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BHP BILLITON APPROVES MAJOR CAPACITY EXPANSION AT WESTERN AUSTRALIAN IRON ORE

BHP Billiton today announced approval for the Rapid Growth Project 4 (RGP4) which will increase system capacity across its Western Australian iron ore operations to 155 million tonnes per annum (Mtpa). Initial production is expected to commence in the first half of CY2010.

BHP Billiton has approved capital expenditure of US$1.85 billion for its share of the project, which includes development of a new crushing and screening plant, as well as additional stockyards, car dumping and train loading facilities at Mt Whaleback. Infrastructure upgrades will also be implemented at satellite orebodies and the rail and port operations.

President BHP Billiton Iron Ore Ian Ashby said RGP4 would deliver large-scale benefits to the Company, its customers, employees and local communities.

"Our high quality asset base in the Pilbara and series of staged growth projects have helped ensure the continued delivery of outstanding returns to BHP Billiton shareholders," he said.

"The RGP4 project will further increase the efficiency of our integrated mine, port and rail operations and represents a key investment in our ongoing strategy to be more responsive to customer needs.

"The project will also have substantial flow-on benefits to Pilbara communities through the creation of employment and business opportunities, improved management of valuable water resources and significantly reduced dust emissions."

Mr Ashby said that a range of options to expand capacity beyond RGP4 are also being evaluated, subject to customer demand.

"We are committed to creating further value-adding options for the business and providing the next phase of growth opportunities beyond our recent expansion projects," he said.

By the end of CY2007 BHP Billiton will have increased the capacity of its Western Australian iron ore operations by 60Mtpa over the past four years. This growth will have been achieved through a series of sequential projects, delivered on time and within budget.

BHP Billiton's partners in the Pilbara iron ore operations are: Itochu Minerals & Energy of Australia, Mitsui-Itochu Iron and Mitsui Iron Ore Corporation.

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