SCOPE OF WORK

BHP Billiton Petroleum (BHPB) plans to develop the Stybarrow and Eskdale hydrocarbon reserves for oil production, referred to as the 'Stybarrow Development'. The hook-up and commissioning (HUC) phase of the project is scheduled to commence with the arrival of the Stybarrow Floating Production, Storage and Offloading (FPSO) facility at the Stybarrow project area (late August - early target), and Spider Buoy Mooring (SBM) connection, scheduled for early September 2007 (early target).

The scope of work during the HUC phase includes:

- FPSO/SBM initial connection (3 days)
- Riser hook-up (7 days)
- Riser Isolation Valve (RIV) & Fishing Tool Guide (FTG) installation (3 days)
- Disconnection & reconnection test (4 days)
- FPSO start-up preparation (12 days)
- Subsea system pre-commissioning (1 day)
- Subsea system commissioning (6 days)
- Ready for first oil (RFFO) end of HUC phase
- Start of commissioning flaring (start of operational phase)
- Start disposal of flowline preservation fluids (start of operational phase)
- Introduction of production chemicals (start of operational phase)

It is anticipated that the HUC activities will take around 40 days to complete. The Stybarrow HUC Phase is considered complete at Ready For First Oil (RFFO), when hydrocarbons commence flowing to the FPSO. RFFO is currently scheduled for the 2^{nd} week of October (early target), with a further 25-40 days to first oil from the Stybarrow wells. Stybarrow drilling and installation activities will overlap the HUC phase, while operational procedures (outlined in the Operations Environment Plan) will apply from RFFO. A number of start-up activities, which are addressed in this HUC EP, will occur after RFFO. These activities are identified above.

Commissioning activities outside Australian waters, such as activities at overseas shipping yards, and onshore fabrication, construction and pre-commissioning activities prior to mobilisation to the site, are not covered in the HUC EP. Offshore Construction and Installation Activities are covered in a separate Environment Plan (C&I EP). Operational activities are further defined in separate Operations Environment Plan (Ops EP), which will be issued prior to the start of operations.

LOCATION

The Stybarrow Development area is located approximately 40 km north-west of Exmouth, 22 km north-west of the Ningaloo Marine Park boundary (Commonwealth Waters) and 80 km west of the Griffin Venture (Figure 1). The Stybarrow Development consists of nine wells drilled from four drilling centres, connected to an FPSO. The locations of these are outlined in Table 1.

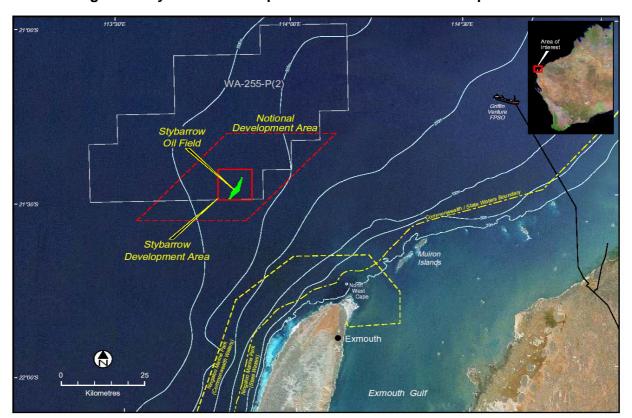


Figure 1: Stybarrow Development Area & Notional Development Area

Table 1: Wellhead & FPSO Locations

Wellhead	Drill Centre	Depth (m)	Туре	Easting (Longitude) ¹	Northing (Latitude) ¹
FPSO	-	826	FSPO Location	170,855 (113 ° 49' 28.47")	7,624,804 (21 ° 26' 56.96"
Stybarrow I2 Stybarrow I3	А	801	Deviated water injector I-2 Deviated water injector I-3	173,133 (113º 50' 46.01")	7,622,672 (21º 28' 07.70")
Stybarrow H3 Stybarrow H4 Stybarrow I1	В	836	Horizontal producer H-3 Horizontal producer H-4 Deviated water injector I-1	171,000 (113º 49' 31.56")	7,622,050 (21° 28' 26.50")
Stybarrow H1 Stybarrow H2	С	857	Horizontal producer H-1 Horizontal producer H-2	171,420 (113° 49' 44.49")	7,619,714 (21º 29' 42.64")
Eskdale EH1 Eskdale EG1	D	810	Horizontal producer EH-1 Deviated gas injector EG-1	170,030 (113° 49' 05.16")	7,632,340 (21º 22' 51.68")

RECEIVING ENVIRONMENT

Water depths at the development site range from 800 to 900 m. The seabed at the well centres has been found to comprise very soft sand/silt and carbonate clays of 10 to 20 m thickness. Remote camera footage of the Stybarrow location shows a relatively low abundance of invertebrate fauna, with occasional deepwater sponges, echinoderms and transient crustaceans and bottom dwelling fish.

