

BHP BILLITON PLC
Form 6-K
October 06, 2014

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

October 6, 2014

BHP BILLITON LIMITED

(ABN 49 004 028 077)

(Exact name of Registrant as specified in its charter)

VICTORIA, AUSTRALIA

(Jurisdiction of incorporation or organisation)

180 LONSDALE STREET, MELBOURNE,

VICTORIA

3000 AUSTRALIA

(Address of principal executive offices)

BHP BILLITON PLC

(REG. NO. 3196209)

(Exact name of Registrant as specified in its charter)

ENGLAND AND WALES

(Jurisdiction of incorporation or organisation)

NEATHOUSE PLACE, VICTORIA, LONDON,

UNITED KINGDOM

(Address of principal executive offices)

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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

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6 October 2014

To: Australian Securities Exchange
New York Stock Exchange

cc: London Stock Exchange
JSE Limited

IRON ORE BRIEFING AND WESTERN AUSTRALIA IRON ORE SITE TOUR

Jimmy Wilson, President, Iron Ore will host an Iron Ore briefing and a Western Australia Iron Ore (**WAIO**) site tour on Monday 6 October 2014, Tuesday 7 October 2014 and Wednesday 8 October 2014.

A copy of the materials to be presented is attached.

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

Nicole Duncan
Company Secretary

NEWS RELEASE

Release Time IMMEDIATE

Date 6 October 2014

Number 17/14

COST REDUCTIONS AND CAPITAL EFFICIENT GROWTH AT WAIO

BHP Billiton President Iron Ore, Jimmy Wilson, today announced plans to cut unit costs at Western Australia Iron Ore (WAIO) by at least 25 per cent and the potential to increase capacity there by 65 million tonnes per year at a very low capital cost.

Mr Wilson outlined BHP Billiton's view of the long-term supply and demand trends in the iron ore market.

We continue to see healthy demand growth for iron ore in the mid-term as Chinese steel production is expected to increase by approximately 25 per cent to between 1.0 and 1.1 billion tonnes in the early to mid-2020s, he said.

Meanwhile, steel production growth in other emerging economies is outpacing China as those nations urbanise and industrialise. We expect to see a compound annual growth rate for global steel production of between 2.5 and 3.0 per cent between now and 2030.

Unsurprisingly, high prices over the last decade created the incentives needed for new entrants to join the market and traditional producers to substantially increase supply. As a result, growth in seaborne supply is expected to exceed growth in demand over the short to medium term.

In anticipation of this transition, we turned our focus from major supply chain investment to productivity, cost reduction and capital efficient growth more than two years ago.

Mr Wilson highlighted the quality and footprint of the WAIO operations which consist of the four main joint ventures Mt Newman, Yandi, Mt Goldsworthy and Jimblebar.

We have the strongest resource position in Western Australia and the quality of our ore bodies will help us sustain strong margins over the long term. We have already significantly cut the cost of production at WAIO and plan to go further, he said.

We expect unit cash costs of less than US\$20 per tonne² in the medium term, a reduction of more than 25 per cent on the average achieved in the 2014 financial year.

Our reserves are concentrated around our four major mining hubs which will support a lower level of sustaining capital expenditure than required by our peers. With annual sustaining capex of approximately US\$5 per tonne over the next five years, we aim to be the lowest cost supplier to China on an all-in cash basis.

¹ Excludes freight and royalties

² Based on real 2014 terms, AUD:USD of 0.91

Mr Wilson also said BHP Billiton could add 65 million tonnes of capacity at WAIO at a capital intensity of approximately US\$30 per annual tonne, taking total system capacity from 225 Mtpa to 290 Mtpa by the end of the 2017 financial year.

The economics of further increasing our production are compelling. We completed our major supply chain investments some time ago and have since focussed on using BHP Billiton's benchmarking systems to improve the performance of our equipment by systematically tackling the bottlenecks, he said.

We now expect to increase WAIO mine capacity to 275 Mtpa without the need for additional fixed plant investment. Beyond that, the Inner Harbour Debottlenecking and Jimblebar Phase 2 projects³ will help us to reach 290 Mtpa of supply chain capacity at low capital cost.

This week the Company is hosting investors and analysts on a tour of major hubs supporting WAIO operations, including Jimblebar, Yandi and Port Hedland.

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

³ Not Board approved

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BHP Billiton Limited ABN 49 004 028 077

BHP Billiton Plc Registration number 3196209

Registered in Australia

Registered in England and Wales

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Members of the BHP Billiton Group which is headquartered in Australia

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: 6 October, 2014

By: /s/ Nicole Duncan

Name: Nicole Duncan

Title: Company Secretary