

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2004

	Consolidated		Santos Ltd	
	2004	2003	2004	2003
	\$million	\$million	\$million	\$million
29. Commitments for Expenditure				
The Santos Group has the following commitments for expenditure:				
(a) Capital commitments				
Capital expenditure contracted for at balance date for which no amounts have been provided in the financial statements:				
Due not later than one year	253.5	237.7	93.9	84.3
Due later than one year but not later than five years	13.4	33.2	8.2	0.2
	266.9	270.9	102.1	84.5
Santos Ltd has guaranteed the capital commitments of certain controlled entities (refer note 31 for further details).				
(b) Minimum exploration commitments				
Minimum exploration commitments for which no amounts have been provided in the financial statement or capital commitments:				
Due not later than one year	42.1	108.2	10.3	36.5
Due later than one year but not later than five years	118.8	207.7	61.2	70.9
Due later than five years	11.6	31.4	–	–
	172.5	347.3	71.5	107.4
The Santos Group has certain obligations to perform minimum exploration work and expend minimum amounts of money pursuant to the terms of the granting of petroleum exploration permits in order to maintain rights of tenure. These commitments may be varied as a result of renegotiations of the terms of the exploration permits, licences or contracts or alternatively upon their relinquishment. The minimum exploration commitments are less than the normal level of exploration expenditures expected to be undertaken by Santos Ltd and its controlled entities.				
(c) Lease commitments				
Operating leases:				
Due not later than one year	54.7	39.1	8.4	18.7
Due later than one year but not later than five years	102.9	140.1	21.1	115.1
Due later than five years	0.1	19.0	–	18.9
	157.7	198.2	29.5	152.7

30. Superannuation Commitments

Santos Ltd and certain controlled entities participate in a number of superannuation funds and pension plans in Australia and the United States of America. From 1 February 2002, three of the more significant employee benefit plans were combined into a single plan which provides benefits either on a defined benefit or cash accumulation basis for employees or their dependants on retirement, resignation, temporary or permanent disablement or death. The employers and employee members make contributions as specified in the rules of the plan.

In the case of the defined benefit component of the combined plan, employer contributions are based on the advice of the plan's actuary. The most recent actuarial assessment of the plan was undertaken as at 1 January 2004.

The following is a summary of the Santos Superannuation Plan:

Type of benefit	Defined benefits and cash accumulation
Basis of contributions	Percentage of member's salary contributed by member and employer. The employer's percentage reflects the amount to provide an accumulation and the amount recommended by the actuary to provide the defined benefit.
Last actuarial assessment:	
Balance date	1 January 2004
Date issued	20 December 2004
Name of valuer and qualifications	Kathryn Daniels FIAA