

BHP BILLITON LTD
Form 6-K
November 08, 2013

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
November 7, 2013

BHP BILLITON LIMITED

(ABN 49 004 028 077)

(Exact name of Registrant as specified in its charter)

BHP BILLITON PLC

(REG. NO. 3196209)

(Exact name of Registrant as specified in its charter)

VICTORIA, AUSTRALIA

(Jurisdiction of incorporation or organisation)

ENGLAND AND WALES

(Jurisdiction of incorporation or organisation)

171 COLLINS STREET, MELBOURNE,

VICTORIA

3000 AUSTRALIA
(Address of principal executive offices)

NEATHOUSE PLACE, 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

The accompanying Quarterly Report to Security Holders (the Petrohawk Quarterly Report or the Report) was provided to holders of Petrohawk Energy Corporation's (Petrohawk) outstanding senior notes in accordance with the reporting covenants under the applicable indentures. The unaudited condensed consolidated financial statements in the Report have been prepared in accordance with accounting principles generally accepted in the United States. Petrohawk's parent, BHP Billiton Limited, prepares its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS). Petrohawk utilizes the full cost method of accounting for its oil and natural gas activities compared to BHP Billiton Limited which utilizes the successful efforts method of accounting. In addition, the accompanying unaudited condensed consolidated financial statements are based on Petrohawk's historical accounting activities and do not reflect the acquisition of Petrohawk by BHP Billiton Limited or any of the fair value allocations that were performed in conjunction with the business combination accounting performed by BHP Billiton Limited. For the avoidance of doubt, the results of operations, financial position, cash flows and disclosures included in the Petrohawk Quarterly Report are not indicative of the contribution of Petrohawk to the potential results of BHP Billiton Limited.

7 November 2013

BHP Billiton Limited
171 Collins Street
Melbourne Victoria 3000 Australia
GPO BOX 86
Melbourne Victoria 3001 Australia
Tel +61 1300 55 47 57 Fax +61 3 9609 3015
bhpbilliton.com

BHP Billiton Plc
Neathouse Place
London SW1V 1BH UK
Tel +44 20 7802 4000
Fax + 44 20 7802 4111
bhpbilliton.com

To: Australian Securities Exchange¹
London Stock Exchange

cc: New York Stock Exchange
JSE Limited

PETROHAWK SEPTEMBER 2013 FINANCIAL REPORT

Petrohawk Energy Corporation (Petrohawk) provides periodic reports to holders of Petrohawk's senior notes as required in accordance with the reporting covenants under the applicable indentures. A copy of Petrohawk's September 2013 financial report (**Quarterly Report**) is attached and will be provided to the holders of Petrohawk's outstanding senior notes today.

Petrohawk's financial statements are prepared in accordance with United States accounting standards whereas BHP Billiton Group financial statements are prepared in accordance with International Financial Reporting Standards and include the impact of the purchase price paid for Petrohawk. In addition, the unaudited condensed consolidated financial statements contained in the Quarterly Report are based on Petrohawk's historical accounting activities and do not reflect the acquisition of Petrohawk by BHP Billiton or any of the fair value calculations that were performed in conjunction with the business combination accounting performed by BHP Billiton. For the avoidance of doubt, the results of operations, financial position, cash flows and disclosures included in the Petrohawk Quarterly Report are not indicative of the contribution of Petrohawk to the potential results of BHP Billiton.

BHP Billiton purchased Petrohawk on 20 August 2011 and therefore only consolidates Petrohawk's results in its financial statements from that date.

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

Jane McAloon
Group Company Secretary

¹ This release was made outside the hours of operation of the ASX market announcements office.

