BHP BILLITON LTD
Form 20-F
September 14, 2009
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 20-F

(Mark One)

¨ **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR 12(g) OF THE SECURITIES EXCHANGE ACT OF 1934**
OR

x **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**
FOR THE FISCAL YEAR ENDED 30 JUNE 2009

OR

¨ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES AND EXCHANGE ACT OF 1934**

¨ **SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
Date of event requiring this shell company report __________

For the transition period from __________ to __________

Commission file number: 001-09526 **Commission file number: 001-31714**

BHP BILLITON LIMITED	**BHP BILLITON PLC**
(ABN 49 004 028 077)	**(REG. NO. 3196209)**
(Exact name of Registrant as specified in its charter)	**(Exact name of Registrant as specified in its charter)**
VICTORIA, AUSTRALIA	**ENGLAND AND WALES**
(Jurisdiction of incorporation or organisation)	**(Jurisdiction of incorporation or organisation)**
180 LONSDALE STREET, MELBOURNE, VICTORIA 3000 AUSTRALIA	**NEATHOUSE PLACE, VICTORIA, LONDON, UNITED KINGDOM**
(Address of principal executive offices)	**(Address of principal executive offices)**

Securities registered or to be registered pursuant to section 12(b) of the Act.

Title of each class	**Name of each exchange on which registered**	**Title of each class**	**Name of each exchange on which registered**
American Depositary Shares*	New York Stock Exchange	American Depositary Shares*	New York Stock Exchange
Ordinary Shares**	New York Stock Exchange	Ordinary Shares, nominal value US$0.50 each**	New York Stock Exchange

* Evidenced by American Depositary Receipts. Each American Depositary Receipt represents two ordinary shares of BHP Billiton Limited or BHP Billiton Plc, as the case may be.

** Not for trading, but only in connection with the listing of the applicable American Depositary Shares.

Securities registered or to be registered pursuant to Section 12(g) of the Act.

None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

None

Indicate the number of outstanding shares of each of the issuer s classes of capital or common stock as of the close of the period covered by the annual report.

	BHP Billiton Limited	**BHP Billiton Plc**
Fully Paid Ordinary Shares	3,358,359,496	2,231,121,202

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes x No ¨

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes ¨ No x

Note Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No ¨

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ¨ No ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer x Accelerated filer ¨ Non-accelerated filer ¨

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP ¨ International Financial Reporting Standards as issued by the International Accounting Standards Board x Other ¨

If Other has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow. Item 17 ¨ Item 18 ¨

If this is an annual report, indicate by checkmark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ¨ No x

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1 Key information

1.1 Our business

We are the world s largest diversified natural resources company. Our corporate objective is to create long-term value for shareholders through the discovery, development and conversion of natural resources, and the provision of innovative customer and market-focused solutions.

We pursue this objective through our unchanged strategy of investing in tier one assets that are large, low-cost and long-life to provide a balanced portfolio of export-oriented commodities:

- steelmaking products iron ore, metallurgical coal, manganese
- non-ferrous products copper, aluminium, nickel, diamonds
- energy products petroleum, liquefied natural gas (LNG), energy coal, uranium.

We continue to invest in the future and have a deep inventory of growth assets.

Our operations and investments are designed to ensure the Group remains stable in the long term and responsive to market volatility in the short term.

The Group is headquartered in Melbourne, Australia, and consists of the BHP Billiton Limited Group and the BHP Billiton Plc Group as a combined enterprise, following the completion of the Dual Listed Company (DLC) merger in June 2001. BHP Billiton Limited and BHP Billiton Plc have each retained their separate corporate identities and maintained their separate stock exchange listings, but they are operated and managed as if they are a single unified economic entity, with their boards and senior executive management comprising the same people.

BHP Billiton Limited has a primary listing on the Australian Securities Exchange (ASX) in Australia. It has secondary listings on the Frankfurt Stock Exchange in Germany and the Swiss Stock Exchange in Switzerland and has notified its intention to delist from both these exchanges. We expect to complete these delistings in 2010. BHP Billiton Plc has a primary listing on the London Stock Exchange (LSE) in the UK and a secondary listing on the Johannesburg Stock Exchange in South Africa. In addition, BHP Billiton Limited American Depositary Receipts (ADRs) and BHP Billiton Plc ADRs trade on the New York Stock Exchange (NYSE) in the US.

As at 30 June 2009, we had a market capitalisation of approximately US$144 billion. For the year ended 30 June 2009, we reported net operating cash flow of US$18.9 billion, net profit attributable to shareholders of US$5.9 billion and revenue of US$50.2 billion. We have approximately 99,000 employees and contractors working in more than 100 operations in over 25 countries.

We operate nine businesses, called Customer Sector Groups (CSGs), which are aligned with the commodities we extract and market:

- Petroleum
- Aluminium
- Base Metals

Diamonds and Specialty Products

Stainless Steel Materials

Iron Ore

Manganese

Metallurgical Coal

Energy Coal

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1.2 Chairman s Review

By any measure, this has been an extraordinary year.

The global financial crisis has created the worst business environment the world has faced in more than 60 years. World economic activity contracted dramatically and commodity prices fell sharply. Accompanying this, volatility has been high and should remain for the immediate future. While the global economy is showing signs of stabilising, the large developed economies are not expected to show real growth until at least the end of 2010.

