities: excludes impact of equity accounted investments.
33. Slide 35: EBITDA sensitivities: excludes impact of change in input costs across the Group.
34. Slide 35: EBITDA sensitivities: based on average exchange rate for the period.

BHP