BHP Billiton Limited ABN 49 004 028 077
Registered in Australia
Registered Office: 171 Collins Street, Melbourne, Victoria
3000

BHP Billiton Plc Registration number 3196209
Registered in England and Wales
Registered Office: Neathouse Place, London SW1V
1BH United Kingdom

The BHP Billiton Group is headquartered in Australia

PETROHAWK ENERGY CORPORATION
QUARTERLY REPORT TO SECURITY HOLDERS
SEPTEMBER 30, 2013

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States. Petrohawk Energy Corporation's (Petrohawk or the Company) parent, BHP Billiton Limited, prepares its condensed consolidated financial statements in accordance with International Financial Reporting Standards (IFRS). The Company utilizes the full cost method of accounting for its oil and natural gas activities compared to BHP Billiton Limited which utilizes the successful efforts method of accounting. In addition, the accompanying unaudited condensed consolidated financial statements are based on the Company's historical accounting activities and do not reflect the acquisition of the Company by BHP Billiton Limited or any of the fair value allocations that were performed in conjunction with the business combination accounting performed by BHP Billiton Limited. Although the Company is wholly owned by BHP Billiton Limited, the Company has not established a new basis of accounting as such push down accounting from BHP Billiton Limited was deemed inappropriate for the accompanying condensed consolidated financial statements due to the nature of Petrohawk's agreement with the bondholders. For the avoidance of doubt, the results of operations, financial position, cash flows and disclosures included in this document are not indicative of the potential contribution to the results of BHP Billiton Limited.

Notice of Change in Fiscal Year

On February 19, 2013, the Directors adopted a resolution authorizing a change in the Company's fiscal year from a calendar year to a July 1 through June 30 fiscal year, to align with BHP Billiton Limited's fiscal year. The Company's transitional financial report to Security Holders covered the period from January 1, 2013 through June 30, 2013, and included all information otherwise required in an annual report to bondholders under section 4.2 of the Indentures. This was issued to security holders of record on September 26, 2013.

As a result of the fiscal year change, please note that this is the first quarter report for the fiscal year ending June 30, 2014.

PETROHAWK ENERGY CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)

(In thousands)

	Three Months Ended Sept 30,	
	2013	2012
Operating revenues:		
Oil and natural gas	\$ 841,839	\$ 502,475
Marketing	98,351	5,329
Midstream	12,228	17,804
Total operating revenues	952,418	525,608
Operating expenses:		
Marketing	97,925	4,976
Production:		
Lease operating	53,567	22,777
Workover and other	7,459	4,409
Taxes other than income	41,801	17,191
Gathering, transportation and other	125,444	75,995
General and administrative	69,149	35,500
Depletion, depreciation and amortization	366,569	311,629
Rig contract termination costs	61,378	
Accretion expense	1,980	599
Total operating expenses	825,272	473,076
Income (loss) from operations	127,146	52,532
Other income (expenses):		
Interest expense and other	(107,743)	(107,530)
Total other income (expenses)	(107,743)	(107,530)
Income (loss) from continuing operations before income taxes	19,403	(54,998)
Income tax benefit (expense)	(8,465)	22,332
Net income (loss)	\$ 10,938	\$ (32,666)

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

PETROHAWK ENERGY CORPORATION

CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)

(In thousands, except share and per share amounts)

	September 30, 2013	June 30, 2013
Current assets:		
Cash	\$ 216,071	\$ 214,990
Accounts receivable	592,253	523,257
Deferred income tax	10,637	9,950
Prepaid and other	48,593	33,372
Total current assets	867,554	781,569
Oil and natural gas properties (full cost method):		
Evaluated	16,592,590	15,329,505
Unevaluated	2,866,399	3,010,761
Gross oil and natural gas properties	19,458,989	18,340,266
Less accumulated depletion	(7,641,344)	(7,297,291)
Net oil and natural gas properties	11,817,645	11,042,975
Other operating property and equipment:		
Gas gathering systems and equipment	1,756,755	1,648,198
Other operating assets	130,188	138,027
Gross other operating property and equipment	1,886,943	1,786,225
Less accumulated depreciation	(192,892)	(168,367)
Net other operating property and equipment	1,694,051	1,617,858
Other noncurrent assets:		
Goodwill	932,802	932,802
Debt issuance costs, net of amortization	29,150	31,463
Deferred income taxes	342,355	351,506
Restricted cash	27,844	35,236
Other	13,936	13,676
Total assets	\$ 15,725,337	\$ 14,807,085
Current liabilities:		
Accounts payable and accrued liabilities	\$ 1,287,066	\$ 1,558,815
Payable to financing arrangements	22,094	20,894

