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Energy Coal  
Western Arctic Coal Project

September 1, 2009

Mr. Russell Kirkham  
Coal Program Manager  
Alaska Department of Natural Resources  
550 West 7th Ave, Suite 920  
Anchorage, AK 99501-3579

**Re: Western Arctic Coal Project  
Coal Exploration Permit: 03-84-295**

Dear Mr. Kirkham;

As you are aware, BHP Billiton Energy Coal Inc. ("BHPB") entered into an Exploration Agreement dated July 24, 2006 with the Arctic Slope Regional Corporation ("ASRC"). Under the Exploration Agreement, BHPB obtained rights from ASRC to conduct a five-year exploration and feasibility study for potential development of coal resources (the "Western Arctic Coal Project") within the project area near Point Lay.

In January 2009, BHPB suspended its exploration drilling program and undertook a technical review. This review has determined that while the Western Arctic Coal Project holds large coal resource potential, BHPB's internal economic hurdles required for long-term development were not being met within today's financial environment. BHPB has terminated its agreement with ASRC and has therefore concluded its exploration activities and project activities will now focus on reclamation and rehabilitation of the project site. It is anticipated that at minimum this will take 12 to 18 months, during which time the Deadfall Camp will be operated seasonally to support these activities.

BHPB is planning to perform a general site survey (September 9-12, 2009) of areas that might be included in any reclamation activities. Our aim is to get a better understanding of the potential extent of the activities over the next 12 to 18 months. The survey will be at the same time as the site inspection by the Department. Although we might not be in a position to discuss detailed reclamation plans at this stage, we welcome your participation in the visit to establish a common understanding of the historic and more recent activities in the permit area. We look forward to meeting with you and ASRC to discuss the reclamation activities in more detail during the coming months.

Should you have any questions regarding this letter, please do not hesitate to contact Jane Howe, the Chief HSE Officer for the Western Arctic Coal Project in our Anchorage Office at 743-6008.

Yours sincerely,

Jarik Jansen Van Rensburg  
Manager Resource Development  
BHP Billiton Energy Coal

cc. Teresa Imm, ASRC