

West Coast -- Cabrillo Port: Cracking the California Code

Platt's 5th Annual LNG Conference

Houston, Texas

May 2006



bhpbilliton

BHP Billiton is the World's largest diversified resources company

Petroleum



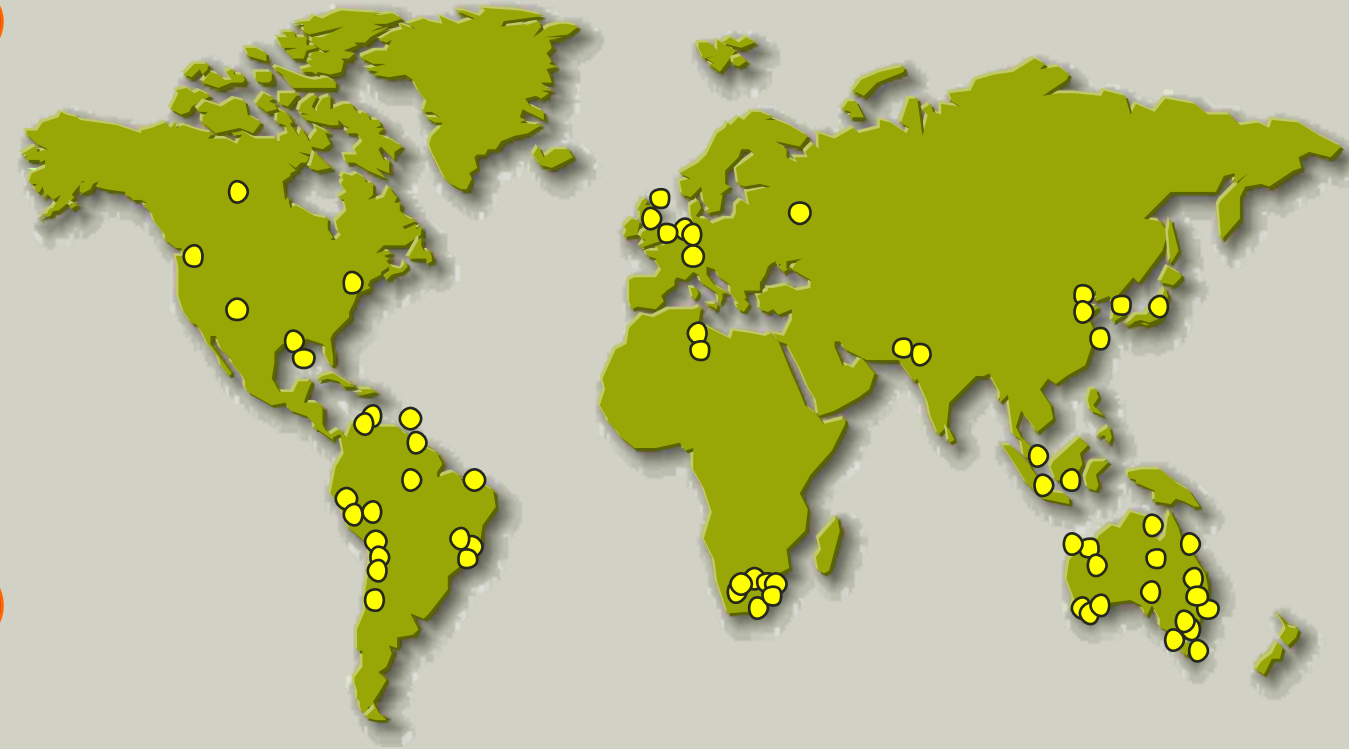
Aluminium



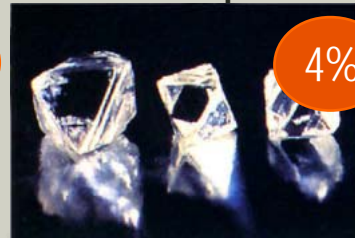
Base Metals



Carbon Steel Materials



Diamonds & Spec Prod



Energy Coal



Stainless Steel Materials



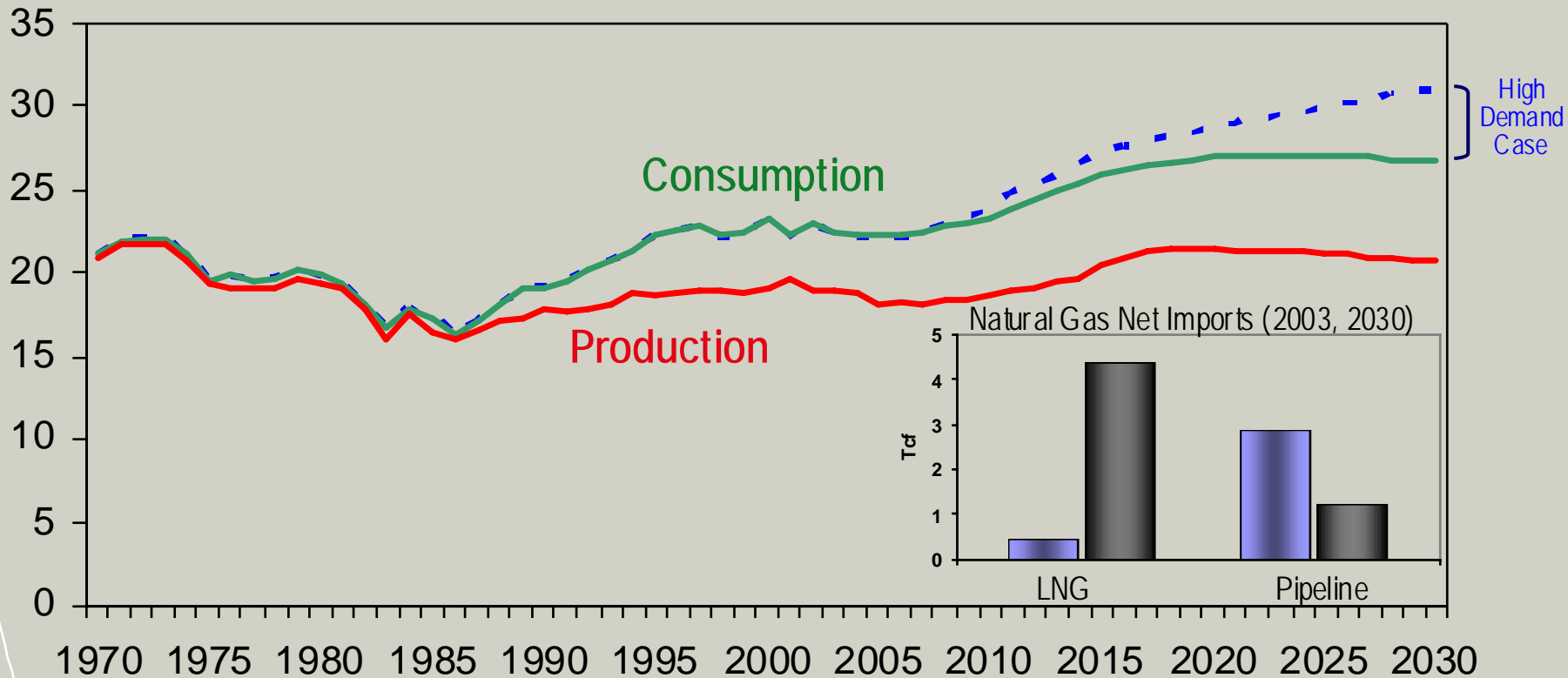
