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resourcing the future

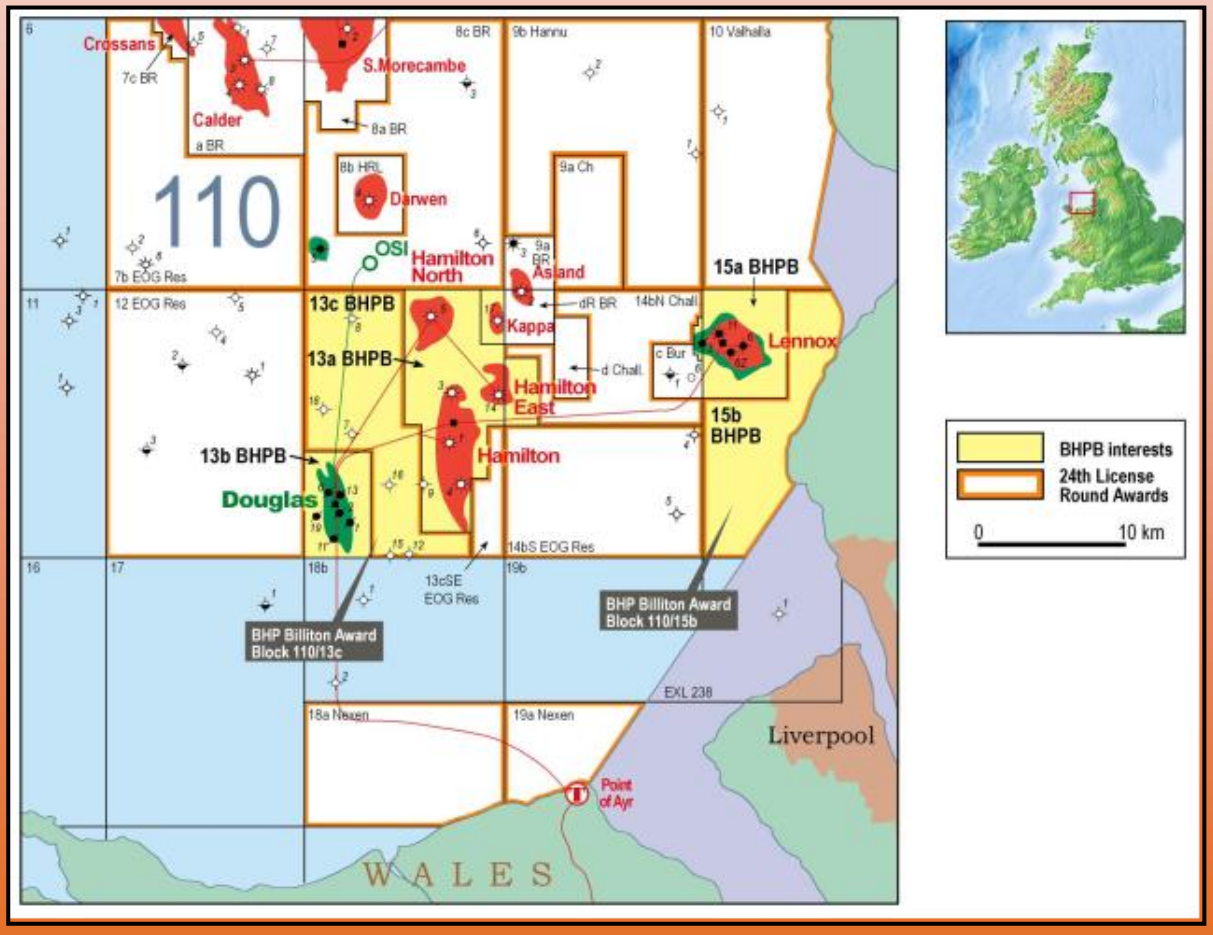
BHP Billiton Petroleum Limited

UK Production Unit

Liverpool Bay Operations

2014 Environmental Statement

(Covering only the period 01/01/14 to 31/03/14)



BHP Billiton Charter

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Our Charter

We are BHP Billiton, a leading global resources company.

Our purpose is to create long-term shareholder value through the discovery, acquisition, development and marketing of natural resources.

Our strategy is to own and operate large, long-life, low-cost, expandable, upstream assets diversified by commodity, geography and market.

