

NEWS RELEASE

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BHP BILLITON TO DEVELOP SHENZI OIL AND GAS FIELD IN GULF OF MEXICO

BHP Billiton today announced that the Shenzi oil and gas field in the deepwater Gulf of Mexico has been approved for development. The Shenzi facility will have a design capacity to produce up to 100,000 barrels of oil and 50 million cubic feet of gas per day. BHP Billiton is the operator of the field and has a 44 per cent interest in the project. The other co-venturers in the project are BP (28 per cent) and Hess Corporation (28 per cent).

The Shenzi field is located in the deepwater Gulf of Mexico approximately 120 miles from the coast of Louisiana. The field comprises Green Canyon Blocks 609, 610, 653, and 654, and water depths are approximately 4,300 feet. The initial field development will consist of seven producing wells, and the full field development is expected to have up to 15 producing wells and possible water injection. Gross costs for the full field development through 2015 are estimated at approximately US\$4.4 billion (BHP Billiton share is US\$1.94 billion). Recoverable reserves in the portion of the field covered by this approved expenditure will be assessed further during development drilling, but are currently estimated to be 350 – 400 million boe. Additional potential reserves will be targeted for follow-up development.

"Shenzi will be BHP Billiton's second operated, deepwater standalone facility in the Gulf of Mexico," explained J. Michael Yeager, Group President Energy for BHP Billiton. "This project further demonstrates our transition to becoming a significant operator and producer in the deepwater Gulf of Mexico. Shenzi joins the development of the Neptune field as a BHP Billiton operated project, and together with our interests in Atlantis and Mad Dog, significantly expands our production base in the region."

A standalone, tension leg platform (TLP) has been selected for the production facility. The proposed facilities, wells, and completions are proven designs that have been successfully implemented in the deepwater Gulf of Mexico. All major contracts are in place to commence project execution.

First oil is expected by mid-year 2009 with seven initial pre-drilled subsea production wells being tied back to the TLP. Shenzi oil will be exported via a new-build pipeline to Ship Shoal 332, with the gas going via a new-build lateral into a connection in the Cleopatra trunk lines, then on to Ship Shoal 332.

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