The closest population centre to the development area is the town of Exmouth. Exmouth has become a significant tourist centre based in large part on the natural resources contained in the Cape Range National Park, Ningaloo Marine Park and adjacent inshore waters. Other commercial activities associated with Exmouth include prawn fisheries and defence related activities.

BHPB has consulted with the Exmouth Community over a number of years, as BHPB has been active in the region for some time. The consultation has predominantly centred around BHPB's projects in the region, however has also included other activities such as drilling and seismic surveys.

The consultation programme has included:

- Face-to-face briefings and discussions;
- Periodic written newsletter updates posted to stakeholders;
- A 1800 toll-free telephone number;
- Community Reference Groups (CRGs) established in Exmouth and Perth; and
- Advertising of public comment opportunities in newspapers for activities undergoing EPBC Act processes.

Ongoing consultation activities will include:

- Continued use of CRGs established in Exmouth and Perth;
- Periodic written newsletter updates posted to stakeholders; and
- A 1800 toll-free telephone number.

ENVIRONMENTAL RISK ASSESSMENT AND MANAGEMENT

The Stybarrow HUC activities follows the Stybarrow Development Health, Safety, Environment and Community Management System (HSEC MS), which in turn is in accordance with BHP Billiton HSEC Management Standards and BHP Billiton Environmental Management Protocol. These systems are consistent with ISO14 000 series Environmental Management Systems and OHSAS 18 001 Safety Management System requirements. A systematic approach is taken to the management of hazards and risk through the identification and assessment of hazards and risk, the identification of mitigation and control measures, the establishment of objectives, plans and performance standards, and the development of specific documentation.

Table 2 summarises the key environmental aspects and the offshore hook-up and commissioning related activities that may lead to these aspects being adversely affected.

Table 2: Environmental Aspects and Hook-up and Commissioning Activity Interactions

Activity	-	Aspect									
Activity											
	Physical Presence	Light	Noise	Sediment impacts	Water quality	Nutrient addition	Hydrotest discharges	Solid Waste Disposal	Greenhouse gas emissions	Hydrocarbon Contamination	Biodiversity
Routine Events											
Mobilisation to site	✓	✓						✓			
FPSO presence	✓	✓	✓	✓							
Power generation			✓						✓		
FPSO Hook-up	✓		✓	✓							
Hydrotest dewatering					✓		✓				
Flowline dewatering					✓		✓				
Start-up		✓	✓		✓				✓	✓	
Demobilisation	✓	✓	✓					✓			
 Supply vessel and helicopter operations 	✓	√	✓					✓			
Sewage and greywater						✓					
Discharge of foodscraps						✓					
Deck drainage					✓					✓	
Flaring		✓							✓		
Accidental Events											
Hydrocarbon Spill				✓			✓	✓		✓	✓
Chemical Spill							✓	✓		✓	
 Introduced species 											✓

Objectives and performance standards for environmental management have been established based on consideration of:

- BHPB Sustainable Development Policy requirements
- BHPB HSEC Management Standards
- Legal requirements
- Community comments received during consultation
- Technology options and feasibility.

Table 3 provides a summary of environmental objectives, standards and performance criteria. All staff and contractors taking part in the Stybarrow offshore HUC program will be advised of their responsibilities prior to commencement of activities. This will occur through meetings with key contractor personnel and an induction and awareness presentation that will be given to all crew.

Further information may be obtained from BHPB's external affairs 1800 036 247 or by writing to:

The External Affairs Advisor BHP Billiton Petroleum Pty Ltd Central Park 152-158 St Georges Terrace PERTH WA, 6000.

