BHP BILLITON LTD
Form 6-K
October 06, 2016

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 5, 2016

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)**
171 COLLINS STREET, MELBOURNE,	**NEATHOUSE PLACE, LONDON,**
VICTORIA 3000 AUSTRALIA	**UNITED KINGDOM**
(Address of principal executive offices)	**(Address of principal executive offices)**

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F: x 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 x No

If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): n/a

NEWS RELEASE

Release Time IMMEDIATE

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RICH SET OF OPPORTUNITIES TO DRIVE VALUABLE GROWTH

BHP Billiton today outlined the broad range of opportunities within its Petroleum business to grow value, returns and cash flow as markets improve.

Speaking at an investor briefing in London, BHP Billiton President Operations Petroleum, Steve Pastor said Having both minerals and petroleum in our portfolio allows us to maximise the value of our petroleum assets at the right point in the cycle.

While currently well supplied, underlying fundamentals suggest both oil and gas markets are improving more quickly than our minerals commodities.

Over the next decade, demand growth, natural field decline and the effects of industry wide investment deferrals are expected to create a significant opportunity to invest and maximize value in oil. By 2025 the world is expected to consume more than 100,000 barrels of liquids per day a third of which would come from new sources.

We are well placed to capitalise on this opportunity. We have a large, high quality resource base. Our focus on productivity has significantly reduced both operating and capital costs, supporting a range of shale and conventional investment opportunities that would generate compelling returns at today s prices. As a result, Petroleum is well placed to maintain its position as BHP Billiton s highest margin business and to grow its free cash flow contribution.

BHP Billiton runs its Onshore US assets to maximise value rather than volumes and will continue to adjust its investment plans to reflect market conditions.

Our Onshore US business gives us valuable flexibility. Our shale assets generate cash at current prices, with significant upside should oil and gas prices recover as we expect, Mr Pastor said.

We operate in the heart of some of the best shale plays and by further reducing costs and improving capital efficiency to levels among the best in the industry, we have increased our investible well inventory. As a result, we now have up to 1,200 undrilled net oil wells, contingent upon trials in the Eagle Ford, and 220 undrilled net gas wells that generate a minimum 15 per cent internal rate of return (IRR) at US$50 per barrel of oil and US$3 per MMbtu.

In the Permian, we have access to over one billion barrels of oil equivalent (boe) meaning this field has the potential to become the largest production and free cash contributor in our Petroleum portfolio within five years.

In Conventional, BHP Billiton is expecting unit operating costs to remain at approximately US$10 per boe over the 2017 and 2018 financial years as it pursues a number of options to extend high margin production from its existing facilities.

We have a rich portfolio of brownfield project options, with total capital expenditure of US$2.5 billion and an average IRR of 45 per cent that will help offset field decline. With significant improvements in capital efficiency, major capital projects like Mad Dog 2 are now economically attractive, even below US$50 per barrel of oil, Mr Pastor said.

BHP Billiton today also announced positive drilling results at the Caicos exploration well in the Gulf of Mexico. Located in Green Canyon 564, this well is approximately 100 miles south of the Louisiana coast in the deep water Gulf of Mexico. Caicos was drilled to a total depth of 30,803 feet and encountered oil in multiple horizons.

We are encouraged by the Caicos results and are moving to further appraise the area. The next step will be drilling the Wildling well in November. With success at Caicos and Shenzi North, we continue to be optimistic around the opportunity for a commercial development in the area.

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

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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: October 5, 2016

By: /s/ Rachel Agnew
Name: Rachel Agnew
Title: Company Secretary