Cabrillo Port: Cracking the Code in California

- Does California need LNG regasification capacity?
- How many terminals will be necessary for the West Coast of North America?
- Why is Pacific Basin LNG supply so tight?
- Is BHP Billiton best placed to provide gas to California?
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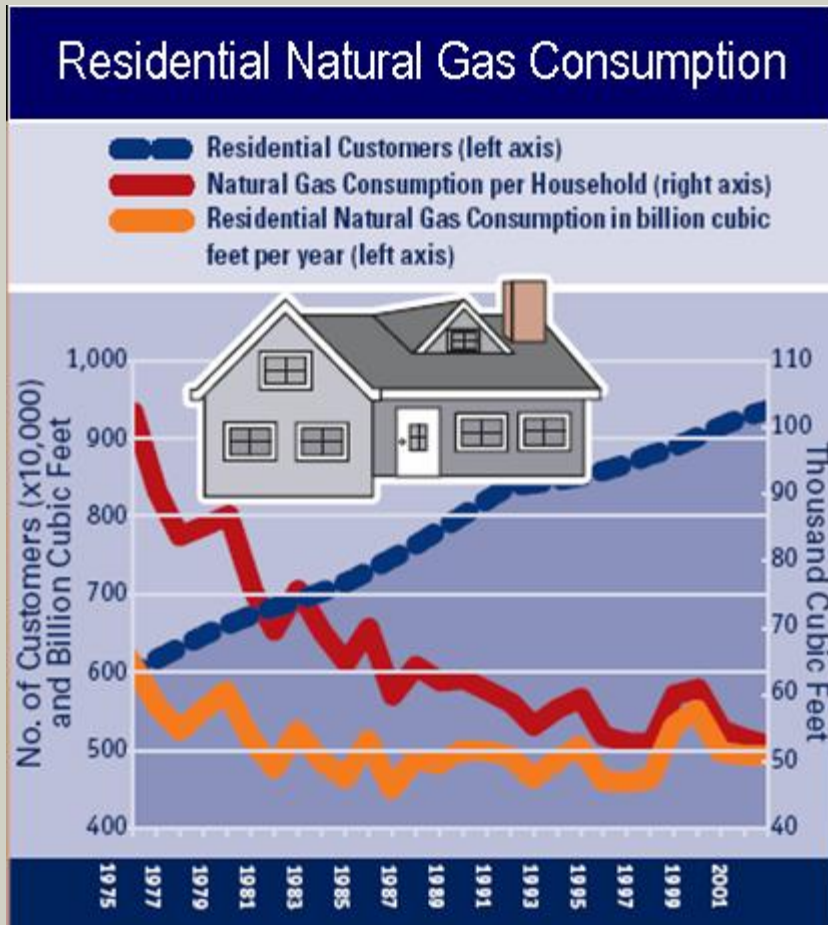
- Does California need LNG regasification capacity?