Table 3: Summary of Environmental Objectives, Standards and Performance Criteria

	Table 3: Summary of Environmental Objectives, Standards and Performance Criteria						
Aspect	Objective	Standards	Performance Criteria				
Physical Presence	 No significant impact to seabed habitat No significant impact to seabed biological communities Minimise adverse effects to marine biota No significant impact on fishing or shipping activities in the region No collisions or near misses 	 P(SL)A 1967, s.119, 124, 140A P(SL)(MoE) Regulations 1999, r.13 and 14 APPEA Code of Environmental Practice BHPB Sustainable Development Policy BHPB HSEC Management Standards HSEC Guideline No. T07 Risk Criteria/ALARP Principle 	 Information on FPSO location and activities forwarded to AMSA for inclusion into Marine Notices Stybarrow project location is offshore in deep water, away from areas commonly used by fishing or recreational vessels Activities will not commence unless accepted FPSO Hook-up and Commissioning Safety Management Plan (BHPB-00ST-N940-0006) is in place Navigation lights will be in place Standard marine communications systems will be in place 500m safety exclusion zone requested Seabed habitat type has been reviewed and no sensitive habit or rock outcrops will be affected Vessel-Whale interaction procedures will be implemented to avoid interference with whales FPSO mooring has minimal footprint on seabed. OSV will not anchor in Stybarrow area Ongoing consultation with local users 				
Light	No significant adverse effect on marine biota No significant impact on visual amenity for coastal communities or island visitors	 P(SL)(MoE) Regulations 1999, r.13 and 14 APPEA Code of Environmental Practice BHPB Sustainable Development Policy BHPB HSEC Management Standards HSEC Guideline No. T07 Risk Criteria/ALARP Principle 	 Activities will not commence unless accepted FPSO Hook-up and Commissioning Safety Management Plan (BHPB-00ST-N940-0006) is in place Lighting on FPSO and OSV will be at levels required for safe working practices Commissioning flaring will be minimised (a 60 days flaring dispensation period from RFFO is requested) Stybarrow project location is significant distance offshore from turtle and seabird nesting areas Equipment designed to normal oilfield practice, which includes specifications for safe levels of lighting 				
Noise	No significant adverse effect on marine biota No significant impact on coastal or island communities	 EPBC Act Regulations Pt 8 P(SL)(MoE) Regulations 1999, r.13 and 14 APPEA Code of Environmental Practice BHPB Sustainable Development Policy BHPB HSEC Management Standards HSEC Guideline No. T07 Risk Criteria/ALARP Principle 	 Helicopter flights will be routed to avoid flying over identified sensitive seabird nesting areas at Muiron Islands and Exmouth township except if required during emergencies Helicopter flights will be carried out during daylight hours only, except if required during emergencies or for training purposes EPBC Regulations 200 Part 8 Vessel-Whale interaction procedures to be implemented to avoid interference with whales Helicopters to maintain height of more than 1,650 feet or within a horizontal radius of 500 m of an y observed whales (except for landing and takeoff from FPSO) Activities will not commence unless accepted FPSO Hook-up and Commissioning Safety Management Plan (BHPB-00ST-N940-0006) is in place Equipment designed to normal oilfield standards including specifications for noise levels. 				