Our Values

Sustainability
Putting health and safety first, being environmentally responsible and supporting our communities.

Integrity
Doing what is right and doing what we say we will do.

Respect
Embracing openness, trust, teamwork, diversity and relationships that are mutually beneficial.

Performance
Achieving superior business results by stretching our capabilities.

Simplicity
Focusing our efforts on the things that matter most.

Accountability
Defining and accepting responsibility and delivering on our commitments.

We are successful when:

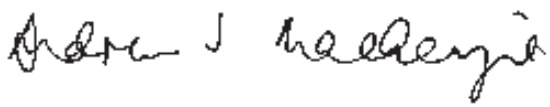
Our people start each day with a sense of purpose and end the day with a sense of accomplishment.

Our communities, customers and suppliers value their relationships with us.

Our asset portfolio is world-class and sustainably developed.

Our operational discipline and financial strength enables our future growth.

Our shareholders receive a superior return on their investment.



Andrew Mackenzie
Chief Executive Officer

May 2013

Contents

ISO 14001 Certificate of Registration from LRQA

LRQA
Business Assurance

CERTIFICATE OF APPROVAL

This is to certify that the Environmental Management System of:

BHP Billiton Petroleum Ltd
Llaneurgain House, Mold, Flintshire
United Kingdom

has been approved by Lloyd's Register Quality Assurance
to the following Environmental Management System Standard:

ISO 14001: 2004

The Environmental Management System is applicable to:

Offshore operator activities included and associated with the extraction of oil and gas at the Douglas, Lennox, Hamilton, Hamilton North and Hamilton East assets in Liverpool Bay.
The operation of the Liverpool Bay oil storage installation.
The processing of raw gas at the Point of Ayr Terminal.
The management of the non-operated Keith asset in the North Sea.
Associated support services at Llaneurgain House.

Approval
Certificate No: LRQ 0772781

Original Approval: 13 December 2000
Current Certificate: 3 January 2013
Certificate Expiry: 31 December 2015

Issued by: Lloyd's Register Quality Assurance Limited

UKAS MANAGEMENT SYSTEMS 001

This document is subject to the provision on the reverse
71 Fenchurch Street, London EC3M 4BS United Kingdom.
This approval is carried out in accordance with the LRQA assessment and certification procedures and monitored by LRQA.
The use of the UKAS Accreditation Mark indicates Accreditation in respect of those activities covered by the Accreditation Certificate Number 001

Introduction

BHP Billiton divested its interest in the UK Production Unit on 1st April 2014 and this 2014 Environmental Statement for BHP Billiton Petroleum Limited's UK Production Unit (UKPU) is only for the period 1st January to 31st March 2014 (Quarter 1).

The report summarises the environmental performance of the UKPU onshore and offshore operations to our stakeholders, and to the public, in accordance with the Department of Energy and Climate Change (DECC) Guidance and Reporting Requirements, in relation to OSPAR Recommendation 2003/5.

1.0 Liverpool Bay Operations

Oil and Gas Production

Process plant on the offshore platforms separates oil, gas and water produced from the oil and gas reservoirs. Once the oil has been separated from the water, it is pumped to the Offshore Storage Installation (OSI) via pipeline. Oil is periodically transferred from the OSI to an export tanker for shipment to refineries.

Produced gas is treated at the Point of Ayr (POA) onshore gas terminal, where it is dried and sweetened. A small portion of the gas produced is used to generate power to run the POA process equipment. The remaining gas processed is exported by onshore pipeline to the Connah's Quay Power Station.

1.1 Offshore Facilities

Douglas

The Douglas field contains low sulphur, 44° American Petroleum Institute (API) black oil. The oil has a low gas to oil ratio. The Douglas Complex is located approximately 23km off the North Wales and English coastlines and consists of an accommodation unit, a processing platform and a wellhead tower, which are bridge linked (Photo 1).

Photo 1 – Douglas Complex

The layout of the Douglas Complex is designed with the objective of separating the hazardous production plant and well facilities from the living quarters and control centre. The three platforms are orientated to provide the smallest target to passing ship movements. Water depth at the location is 29 metres.

Lennox

Lennox is a satellite platform (Photo 2). The Lennox Field consists of a thin layer of oil underlying a normally pressured gas cap.