BHP Billiton s strategy has served us well during these volatile times. Since the merger of BHP and Billiton in 2001, we have focused on a few key fundamentals. These include owning and operating large, low-cost, long-life tier one assets; a commitment to a solid A credit rating; a deep inventory of growth projects; and working hard to be leaders in safety, environmental management and community engagement.

While low commodity prices and less demand for our products led to a fall in profits, our resolute focus on our long-term strategy delivered record operating cash flow of almost US$19 billion, profit from operations, excluding exceptional items, of US$18.2 billion, and margins on this profit of more than 40 per cent. Dividends were increased by 17.1 per cent to 82 US cents per share. We have enviable balance sheet strength. At 30 June 2009, gearing was 12.1 per cent and we have an A credit rating with significant funding capacity.

Despite producing strong operating and financial performance during a challenging year, our safety performance was simply unacceptable. This year, we had seven fatalities. The death of a family member at work has a devastating and long-lasting impact not only on the immediate family, but also on a wide community of relatives, friends and work colleagues. The Board has reinforced its emphasis on management creating a workplace free of injury.

In environmental management, the immediate issue facing the world is climate change. BHP Billiton shares the view that mainstream science is correct in drawing attention to the high risks associated with unmitigated climate change. However, we also believe that the problem is solvable and strongly support a global regime that is endorsed by both developed and major developing countries and provides the clarity and stability necessary to allow investment in carbon abatement activities to occur. We are determined to play our part and see business leadership as part of our role in achieving low carbon growth. To this end, we support key initiatives like the establishment of binding commitments for all developed and major developing countries.

We remain committed to prudently investing for the future. This is reflected in the agreement we signed with Rio Tinto in June this year to create an iron ore production joint venture in Western Australia. This joint venture represents a significant, strategic investment for the Group that provides us with the opportunity to capture significant synergies that can only come through this unique partnership. The agreement is non-binding and pre-conditions for its formation include regulatory, relevant governmental and shareholder approvals from both Rio Tinto and BHP Billiton shareholders.

Our ability to fund opportunities like these and the Group s consistent, solid financial performance during this period is testament to the ability of Marius Kloppers and his team. Over the past five years, we have delivered Total Shareholder Returns[(1)] of 220 per cent, outperforming the FTSE 100, ASX 100 and our peers. There are very few companies in any sector with such solid financial and operating strength.

Clearly, as a Board, we have a responsibility to shareholders to ensure we attract, develop and retain the talented people we need to run our business. The way we reward and recognise those people is an important part of how we do this. Our reward and recognition arrangements are set out in the Remuneration Report. From your

[(1)] Weighted three month average US$ Total Shareholder Returns (TSR) of BHP Billiton Limited and BHP Billiton Plc. TSR reflects the changes in share price plus dividends over the period.

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Board s point of view, the critical issue is that shareholders have the ability to fully understand remuneration arrangements, to monitor them and to express their opinion on their value. Aligning executive remuneration with shareholder value creation is fundamental.

Our program of Board renewal continued this year. David Jenkins, after nine years on the Board, will retire after the Annual General Meetings. David has made an outstanding contribution to the work of the Board; and on your behalf, I would like to thank David and wish him well for the future.

We also appointed Wayne Murdy as a non-executive Director. Wayne s experience will be invaluable to your Board given his background as Chairman and Chief Executive Officer of Newmont Mining Corporation and 30 years experience in the mining and petroleum industries.

We remain committed to achieving the highest level of governance and continue to believe that there is a fundamental link between high-quality governance and the creation of shareholder value. We also recognise that governance is not just a matter for the Board, but that a good governance culture must be fostered throughout the Group.

Undoubtedly, the past year has been difficult. The economic landscape has changed and organisations have had to adjust to meet these unprecedented economic challenges. In many sectors of the economy we have witnessed quite dramatic falls in demand, and there have been large cutbacks in production across the commodities sector. We were not immune from this. We reduced production levels from many of our operations in response to the lower global commodities demand and in some instances also made difficult decisions to indefinitely suspend or close operations.

Looking ahead, economies around the world are responding to government-driven economic stimulus packages, the impact of which is difficult to measure; and consequently, there remains a level of uncertainty about the rate of economic growth over the short term. Having said that, there is evidence in the US, UK, Europe and Australia of increasing stability in financial systems and economies.

China, which has been the major source of demand for commodities in 2009, is showing early signs of improvement, providing strong support for short-term economic growth.

Over the longer term, we believe that emerging economies such as China and India will contribute the majority of world economic growth as they continue to industrialise, which will see demand for commodities continue to grow.

BHP Billiton maintains its unique position in the resources industry. We are able to generate above average returns in this part of the cycle, continue to invest in growth and are well-placed to take advantage of any upturn.

Finally, this will be my last report to you as Chairman.

Jac Nasser will succeed me when I retire. It is your Directors view that the choice of the Chairman is the responsibility of the Board. This is why, over the past 18 months, the Board itself has conducted the succession process for the new Chairman and when the Board met, John Buchanan, the Senior Independent Director for BHP Billiton Plc, chaired the meetings. Jac has outstanding skills and experience and will be an excellent Chairman. To ensure an orderly transition, the Board has asked me to stand for re-election at the upcoming Annual General Meetings, although I will not serve a full term and expect to retire from the Board in early 2010.

I want to acknowledge and sincerely thank you, our shareholders, for your support over the 13 years I have been on the BHP Billiton Board and my 10 years as Chairman. It has always been my underpinning principle to respect shareholders as the owners of the Company, as it is to you that I am accountable for the governance and performance of BHP Billiton. It has been an outstanding highlight in my life and an extraordinary privilege to serve you as Chairman.

