

BHP BILLITON LTD
Form 6-K
October 22, 2008

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 22, 2008

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)

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

22 October 2008
Number 35/08

**BHP BILLITON QUARTERLY REPORT ON
EXPLORATION AND DEVELOPMENT ACTIVITIES
QUARTER ENDED 30 SEPTEMBER 2008**

This report covers the Group's exploration and development activities for the quarter ended 30 September 2008. This report, together with the Production Report, represents the Interim Management Statement for the purposes of the UK Listing Authority's Disclosure and Transparency Rules. There have been no significant changes to the financial position of the Group in the quarter ended 30 September 2008. Unless otherwise stated, BHP Billiton's interest in the projects referred to in this report is 100 per cent and references to project schedules are based on calendar years.

DEVELOPMENT

First production was successfully achieved during the quarter at Neptune and North West Shelf Train 5 (both petroleum). In addition, North West Shelf Angel (petroleum) delivered first production on 3 October 2008. These projects will not be reported in future Exploration and Development Reports.

During the quarter, we sanctioned two gas projects - Bass Strait Turrum and Angostura Gas Phase II. Atlantis North is now also detailed in the report.

| PROJECT AND OWNERSHIP | SHARE OF APPROVED CAPEX US\$M | INITIAL PRODUCTION TARGET DATE | PRODUCTION CAPACITY (100%) | QUARTERLY PROGRESS |
|-----------------------|-------------------------------|--------------------------------|----------------------------|--------------------|
| | | | | |

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|---|-------|-----------|--|---|
| Petroleum Projects | | | | |
| Neptune (US) 35% Oil/Gas | 405 | Mid CY08 | 50,000 barrels of oil and 50 million cubic feet gas per day | First production announced, see News Release dated 6 July 2008. |
| North West Shelf Train 5 (Australia) 16.67% LNG | 350 | Late CY08 | LNG processing capacity of 4.4 million tpa | Start-up achieved ahead of schedule and on budget. See News Release dated 1 September 2008. |
| North West Shelf Angel (Australia) 16.67% Oil/Gas | 200 | End CY08 | 800 million cubic feet gas per day and 50,000 bpd condensate | Start-up achieved ahead of schedule and on budget. See News Release dated 3 October 2008. |
| Shenzi (US) 44% Oil/Gas | 1,940 | Mid CY09 | 100,000 barrels of oil and 50 million cubic feet gas per day | Ahead of schedule and on budget. Subsea hook-up of wells and commissioning of topsides commenced. Two of five wells complete, with the third and fourth wells nearing completion. |
| Atlantis North (US) 44% Oil/Gas | 185 | H2 CY09 | Tieback to Atlantis South | On schedule and budget. Flowlines installed and manifold fabrication continuing. |
| Pyrenees (Australia) 71.43% Oil/Gas | 1,200 | H1 CY10 | 96,000 barrels of oil and 60 million cubic feet gas per day | On schedule and budget. Floating Production Storage and Offtake (FPSO) conversion continues. |
| Angostura Gas Phase II (Trinidad and Tobago) 45% Gas | 180 | H1 CY11 | 280 million cubic feet gas per day | On schedule and budget. The project was sanctioned during the quarter. See News Release dated 16 September 2008. |

| | | | | |
|--|-----|------|---|---|
| Bass Strait Kipper (Australia) 32.5% - 50% | 500 | CY11 | 10,000 bpd condensate and processing capacity of 80 million cubic feet gas per day | On schedule and budget. Line pipe delivered, with engineering and procurement progressing. |
| Gas/Gas Liquids | | | | |
| Bass Strait Turrum (Australia) 50% | 625 | CY11 | 11,000 bpd condensate and processing capacity of 200 million cubic feet gas per day | On schedule and budget. The project was sanctioned during the quarter. See News Release dated 25 July 2008. |
| Gas/Gas Liquids | | | | |
| North West Shelf North Rankin B Gas Compression (Australia) 16.67% | 850 | CY12 | 2,500 million cubic feet gas per day | On schedule and budget. Detailed engineering and procurement progressing. |
| LNG | | | | |