Projected U.S. Natural Gas Supply and Demand



Supply Source	Avg. Annual Change (2006 to 2020)
Domestic Production	1.2%
Pipeline Imports	(4.7%)
LNG Imports	10.0%

California's Energy Policy relies on Natural gas

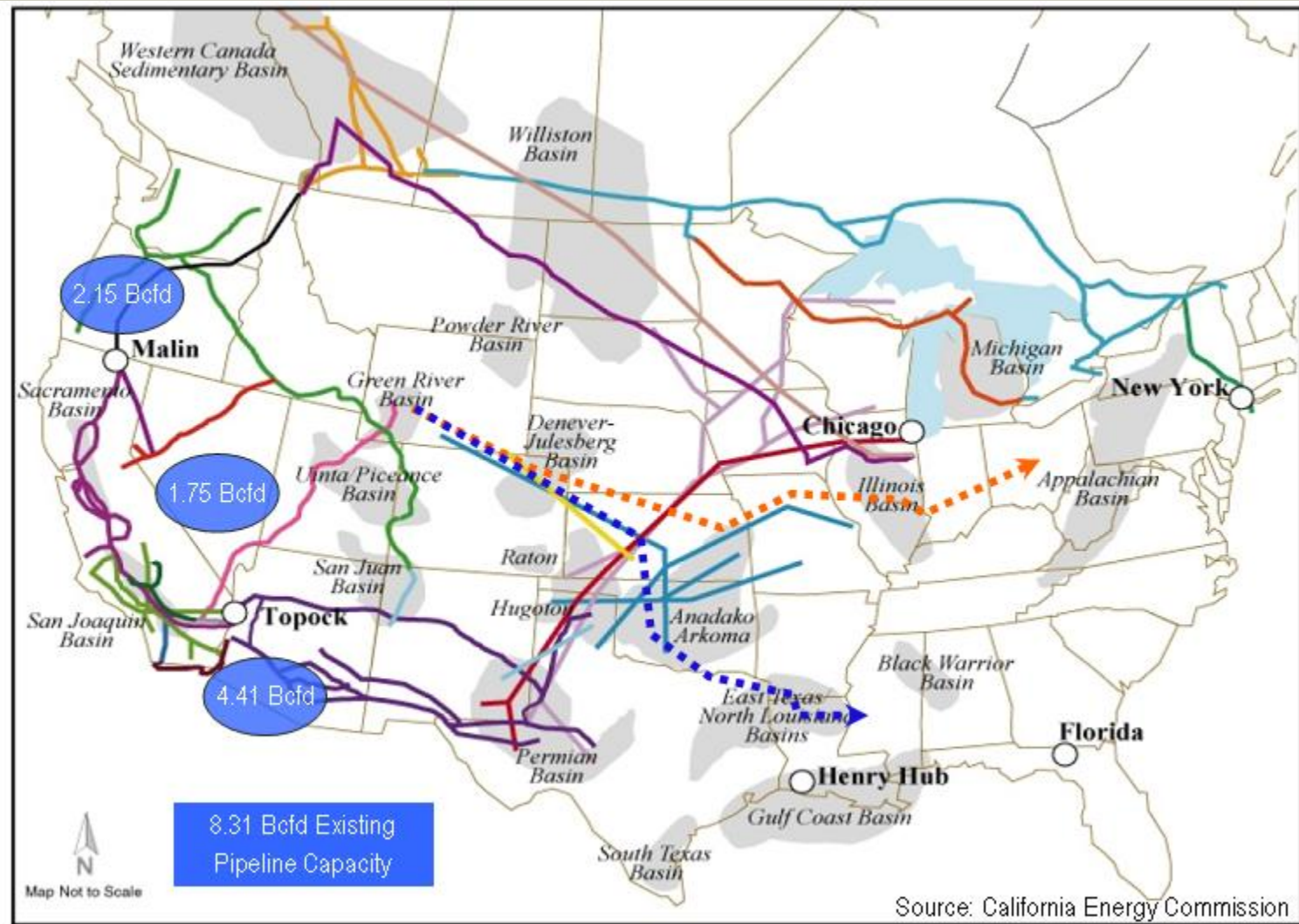


1. Demand Management
2. Renewables
3. Natural Gas

California Energy Commission's latest Natural Gas Assessment cites the future need for additional supplies of natural gas for Californians.