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1.3 Chief Executive Officer s Report

The 2009 financial year was an interesting one as it was divided into distinct periods the first with rapid growth in demand for products at record prices, and the second in which a global de-stocking cycle, following the global financial crisis, resulted in diminished demand and lower prices.

With aggressive growth plans following the preceding year s record world economic growth in our industry, many of our peers and other companies were forced to make an about-turn in strategy in response to the global economic downturn. In many cases, long-term value was sacrificed as a result of short-term pressures.

While the shift in demand and prices also presented challenges for BHP Billiton, our long-standing strategy of focusing on a diversified portfolio of tier one, low-cost, long-life assets, allowed us to continue to focus on the long-term creation of value, in line with our corporate objective.

Safety

Our workforce contains many talented people who help make this Group what it is today: a premier global organisation. Given this, I am personally deeply saddened to report that this year seven deaths occurred at our operations. Any injury is unacceptable and these fatalities highlight the need to do more as an organisation to protect the health and safety of our people. To this end, we have undertaken a variety of measures, which have included reviews of our management procedures and safety systems.

Encouragingly, seven of our Customer Sector Groups reported improvements in Total Recordable Injury Frequency performance ranging from seven to 44 per cent. Twenty-four BHP Billiton sites completed 12 months of operations without a Lost Time Injury. In aggregate, this amounts to more than 23 million hours of work without a Lost Time Injury. Our challenge is to replicate this performance throughout our business and we must remain diligent in continuing our work towards zero workplace injuries.

Managing through the cycle

I have already stated that during the year, we stayed true to our strategy of focusing on long-term value creation. Operationally, however, we continued to seek ways that allow us to be responsive in the short term. For example, very early on in the global financial crisis and consistent with the way we have always managed our business, we reiterated our commitment to taking swift action in any operation that was cash negative and set to remain so, or for which we did not have sufficient customers for the particular product.

We acted quickly to curtail production across our metallurgical coal, manganese, nickel and iron ore pellet operations. Disappointingly, this slowdown in demand, coupled with the dramatic fall in nickel prices, led to the indefinite suspension of our Ravensthorpe operation in Western Australia. I can assure you that these decisions were carefully considered and that we are ever mindful of the effects on everyone involved.

While difficult decisions to reduce staff numbers were taken in some areas, we have continued to implement programs that work to attract and retain skilled people. For example, in May we announced the introduction of uniform, minimum paid parental leave benefits across our operations. The introduction of this initiative actively encourages broad inclusion in the workplace, which we believe will ultimately give us a strong competitive edge.

The strong cash flow from our existing portfolio along with low levels of financial gearing, enabled us to continue with our stated strategy of investing in our business throughout the cycle, with another four projects constituting US$5.9 billion of investment being approved during the year. Together with previously approved projects it brings our pipeline of projects in execution to approximately US$14 billion. We intend to invest approximately US$10 billion in capital and exploration expenditure in FY2010.

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Additionally, our strong cash flow and low gearing enabled us to contemplate other non-organic growth opportunities. In this regard, we are very pleased with the recent non-binding agreement with Rio Tinto to combine our iron ore businesses in Western Australia in a 50-50 owned production joint venture. This joint venture will see us invest a further US$5.8 billion in this business beyond the already sanctioned projects.

Looking ahead

The major economies are starting to rebuild their inventories in sequence, led by an early recovery in China; and we may see a more predictable demand scenario for our products in the coming financial year. However, we do not expect a return to the same buoyant demand conditions that prevailed before the global financial crisis, or a return to record global growth rates within our forecasting horizon.

Given that China represents approximately 20 per cent of BHP Billiton s revenue, and up to 50 per cent of the world s raw material consumption, it merits additional comment. China s reduction of lending controls in November 2008 has facilitated an increase in real estate and mortgage lending, which in turn has supported an increase in construction and increased demand for products we supply. Also, the infrastructure stimulus measures announced to improve China s rail, road and air transport links will, in due course, create a need for raw materials. Therefore, we expect the resource intensive nature of Chinese growth to substantially drive global raw materials consumption. The investment plans that I detailed earlier will continue to supply product to meet this demand.

On a final note, I wish to thank all of BHP Billiton s employees and contractors for their continued commitment, which has enabled the Group to deliver value in very challenging times.

In summary, our Group remains in an enviable position in its industry. Our low gearing, strong cash flow and portfolio of investment options positions us well to create value from the long-term demand for our commodities.

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1.4 Selected key measures

1.4.1 Financial information

Our selected financial information reflects the operations of the BHP Billiton Group, and should be read in conjunction with the 2009 financial statements, together with the accompanying notes.

We prepare our financial statements in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board, and as outlined in note 1 Accounting policies to the financial statements in this Annual Report. We publish our consolidated financial statements in US dollars.

