



NEWS RELEASE

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BHP BILLITON APPROVES EXPANSION OF WESTERN AUSTRALIAN IRON ORE CAPACITY TO 118 MILLION TONNES PER ANNUM

BHP Billiton today announced the approval of Rapid Growth Project 2 (RGP2), a \$US575 million (*BHP Billiton share US\$489 million) project which will expand the capacity of its Western Australia iron ore operations from 110 million tonnes per annum (Mtpa) to 118 Mtpa during the second half of calendar year 2006.

RGP2 will include the development of a new Brockman resource, Orebody 18, with an initial capacity of 8Mtpa, together with plant modifications at the existing Orebody 25 mine, and additional rail and port capacity.

Group President Carbon Steel Materials, Bob Kirkby, said: "This latest expansion is a key component of BHP Billiton's plans to incrementally expand iron ore infrastructure and systems capacity in line with market demand. It continues BHP Billiton's commitment to ensuring that we can supply the significant increase in demand for steelmaking raw materials from our customers."

"In October last year, we opened the Area C mine and complemented this development with the completion of the port and railroad Products and Capacity Expansion Project in January 2004. By June 2004, a further expansion to increase installed operating capacity to 100Mtpa was completed and commissioning is now underway on the Rapid Growth Project 1 to increase capacity to 110Mtpa," Mr Kirkby said.

"A feasibility study is also currently underway to determine the optimum iron ore production, rilling, processing and shipping infrastructure for tonnages of at least 145Mtpa. This study is due for completion in early 2005."

Orebody 18 contains total resources of 178Mt; comprising a measured resource of 136Mt, indicated resource of 38Mt and inferred resource of 4Mt.

(The information is based on information compiled by P. Schultz, MAusIMM who is a full time employee of BHP Billiton Iron Ore Pty Ltd. Mr Schultz has sufficient experience, which is relevant to the style and type of deposit and to the activity that is undertaken to qualify as a Competent Person defined in the 1999 edition of the "Australasian Code for Reporting of Minerals Resources and Ore Reserve". The Competent Person consents to the inclusion in this release of the matters based on their information in the form and context in which they appear.)

* \$US86 million will be provided by BHP Billiton Joint Venture Partners ITOCHU Minerals & Energy of Australia and Mitsui Iron Ore Corporation.

Background notes:

BHP Billiton's iron ore operations are mostly located in the Pilbara region of Western Australia. The permanent workforce, employed either directly or through contract mining arrangements, is approximately 5,000 of which about 75% reside in the Pilbara towns of Newman and Port Hedland.

In the Year Ending June 2004, BHP Billiton produced 88.9 million tonnes (100% terms) of iron ore from the six mines located in the Pilbara - Mt Whaleback and nearby Satellite Orebodies 23, 25, 29 and 30, Jimblebar, Yandi, Area C and Yarrie.

Processing and shipping facilities are located at Nelson Point and Finucane Island, Port Hedland. These facilities are connected to the six mines by almost 1,000 kilometres of railway track.

Key elements of the RGP2 project are:

- Mining
 - Development of the Orebody 18 Brockman resource, near Newman, to add to the blend of ores from the Mt Whaleback, Satellite Orebodies and Jimblebar mines.
 - Initial production at Orebody 18 will be 8 Mtpa, although capacity of 12 Mtpa will be installed.
 - Modifications to the Orebody 25 mine to produce additional Brockman lump and fines products.
- Port
 - The construction of a new car dumping facility and ancillary works.
 - The car dumper will have an ultimate capacity of 40 Mtpa, however this will be limited to 8Mtpa initially. Future expansion projects will realise the additional capacity in the car dumper as further downstream capacity is installed.
 - This additional car dumping capacity will allow upgrades to existing dumpers to be undertaken in readiness for future market growth.
- Rail
 - The procurement of additional railway rolling stock.
 - Additional railway to support the new mines and car dumper.

Further information on BHP Billiton can be found on our Internet site: <http://www.bhpbilliton.com>

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