| PROJECT AND OWNERSHIP | SHARE OF APPROVED CAPEX US\$M | INITIAL PRODUCTION TARGET DATE | PRODUCTION CAPACITY (100%) | QUARTERLY PROGRESS |
|--|-------------------------------|--------------------------------|----------------------------|---|
| Minerals Projects | | | | |
| Alumar - Refinery Expansion (Brazil) 36% | 900 | Q2 CY09 | 2 million tpa of alumina | On schedule with revised budget. Budget revised due to foreign exchange and other industry cost pressures which are in line with other major projects in Brazil. Engineering is complete and procurement well advanced. Construction is 70% complete with the project overall 85% complete. |
| Alumina | | | | |
| Worsley Efficiency & Growth (Australia) 86% | 1,900 | H1 CY11 | 1.1 million tpa of alumina | On schedule and budget. Major contracts for precipitation, structural, mechanical and piping awarded. Site works commenced. |
| Alumina | | | | |

| | | | | |
|--|-------|----------|--|---|
| Iron Ore (Western Australia) RGP4 86.2% | 1,850 | H1 CY10 | 26 million tpa additional iron ore system capacity | On schedule and on budget in local currency. Engineering is now over 90% complete and construction is 48% complete. |
| Iron Ore | | | | |
| Gemco (Australia) 60% | 110 | H1 CY09 | 1 million tpa of additional manganese concentrate | On schedule and budget in local currency. Project civil construction is underway and procurement activities progressing well. Project is 65% complete. |
| Manganese | | | | |
| Klipspruit (South Africa) 100% | 450 | H2 CY09 | Incremental 1.8 million tpa export thermal coal Incremental 2.1 million tpa domestic thermal coal | On schedule and budget. Engineering significantly advanced with civil and plant erection works progressing well. Project is over 50% complete. |
| Energy Coal | | | | |
| Douglas-Middelburg Optimisation (South Africa) 100% | 975 | Mid CY10 | 10 million tpa export thermal coal and 8.5 million tpa domestic thermal coal (sustains current output) | On schedule and budget. Earthworks and civil engineering are well advanced and steel fabrication is progressing as scheduled. All long lead time items ordered. |
| Energy Coal | | | | |
| Newcastle Third Port Project (Australia) 35.5% | 390 | CY10 | Export coal loading facility 30 million tpa | On schedule and budget. Project is over 20% complete. |
| Energy Coal | | | | |

MINERALS EXPLORATION

BHP Billiton remains committed to invest in our future through the pursuit of global exploration opportunities for key commodities of interest utilising both in-house capabilities and partnerships.

Grassroots exploration continued on copper targets in Australia, Chile, Argentina and the Democratic Republic of Congo (DRC); on nickel targets in Australia, Russia, Colombia and Africa and on diamond targets in the DRC and Canada. Exploration for iron ore, coal, bauxite and manganese was undertaken in a number of regions including

Australia, South America, Russia and West Africa.

For the quarter ended 30 September 2008, BHP Billiton spent US\$166 million on minerals exploration, of which US\$146 million was expensed.

PETROLEUM EXPLORATION

Exploration and appraisal wells drilled during the quarter or in the process of drilling as at 30 September 2008.

| WELL | LOCATION | BHP BILLITON EQUITY | STATUS |
|-----------------------|---|--|--|
| Calliance-3 | Browse Basin Western Australia WA-28-R | 20% BHP Billiton (Woodside operator) | Hydrocarbons encountered. Well suspended. |
| Lambert-8 | Dampier Sub-Basin Western Australia WA-16-L | 16.67% BHP Billiton(Woodside operator) | Drilling ahead. |
| Shenzi-8 ¹ | Green Canyon Gulf of Mexico GC610 | 44% BHP Billiton operator | Drilling ahead. |

Petroleum exploration expenditure for the quarter ended 30 September 2008 was US\$148 million, of which US\$107 million was expensed.

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Shenzi-8 is the replacement well for Shenzi-7, which was plugged and abandoned after encountering mechanical difficulties in the top-hole section.

Further information on BHP Billiton can be found on our Internet site: www.bhpbilliton.com

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Registered in Australia
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BHP Billiton Plc Registration number 3196209

Registered in England and Wales
Registered Office: Neathouse Place London SW1V 1BH
United Kingdom
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The BHP Billiton Group 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: 22 October 2008

By: Jane McAloon

Name: Jane McAloon
Title: Group Company Secretary