	2009	2008	2007 [a]	2006 [a]	2005 [a]
Consolidated Income Statement (US$M except per share data)					
Revenue	**50,211**	59,473	47,473	39,099	31,150
Profit from operations	**12,160**	24,145	19,724	15,716	9,810
Profit attributable to members of BHP Billiton Group	**5,877**	15,390	13,416	10,450	6,396
Dividends per ordinary share paid during the period (US cents)	**82.0**	56.0	38.5	32.0	23.0
Dividends per ordinary share declared in respect of the period (US cents)	**82.0**	70.0	47.0	36.0	28.0
Earnings per ordinary share (basic) (US cents) [b]	**105.6**	275.3	229.5	173.2	104.4
Earnings per ordinary share (diluted) (US cents) [b]	**105.4**	274.8	228.9	172.4	104.0
Number of ordinary shares (millions)					
At period end	**5,589**	5,589	5,724	5,964	6,056
Weighted average	**5,565**	5,590	5,846	6,035	6,124
Diluted	**5,598**	5,605	5,866	6,066	6,156
Consolidated Balance Sheet (US$M)					
Total assets	**78,770**	76,008	61,404	51,343	45,077
Share capital	**2,861**	2,861	2,922	3,242	3,363
Total equity attributable to members of BHP Billiton Group	**39,954**	38,335	29,667	24,218	17,575
Other financial information					
Underlying EBIT (US$M) [c]	**18,214**	24,282	20,067	15,277	9,921
Net operating cash flow (US$M)	**18,863**	17,817	15,957	11,325	9,117
Gearing [d]	**12.1%**	17.8%	25.0%	27.2%	35.8%

(a) On 1 July 2007, the Group adopted the policy of recognising its proportionate interest in the assets, liabilities, revenues and expenses of jointly controlled entities within each applicable line item of the financial statements. All such interests were previously recognised using the equity method. Comparative figures for the years 2007 to 2005 that were affected by the policy change have been restated. Total assets for 2006 and 2005, Profit from operations for 2005 and Net operating cash flow for 2005 have been restated but are unaudited.

(b) The calculation of the number of ordinary shares used in the computation of basic earnings per share is the aggregate of the weighted average number of ordinary shares outstanding during the period of BHP Billiton Limited and BHP Billiton Plc after deduction of the number of shares held by the Billiton share repurchase scheme and the Billiton Employee Share Ownership Plan Trust and the BHP Bonus Equity Plan Trust and adjusting for the BHP Billiton Limited bonus share issue. Included in the calculation of fully diluted earnings per share are shares contingently issuable under Employee Share Ownership Plans.

(c) Underlying EBIT is profit from operations, excluding the effect of exceptional items. See section 3.6.1 for more information about this measure, including a reconciliation to profit from operations.

(d) See section 10 for glossary definitions.

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1.4.2 Operational information

Our Board and Group Management Committee monitor a range of financial and operational performance indicators, reported on a monthly basis, to measure performance over time. We also monitor a comprehensive set of health, safety, environment and community contribution indicators.

	2009	2008	2007
People and Licence to operate Health, safety, environment and community			
Total Recordable Injury Frequency (TRIF) [a]	**5.6**	5.9	7.4
Community investment (US$M) [a]	**197.8** [b]	141.0	103.4
Production			
Total petroleum products (million barrels of oil equivalent)	**137.19**	129.50	116.19
Alumina (000 tonnes)	**4,396**	4,554	4,460
Aluminium (000 tonnes)	**1,233**	1,298	1,340
Copper cathode and concentrate (000 tonnes)	**1,207.1**	1,375.5	1,250.1
Nickel (000 tonnes)	**173.1**	167.9	187.2
Iron ore (000 tonnes)	**114,415**	112,260	99,424
Metallurgical coal (000 tonnes)	**36,416**	35,193	38,429
Energy coal (000 tonnes)	**68,206**	80,868	87,025

(a) See section 10 for glossary definitions.

(b) In FY2009 we established a new UK-based charitable company, BHP Billiton Sustainable Communities, registered with the UK Charities Commission for the purpose of funding community investment globally. In FY2009 our voluntary community contribution included the provision of US$60 million to BHP Billiton Sustainable Communities.

1.5 Risk factors

We believe that, because of the international scope of our operations and the industries in which we are engaged, there are numerous factors which may have an effect on our results and operations. The following describes the material risks that could affect the BHP Billiton Group.

Fluctuations in commodity prices and impacts of the global financial crisis may negatively impact our results

The prices we obtain for our oil, gas, minerals and other commodities are determined by, or linked to, prices in world markets, which have historically been subject to substantial variations. The Group s usual policy is to sell its products at the prevailing market prices. The diversity provided by the Group s broad portfolio of commodities may not fully insulate the effects of price changes. Fluctuations in commodity prices can occur due to sustained price shifts reflecting underlying global economic and geopolitical factors, industry demand and supply balances, product substitution and national tariffs. The global financial crisis has severely impacted commodity markets in terms of lower prices, reduced demand and increased price volatility. The ongoing uncertainty and impact on global economic growth, particularly in the developed economies, may impact future demand and prices for commodities. The influence of hedge and other financial investment funds participating in commodity markets has increased in recent years contributing to higher levels of price volatility. The impact of potential longer-term sustained price shifts and shorter-term price volatility creates the risk that our financial and operating results and asset values will be materially and adversely affected by unforeseen declines in the prevailing prices of our products.

We seek to maintain a solid A credit rating as part of our strategy. Notwithstanding our financial and capital management programs the ongoing effects of the global financial crisis may impact our future cash flows and credit rating.

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Our profits may be negatively affected by currency exchange rate fluctuations

Our assets, earnings and cash flows are influenced by a wide variety of currencies due to the geographic diversity of the countries in which we operate. Fluctuations in the exchange rates of those currencies may have a significant impact on our financial results. The US dollar is the currency in which the majority of our sales are denominated. Operating costs are influenced by the currencies of those countries where our mines and processing plants are located and also by those currencies in which the costs of imported equipment and services are determined. The Australian dollar, South African rand, Chilean peso, Brazilian real and US dollar are the most important currencies influencing our operating costs. Given the dominant role of the US currency in our affairs, the US dollar is the currency in which we present financial performance. It is also the natural currency for borrowing and holding surplus cash. We do not generally believe that active currency hedging provides long-term benefits to our shareholders. We may consider currency protection measures appropriate in specific commercial circumstances, subject to strict limits established by our Board. Therefore, in any particular year, currency fluctuations may have a significant impact on our financial results.

