

# BHP Billiton

Proposed aluminium smelter and Inga 3 power project in DRC

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**bhpbilliton**

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# BHP Billiton is the largest mining company by market capitalisation



\*Rio Tinto Market Cap = Market Cap of Rio Tinto Plc + 62.6% of Market Cap of Rio Tinto Ltd (due to Rio Tinto Plc's approximate 37.4% holding of Rio Tinto Ltd, as per [www.riotinto.com/investors/590\\_data\\_book.asp](http://www.riotinto.com/investors/590_data_book.asp))

\*\*Market value may be unreliable due to a high percentage of non free-float shares.

Sources: Investments and Value Management, Datastream, Bloomberg

# Structure driven by customer needs

Petroleum



Aluminium



Base Metals



Diamonds & Spec Prod



Stainless Steel Materials



Energy Coal



Metallurgical Coal



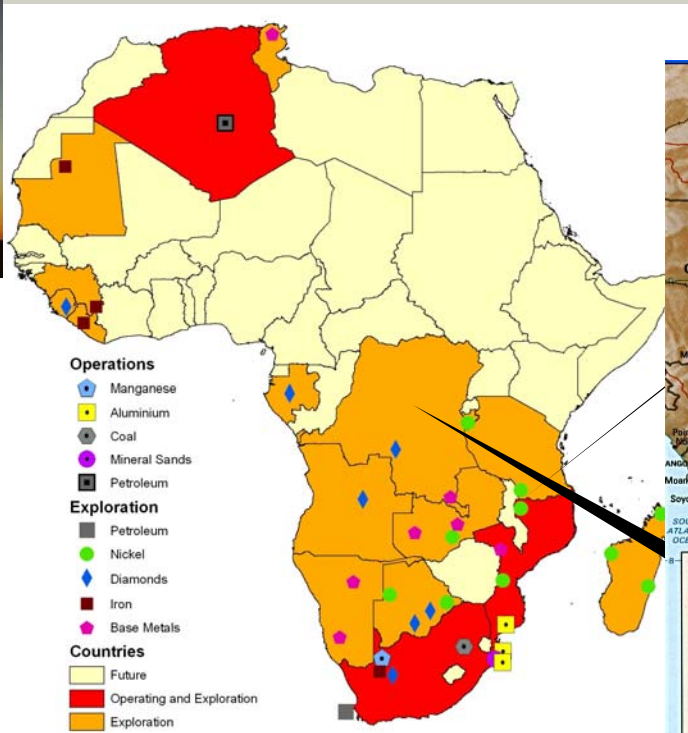
Manganese



Iron Ore



# Strong track record of commitment to Africa



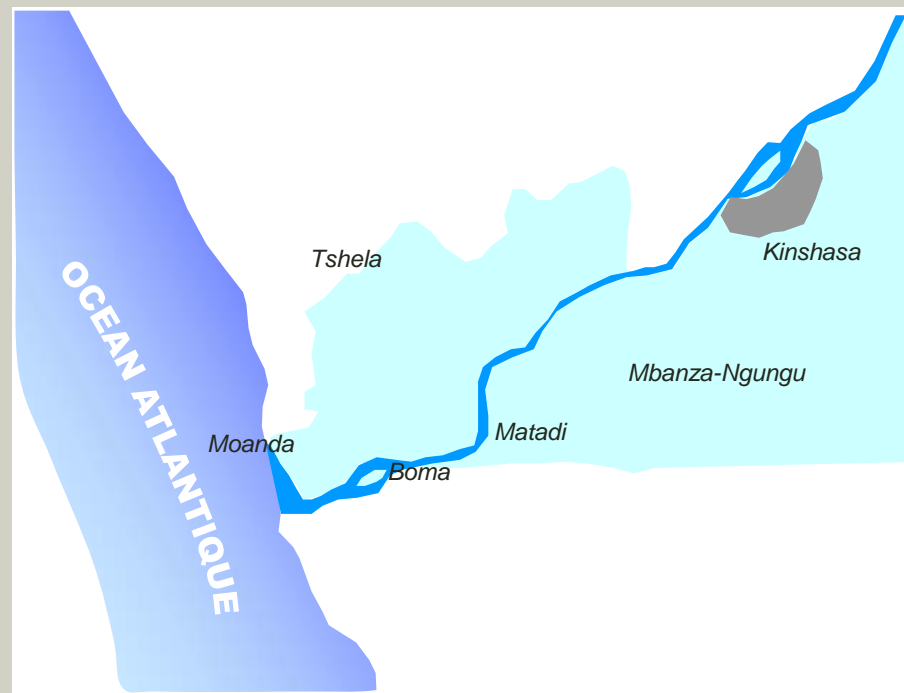
# BHP Billiton DRC aluminium smelter opportunity

