OTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2004

(d) Santos Executive Share Option Plan (continued)

18. Contributed Equity (continued)

Summary of options over unissued ordinary shares Consolidated and the Company

aggregate² Fair value 215,000 1,420,550 607,000 1,522,000 739,000 715,000 5,023,550 735,000 of shares issued¹ 200,000 100,000 100,000 100,000 Number Proceeds received 000'699 1,304,000 620,000 5,513,462 2,983,314 4,085,800 1,100,800 392,000 725,000 Vested 50,000 208,314 2,000,000 Number of options at end of the year 725,000 3,000,000 50,000 200,000 On issue 550,000 550,000 208,314 000'001 130,148 715,000 ı 100,000 **Options** exercised 215,000 100,000 200,000 100,000 50,000 100,000 Options 50,000 lapsed **Options** 1 1 330,148 200,000 130,148 granted options at beginning per share of the year 3,000,000 5,998,314 Number of 150,000 700,000 925,000 700,000 208,314 100,000 215,000 5.83 Exercise price 69.9 6.52 6.20 6.38 6.95 22 December 2008 22 December 2007 18 October 2006 25 August 2010 17 April 2005 17 June 2007 14 June 2004 14 June 2009 5 June 2006 1 July 2008 Expiry date 22 December 2004 12 December 2006 19 October 2004 26 August 2003 18 April 2003 18 June 2005 15 June 2002 15 June 2007 6 June 2004 1 July 2005 exercisable Date first 12 December 2003 12 December 2003 19 October 2001 26 August 2000 18 April 2000 18 June 2002 15 June 2004 15 June 2004 15 June 1999 6 June 2001 Grant date 2004

Shares issued on the exercise of options have occurred at varying dates throughout the financial year.

The fair value of shares issued as a result of exercising options during the reporting period has been determined using the market price of the Company's ordinary shares on the Australian Stock Exchange as at close of trading on the respective issue dates. 7

2003												
				Number of options at				Number c at end of	Number of options at end of the year		Number	
Grant date	Date first exercisable	Expiry date	Exercise price per share c	cise price beginning per share of the year \$	Options granted	Options lapsed	Options exercised	On issue	Vested	Proceeds received \$	of shares issued¹	Fair value aggregate² \$
16 June 1998	16 June 2001	15 June 2003	4.84	280,000			280,000	1	ı	1,355,200	280,000	1,532,500
15 June 1999	15 June 2002	14 June 2004	5.12	685,000	ı	I	470,000	215,000	215,000	2,406,400	470,000	2,895,850
18 April 2000	18 April 2003	17 April 2005	3.92	650,000	ı	ı	500,000	150,000	150,000	1,960,000	500,000	2,920,500
26 August 2000	26 August 2003	25 August 2010	5.83	3,000,000	ı	I	ı	3,000,000	1,000,000	I	I	I
6 June 2001	6 June 2004	5 June 2006	69.9		ı	I	ı	700,000	I	I	I	I
19 October 2001	19 October 2004	18 October 2006	6 6.52	1,075,000	ı	150,000	ı	925,000	I	ı	I	I
18 June 2002	18 June 2005	17 June 2007	6.20	750,000	ı	50,000	ı	700,000	I	I	I	I
12 December 2003	22 December 2004	22 December 2007	007 6.38	I	208,314	I	ı	208,314	I	I	I	I
12 December 2003	12 December 2006	22 December 20	2008 6.38	ı	100,000	I	I	100,000	ı	1	I	I
				7,140,000	308,314	200,000	1,250,000	200,000 1,250,000 5,998,314 1,365,000 5,721,600 1,250,000 7,348,850	1,365,000	5,721,600	1,250,000	7,348,850

Shares issued on the exercise of options have occurred at varying dates throughout the 2003 financial year.

The fair value of shares issued as a result of exercising options during the 2003 financial year has been determined using the market price of the Company's ordinary shares on the Australian Stock Exchange as at close of trading on the respective issue dates. 7