Western US Pipeline Situation

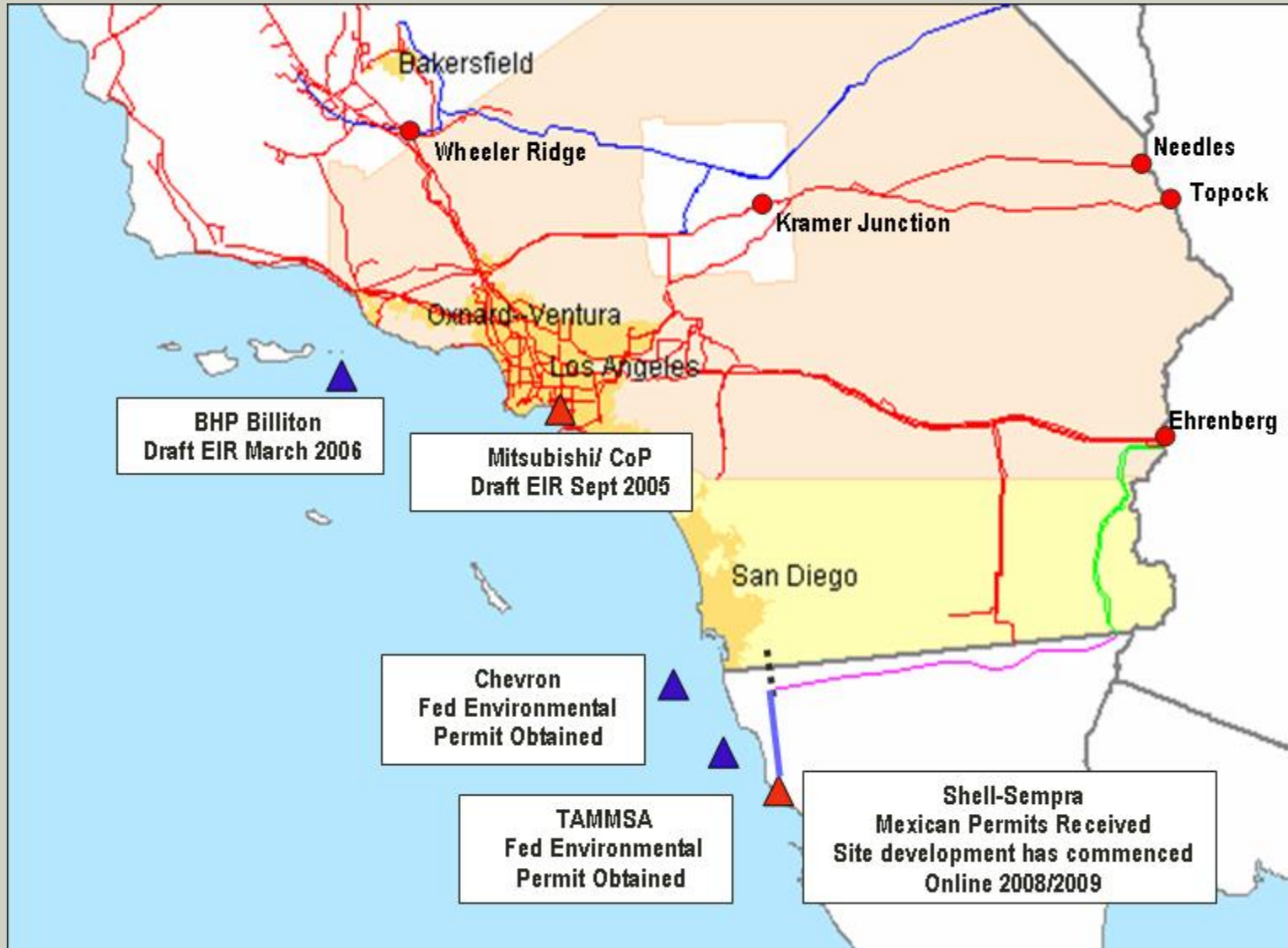
West Coast LNG Will Likely Displace Gas from Historical Sources



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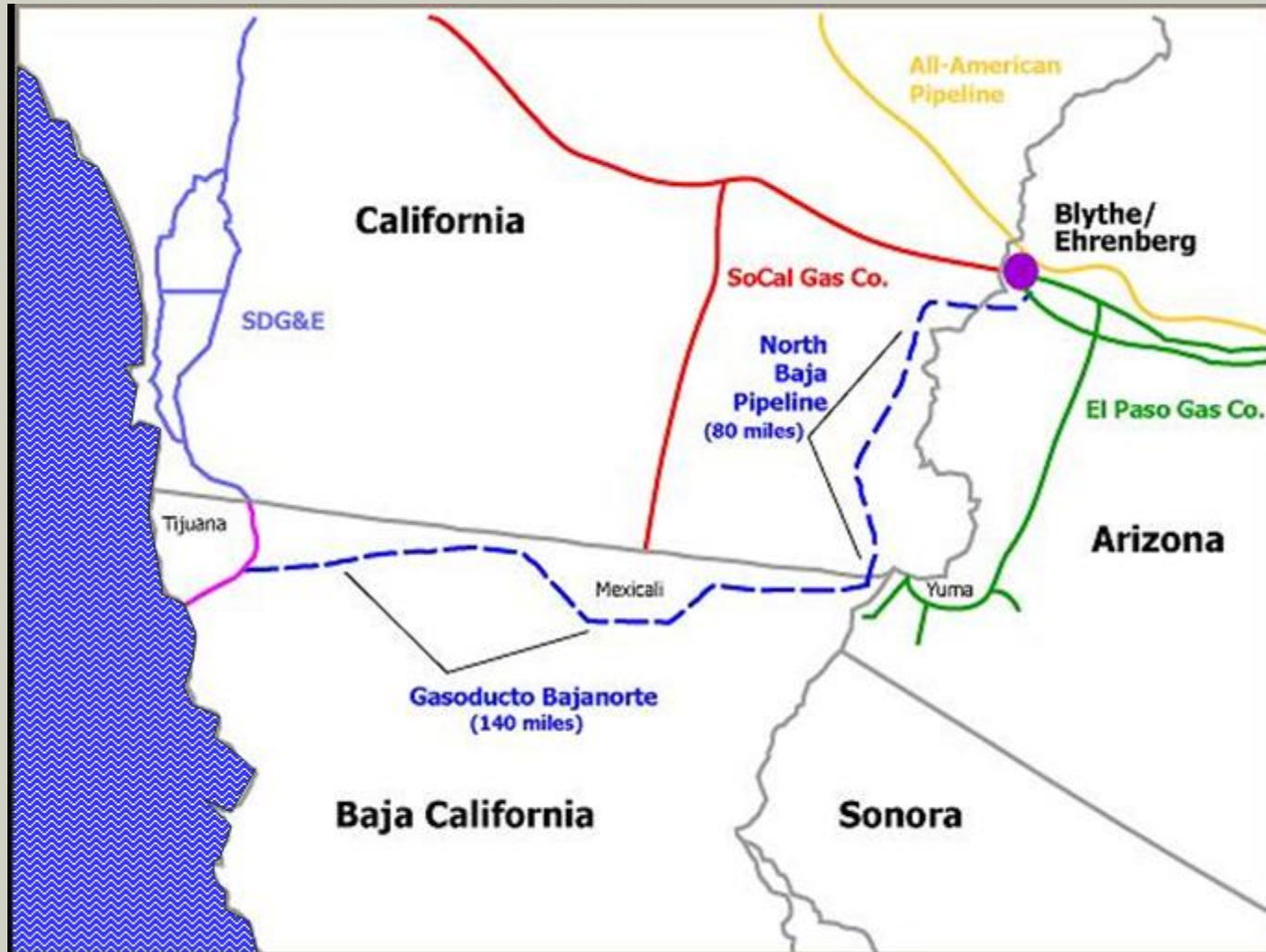
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Regional LNG Projects



