

BHP BILLITON LTD
Form 6-K
January 21, 2009

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 6-K

REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934

January 21, 2009

BHP BILLITON LIMITED

(ABN 49 004 028 077)

(Exact name of Registrant as specified in its charter)

BHP BILLITON PLC

(REG. NO. 3196209)

(Exact name of Registrant as specified in its charter)

VICTORIA, AUSTRALIA
(Jurisdiction of incorporation or organisation)

ENGLAND AND WALES
(Jurisdiction of incorporation or organisation)

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180 LONSDALE STREET, MELBOURNE,

VICTORIA

3000 AUSTRALIA

(Address of principal executive offices)

NEATHOUSE PLACE, VICTORIA, LONDON,

UNITED KINGDOM

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934: Yes No

If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): n/a

NEWS RELEASE

Release Time IMMEDIATE
Date 21 January 2009
Number 03/09

**BHP BILLITON QUARTERLY REPORT ON
EXPLORATION AND DEVELOPMENT ACTIVITIES
QUARTER ENDED 31 DECEMBER 2008**

DEVELOPMENT

BHP Billiton's strong balance sheet allows us to invest through the cycle with a highly disciplined and value-focused approach.

Highlighting our commitment to value accretive longer term growth, we sanctioned two projects during the quarter, being the Western Australia Iron Ore Rapid Growth Project 5 (RGP5), and the North West Shelf Cossack, Wanaea, Lambert, Hermes (CWLH) Life Extension projects.

| PROJECT AND OWNERSHIP | SHARE OF APPROVED CAPEX US\$M | INITIAL PRODUCTION TARGET DATE | PRODUCTION CAPACITY (100%) | QUARTERLY PROGRESS |
|---|--------------------------------------|---------------------------------------|--|---|
| Petroleum Projects | | | | |
| Shenzi (USA) | 1,940 | Mid CY09 | 100,000 barrels of oil and 50 million cubic feet gas per day | Ahead of schedule and on budget. Hook-up and commissioning continuing. Six wells drilled and completed. |
| 44% | | | | |
| Oil/Gas | | | | |
| Atlantis North (USA) | 185 | H2 CY09 | Tieback to Atlantis South | On schedule and budget. Manifold fabrication continuing. |
| 44% | | | | |
| Oil/Gas | | | | |
| Pyrenees (Australia) | 1,200 | H1 CY10 | 96,000 barrels of oil and 60 million cubic feet gas per day | On schedule and budget. Subsea hardware delivery commenced and Floating Production Storage and Offtake (FPSO) conversion continues. |
| 71.43% | | | | |
| Oil/Gas | | | | |
| Angostura Gas Phase II (Trinidad and Tobago) | 180 | H1 CY11 | 280 million cubic feet gas per day | On schedule and budget. Awarded transportation and installation contract. Executed National Gas Company Interconnection Agreement. |
| 45% | | | | |
| Gas | | | | |

| PROJECT AND OWNERSHIP | SHARE OF APPROVED CAPEX US\$M | INITIAL PRODUCTION TARGET DATE | PRODUCTION CAPACITY (100%) | QUARTERLY PROGRESS |
|---|--------------------------------------|---------------------------------------|---|--|
| Bass Strait Kipper (Australia) | 500 | CY11 | 10,000 bpd condensate and processing capacity of 80 million cubic feet gas per day | On schedule and budget. Drilling rig secured. Detailed engineering progressing and commenced West Tuna platform retrofit work. |
| 32.5% - 50% | | | | |
| Gas/Gas Liquids | | | | |
| Bass Strait Turrum (Australia) | 625 | CY11 | 11,000 bpd condensate and processing capacity of 200 million cubic feet gas per day | On schedule and budget. Engineering and procurement progressing. |
| 50% | | | | |
| Gas/Gas Liquids | | | | |
| North West Shelf CWLH Life Extension (Australia) | 245 | CY11 | Replacement vessel with capacity of 60,000 bpd oil | The project was sanctioned during the quarter. See News Release dated 3 December 2008. |
| 16.67% | | | | |
| Oil | | | | |
| North West Shelf North Rankin B Gas Compression (Australia) | 850 | CY12 | 2,500 million cubic feet gas per day | On schedule and budget. Detailed engineering and procurement well advanced. Jacket fabrication commenced. |
| 16.67% | | | | |
| LNG | | | | |
| Minerals Projects | | | | |
| Alumar Refinery Expansion (Brazil) | 900 | Q2 CY09 | 2 million tpa of additional alumina | On schedule and revised budget. Engineering is complete and procurement well advanced. Construction is 82% complete with the project overall 92% complete. |
| 36% | | | | |
| Alumina | | | | |
| Worsley Efficiency & Growth (Australia) | 1,900 | H1 CY11 | 1.1 million tpa of additional alumina | On schedule and budget. Engineering is 49% complete and construction camp now operational. |
| 86% | | | | |
| Alumina | | | | |
| Iron Ore (Western Australia) | 1,850 | H1 CY10 | 26 million tpa additional iron ore system capacity | On schedule and budget. Engineering is now over 95% complete and construction is nearing 70% complete. |
| RGP4 | | | | |
| 86.2% | | | | |
| Iron Ore | | | | |

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Iron Ore (Western
Australia)

4,800 H2 CY11

50 million tpa additional
iron ore system capacity

The project was sanctioned
during the quarter. See
News Release dated 25
November 2008.
Preliminary engineering
and construction activities
have commenced.

