

BHP Billiton Diamonds Inc.
Operator of the EKATI Diamond Mine



BHP Billiton Diamonds Inc.
#1102 4920-52nd Street
Yellowknife NT Canada X1A 3T1
Tel 867 669 9292 Fax 867 669 9293
bhpbilliton.com

November 7, 2008

Mr. Bill Ross, Chairperson
Independent Environmental Monitoring Agency (IEMA)
P.O. Box 1192
Yellowknife, NT, X1A 2N8

Dear Bill,

Re. Long Lake Containment Facility Water Quality Model

This is in response to your letter on this topic dated October 15, 2008. Thank you for your letter and for the effort that IEMA has put into reviewing and commenting on the Water Quality Model. The Water Quality Model will always be in a state of review and refinement and IEMA's comments will be helpful in this regard.

At this point in time the Water Quality Model is doing a good job in fulfilling its goal of being a management tool to assist with managing the Long Lake Containment Facility (LLCF). The model reflects the actual water quality experience in recent years and provides an indication of possible general trends for the future. Chloride is a good example of this, as you have noted.

BHP Billiton fully recognizes that there are technical limitations to the model and BHP Billiton is conscious of not using the model, or suggesting its use, for purposes that stretch beyond its capabilities. For example, IEMA has correctly pointed out that the model is a mass balance that does not take into account chemical interactions within the LLCF. These are the reasons why the Water Quality Model has not been put forward at this time as a tool for use in the Watershed Adaptive Management Plan (WAMP) or for detailed water quality predictions of the LLCF at closure in the Interim Closure and Reclamation Plan (ICRP).

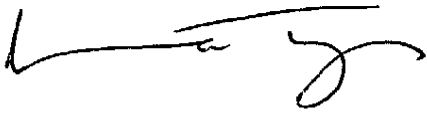
The Water Quality Model is referred to in the current version of the WAMP as a possible future means of projecting three-year trends in the concentrations of water quality parameters downstream of the LLCF but the model is not, at this time, sufficiently developed to be used in this way. Similarly, BHP Billiton does not feel that the Water Quality Model is sufficiently well developed to be used for assessing longer-term trends in water quality parameters for reclamation planning.

BHP Billiton is continuing to work on developing the model and it is probable that the model can be used for these purposes (WAMP and ICRP) in the future. The comments that have been received from IEMA and others will be used in this work.

The first priority for the Water Quality Model remains for it to be continually refined as an operational management tool for the LLCF. The next stage of this refinement is planned to be an update to the actual data and to the inputs based on the experience gained in 2008. Other applications of the model are future opportunities that BHP Billiton will continue to work towards. At a time when the model is sufficiently developed to be put forward for these other applications, BHP Billiton will do so.

Thank you for your forward-looking thoughts on future applications of the Water Quality Model.

Sincerely,
BHP Billiton Diamonds Inc.

A handwritten signature in black ink, appearing to read 'Laura Tyler', with a long horizontal stroke extending to the left.

Laura Tyler,
Manager – Environment, Community, Communications and Planning
EKATI Diamond Mine