Failure to discover new reserves, maintain or enhance existing reserves or develop new operations could negatively affect our future results and financial condition

The increased demand for our products and increased production rates from our operations in recent years has resulted in existing reserves being depleted at an accelerated rate. Because our revenues and profits are related to our oil and gas and minerals operations, our results and financial conditions are directly related to the success of our exploration and acquisition efforts, and our ability to replace existing reserves. The depletion of reserves has necessitated increased exploration adjacent to established operations and development of new operations in less-developed countries. Additionally these activities may increase land tenure, infrastructure and related political risks. A failure in our ability to discover new reserves, enhance existing reserves or develop new operations in sufficient quantities to maintain or grow the current level of our reserves could negatively affect our results, financial condition and prospects.

There are numerous uncertainties inherent in estimating ore and oil and gas reserves, and geological, technical and economic assumptions that are valid at the time of estimation may change significantly when new information becomes available. The impacts of the global financial crisis may impact economic assumptions related to reserve recovery and require reserve restatements. Reserve restatements could negatively affect our reputation, results, financial condition and prospects.

Reduction in Chinese demand may negatively impact our results

The Chinese market has become a significant source of global demand for commodities. In calendar year 2008, China represented 49 per cent of global seaborne iron ore demand, 28 per cent of copper demand, 28 per cent of nickel demand and 18 per cent of energy demand. China s demand for these commodities has been driving global materials demand over the past decade.

The strong economic growth and infrastructure development in China of recent years has been tempered by the global financial crisis. Sales into China generated US$9.9 billion (FY2008: US$11.7 billion), or 19.7 per cent (FY2008: 19.6 per cent), of our revenue in the year ended 30 June 2009. A continued slowing in China s economic growth could result in lower prices and demand for our products and therefore reduce our revenues.

In response to its increased demand for commodities, China is increasingly seeking strategic self-sufficiency in key commodities, including investments in existing businesses or new developments in other countries. These investments may adversely impact future commodity demand and supply balances and prices.

Actions by governments or political events in the countries in which we operate could have a negative impact on our business

We have operations in many countries around the globe, some of which have varying degrees of political and commercial stability. We operate in emerging markets, which may involve additional risks that could have

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an adverse impact upon the profitability of an operation. These risks could include terrorism, civil unrest, nationalisation, renegotiation or nullification of existing contracts, leases, permits or other agreements, and changes in laws and policy, as well as other unforeseeable risks. Risks relating to bribery and corruption may be prevalent in some of the countries in which we operate. If one or more of these risks occurs at one of our major projects, it could have a negative effect on the operations in those countries as well as the Group s overall operating results and financial condition.

Our business could be adversely affected by new government regulation, such as controls on imports, exports and prices, new forms or rates of taxation and royalties. Increasing requirements relating to regulatory, environmental and social approvals can potentially result in significant delays in construction and may adversely impact upon the economics of new mining and oil and gas projects, the expansion of existing operations and results of our operations.

Infrastructure such as rail, ports, power and water, is critical to our business operations. We have operations or potential development projects in countries where government provided infrastructure or regulatory regimes for access to infrastructure, including our own privately operated infrastructure, may be inadequate or uncertain. These may adversely impact the efficient operations and expansion of our businesses.

In South Africa, the Mineral and Petroleum Resources Development Act (2002) (MPRDA) came into effect on 1 May 2004. The law provides for the conversion of existing mining rights (so called Old Order Rights) to rights under the new regime (New Order Rights) subject to certain undertakings to be made by the company applying for such conversion. The Mining Charter requires that mining companies achieve 15 per cent ownership by historically disadvantaged South Africans of South African mining assets by 1 May 2009 and 26 per cent ownership by 1 May 2014. If we are unable to convert our South African mining rights in accordance with the MPRDA and the Mining Charter, we could lose some of those rights. Where new order mining rights are obtained under the MPRDA, these rights may not be equivalent to the old order mining rights in terms of duration, renewal, rights and obligations.

We operate in several countries where ownership of land is uncertain and where disputes may arise in relation to ownership. In Australia, the Native Title Act (1993) provides for the establishment and recognition of native title under certain circumstances. In South Africa, the Extension of Security of Tenure Act (1997) and the Restitution of Land Rights Act (1994) provide for various landholding rights. Such legislation could negatively affect new or existing projects.

We may not be able to successfully integrate our acquired businesses

We have grown our business in part through acquisitions. We expect that some of our future growth will stem from acquisitions. There are numerous risks encountered in business combinations. These include adverse regulatory conditions and obligations, commercial objectives not achieved due to minority interests, unforeseen liabilities arising from the acquired businesses, retention of key staff, anticipated synergies and cost savings being delayed or not being achieved, uncertainty in sales proceeds from planned divestments, and planned expansion projects are delayed or higher cost than anticipated. These factors could negatively affect our financial condition and results of operations.

We may not recover our investments in mining and oil and gas projects

Our operations may be impacted by changed market or industry structures, commodity prices, technical operating difficulties, inability to recover our mineral, oil or gas reserves and increased operating cost levels. These may impact the ability for assets to recover their historical investment and may require financial write-downs adversely impacting our financial results.