Photo 2 – Lennox Platform

Lennox produces both gas and condensate. These reservoir fluids are routed to the Douglas Complex for separation. Lennox lies approximately 8 km off the Sefton coast in Liverpool Bay. The Lennox Platform is a two level, 12 well slot structure with an underdeck. Water depth at the location is 7m.

Hamilton Fields

There are two producing Hamilton gas fields; Hamilton and Hamilton North. The Hamilton (Photo 3) and Hamilton North satellite gas platforms are almost identical.

Photo 3 - Hamilton Platform

These platforms are two-level, normally unmanned structures with an underdeck. Produced gas, together with condensate and formation water, is transported via subsea pipeline to Douglas for further processing.

Offshore Storage Installation (OSI)

The stabilised export crude oil from the Douglas Complex is piped 17km north to the OSI (Photo 4). The OSI is a purpose-built barge that is permanently anchored. Its location was chosen to avoid shipping lanes.

The OSI is 207 metres long, 44.5 metres wide and has three deck levels and a helipad. In addition, the OSI is double hulled, with 10 oil compartments (plus two slop tanks) surrounded by 4.8 metre wide seawater ballast tanks. The tanks have a total storage capacity of 146,290m^3 (approximately 860,000bbls usable volume).

Photo 4 - Oil Storage Installation

1.2 Onshore Facilities

Point of Ayr (POA) Gas Terminal

The onshore gas processing terminal (see Photo 5) is located at Point of Ayr in Flintshire, North Wales. It treats all of the gas produced from UKPU offshore facilities.

Photo 5 - POA Gas Terminal Process Train

The POA location is bound to the east by the sea wall and the Dee Estuary, and to the southeast and south by the site of the former Point of Ayr Colliery and the Chester to Holyhead railway line.

The POA Gas Terminal site covers an area of approximately 37 hectares. BHP Billiton also owned a further approximate 110 hectares of dunes, warren and farmland adjacent to the Gas Terminal (also divested on 1st April 2014), designated as a Site of Special Scientific Interest. It was managed for conservation benefit under land management agreements regulated by Natural Resources Wales (NRW).

2.0 Environmental Management

The UKPU Environmental Management System (EMS) complies with the requirements of the BHP Billiton Charter and draws on the UK Health and Safety Executive's publication 'Successful Health and Safety Management' - HS(G)65.

2.1 EMS ISO 14001 Certification

The UKPU Environmental Management System was registered to ISO 14001:2004 by Lloyds Register Quality Assurance (LRQA) (see Page 4); this involved six-monthly surveillance audits.

2.2 Objectives and Targets

The UKPU had environmental objectives and targets set for its fiscal year 2013/2014, progress against which were closely monitored by the HSE Team. These Objectives and Targets were linked to the significant environmental aspects in the UKPU Environmental Aspects Register.

2.3 Permits and Consents

UKPU oil and gas production and processing operations are regulated by a variety of onshore and offshore environmental permits and consents namely:

- Industrial Emissions Directive (IED) permits for Douglas Platform and POA Gas Terminal.
- Oil Discharge Permits for Douglas and OSI.
- Consents to Vent and Flare Gas for offshore platforms and POA Gas Terminal.
- Offshore Production and Intervention Chemical Permits.
- European Union Emissions Trading Scheme (EUETS) permits for Douglas, OSI and POA Gas Terminal.
- Production Consents for minimum and maximum consented oil and gas production from each field.
- Life Consent to Locate Permits for offshore permanent installations.

2.4 Compliance

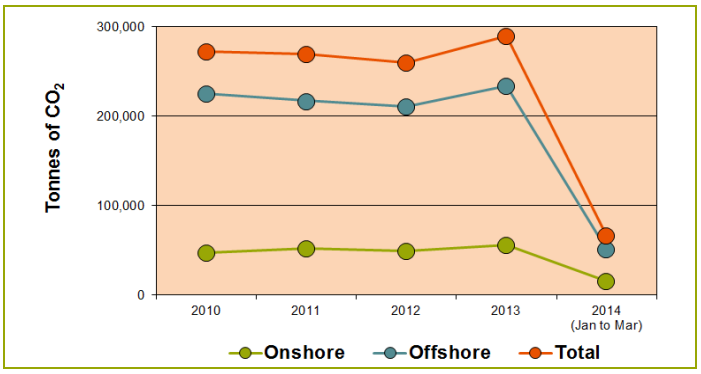
The external ISO 14001 environmental audit conducted during February 2014 raised two minor non-conformities. Corrective actions were raised to address these non-conformities to ensure they were closed out in a manner acceptable to management.