Current debt	579,522	
Total current liabilities	1,888,682	1,579,709
Long-term debt	2,629,886	3,206,766
Other noncurrent liabilities:		
Asset retirement obligations	164,628	156,083
Payable on financing arrangements	1,890,450	1,871,584
Other	414	415
Commitments and contingencies (Note 6)		
Stockholders equity:		
Common stock: 100 shares of \$.001 par value authorized, issued and outstanding at September 30, 2013 and June 30, 2013		
Additional paid-in capital	10,322,019	9,174,208
Accumulated deficit	(1,170,742)	(1,181,680)
Total stockholders equity	9,151,277	7,992,528
Total liabilities and stockholders equity	\$ 15,725,337	\$ 14,807,085

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

PETROHAWK ENERGY CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS EQUITY (Unaudited)**(In thousands)**

	Common Shares	Amount	Additional Paid-in Capital	Accumulated Deficit	Total Stockholders Equity
Balance at June 30, 2013	\$		\$ 9,174,208	\$ (1,181,680)	\$ 7,992,528
Contribution from parent ⁽¹⁾			1,147,811		1,147,811
Net income				10,938	10,938
Balance at September 30, 2013	\$		\$ 10,322,019	\$ (1,170,742)	\$ 9,151,277

(1) Includes both cash funding and non-cash contributions from BHP Billiton Limited. The cash funding for the three months ended September 30, 2013, totals approximately \$1.1 billion.

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

PETROHAWK ENERGY CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

(In thousands)

	Three Months Ended September 30,	
	2013	2012
Cash flows from operating activities:		
Net income (loss)	\$ 10,938	\$ (32,666)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depletion, depreciation and amortization	366,569	311,629
Accretion expense	1,980	599
Income tax expense (benefit)	8,464	(22,332)
Other operating	13,874	12,036
Change in assets and liabilities:		
Accounts receivable	(68,997)	(59,267)
Prepaid and other	(13,131)	(1,710)
Accounts payable and accrued liabilities	(56,284)	(87,359)
Other	(342)	(4,932)
Net cash provided by operating activities	263,071	115,998
Cash flows from investing activities:		
Oil and natural gas capital expenditures	(1,293,460)	(824,315)
Increase in restricted cash	(148,571)	(23,498)
Decrease in restricted cash	155,963	45,983
Other operating property and equipment capital expenditures	(135,073)	(138,986)
Other	2	
Net cash used in investing activities	(1,421,139)	(940,816)
Cash flows from financing activities:		
Contribution from parent	1,148,000	903,806
Repayment of borrowings		
Increase in payable on financing arrangements	22,474	10,296
Decrease in payable on financing arrangements	(11,328)	(8,309)
Other	3	
Net cash provided by financing activities	1,159,149	905,793
Net increase (decrease) in cash	1,081	80,975
Cash at beginning of period	214,990	112,898
Cash at end of period	\$ 216,071	\$ 193,873

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

PETROHAWK ENERGY CORPORATION

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

1. FINANCIAL STATEMENT PRESENTATION

Basis of Presentation and Principles of Consolidation

Petrohawk Energy Corporation (Petrohawk or the Company) is engaged in the exploration, development and production of predominantly oil and gas shale properties located in the United States. As further discussed under the heading *Merger* below, on August 25, 2011, BHP Billiton Limited, a corporation organized under the laws of Victoria, Australia (BHP Billiton Limited), acquired 100% of the outstanding shares of Petrohawk through the merger of a wholly owned subsidiary of BHP Billiton Petroleum (North America) Inc., a Delaware corporation (which is a wholly owned subsidiary of BHP Billiton Limited), with and into Petrohawk, with Petrohawk continuing as the surviving entity. Petrohawk remains an indirect, wholly owned subsidiary of BHP Billiton Limited. The unaudited condensed consolidated financial statements include the accounts of all majority-owned, controlled subsidiaries of the Company. All intercompany accounts and transactions between Petrohawk and its controlled subsidiaries have been eliminated. These unaudited condensed consolidated financial statements reflect, in the opinion of the Company's management, all adjustments, consisting only of normal and recurring adjustments, necessary to present fairly the financial position as of, and the results of operations for, the periods presented. During interim periods, Petrohawk follows the accounting policies disclosed in its Annual Report. Please refer to the Notes to the Consolidated Financial Statements in the Transition Report to Security Holders dated June 30, 2013, when reviewing interim financial results.

