

NEWS RELEASE

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BHP BILLITON ANNOUNCES KNOTTY HEAD DISCOVERY IN GULF OF MEXICO

BHP Billiton today announced a discovery at the Knotty Head exploration well located in Green Canyon Block 512, approximately 170 miles southeast of New Orleans in the Gulf of Mexico.

Knotty Head is believed to be the deepest hydrocarbon discovery to date in the Gulf of Mexico, located in water depths of approximately 3,500 feet, with the initial wellbore drilled to total depth of more than 34,000 feet. The well encountered more than 500 feet of net oil pay.

"This is a very encouraging result," said BHP Billiton Group President Energy, Philip Aiken. "We will be working with our partners to determine next steps, including the drilling of a sidetrack from this wellbore to further delineate the lateral extent of the oil sands we've found thus far."

BHP Billiton holds a 25 percent interest in Knotty Head. Other partners include Chevron, Anadarko Petroleum Corporation and Nexen Petroleum USA Inc., a wholly owned subsidiary of Nexen Inc. Each partner holds a 25 percent interest in the block. Chevron is the operator of the well, which is being drilled with the Transocean drillship *Discoverer Spirit* and Nexen is the designated operator of the prospect.

BHP Billiton has a significant deepwater position in the Gulf of Mexico with interests in nearly 450 lease blocks. Assets in the Gulf of Mexico include Mad Dog, which commenced production earlier this year, and the Atlantis and Neptune fields, which are currently in development. The company also has deepwater discoveries under appraisal at Cascade, Chinook and Shenzi.

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

Australia

Jane Belcher, Investor Relations
Tel: +61 3 9609 3952 Mobile: +61 417 031 653
email: Jane.H.Belcher@bhpbilliton.com

Samantha Evans, Media Relations
Tel: +61 3 9609 2898 Mobile: +61 400 693 915
email: Samantha.Evans@bhpbilliton.com

United States

Tracey Whitehead, Investor & Media Relations
Tel: US +1 713 599 6100 or UK +44 20 7802 4031
Mobile: +44 7917 648 093
email: Tracey.Whitehead@bhpbilliton.com

United Kingdom

Mark Lidiard, Investor & Media Relations
Tel: +44 20 7802 4156 Mobile: +44 7769 934 942
email: Mark.Lidiard@bhpbilliton.com

Ariane Gentil, Media Relations
Tel: +44 20 7802 4177 Mobile: +44 78 81 51 8715
email: Ariane.Gentil@bhpbilliton.com

South Africa

Alison Gilbert, Investor Relations
Tel: SA +27 11 376 2121 or UK +44 20 7802 4183
email: Alison.Gilbert@bhpbilliton.com