3.0 Air Emissions, Water and Waste

3.1 CO_2 Emissions

Atmospheric emissions of CO_2 from oil and gas installations have the potential to affect air quality, and can contribute to global warming and climate change. The main sources of CO_2 emissions from UKPU installations are power generation and flaring. Turbines offshore and onshore run mainly on produced gas. The CO_2 emissions trend for the past five years is depicted in Figure 3.1.

Figure 3.1 - Total CO2 Generated from Flaring and Power Generation (tonnes)



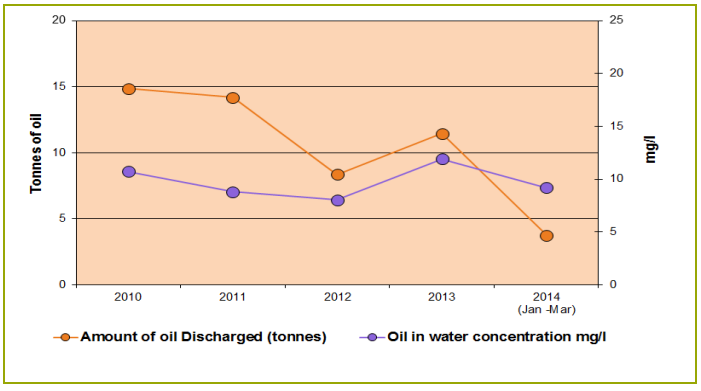
3.2 Total Discharges to Water

Offshore Water Discharge

Offshore produced water discharges have the potential to affect sea water and sediment quality in a number of ways. These discharges are subject to Oil Discharge Permits as they have the potential to contain very low concentrations of oil and production chemicals.

The discharge limits therein permit UKPU to discharge at a monthly maximum average concentration of 30 mg/l oil in the produced water. See Fig 3.2 for the Total Oil in Produced Water Discharge and Concentration (mg/l) 5-year trend.

Figure 3.2 - Total Oil in Produced Water Discharge and Concentration (mg/l)



Douglas produced water re-injection commenced in 2007, and since then the majority of Douglas produced water has been re-injected downhole. This results in lower discharge to sea of the residual entrained oil in produced water. Approximately 507,873m^3 produced water was reinjected into the reservoir in Quarter 1 2014.

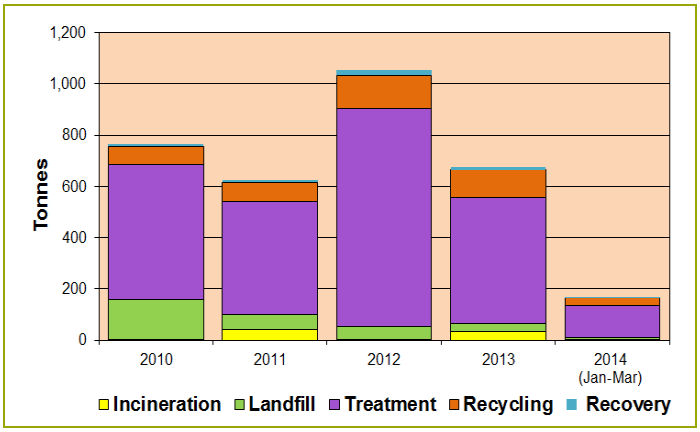
Onshore Water Discharge

Water discharge from the POA Gas Terminal is largely dependent on rainfall because almost all site wastewater is generated by land drainage, rather than from the process.

3.3 Waste

The overall amount of waste produced onshore and offshore during Quarter 1 2014 is presented in Figure 3.3.

Figure 3.3 - Total Waste Disposal (tonnes)

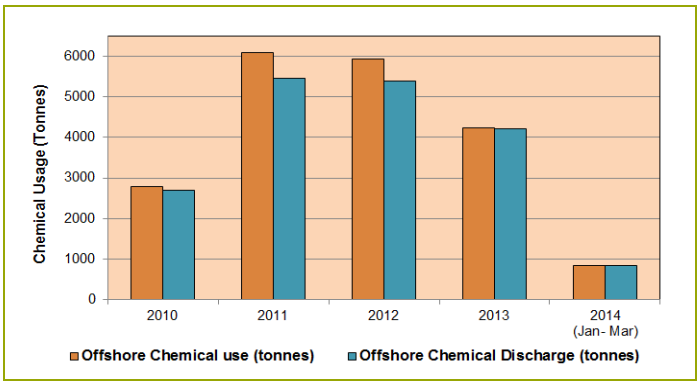


4.0 Chemical Use/Discharge/Spills

Chemicals are used offshore in production and well workover operations. UKPU had chemical permits for the offshore application and discharge of all process chemicals.