Aspect	Objective	Standards	Performance Criteria
Seabed Disturbance: Sediment Quality	No significant alteration of sediment characteristics No contamination of sediments No adverse effect on marine biota	P(SL)(MoE) Regulations 1999, r.13 and 14 APPEA Code of Environmental Practice ANZECC Water Quality Guidelines BHPB Sustainable Development Policy BHPB HSEC Management Standards HSEC Guideline No. G09 Hazardous/Non-Hazardous Wastes and Emissions	The distance from the Project location to Ningaloo Marine Park will be at least 23 km
Seabed Disturbance: Footprint	No significant impact to seabed habitat No significant impact to seabed biological communities No adverse effects to marine biota	P(SL)A 1967, s.124 P(SL)(MoE) Regulations 1999, r.13 and 14 APPEA Code of Environmental Practice BHPB Sustainable Development Policy BHPB HSEC Management Standards HSEC Guideline No. T07 Risk Criteria/ALARP Principle	Final mooring pattern has been reviewed to ensure that anchoring impacts will not affect sensitive habitats FPSO Anchoring with minimal footprint on seabed OSV will not anchor in Stybarrow area
Water Quality: Foodscraps	No significant adverse effect on water quality No adverse effects on marine biota Maximise efficient resource utilisation Minimise incremental increase to environmental impact associated with onshore disposal as far as possible	P(SL)A 1967, Schedule c. 222 (4) P(SL)(MoE) Regulations 1999, r.29 (1) Protection of the Sea (Prevention of Pollution From Ships) Act 1993 Division 2 MARPOL 73/78 Annexe IV APPEA Code of Environmental Practice ANZECC Guideline for Fresh and Marine Water Quality BHPB Sustainable Development Policy BHPB HSEC Management Standards HSEC Guideline No. T07 Risk Criteria/ALARP Principle	Wastage will be limited where possible Non-food material will be segregated and stored on board for onshore disposal Food scraps and other putrescible wastes such as food oils and grease will be disposed of in accordance with MARPOL 73/78 Annex IV, and Clauses 222 and 616 of the Schedule of the P(SL)A All food scraps will be macerated to less than 25 millimetres Foodscraps will only be discharged to the ocean when more then 12 nautical miles from land.
Water Quality: Sewage	No reduction in ambient water quality No adverse effects on marine biota No adverse aesthetic effects.	P(SL)A 1967, Schedule c. 222 (4) P(SL)(MoE) Regulations 1999, r.29 (1) Protection of the Sea (Prevention of Pollution From Ships) Act 1993, Division 2 APPEA Code of Environmental Practice ANZECC Guideline for Fresh and Marine Water Quality BHPB Sustainable Development Policy BHPB HSEC Management Standards HSEC Guideline No. T07 Risk Criteria/ALARP	Sewage treatment plant on FPSO & OSV complies with MARPOL requirements Sewage and putrescible wastes will not be discharged within 12 nautical miles of land. When within 12 nautical miles, vessels will contain any sewage discharges. Sewage and greywater will be disposed of in accordance with MARPOL 73/78 Annex IV and Clauses 222 and 616 of the Schedule of the P(SL)A
Water Quality: Hydrotest Discharges	No significant alteration of sediment characteristics No contamination of sediments No adverse effect on marine biota.	 P(SL)A 1967, s.124 Clause 516, a schedule to the P(SL)A, 1967 P(SL)(MoE) Regulations 1999, r.13 and 14 APPEA Code of Environmental Practice ANZECC Water Quality Guidelines BHPB Sustainable Development Policy BHPB HSEC Management Standards HSEC Guideline No. 9 Hazardous/Nonhazardous Wastes and Emissions 	 Maximise pre-commissioning of systems prior to arrival on-site Avoid chemical treatments where practicable Chemical selection process has preference for chemicals with least potential for environmental harm Hydrotest discharges as part of hook-up and commissioning activities to meet legal requirements and the commitments made in this HUC EP. Disposal Plan to be developed as part of commissioning procedures (to be addressed in Stybarrow Development Operations Environment Plan).

Aspect	Objective	Standards	Performance Criteria
Water Quality: Deck Wash-Down; hydrocarbon & chemicals handling, storage, loading and offloading	No significant adverse effect on water quality No adverse effects on marine biota Minimise incremental increase to environmental impact associated with onshore disposal as far as possible	 P(SL)A 1967, Schedule c.285 and 616 P(SL)(MoE) Regulations 1999, r.13 and 14 APPEA Code of Environmental Practice ANZECC Guidelines for Fresh and Marine Water Quality BHPB Sustainable Development Policy BHPB HSEC Management Standards HSEC Guideline No. T07 Risk Criteria/ALARP Principle 	 All Chemicals & fuel storage areas will be bunded / contained An approved chemicals handling, storage & disposal procedure, as well as a refuelling and bulk transfer procedure shall be in place before the FPSO arrives onsite and refuelling & resupply commences No fuel bunkering or chemicals loading/offloading shall commence after dark FPSO and support vessels will have current MARPOL compliant Shipboard Oil Pollution Emergency Plan (SOPEP) No wastes will be routinely discharged via deck washdown Utility equipment integrity to restrict leakages and small spills Operating and maintenance procedures to restrict leakages and small spills Equipment onboard FPSO and support vessels for responding to, and cleaning up, small spills of oils and other chemicals as per SOPEP requirements Slops water will be monitored for oil-in-water content, no water with oil in water concentration exceeding 30mg/L will be discharged Small deck spills contained and cleaned up as soon as possible Drainage from utility areas where leaks are likely will be collected and processed by oily water separator system such as slops tanks Chemical selection process has preference for chemicals with least potential for environmental harm
Water Quality: Antifouling Leachate	No significant adverse effect on water quality No adverse effects on marine biota	 Protection of the Sea (Prevention of Pollution From Ships) Act 1993 Division 2 MARPOL 73/78 Annexe IV and V Navigation Act 1908 P(SL)(MoE) Regulations 1999, r.29 (1) APPEA Code of Environmental Practice ANZECC Guideline for Fresh and Marine Water Quality BHPB Sustainable Development Policy BHPB HSEC Management Standards HSEC Guideline No. T07 Risk Criteria/ALARP Principle 	Only legally permitted antifouling paints will be used

