

BHP BILLITON LTD
Form 6-K
July 30, 2009

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER

Pursuant to Rule 13a-16 or 15d-16 of

the Securities Exchange Act of 1934

July 29, 2009

| <u>Commission File Number</u> | <u>Translation of registrant's name into English; Address of principal executive offices</u> |
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| | BHP Billiton Limited (ABN 49 004 028 077) 180 LONSDALE STREET, MELBOURNE, VICTORIA 3000 AUSTRALIA |
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|---|---|
| - | BHP Billiton Plc (REG. NO. 3196209) NEATHOUSE PLACE, VICTORIA, LONDON, UNITED KINGDOM |
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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

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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): 82-

NEWS RELEASE

Release Time Immediate
Date 29 July 2009
Number 15/09

UPDATE ON IRON ORE PRICE NEGOTIATIONS

BHP Billiton today announced the terms it has agreed with a range of iron ore customers for the 2009 contract year. These terms vary and reflect the specific needs and requirements of each customer, consistent with our marketing approach.

BHP Billiton has settled 23 per cent of total iron ore volumes at an agreed annual contract price. The price for iron ore fines will be approximately 33 per cent lower than the contract prices agreed in the 2008 contract year. The price for iron ore lump will be approximately 44 per cent lower than the contract prices agreed in the 2008 contract year.

A further 30 per cent of BHP Billiton's total iron ore volumes will be sold on a mix of quarterly negotiated pricing, market clearing price (spot market) and index-based pricing.

Negotiations for the remaining 47 per cent of iron ore volumes are ongoing.

The Company believes that current settlements are indicative of continued progress towards transparent market pricing.

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

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BHP Billiton Limited ABN 49 004 028 077

Registered in Australia

Registered Office: 180 Lonsdale Street

Melbourne Victoria 3000 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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A member of the BHP Billiton group which 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 (ABN 49 004 028 077)

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Date : July 29, 2009

By: /s/ Jane McAloon
Name: Jane McAloon
Title: Group Company Secretary