

OCCIDENTAL PETROLEUM CORPORATION

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September 2, 1980

ARMAND HAMMER
CHAIRMAN AND
CHIEF EXECUTIVE OFFICER

The Right Honorable Margaret Thatcher
The Prime Minister
10 Downing Street
London
England

Dear Madam Prime Minister:

As you have honoured us with a visit to the Flotta Terminal, I thought it an appropriate moment to emphasize Occidental's commitment to its interests on the UK continental shelf.

Since the Occidental consortium was first awarded licenses in the fourth round in 1972, we have, as a company, done everything possible to explore and develop the acreage awarded in accordance with British government policy, and in line with good oilfield practice. This is nowhere better shown than in our record of gas conservation, both offshore and onshore, and in the local community and environmental care taken in the construction and operation of the Flotta Terminal.

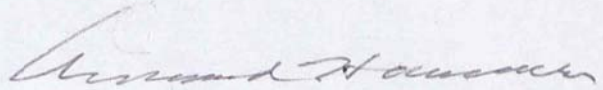
We are anxious to reinvest Piper and Claymore earnings in Britain and, therefore, have applied for twelve blocks in the recent seventh round of licensing and would vigorously explore all twelve, should they be awarded. We have also sought and completed farm-in arrangements whenever possible to gain access to additional acreage. A number of projects have been discussed with the British National Oil Corporation, including joint ventures in British waters and overseas in China and Tunisia. We have indicated that we would welcome the opportunity to take part in such projects with BNOG.

I recently met with Hamish Gray, and he is fully

aware of our position, and our current endeavor to obtain further opportunities for investment and exploration on the UK continental shelf.

My kindest regards.

Respectfully,

A handwritten signature in cursive script, appearing to read "Arnold Hausman".

AH/fa