Baja California

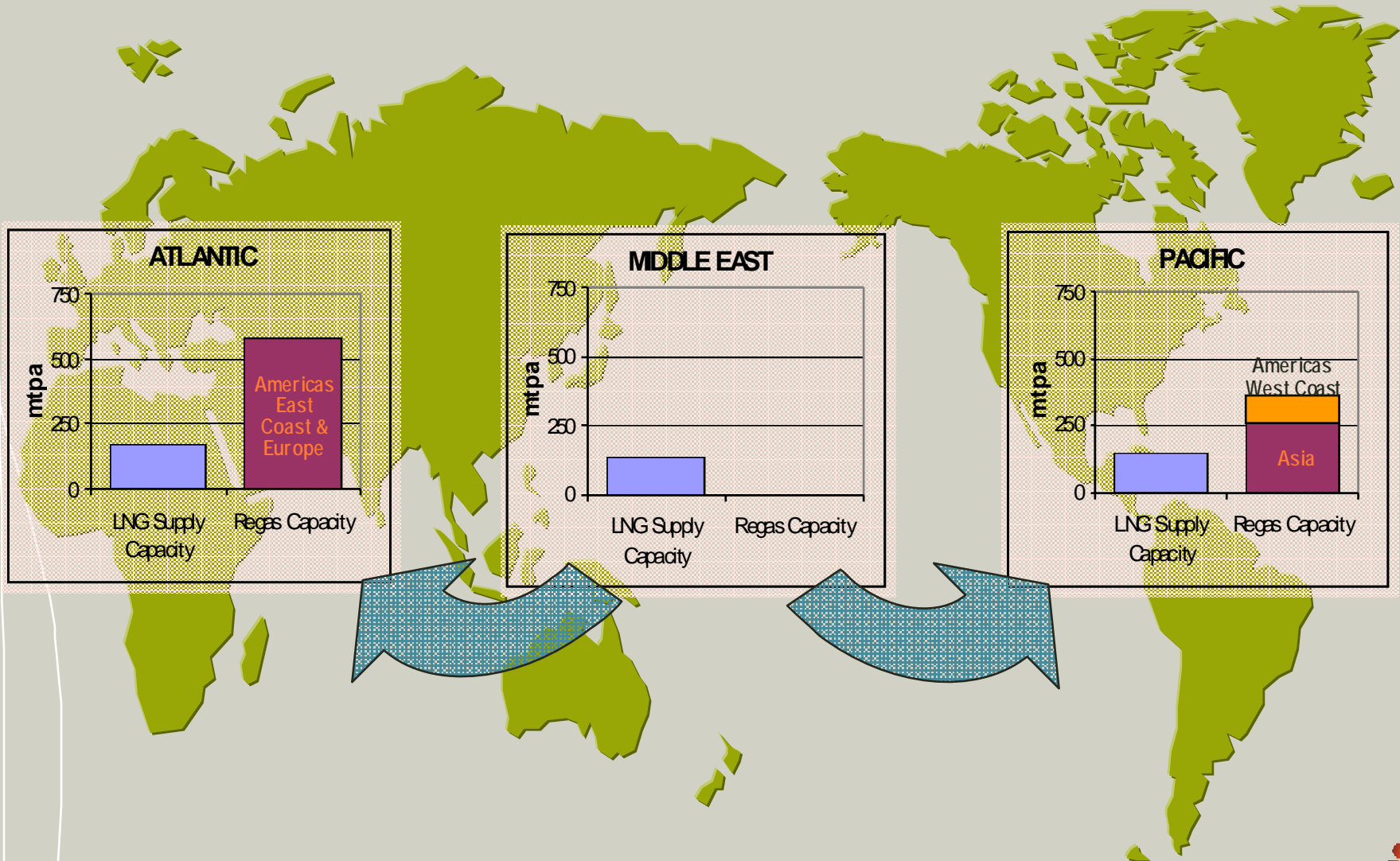
Is Gas From Baja LNG Imports the Answer for California?