RGP5

85%

Iron Ore

| PROJECT AND OWNERSHIP | SHARE OF APPROVED CAPEX US\$M | INITIAL PRODUCTION TARGET DATE | PRODUCTION CAPACITY (100%) | QUARTERLY PROGRESS |
|--|-------------------------------|--------------------------------|--|---|
| Gemco (Australia) | 110 | H1 CY09 | 1 million tpa of additional manganese concentrate | On schedule and budget in local currency. Cyclone tower operational and remainder of installation activities progressing well. Project is 77% complete. |
| 60% | | | | |
| Manganese | | | | |
| Klipspruit (South Africa) | 450 | H2 CY09 | Incremental 1.8 million tpa export thermal coal | On schedule and budget. Earthworks and civil and mechanical construction progressing well. The project is 70% complete with detailed commission planning commenced. |
| 100% | | | Incremental 2.1 million tpa domestic thermal coal | |
| Energy Coal | | | | |
| Douglas-Middelburg Optimisation (South Africa) | 975 | Mid CY10 | 10 million tpa export thermal coal and 8.5 million tpa domestic thermal coal (sustains current output) | On schedule and budget. Construction activities are progressing well with steel erection commencing as scheduled. The project is 34% complete. |
| 100% | | | | |
| Energy Coal | | | | |
| Newcastle Third Port Project (Australia) | 390 | CY10 | 30 million tpa export coal loading facility | On schedule and budget. Project is over 35% complete. |
| 35.5% | | | | |

Energy Coal**MINERALS EXPLORATION**

BHP Billiton continues to identify and prioritise various exploration activities. All of the exploration activities are reviewed regularly to ensure that we are capturing value accretive opportunities for future development.

Selection study work on the proposed Olympic Dam Expansion (Australia) is effectively complete. A Draft Environmental Impact Statement (EIS) based on the five stage project configuration has been provided to the Federal, South Australian and Northern Territory Governments for a compliance review, with the intention that it be released for public comment during the first half of calendar year 2009. Pending government approvals for the EIS and consistent with the prevailing economic circumstances, project activity will be scaled back to that necessary to support the approvals process and the study of a number of mining and processing technology options. Olympic Dam Expansion expenditure for the six months ended 31 December 2008 was US\$112 million, of which US\$29 million was capitalised.

Grassroots exploration continued on targets in Australia, Chile, Argentina, Zambia and the Democratic Republic of Congo (DRC); and on diamond targets in Canada. Exploration for iron ore, coal, bauxite and manganese was undertaken in a number of regions including Australia, South America, Russia and West Africa.

For the six months ended 31 December 2008, BHP Billiton spent US\$357 million on minerals exploration, of which US\$313 million was expensed.

PETROLEUM EXPLORATION

Exploration and appraisal wells drilled during the quarter or in the process of drilling as at 31 December 2008.

| WELL | LOCATION | BHP BILLITON EQUITY | STATUS |
|--------------|-------------------|----------------------------|---|
| Lambert-8 | Dampier Sub-Basin | 16.67% BHP Billiton | Plugged and abandoned. Hydrocarbons encountered. |
| | Western Australia | (Woodside operator) | |
| | WA-16-L | | |
| Lambert West | Dampier Sub-Basin | 16.67% BHP Billiton | Plugged and abandoned. Hydrocarbons encountered. |
| | Western Australia | (Woodside operator) | |
| | WA-16-L | | |
| Lady Nora-2 | Dampier Sub-Basin | 16.67% BHP Billiton | Plugged and abandoned. Hydrocarbons encountered. |
| | Western Australia | (Woodside operator) | |
| | WA-28-P | | |
| Nereus-1 | Dampier Sub-Basin | 16.67% BHP Billiton | Plugged and abandoned. Dry hole. |
| | Western Australia | (Woodside operator) | |
| | WA-28-P | | |
| Tidepole-2 | Dampier Sub-Basin | 16.67% BHP Billiton | Drilling ahead. |
| | Western Australia | (Woodside operator) | |
| | WA-5-L | | |
| Torosa-5 | Browse Basin | 8.33% BHP Billiton | Plugging and abandoning. Hydrocarbons encountered. |
| | Western Australia | (Woodside operator) | |
| | WA-30-R | | |
| Puma-4 | Green Canyon | 29.805% BHP Billiton | Drilling ahead. |
| | Gulf of Mexico | (BP Operator) | |
| | GC823-2 | | |
| Shenzi-8 | Green Canyon | 44% BHP Billiton, operator | Hydrocarbons encountered. Suspended. |
| | Gulf of Mexico | | |
| | GC610 | | |

Petroleum exploration expenditure for the six months ended 31 December 2008 was US\$263 million, of which US\$183 million was expensed

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

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London SW1V 1BH United Kingdom
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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BHP Billiton Limited and BHP Billiton Plc

Date: 21 January 2009

By: /s/ Jane McAloon
Name: Jane McAloon
Title: Group Company Secretary