

Ref No: SR27/04/829

16 October 2002

Mr Rob Heath
Manager Exploration, SABU
Santos Ltd
GPO Box 2319
ADELAIDE SA 5001

Dear Rob

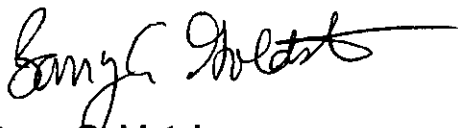
**LOW LEVEL OFFICIAL SUPERVISION OF GEOPHYSICAL EXPLORATION
ACTIVITIES**

This confirms what has already been related to you by David Cockshell. In view of the long standing satisfactory environmental performance of Santos Ltd in relation to geophysical surveying activities in its license areas in South Australia, I am satisfied that Santos has clearly demonstrated sufficient competence in adequately complying with the requirements of the Petroleum Act 2000.

Therefore pursuant to section 74 of the Act, I hereby classify as low level official supervision all geophysical activities under by Santos Ltd under its licenses in the State of South Australia.

I also determine in accordance with Section 74 (5) of the Act, that as a result of regulated activities carried out under its licenses in South Australia being generally or substantially classified as low level of official supervision, Santos Ltd applicable annual licence fees will be reduced by the full allowable fifty percent for those licences that have, primarily, a geophysical work program.

Yours sincerely



Barry Goldstein
DIRECTOR- PETROLEUM