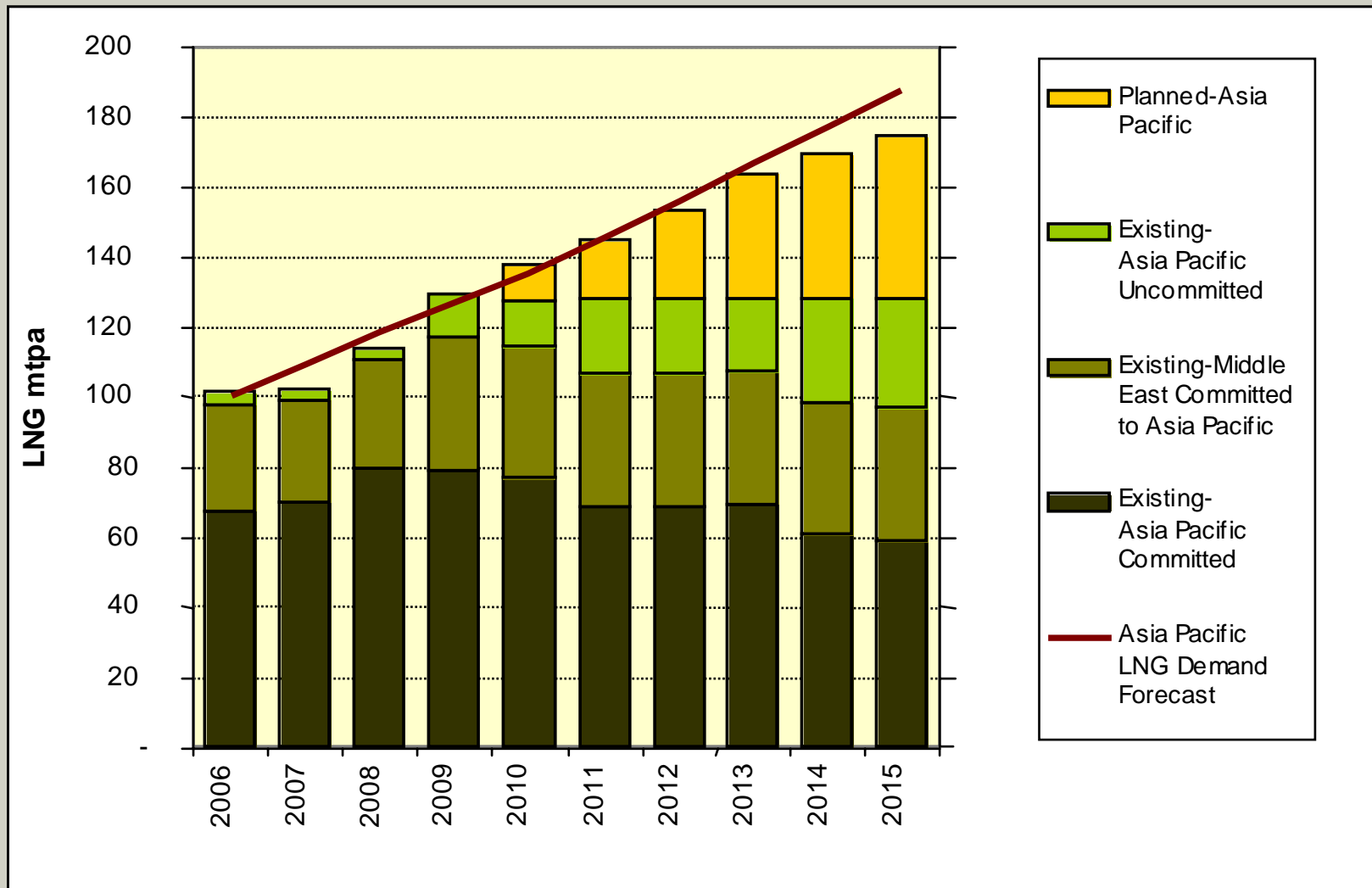
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LNG Supply Capacity vs. Receiving Terminal Capacity Existing/Under Construction + Proposed + Potential

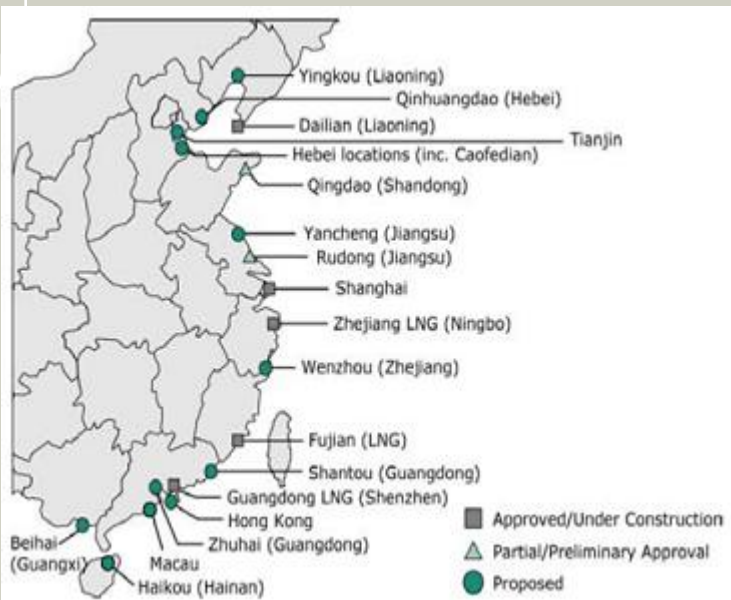


Pacific Basin LNG Supply Capacity vs. Market Demand Forecast



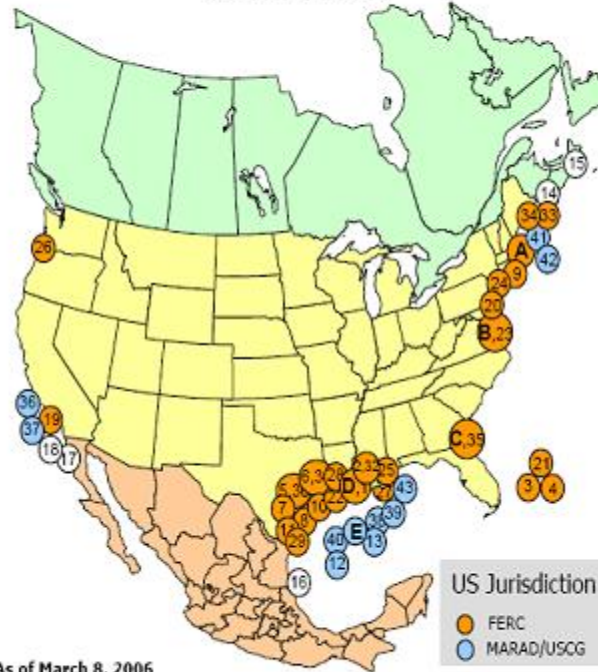
California gas markets will be competing with Asian Markets for LNG Supply