Our non-controlled assets may not comply with our standards

Some of our assets are controlled and managed by joint venture partners or by other companies. Some joint venture partners may have divergent business objectives which may impact business and financial results. Management of our non-controlled assets may not comply with our management and operating standards, controls and procedures (including health, safety, environment). Failure to adopt equivalent standards, controls and procedures at these assets could lead to higher costs and reduced production and adversely impact our results and reputation.

Operating cost pressures and shortages could negatively impact our operating margins and expansion plans

The strong commodity cycle of past years led to increasing cost pressures across the resources industry and shortages in skilled personnel, contractors, materials and supplies that are required as critical inputs to our existing operations and planned developments. Recent rapid declines in commodity prices without commensurate cost declines have resulted in operating margins being reduced. Notwithstanding our efforts to reduce costs and a number of key cost inputs being commodity price-linked, the inability to reduce costs and a timing lag may impact our operating margins for an extended period.

Changing industrial relations legislation such as the Australian Fair Work Act 2009 may impact workforce flexibility, productivity and costs. Labour unions may seek to pursue claims under the new framework. Industrial action may impact our operations resulting in lost production and revenues.

A number of our operations are energy or water intensive and, as a result, the Group s costs and earnings could be adversely affected by rising costs or by supply interruptions. These could include the unavailability of energy, fuel or water due to a variety of reasons, including fluctuations in climate, significant increase in costs, inadequate infrastructure capacity, interruptions in supply due to equipment failure or other causes and the inability to extend supply contracts on economical terms.

These factors have led, and could continue to lead, to increased operating costs at existing operations.

Increased costs and schedule delays may impact our development projects

Although we devote significant time and resources to our project planning, approval and review process, we may underestimate the cost or time required to complete a project. In addition, we may fail to manage projects as effectively as we anticipate, and unforeseen challenges may emerge. Any of these may result in increased capital costs and schedule delays at our development projects impacting anticipated financial returns.

Health, safety, environmental and community exposures and related regulations may impact our operations and reputation negatively

The nature of the industries in which we operate means that our activities are highly regulated by health, safety and environmental laws. As regulatory standards and expectations are constantly developing, we may be exposed to increased litigation, compliance costs and unforeseen environmental remediation expenses.

Potential health, safety, environmental and community events that may materially impact our operations include rockfall incidents in underground mining operations, aircraft incidents, light vehicle incidents, explosions or gas leaks, incidents involving mobile equipment, uncontrolled tailings breaches, escape of polluting substances, community protests or civil unrest.

Longer-term health impacts may arise due to unanticipated workplace exposures by employees or site contractors. These effects may create future financial compensation obligations.

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We provide for operational closure and site remediation. We have closure plans for all of our operating and closed facilities. Changes in regulatory or community expectations may result in the relevant plans not being adequate. This may impact financial provisioning and costs at the affected operations.

We contribute to the communities in which we operate by providing skilled employment opportunities, salaries and wages, taxes and royalties and community development programs. Notwithstanding these actions, local communities may become dissatisfied with the impact of our operations, potentially affecting costs and production, and in extreme cases viability.

Legislation requiring manufacturers, importers and downstream users of chemical substances, including metals and minerals, to establish that the substances can be used without negatively affecting health or the environment may impact our operations and markets. These potential compliance costs, litigation expenses, regulatory delays, remediation expenses and operational costs could negatively affect our financial results.

We may continue to be exposed to increased operational costs due to the costs and lost time associated with the HIV/AIDS and malaria infection rate mainly within our African workforce. Because we operate globally, we may be affected by potential influenza outbreaks, such as A(H1N1) and avian flu, in any of the regions in which we operate.

Despite our best efforts and best intentions, there remains a risk that health, safety, environmental and/or community incidents or accidents may occur that may negatively impact our reputation or licence to operate.

Unexpected natural and operational catastrophes may impact our operations

We operate extractive, processing and logistical operations in many geographic locations both onshore and offshore. Our operational processes and geographic locations may be subject to operational accidents such as port and shipping incidents, fire and explosion, pitwall failures, loss of power supply, railroad incidents and mechanical failures. Our operations may also be subject to unexpected natural catastrophes such as earthquakes, flood, hurricanes and tsunamis. Based on our claims, insurance premiums and loss experience, our risk management approach changed during the year to maintaining self-insurance for property damage and business interruption related risk exposures. Existing business continuity plans may not provide protection for all of the costs that may arise from such events. The impact of these events could lead to disruptions in production and loss of facilities more than offsetting premiums saved and adversely affecting our financial results.

Climate change and greenhouse effects may adversely impact our operations and markets

We are a major producer of carbon-related products such as energy and metallurgical coal, oil, gas, and liquefied natural gas. Carbon based energy is also a significant input in a number of the Group s mining and processing operations.

