

BHP BILLITON LTD
Form 6-K
March 03, 2016

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
March 2, 2016

BHP BILLITON LIMITED

(ABN 49 004 028 077)

(Exact name of Registrant as specified in its charter)

VICTORIA, AUSTRALIA

(Jurisdiction of incorporation or organisation)

171 COLLINS 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, 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):

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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

NEWS RELEASE

Release Time IMMEDIATE

Date 2 March 2016

Release Number 7/16

SAMARCO AGREEMENT REACHED WITH BRAZILIAN AUTHORITIES

Samarco Mineracao S.A (Samarco) and its two shareholders, Vale S.A (Vale) and BHP Billiton Brasil LTDA (BHPB Brasil), have entered into an agreement with the Federal Attorney General of Brazil, the States of Espirito Santo and Minas Gerais and certain other public authorities (Brazilian Authorities) for the restoration of the environment and communities affected by the Samarco dam failure on 5 November 2015.

The Agreement provides a long-term remedial and compensation framework for responding to the impact of the Samarco tragedy.

Samarco, Vale and BHP Billiton Brasil will establish a Foundation that will develop and execute environmental and socio-economic programs to remediate and provide compensation for damage caused by the Samarco dam failure.

There are two broad types of programs included in the Agreement:

Reparatory Programs to restore the environment, local communities and the social condition of the affected areas; and

Compensatory Programs to provide compensation where remediation is not possible, and to provide compensation on a goodwill basis for certain special projects which go beyond strict make-good and compensation (for example, improvements to sewage systems and landfill management in the river basin).

The Foundation will be governed by a seven member Board, with Samarco, BHP Billiton Brasil, and Vale each appointing two members and the Brazilian Authorities appointing one member. The Foundation will be assisted in its work by an advisory panel that will include technical experts, regulators and community representatives.

The Foundation will submit remediation and compensation programs for approval to a Council consisting of representatives of the Brazilian Authorities. The Foundation's activities will be subject to independent external audit.

The term of the Agreement is 15 years, renewable for periods of one year successively until all obligations under the Agreement have been performed.

Samarco will fund the Foundation with contributions as follows (calendar years):

BRL2 billion (approximately US\$500 million) in 2016, less the amount of funds already spent on, or allocated to, remediation and compensation activity ¹,

BRL1.2 billion (approximately US\$300 million) in 2017, and

BRL1.2 billion (approximately US\$300 million) in 2018.

The amount of annual contributions for each of the years 2019, 2020 and 2021 will vary between a minimum of BRL800 million (approximately US\$200 million) and a maximum of BRL1.6 billion (approximately US\$400 million), depending on the remediation and compensation projects which are to be undertaken in the particular year.

To the extent Samarco does not meet its funding obligations, each of Vale and BHP Billiton Brasil is liable in proportion to its 50 per cent shareholding in Samarco.

Samarco will continue to conduct and fund the humanitarian and environmental recovery and remediation work until the Foundation is operational, which is likely to be in the next few months.

The Agreement is subject to Court approval. If approved, the Agreement will settle the civil public claim commenced on 30 November 2015 by the Brazilian Authorities against Samarco, Vale and BHP Billiton Brasil which sought the establishment of a fund of up to BRL20 billion in aggregate for clean-up costs and damages relating to the dam failure.

BHP Billiton Chief Executive Officer, Andrew Mackenzie said: This Agreement is an important step forward in supporting the long-term recovery of the communities and environment affected by the Samarco dam failure. It provides a platform for the parties to work together to support the remediation of affected areas.

This agreement demonstrates our commitment to repairing the damage caused and to contributing to a lasting improvement in the Rio Doce.

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

¹ *For example amounts already paid by Samarco, or held in Court or frozen accounts.*

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

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: March 2, 2016

By: /s/ Margaret Taylor
Name: Margaret Taylor
Title: Company Secretary