

20 January 2015

Mr Malcolm Roberts  
Conscious Pty Ltd  
180 Haven Road  
Pullenvale QLD 4069

Dear Mr Roberts

Thank you for your letter dated 8 December 2014 to BHP Billiton Chairman, Jac Nasser, and CEO, Andrew Mackenzie, regarding the issues of coal and climate change. I have been asked to reply on their behalf.

Coal is a key pillar of BHP Billiton, underpinned by a high-quality resource base that can support decades of production. We remain confident about the long-term outlook for all of our products in our core portfolio. The outlook for energy demand is robust; as the world's economies and population continue to grow, more people will gain access to electricity and living standards will rise, increasing energy demand. In addition, our metallurgical coal business provides vital inputs into the production of steel which is critical to global development.

We are also committed to taking action to address climate change. BHP Billiton accepts the Intergovernmental Panel on Climate Change's (IPCC) assessment of climate change science that warming of the climate is unequivocal, the human influence is clear and physical impacts are unavoidable. We recognise our responsibility to take action by focusing on reducing our emissions, increasing our preparedness for physical climate impacts and working with others to enhance the global response to climate change.

This position and our actions on climate change are underpinned by a robust understanding of climate science and the risks and opportunities it poses. We recognise that there are diverse views around the IPCC's process and findings, but we believe it presents the most credible source of information on this topic, as do the vast majority of national governments.

Our position on climate change allows us to develop long-term scenarios, which provide us with a snapshot of how the world might look over the coming decades. These scenarios are not forecasts, but provide us with a range of plausible outcomes against which we can test the resilience of our portfolio and our investment decisions. Our scenario planning enables us to be more responsive and flexible as external conditions change over the long-term.

We appreciate your offer to engage with BHP Billiton on these issues however we believe our existing approach to our coal portfolio, and to climate change, is appropriate. We must therefore decline your proposal but would encourage you to visit the BHP Billiton website for further information on our coal business, and on the Company's position on climate change.

Yours sincerely



**Mike Henry**  
President Coal