A number of governments or governmental bodies have introduced or are contemplating regulatory change in response to the impacts of climate change. The December 1997 Kyoto Protocol established a set of greenhouse gas emission targets for developed countries that have ratified the Protocol. The European Union Emissions Trading System (EU ETS), which came into effect on 1 January 2005, has had an impact on greenhouse gas and energy-intensive businesses based in the EU. Our Petroleum assets in the UK are currently subject to the EU ETS, as are our EU based customers. Elsewhere, there is current and emerging climate change regulation that will affect energy prices, demand and margins for carbon intensive products. The Australian Government s plan of action on climate change includes the introduction of a national emissions trading scheme by 2011 and a mandatory renewable energy target of 20 per cent by the year 2020. From a medium- to long-term perspective, we are likely to see some changes in the cost position of our greenhouse-gas-intensive assets and energy-intensive assets as a result of regulatory impacts in the countries in which we operate. These regulatory mechanisms may impact our operations directly or indirectly via our suppliers and customers. Inconsistency of

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regulations particularly between developed and developing countries may also change the competitive position of some of our assets. Assessments of the potential impact of future climate change regulation are uncertain given the wide scope of potential regulatory change in the many countries in which we operate.

The physical impacts of climate change on our operations are highly uncertain and will be particular to the geographic circumstances. These may include changes in rainfall patterns, water shortages, rising sea levels, increased storm intensities and higher average temperature levels. These effects may adversely impact the cost, production and financial performance of our operations.

Our human resource talent pool may not be adequate to support our growth

Our existing operations and our pipeline of development projects, when activated, require highly skilled staff with relevant industry and technical experience. The inability of the Group and industry to attract and retain such people may adversely impact our ability to adequately meet demand in projects and fill roles in existing operations. Skills shortages in engineering, technical service, construction and maintenance contractors may impact activities. These shortages may adversely impact the cost and schedule of development projects and the cost and efficiency of existing operations.

Breaches in our information technology (IT) security processes may adversely impact the conduct of our business activities

We maintain global IT and communication networks and applications to support our business activities. IT security processes protecting these systems are in place and subject to assessment as part of the review of internal control over financial reporting. These processes may not prevent future malicious action or fraud by individuals or groups, resulting in the corruption of operating systems, theft of commercially sensitive data, misappropriation of funds and disruptions to our business operations.

A breach in our governance processes may lead to regulatory penalties and loss of reputation

We operate in a global environment straddling multiple jurisdictions and complex regulatory frameworks. Our governance and compliance processes, which include the review of control over financial reporting, may not prevent future potential breaches of law, accounting or governance practice. Our *Code of Business Conduct* and anti-trust standards may not prevent instances of fraudulent behaviour and dishonesty nor guarantee compliance with legal or regulatory requirements. This may lead to regulatory fines, litigation, loss of operating licences or loss of reputation.

1.6 Forward looking statements

This Annual Report contains forward looking statements, including statements regarding:

- estimated reserves
- trends in commodity prices
- 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

expected costs or production output

anticipated productive lives of projects, mines and facilities

provisions and contingent liabilities.

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

For example, our future revenues from our operations, projects or mines described in this Annual Report 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 or the expansion of certain facilities or mines.

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; and other factors identified in the description of the risk factors above.

We cannot assure you that our estimated economically recoverable reserve figures, closure or divestment of such operations or facilities, including associated costs, actual production or commencement dates, cost or production output or anticipated lives of the projects, mines and facilities discussed in this Annual Report, will not differ materially from the statements contained in this Annual Report.

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.

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2 Information on the Company

2.1 BHP Billiton locations

We extract and process minerals, oil and gas from our production operations located primarily in Australia, the Americas and southern Africa. We sell our product globally with our marketing activities centralised in Singapore, The Hague and Antwerp.

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Petroleum

Ref	Country	Site/Asset	Description	Ownership
1	Algeria	Ohanet	Onshore wet gas development	45%
2	Algeria	ROD	Onshore oil development, comprising development and production of six oil fields	45%
3	Australia	Bass Strait	Production of oil, condensate, LPG, natural gas and ethane located in the Gippsland Basin, offshore southern Australia	50%
4	Australia	Minerva	Operator of offshore gas field development in the Otway Basin of Victoria	90%
5	Australia	North West Shelf	One of Australia s largest resource projects, producing liquids, LNG and domestic gas located offshore northwestern Australia	8.33-16.67%
6	Australia	Stybarrow/ Griffin	Operator of Stybarrow oil development and Griffin oil and gas development located offshore Western Australia	45-50%
7	Pakistan	Zamzama	Operator of onshore gas development in Sindh province	38.5%
8	Trinidad & Tobago	Greater Angostura	Operator of oil and gas field located offshore east Trinidad	45%
9	UK	Bruce/Keith	Oil and gas production in the UK North Sea	16-31.83%
10	UK	Liverpool Bay	Operator of oil and gas developments in the Irish Sea	46.1%
11	US	Gulf of Mexico	Interests in several producing assets, including deepwater oil and gas production at:	
			Atlantis	44%
			Shenzi/Genghis Khan	44%
			Mad Dog	23.9%
			Neptune	35%
			Additional other interests in producing assets and a significant exploration acreage position	4.95-100%

Aluminium

Ref	Country	Site/Asset	Description	Ownership
12	Australia	Boddington/ Worsley	Integrated bauxite mine and alumina refinery in Western Australia	86%
13	Brazil	Alumar	Integrated alumina refinery, aluminium smelter and port facilities in Maranhão province	36-40%
14	Brazil	MRN	Bauxite mine in Pará province	14.8%
15	Guinea	Guinea Alumina Project	Integrated bauxite mine and alumina refiner (currently undertaking feasibility study)	33.3%
16	Mozambique	Mozal	Aluminium smelter near Maputo	47.1%
17	South Africa	Hillside/ Bayside	Two aluminium smelters at Richards Bay	100%
18	Suriname	Paranam	Bauxite mines and alumina refinery *	45%