China's LNG Terminals Existing + Proposed



FERC

Existing and Proposed North American LNG Terminals



- CONSTRUCTED**
1. Everett, MA : 1,035 Bcf/d (SUEZ/Tractebel - DOMAC)
 2. Cove Point, MD : 1.0 Bcf/d (Dominion - Cove Point LNG)
 3. Elba Island, GA : 1.2 Bcf/d (El Paso - Southern LNG)
 4. Lake Charles, LA : 1.5 Bcf/d (Southern Union - Trunkline LNG)
 5. Gulf of Mexico: 0.5 Bcf/d (Gulf Gateway Energy Bridge - Excelerate Energy)
- APPROVED BY FERC**
1. Lake Charles, LA: 0.6 Bcf/d (Southern Union - Trunkline LNG)
 2. Hackberry, LA : 1.5 Bcf/d (Cameron LNG - Sempra Energy)
 3. Bahamas : 0.84 Bcf/d (AES Ocean Express)^{*}
 4. Bahamas : 0.83 Bcf/d (Calypto Tractebel)^{*}
 5. Freeport, TX : 1.5 Bcf/d (Cheniere/Freeport LNG Dev.)
 6. Sabine, LA : 2.6 Bcf/d (Cheniere LNG)
 7. Corpus Christi, TX: 2.6 Bcf/d (Cheniere LNG)
 8. Corpus Christi, TX : 1.0 Bcf/d (Vista Del Sol - ExxonMobil)
 9. Fall River, MA : 0.8 Bcf/d (Weaver's Cove Energy/Wess LNG)
 10. Sabine, TX : 1.0 Bcf/d (Golden Pass - ExxonMobil)
 11. Corpus Christi, TX: 1.0 Bcf/d (Ingleside Energy - Occidental Energy Ventures)
- APPROVED BY MARAD/COAST GUARD**
12. Port Pelican: 1.6 Bcf/d (Chevron Texaco)
 13. Louisiana Offshore : 1.0 Bcf/d (Gulf Landing - Shell)
- CANADIAN APPROVED TERMINALS**
14. St. John, NB : 1.0 Bcf/d (Canaport - Irving Oil)
 15. Point Tupper, NS : 1.0 Bcf/d (Bear Head LNG - Anadarko)
- MEXICAN APPROVED TERMINALS**
16. Altamira, Tamulipas : 0.7 Bcf/d. (Shell/Total/Misu)
 17. Baja California, MX : 1.0 Bcf/d. (Energy Costa Azul - Sempra)
 18. Baja California - Offshore : 1.4 Bcf/d. (Chevron Texaco)
- PROPOSED TO FERC**
19. Long Beach, CA : 0.7 Bcf/d. (Mitsubishi/ConocoPhillips - Sound Energy Solution)
 20. Logan Township, NJ : 1.2 Bcf/d (Crown Landing LNG - BP)
 21. Bahamas : 0.5 Bcf/d. (Seafarer - El Paso/FPL)
 22. Port Arthur, TX: 1.5 Bcf/d (Sempra)
 23. Cove Point, MD : 0.8 Bcf/d (Dominion)
 24. LI Sound, NY: 1.0 Bcf/d (Broadwater Energy - TransCanada/Shell)
 25. Pascagoula, MS: 1.0 Bcf/d (Gulf LNG Energy LLC)
 26. Bradwood, OR: 1.0 Bcf/d (Northern Star LNG - Northern Star Natural Gas LLC)
 27. Pascagoula, MS: 1.3 Bcf/d (Cazotte Landing - ChevronTexaco)
 28. Cameron, LA: 3.3 Bcf/d (Creole Trail LNG - Cheniere LNG)
 29. Port Lavaca, TX: 1.0 Bcf/d (Calhoun LNG - Gulf Coast LNG Partners)
 30. Freeport, TX: 2.5 Bcf/d (Cheniere/Freeport LNG Dev. - Expansion)
 31. Sabine, LA: 1.4 Bcf/d (Cheniere LNG - Expansion)
 32. Hackberry, LA: 1.15 Bcf/d (Cameron LNG - Sempra Energy - Expansion)
 33. Pleasant Point, ME: 0.5 Bcf/d (Quoddy Bay, LLC)
 34. Robbinston, ME: 0.5 Bcf/d (Downeast LNG - Kessel Energy)
 35. Elba Island, GA: 0.9 Bcf/d (El Paso - Southern LNG)
- PROPOSED TO MARAD/COAST GUARD**
36. California Offshore: 1.5 Bcf/d (Castillo Port - BHP Billiton)
 37. So. California Offshore : 0.5 Bcf/d. (Crystal Energy)
 38. Louisiana Offshore : 1.0 Bcf/d (Main Pass McMoran Exp.)
 39. Gulf of Mexico: 1.0 Bcf/d (Compass Port - ConocoPhillips)
 40. Gulf of Mexico: 1.5 Bcf/d (Beacon Port Clean Energy Terminal - ConocoPhillips)
 41. Offshore Boston, MA: 0.4 Bcf/d (Westport LNG - Tractebel)
 42. Offshore Boston, MA: 0.8 Bcf/d (Northeast Gateway - Excelerate Energy)
 43. Gulf of Mexico: 1.4 Bcf/d (Bienville Offshore Energy Terminal - TORP Technology)

