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Santos

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SUPPL

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To:	Company Announcements Office Australian Stock Exchange Ltd	Fax No:	1300 300 021
From:	Company Secretary	Return Fax:	(08) 8218 5633
Date:	9 July 2002		
Subject:	Appendix 3B	No of pages (incl. this one):	9

Please telephone (08) 8218 5137 if transmission incomplete

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APPENDIX 3B**New issue announcement,
application for quotation of additional securities and agreement**

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Name of entity

SANTOS LTD

ACN, ARBN or ARSN

007 550 923

We (the entity) give ASX the following information.

Part 1 – All issues

- | | |
|--|--|
| 1 Class of securities issued or to be issued | Options over ordinary shares |
| 2 Number of securities issued or to be issued (if known) or maximum number which may be issued. | 750,000 options, each over one ordinary share |
| 3 Principal terms of the securities (eg, if options, exercise price and expiry date; if partly paid securities, the amount outstanding and due dates for payment; if convertible securities, the conversion price and dates for conversion) | See annexure page |
| 4 Do the securities rank equally in all respects from the date of allotment with an existing class of quoted securities?

If the additional securities do not rank equally, please state: <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment | On exercise of options, shares will thereafter rank equally with other fully paid ordinary shares |

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5	Issue price or consideration	Options: Issued at no cost upon grant	
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Issued to executives as consideration for accepting and/or continuing employment	
7	Dates of entering securities into uncertificated holdings or despatch of certificates	9 July, 2002	
8	Number and class of all securities quoted on ASX (including the securities in clause 2 if applicable)	Number	Class
		580,682,545	Fully paid ordinary shares
		3,500,000	Reset convertible preference shares
9	Number and class of all securities not quoted on ASX (including the securities in clause 2 if applicable)	Number	Class
		44,500	Fully paid ordinary shares allotted to eligible employees pursuant to the Santos Employee Share Purchase Plan.
		157,000	Executive share plan '0' shares of 25 cents each paid to 1 cent
		294,750	Executive share plan '2' shares of 25 cents each paid to 1 cent.
		11,950,000	Executive options issued pursuant to the Santos Executive Share Option Plan
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	On exercise of options, shares will thereafter rank equally with other fully paid ordinary shares	

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Part 2 – Bonus issue or pro rata issue *NOT APPLICABLE*

- | | | |
|----|--|--|
| 11 | Is security holder approval required? | |
| 12 | Is the issue renounceable or non-renounceable? | |
| 13 | Ratio in which the securities will be offered | |
| 14 | Class of securities to which the offer relates | |
| 15 | Record date to determine entitlements | |
| 16 | Will holdings on different registers (or subregisters) be aggregated for calculating entitlements? | |
| 17 | Policy for deciding entitlements in relation to fractions | |
| 18 | Names of countries in which the entity has security holders who will not be sent new issue documents | |
| 19 | Closing date for receipt of acceptances or renunciations | |
| 20 | Names of any underwriters | |
| 21 | Amount of any underwriting fee or commission | |
| 22 | Names of any brokers to the issue | |
| 23 | Fee or commission payable to the broker to the issue | |

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- | | | |
|----|---|--|
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders | |
| 25 | If the issue is contingent on security holders' approval, the date of the meeting | |
| 26 | Date entitlement and acceptance form and prospectus will be sent to persons entitled | |
| 27 | If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders | |
| 28 | Date rights trading will begin (if applicable) | |
| 29 | Date rights trading will end (if applicable) | |
| 30 | How do security holders sell their entitlements <i>in full</i> through a broker? | |
| 31 | How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance? | |
| 32 | How do security holders dispose of their entitlements (except by sale through a broker)? | |
| 33 | Despatch date | |

Part 3 – Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities.

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Entities that have ticked box 34(a)

Additional securities forming a new class of securities

(If the additional securities do not form a new class, go to 43)

Tick to indicate you are providing the information or documents

- 35 The names of the 20 largest holders of the additional securities, and the number and percentage of additional securities held by those holders
- 36 A distribution schedule of the additional securities setting out the number of holders in the categories
 1 – 1,000
 1,001 – 5,000
 5,001 – 10,000
 10,001 – 100,000
 100,001 – and over
- 37 A copy of any trust deed for the additional securities

(now go to 43)

Entities that have ticked box 34(b) **NOT APPLICABLE**

- 38 Number of securities for which quotation is sought
- 39 Class of securities for which quotation is sought
- 40 Do the securities rank equally in all respects from the date of allotment with an existing class of quoted securities?
- If the additional securities do not rank equally, please state:
- the date from which they do
 - the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
 - the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment
-

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- 41 Reason for request for quotation now
- Example: In the case of restricted securities, end of restriction period
- (if issued upon conversion of another security, clearly identify that other security)

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- 42 Number and class of all securities quoted on ASX (including the securities in clause 38)

Number	Class

(now go to 43)

All entities

Fees

- 43 Payment method (tick one)

Cheque attached

Electronic payment made

Note: Payment may be made electronically if Appendix 3B is given to ASX electronically at the same time.

Periodic payment as agreed with the home branch has been arranged

Note: Arrangements can be made for employee incentive schemes that involve frequent issues of securities.

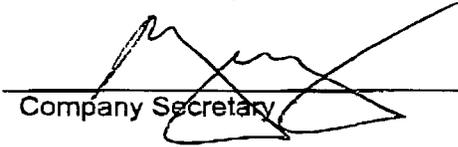
Quotation Agreement

1. Quotation of our additional securities is in ASX's absolute discretion. ASX may quote the securities on any conditions it decides.
2. We warrant to ASX that the issue of the securities to be quoted complies with the law and is not for an illegal purpose, and that there is no reason why those securities should not be granted quotation. We warrant to ASX that an offer of the securities for sale within 12 months after their issue will not require disclosure under section 707(3) of the Corporations Law.
3. We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

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4. We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before quotation of the securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:



Company Secretary

Date:

9/7/02

Print name:

MICHAEL GEORGE ROBERTS

ANNEXURE

**New issue announcement,
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Part 1 – All issues (continued)

Options:	Expiry date -	17 June, 2007
	Exercise price -	\$6.20
	Performance hurdle -	TSR over the period from the date of grant until the earliest date for exercise must equal or exceed 10% per annum calculated on a compound basis
	Exercise period -	18 June, 2005 - 17 June, 2007