* Asset sale completed 31 July 2009

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Base Metals

Ref	Country	Site/Asset	Description	Ownership
19	Australia	Cannington	Silver, lead and zinc mine in northwest Queensland	100%
20	Australia	Olympic Dam	Underground copper, uranium, gold and silver mine in South Australia	100%
21	Chile	Cerro Colorado	Open-cut mine producing copper cathode in Atacama Desert, northern Chile	100%
22	Chile	Escondida	Copper mines in Atacama Desert, northern Chile	57.5%
23	Chile	Spence	Open-cut mine producing copper cathode in Atacama Desert, northern Chile	100%
24	Peru	Antamina	Copper and zinc mine located in the Andes, north-central Peru	33.75%
25	US	Pinto Valley	Copper mine located in the state of Arizona	100%

Diamonds and Specialty Products

Ref	Country	Site/Asset	Description	Ownership
26	Canada	EKATI	Diamond mine in Northwest Territories	80%
27	Canada	Potash	Greenfield potash projects near Saskatoon, Saskatchewan	100%
28	South Africa	Richards Bay Minerals	Integrated titanium smelter and mineral sands mine	50%

Stainless Steel Materials

Ref	Country	Site/Asset	Description	Ownership
29	Australia	Nickel West	Nickel assets including Mt Keith, Leinster and Cliffs operations, Kambalda nickel concentrator, Kalgoorlie nickel smelter, Kwinana nickel refinery, and Ravensthorpe nickel mine and processing facility	100%
30	Australia	Yabulu Refinery	Laterite nickel and cobalt processing plants northwest of Townsville *	100%
31	Colombia	Cerro Matoso	Integrated ferronickel mining and smelting complex in northern Colombia	99.94%

* Asset sale completed 31 July 2009

Iron Ore

Ref	Country	Site/Asset	Description	Ownership
32	Australia	Western Australia Iron Ore	Integrated mine, rail and port operations in the Pilbara	85-100%
33	Brazil	Samarco	Integrated mine, pipeline and port operations producing iron ore pellets in southeast Brazil	50%

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Manganese

Ref	Country	Site/Asset	Description	Ownership
34	Australia	GEMCO	Producer of manganese ore in the Northern Territory	60%
35	Australia	TEMCO	Producer of manganese alloys in Tasmania	60%
36	South Africa	Samancor Manganese	Integrated producer of manganese ore (Hotazel Manganese Mines), alloy (Metalloys) and manganese metal (Manganese Metal Company)	60%

Metallurgical Coal

Ref	Country	Site/Asset	Description	Ownership
37	Australia	Illawarra Coal	Three underground coal mines in southern New South Wales with access to rail and port facilities	100%
38				

Item 8 Identification and Classification of Members of the Group:

Not Applicable.

Item 9 Notice of Dissolution of Group:

Not Applicable.

Item 10 Certification:

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

Cusip No. 86272T304	13G

Signature

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated as of April 21, 2010	NV North American Opportunity Fund By: Millennium Group LLC
	By: /s/ Barton S. Aronson Barton S. Aronson, Authorized Signatory for Trent Stedman, Sole Member
Dated as of April 21, 2010	Millennium Group LLC
	By: /s/ Barton S. Aronson Barton S. Aronson, Authorized Signatory for Trent Stedman, Member
Dated as of April 21, 2010	Highland Park Partners Fund LP By: HPP GP LLC
	By: /s/ Barton S. Aronson Barton S. Aronson, Authorized Signatory for Trent Stedman, Sole Member
Dated as of April 21, 2010	HPP GP LLC
	By: /s/ Barton S. Aronson

Barton S. Aronson, Authorized Signatory
for Trent Stedman, Sole Member

Dated as of April 21, 2010	/s/ Barton S. Aronson
	Barton S. Aronson, Authorized Signatory for Trent Stedman
Dated as of April 20, 2010	/s/ Thomas Patrick
	Thomas Patrick

Cusip No. 86272T304	13G

Exhibit A
Agreement of Joint Filing

Pursuant to 13d-1(k) promulgated under the Securities Exchange Act of 1934, as amended, the undersigned hereby confirm the agreement by and among them to join in the filing on behalf of each of them of a Statement on Schedule 13G and any and all amendments thereto, and that this Agreement be included as an Exhibit to such filing. This Agreement may be executed in any number of counterparts each of which shall be deemed to be an original and all of which together shall be deemed to constitute one and the same Agreement.

IN WITNESS WHEREOF, the undersigned have executed this Agreement.

Dated as of April 21, 2010	NV North American Opportunity Fund By: Millennium Group LLC
	By: /s/ Barton S. Aronson Barton S. Aronson, Authorized Signatory for Trent Stedman, Sole Member
Dated as of April 21, 2010	Millennium Group LLC
	By: /s/ Barton S. Aronson Barton S. Aronson, Authorized Signatory for Trent Stedman, Member
Dated as of April 21, 2010	Highland Park Partners Fund LP By: HPP GP LLC

	By: /s/ Barton S. Aronson Barton S. Aronson, Authorized Signatory for Trent Stedman, Sole Member
Dated as of April 21, 2010	HPP GP LLC
	By: /s/ Barton S. Aronson Barton S. Aronson, Authorized Signatory for Trent Stedman, Sole Member
Dated as of April 21, 2010	/s/ Barton S. Aronson Barton S. Aronson, Authorized Signatory for Trent Stedman
Dated as of April 20, 2010	/s/ Thomas Patrick Thomas Patrick