As of March 8, 2006

* US pipeline approved; LNG terminal pending in Bahamas

Office of Energy Projects

Source: CERA, from ABN-AMRO, "Fuel Economy" January 2006

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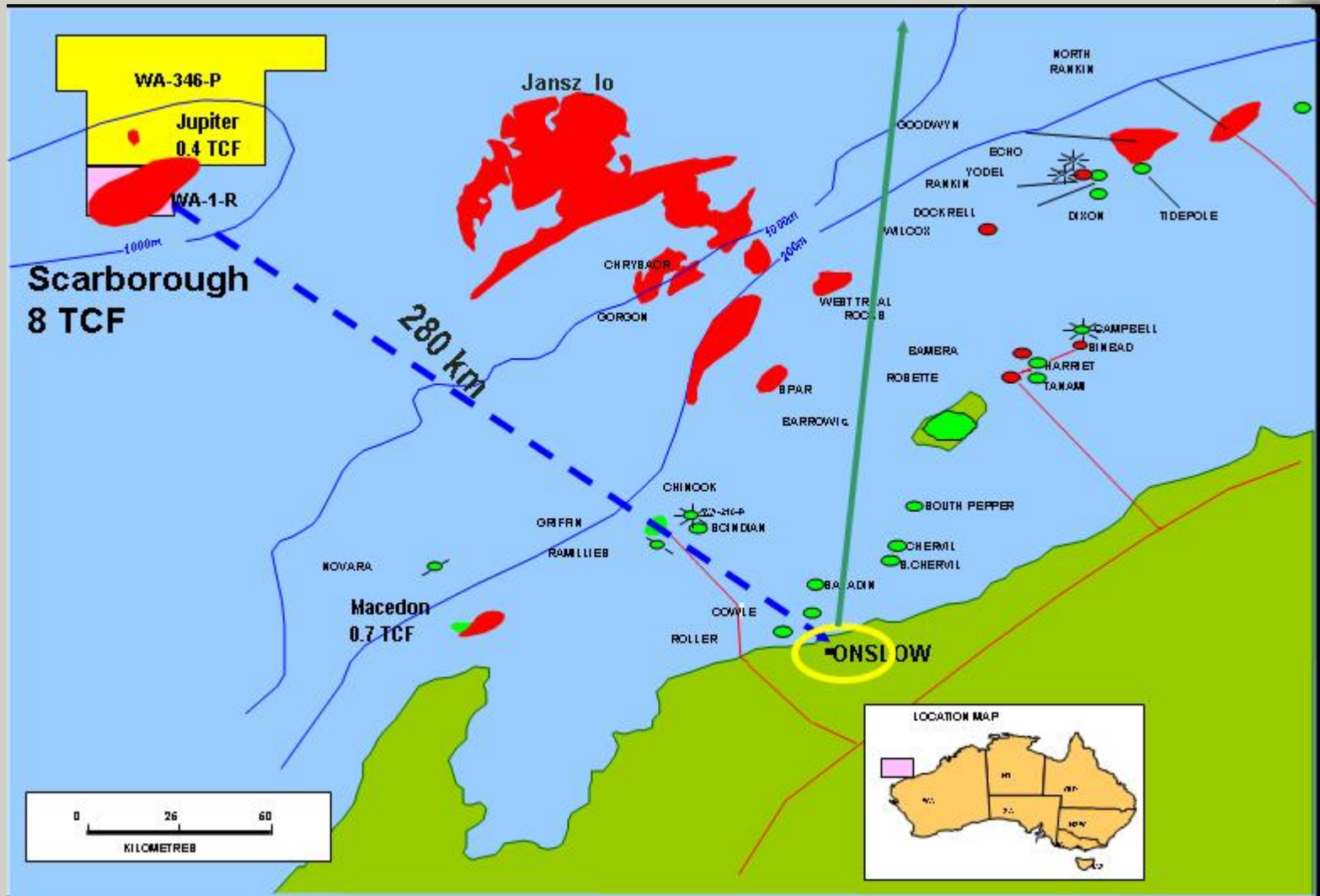
Cabrillo Port Floating Storage & Regasification Unit (FSRU)

Proven
Technologies:

- Single Point Mooring
- Side by side LNG transfer
- Moss spherical LNG storage tanks
- Submerged Combustion Vaporization (SCV) technology regasification



Scarborough – A Credible Development Option



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Completing permitting requires multi-level approach with key stakeholders

- **Federal** – (Secretary of Energy, Dept of Energy, USCG)
- **State** – (legislators and key stakeholders)
- **Agencies** – (CSLC, USCG, CARB, EPA Region 9, CEC, South Coast and Ventura County Air Districts)
- **Local** – (Chambers of commerce, local businesses/industry, city councils, environmental groups)

Progress and Key Events – Cabrillo Port Permitting

- Application submitted September 2003
- Draft EIS/EIR issued and public comments period (Nov 04)
- Data request by CSLC and regulatory clock stopped (Jan 05)
- Draft EIR issued and public comments period (Mar 06)
- Draft air and water permits issued by EPA and public comment period (May 06)
- Final EIS/EIR and vote of Calif. State Lands Commission
- Federal Deepwater Port Permit and State Land Lease Issued

Cabrillo Port is the right project, in the right place, at the right time

- The West Coast US needs an LNG terminal this decade
- Many project concepts exist, but few have advanced to permitting and supply is tight
- BHP Billiton has one of the few supply sources that can provide gas to the West Coast in the 2010-11 timeframe

Thank You



Supplying California with Safe,
Clean, Reliable Natural Gas