Aspect	Objective	Standards	Performance Criteria
Waste Disposal: General Non- Hazardous Waste	Minimise incremental increase to environmental impact associated with onshore disposal as far as possible Maximise efficient resource utilisation	 EPBC Act 1999 Environmental Protection Act 1986 (WA) APPEA Code of Environmental Practice ICCM Framework BHPB Sustainable Development Policy BHPB HSEC Management Standards HSEC Guideline No G09 Non-hazardous Wastes, Hazardous Wastes and Emissions HSEC Guideline No. T07 Risk Criteria/ALARP Principle 	 An approved Waste Management Plan stall be in place before the FPSO arrives on-site No solid wastes to be discharged overboard Limit waste creation at site by application of the waste management hierarchy FPSO and support vessels to have waste management plan in place that has been reviewed by BHPB and found to, at least, meet all of MARPOL requirements for waste management (including recording of amounts) Skips provided for waste containment are to have covers to prevent material being blown overboard Segregation of all waste at site, onshore disposal, recycling where practicable (note 'practicable' in this context includes a consideration of the net benefit of recycling compared to disposal for the particular waste stream in question) Waste disposed of to licensed receival facilities.
Waste Disposal: Hazardous Waste	Avoid contamination of the marine and terrestrial environment Minimise incremental increase to environmental impact associated with onshore disposal Maximise efficient resource utilisation	 P(SL)(MoE) Regulations 1999, r.13 and 14 APPEA Code of Environmental Practice BHPB Sustainable Development Policy BHPB HSEC Management Standards HSEC Guideline No G09 Non-Hazardous Wastes, Hazardous Wastes and Emissions HSEC Guideline No. T07 Risk Criteria/ALARP Principle 	 An approved Waste Management Plan stall be in place before the FPSO arrives onsite Storage areas for hazardous liquid waste shall be bunded / contained No discharge of hazardous materials to sea Limit creation of hazardous waste through tendering and contracting process, e.g. chemical selection process has preference for chemicals with least potential for environmental harm FPSO and support vessels to have waste management plan in place that has been reviewed by BHPB and found to, at least, meet all of MARPOL requirements for waste management (including recording of amounts) Containers clearly marked, stored in secure areas designed to prevent and contain spills Material Safety Data Sheets (MSDSs) will be available for all chemical materials onboard of FPSO and OSVs Hazardous waste segregated offshore for onshore recycling or disposal to approved onshore facility (note that waste transport operators and waste disposal facility operators will be required to demonstrate compliance with relevant government regulatory requirements) Defined facility procedures for transfers Procedures to track hazardous wastes until final disposal

Aspect	Objective	Standards	Performance Criteria
Greenhouse Gas Emissions	Minimise contribution of greenhouse gases to atmosphere Comply with requirements BHPB's Greenhouse Gas Agreement Efficient use of resources	BHPB Sustainable Development Policy	Appropriate maintenance of equipment to ensure efficient operation
Accidental Release of Oil or Chemicals	No spill of oil or chemicals No significant adverse effect on water quality No adverse effects on marine biota	EPBC Act 1999 P(SL)(MoE) Regulations r.14(7) P(SL)(MoSoOF) Regulations r. 24.(1) Environmental Protection Act 1986 (WA) APPEA Code of Environmental Practice ICCM Framework BHPB Sustainable Development Policy BHPB HSEC Management Standards	 All Chemicals & fuel storage areas will be bunded / contained An approved chemicals handling, storage & disposal procedure, as well as a refuelling and bulk transfer procedure shall be in place before the FPSO arrives onsite No fuel bunkering or chemicals loading/offloading shall commence after dark Risk assessment and hazard identification studies completed prior to mobilisation to identify potential sources of spills Implementation of good oilfield practise for prevention of accidental release An accepted Emergency Response Plan, which includes an Oil Spill Contingency Plan (OSCP) must be in place before any HUC activities commence. The HUC OSCP shall be tested before the start of HUC activities. In addition, adequate allowances shall be in place for the training of staff in oil spill response measures
Accidental Introduction of Marine Pest Species	No introduction of exotic marine species	Quarantine Act 1908 (Cth). Australian Ballast Water Management Requirements	 Ballast Water Management Plan in accordance with AQIS requirements shall be in place for all vessels involved in HUC activities. Ballast water assessed as being 'high risk' must not be discharged into Australian ports or waters. A hull fouling risk assessment will be undertaken for vessels entering Exmouth Gulf; high risk vessels will not be allowed to enter Exmouth Gulf