Subsequent events or transactions have been evaluated through the date of issuance of this report in conjunction with the preparation of these unaudited condensed consolidated financial statements, and the Company has included those subsequent events within the following notes where applicable.

Merger

On July 14, 2011, the Company entered into an agreement and plan of merger (Merger Agreement) with BHP Billiton Limited (Guarantor), BHP Billiton Petroleum (North America) Inc. (Parent), a Delaware corporation and a wholly owned subsidiary of Guarantor, and North America Holdings II Inc., a Delaware corporation (Purchaser) and a wholly owned subsidiary of Parent. Pursuant to the Merger Agreement, on August 20, 2011, Purchaser accepted for payment all of the outstanding shares of the Company's common stock, par value \$0.001 per share, validly tendered and not validly withdrawn pursuant to the tender offer for \$38.75 per share (Offer Price), net to the seller in cash. Additionally, and pursuant to the Merger Agreement, on August 25, 2011, Purchaser merged with and into Petrohawk, with Petrohawk continuing as the surviving corporation in the merger and as a wholly owned subsidiary of Parent (the BHP Merger). Although the Company is a wholly owned subsidiary of BHP Billiton Limited, the Company has not established a new basis of accounting as such push down accounting from BHP Billiton Limited was deemed inappropriate for the Company's condensed consolidated financial statements due to the nature of Petrohawk's agreement with the bondholders. Thus, the condensed consolidated financial statements are based on the Company's historical accounting activities and do not reflect the acquisition of the Company by BHP Billiton Limited or any of the fair value allocations that were performed in conjunction with the business combination accounting performed by BHP Billiton Limited.

Change of Fiscal Year Changes to Comparative Periods

On February 19, 2013, the Directors adopted a resolution authorizing a change in the Company's fiscal year from a calendar year to a July 1 through June 30 fiscal year, to align with BHP Billiton Limited's fiscal year. The Company's transitional financial report to Security Holders covered the period from January 1, 2013 through June 30, 2013, and

included all information otherwise required in an annual report to bondholders under section 4.2 of the Indentures. This was issued to security holders of record on September 26, 2013.

Following these changes in our reporting period, the period July 1, 2013 to June 30, 2014 is referred to as the 2014 fiscal year. The period January 1, 2013 to June 30, 2013 is referred to as the 2013 fiscal year. January 1, 2012 to December 31, 2012 is referred to as the 2012 fiscal year. As a result of the fiscal year change, please note that this is the first quarter report for the fiscal year ending June 30, 2014.

Use of Estimates

The preparation of the Company's unaudited condensed consolidated financial statements in conformity with accounting principles generally accepted in the United States requires the Company's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities, if any, at the date of the unaudited condensed consolidated financial statements and the reported amounts of revenues and expenses during the respective reporting periods. The Company bases its estimates and judgments on historical experience and on various other assumptions and information that are believed to be reasonable under the circumstances. Estimates and assumptions about future events and their effects cannot be perceived with certainty and, accordingly, these estimates may change as new events occur, as more experience is acquired, as additional information is obtained and as the Company's operating environment changes. Actual results may differ from the estimates and assumptions used in the preparation of the Company's unaudited condensed consolidated financial statements.

Interim period results are not necessarily indicative of results of operations or cash flows for the full year and accordingly, certain information normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States has been condensed or omitted.

Gas Gathering Systems and Equipment and Other Operating Assets

Gas gathering systems and equipment are recorded at cost. Depreciation is calculated using the straight-line method over a 30-year estimated useful life. Upon disposition, the cost and accumulated depreciation are removed and any gains or losses are reflected in current operations. Maintenance and repair costs are charged to operating expense as incurred. Material expenditures which increase the life of an asset are capitalized and depreciated over the estimated remaining useful life of the asset. The Company did not capitalize any interest related to the construction of the Company's gas gathering systems and equipment for the three months ended September 30, 2013 or for the three months ended September 30, 2012.

