

Stormy weather hasn't hurt Billiton's forecasts

SYDNEY, AUSTRALIA: Mining giant BHP Billiton affirmed full-year forecast for its major products on Wednesday (17 April), reporting a "robust" quarter of output, despite weather issues, at its premier Australian businesses.



The world's largest mining company said it expected to meet full-year targets, with solid performance at its iron ore and coal sites in the face of cyclones at its Pilbara iron ore project and adverse weather hitting Queensland coal.

"Full-year production levels are retained for our major businesses following another quarter of robust operating performance," the company said.

BHP's first-half net profit plunged 58% in February to US\$4.2bn as commodity prices slumped owing to a slowdown in its major market in China, but the company's new chief executive, Andrew MacKenzie says it will increase productivity and implement various cost-saving measures.

BHP said it was on track to produce 183m tons of iron ore for the year to June after output of 40.2m tons in the January-March quarter capped a record nine months.

Though a 6% improvement on the previous March quarter, production was still down by 5% for the December quarter due to "cyclone-related downtime", BHP said.

Steelmaking coal production reached 9m tons, just 1% higher than in the December quarter due to adverse weather conditions, though BHP noted new flood mitigation measures had allowed it to bounce back quickly.

The new infrastructure was introduced after floods killed 33 people and devastated vast swathes of Queensland in 2011, swamping the region's coal mines and crippling production for months.

Just over 15.5m tons of energy coal, used to produce electricity was mined in the quarter, a fall of 10% from the March period last year and 15% lower than the December quarter, also due to weather issues.

BHP forecast for petroleum production remained at 240m barrels of oil equivalent (BOE) for the full year, reporting output of 55.42m BOEs for the quarter.

That was down 2% from the previous period and 7% less on a quarter-by-quarter basis. The lower production was a result of cyclones in Western Australia and delays or maintenance at its Gulf of Mexico operations.

Major rival Rio Tinto this week forecast global iron ore production of 265m tons, reporting record output in the March quarter and a "solid" performance across its businesses.

Source: *AFP* via I-Net Bridge