## Linked to Inga 3 Power



# Opportunity for a sustainable aluminium business in the DRC

- Large long term, sustainable source of renewable power at competitive cost
- Opportunity for local economic development
- Government and community support
- Win Win Win value creation



# The Aluminium Smelter Project – Overview

- Study completed in Q1 2007
- Creates critical anchor customer for Inga 3 power project
- Up to 2,000 MW power required
- 800,000 tpa aluminium production
- Initial capital cost estimated at more than US \$3bn
- First metal ~30 months after start of construction



BHP Billiton's Hillside Smelter, Richards Bay, South Africa

## Agreements in place with Government of DRC

- **Exclusive Agreements with GoDRC and Snel for 5 year exclusivity to investigate smelter project**
  - Initial smelter study already completed
- **Exclusivity Agreement with GoDRC relating to Inga 3 power project**
  - Funding for feasibility of the power project and joint management of study
  - Rights for power for up to 2,000 MW based on the needs of the smelter, at the best rate possible
  - Preference right to participate in the consortium or any entity set up for the realization of Inga 3
- **Land acquisition for smelter**
  - Worked with host community to secure land for smelter and port

# Inga 3 Power Project Feasibility Summary

- BHP Billiton to contribute funding towards cost of a Feasibility Study to develop Inga 3
- Steering Committee in place comprising
  - GoDRC
  - SNEL
  - BHP Billiton
- Feasibility Study for the estimated 4,500 MW hydropower project includes
  - Resource evaluation
  - Power plant design and costing
  - Environmental impact study and management plans
  - Study of potential demand (including required credit enhancement)
  - Detailed Project execution plan
  - Bankable feasibility study

# Mozal (Maputo, Mozambique) – Win Win Win

Win-win-win philosophy applied successfully in partnership with the Mozambican Government, Mitsubishi and IDC



- Shareholding
  - BHP Billiton 47%
  - Mitsubishi 25%
  - IDC 24%
  - Govt of Mozambique 4%

- Power Partnership

Motraco, a tri-national joint venture

- Electricidade de Mozambique
  - Eskom
  - Swaziland Electricity Board
- Capacity 550 000 tons/annum

- Full production from end 2003



# The Mozal Dream: Integrated Development



## QUALITY OF LIFE

- Mozal Community Development Trust: \$2.5million pa
- Over 200 projects: US\$10 million
- Health, small enterprise, education, sports, culture
- Partnering approach with NGOs



## JOB CREATION

- Permanent job creation on site: 1150
- Contractors: 1600
- Indirect job creation: approx 10,000



## ECONOMIC ENERGY

- Regional Economy: \$105 million pa
- Export Earnings: Doubled to US\$811 million pa
- Local infrastructure upgrade: US\$ 31 million

## Conclusions and Summary

- Opportunity for Inga 3 power to catalyze development of DRC economy
  - Harness reliable and competitive sustainable power within the DRC
  - Smelter project provides a viable anchor customer in host country
- BHP Billiton and GoDRC working together to accelerate the realisation of the Inga 3 power project