The contribution of the Company's Haynesville Shale gas gathering and treating business to KinderHawk Field Services LLC (KinderHawk) on May 21, 2010 for a 50% membership interest and approximately \$917 million in cash is accounted for in accordance with Financial Accounting Standards Board's (FASB) Accounting Standards Codification (ASC) Subtopic 360-20, *Property, Plant and Equipment - Real Estate Sales* (ASC 360-20). Under the financing method, the historical cost of the Haynesville Shale gas gathering system contributed to KinderHawk is carried at the full historical basis of the assets on the unaudited condensed consolidated balance sheets in *Gas gathering systems and equipment* and depreciated over the remaining useful life of the assets. Contributions to KinderHawk from the Company and the joint venture partner were recorded as increases in *Gas gathering systems and equipment* on the unaudited condensed consolidated balance sheets. On July 1, 2011, the Company transferred its remaining 50% membership interest in KinderHawk to KM Gathering LLC (KM Gathering).

On July 1, 2011, the Company transferred a 25% interest in BHP Billiton Petroleum (Eagle Ford Gathering) LLC, formerly known as Eagle Hawk Field Services LLC, (EagleHawk) to KM Eagle Gathering LLC (Eagle Gathering). The EagleHawk transaction is accounted for in accordance with ASC 360-20. Under the financing method, the historical cost of the Eagle Ford Shale gas gathering systems contributed to EagleHawk is carried at the full historical basis of the assets on the unaudited condensed consolidated balance sheets in *Gas gathering systems and equipment* and depreciated over the remaining useful life of the assets. Contributions to EagleHawk from the Company and the joint venture partner are recorded as increases in *Gas gathering systems and equipment* on the unaudited condensed consolidated balance sheets.

Gas gathering systems and equipment as of September 30, 2013 and June 30, 2013 consisted of the following:

	September 30, 2013	June 30, 2013
	(In thousands)	
Gas gathering systems and equipment	\$ 1,756,755	\$ 1,648,198
Less accumulated depreciation	(101,559)	(88,714)
Net gas gathering systems and equipment	\$ 1,655,196	\$ 1,559,484

- (1) Under the financing method, the historical cost of the Haynesville Shale gas gathering system contributed to KinderHawk is carried at the full historical basis of the assets on the unaudited condensed consolidated balance sheets in *Gas gathering systems and equipment* and depreciated over the remaining useful life of the assets. As of September 30, 2013 and June 30, 2013, the table above includes approximately \$444.3 million and \$398.1 million, respectively, attributed to the net carrying value of the assets contributed to KinderHawk.
- (2) Under the financing method, the historical cost of the Eagle Ford Shale gas gathering systems contributed to EagleHawk is carried at the full historical basis of the assets on the unaudited condensed consolidated balance sheets in *Gas gathering systems and equipment* and depreciated over the remaining useful life of the assets. As of September 30, 2013 and June 30, 2013, the table above includes approximately \$979.1 million and \$909.4 million, respectively, attributed to the net carrying value of the assets contributed to EagleHawk.

Other operating property and equipment are recorded at cost. Depreciation is calculated using the straight-line method over the following estimated useful lives: automobiles, leasehold improvements, furniture and equipment, five years or lesser of lease term; rental equipment and capitalized software implementation costs, seven years; and computers, three years. Upon disposition, the cost and accumulated depreciation are removed and any gains or losses are reflected in current operations. Maintenance and repair costs are charged to operating expense as incurred. Material expenditures, which increase the life of an asset, are capitalized and depreciated over the estimated remaining useful life of the asset.

The Company reviews its gas gathering systems and equipment and other operating assets in accordance with ASC 360, *Property, Plant, and Equipment* (ASC 360). ASC 360 requires the Company to evaluate gas gathering systems and equipment and other operating assets as events occur or circumstances change that would more likely than not reduce the fair value below the carrying amount. If the carrying amount is not recoverable from its undiscounted cash flows, then the Company would recognize an impairment loss for the difference between the carrying amount and the current fair value. Further, the Company evaluates the remaining useful lives of its gas gathering systems and equipment and other operating assets at each reporting period to determine whether events and circumstances warrant a revision to the remaining depreciation periods.

Payable on Financing Arrangements

The contribution of the Company's Haynesville Shale gas gathering and treating business to KinderHawk on May 21, 2010, for a 50% membership interest and approximately \$917 million in cash is accounted for in accordance with ASC 360-20. Due to the gathering agreement entered into with the formation of KinderHawk, which constitutes extended con