Residual production chemicals partition into produced water. Although most Douglas produced water is re-injected, some Douglas and all Lennox produced water, including entrained chemicals, is discharged to sea as described in the offshore chemical permits. The graph below shows the offshore chemical use and discharge 5-year trend.

Figure 4.1 – Offshore Chemical Use/Discharge



There was one accidental chemical spill during Quarter 1 2014, totalling 13 litres. This release was of a low toxicity chemical resulting in negligible impacts to the environment. There were no accidental hydrocarbon spills during Quarter 1 2014.

5.0 Onshore Land Management

BHP Billiton-owned land inside and outside the POA Terminal boundary was managed in accordance with approved Land Management Plans as regulated by Natural Resources Wales (NRW). These plans form part of a legally binding Land Management Agreement between BHP Billiton and NRW that has been in place since 1996 when the license to operate was first granted and planning permission was obtained. Activities completed in Quarter 1 2014 are:

Talacre Master Plan - Work was completed to clear the BHP Billiton-owned land identified for seasonal car parking, to support the Flintshire County Council Talacre Masterplan initiative to improve Talacre village infrastructure.

Storm Damage - January 2014 brought high tides and significant storm damage to the Gronant Dunes and Talacre Warren SSSI site, both owned by BHP Billiton. A multi-agency response was implemented to ensure clear up and repair to expedite recovery of the dunes system.

6.0 Production Performance

Planned oil and gas production continued to decrease with natural field decline (see figures 6.1 and 6.2).

Figure 6.1 - Oil Production

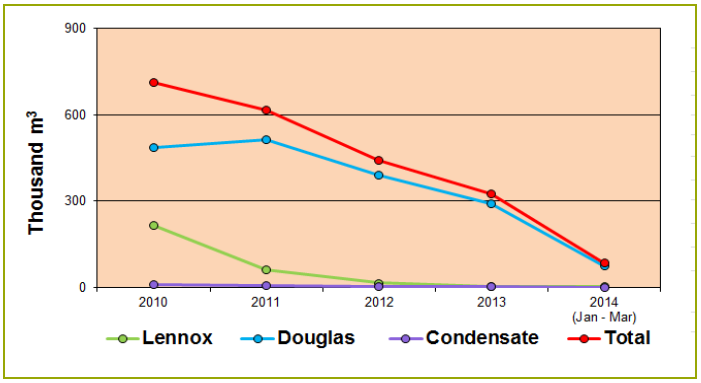
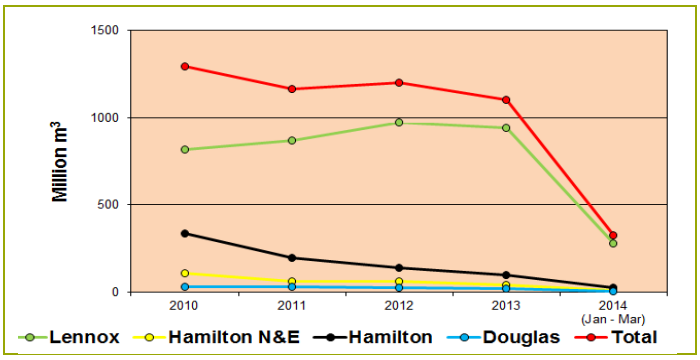


Figure 6.2 - Gas Production



7.0 Data Quality Assurance

- Quantities are generally measured by calibrated flow meters, or by weight.
- CO_2 emissions are externally verified for the EU Emissions Trading Scheme.
- Waste is weighed at contractor weighbridges.
- Chemicals are supplied in set volumes.
- Water discharges are metered. Oil in produced water is measured by laboratory analysis to the DECC-prescribed test method.
- Point of Ayr water discharge quality is measured by laboratory testing (pH, BOD and Microtox).

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