BY ELECTRONIC LODGEMENT **ASX ANNOUNCEMENT**

CALTEX AUSTRALIA LIMITED
ACN 004 201 307

LEVEL 24, 2 MARKET STREET
SYDNEY NSW 2000 AUSTRALIA

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21 February 2011

Company Announcements Office
Australian Securities Exchange

CALTEX AUSTRALIA LIMITED
2010 FULL YEAR RESULTS MEDIA RELEASE AND PRESENTATION AND 2011 AGM

2010 full year results media release and presentation

Caltex Australia Limited (Caltex) will make a presentation to analysts and investors at 10:00 am (Sydney time) today in relation to Caltex's 2010 full year results. The presentation will be made by Mr Julian Segal (Managing Director & CEO) and Mr Simon Hepworth (Chief Financial Officer). The *ASX / Media Release* and presentation slides (and speaker notes) for the presentation are attached for immediate release to the market.

The presentation to analysts and investors is being webcast. The webcast can be viewed from our website (*www.caltex.com.au*). An archive copy of the webcast will also be available from the website.

Over the remainder of February and March 2011, Caltex will make a number of presentations to investors and analysts. These presentations will be based on the material provided in the *2010 Preliminary Final Report* and *2010 Financial Report* (which were lodged earlier today) and the attached *ASX / Media Release* and presentation slides (and speaker notes).

2011 Annual General Meeting

Caltex's 2011 Annual General Meeting will be held at 10:00 am on Thursday, 21 April 2011 at the Wesley Conference Centre, 220 Pitt Street, Sydney, New South Wales, Australia.

The 2010 annual report (for shareholders who have elected to receive a printed copy of the report), notice of meeting and proxy form will be sent to shareholders in March 2011.

Helen Conway
Company Secretary

Contact number: (02) 9250 5281 / 0412 828 018

Attach.

Caltex Australia

ASX/Media Release

For immediate release
21 February 2011

Strong Marketing result underpins earnings

Key points:

- **Full year RCOP[1] $318 million before significant items ($302 million including significant items)**
- **Record sales volumes for transport fuels, particularly premium fuels, and finished lubricants**
- **The cost and efficiency program, Catalyst, achieved a benefit in the order of $60 million**
- **Final dividend of 30 cents per share (fully franked)**
- **The 2011 outlook for the company remains positive**

Results summary	Full year ended 31 December	
	2010	2009
RCOP result:	**$M**	**$M**
After tax		
- excluding significant items	**318**	**324**
- including significant items	**302**	**203**
Before interest and tax		
- excluding significant items	**500**	**489**
- including significant items	**477**	**317**
Historic Cost result after tax		
- excluding significant items	**333**	**435**
- including significant items	**317**	**314**

Caltex today announced an after tax profit of $318 million on a replacement cost of sales operating profit (RCOP) basis for the 2010 full year, excluding the impact of significant items of approximately $16 million after tax.

Record sales volumes for transport fuels, particularly premium fuels, and finished lubricants

Marketing's strong growth trajectory has continued. Record sales volumes for transport fuels, particularly premium fuels, and finished lubricants were achieved. Premium fuel sales grew by 55% from 1,182 million litres in 2009 to 1,836 million litres in 2010.

Strong refinery reliability with near record second half production

Refinery reliability continued to improve in 2010 with best on record mechanical availability. Improvement in mechanical availability allows Caltex to leverage strong margins when they occur. Production volumes declined in the first half of 2010 due to higher planned maintenance across Refining compared to 2009, but production improved to near record levels of 5.5 billion litres in the second half with refinery utilisation in excess of 78%. Production of petrol, diesel and jet fuel for the full year was 9.8 billion litres, in comparison to 10.2 billion litres in 2009.

USD Singapore refiner margins have been stronger than expected due to the weakness in the Tapis benchmark crude price relative to other crudes (particularly during the first half of 2010). While the Caltex

[1] The replacement cost of sales operating profit (RCOP) excludes the impact of the fall or rise in oil prices (a key external factor) and presents a clearer picture of the company's underlying business performance. It is calculated by restating the cost of sales using the replacement cost of goods sold rather than the historical cost, including the effect of contract based revenue lags.
[2] The Caltex Refiner Margin (CRM) represents the difference between the cost of importing a standard Caltex basket of products to Eastern Australia and the cost of importing the crude oil required to make that product basket. The CRM calculation represents: average Singapore refiner margin + product quality premium + crude discount/(premium) + product freight - crude freight - yield loss.

Refiner Margin[2] was seasonally weaker in the second half of the year, this margin has recovered from the bottom of the cycle in the second half of 2009.

The Caltex Refiner Margin averaged US$8.39 per barrel or 5.77 Australian cents per litre during 2010, compared with an average of US$5.95 per barrel or 5.05 Australian cents per litre during 2009.

Best ever safety result

Caltex also achieved its best ever safety result in 2010 with the lost time injury frequency rate decreasing to 1.23 per million hours worked from 2.12 per million hours worked in 2009.

Higher AUD impacts refining profitability

On average the Australian dollar was higher during the period (91.96 cents), compared with the same period in 2009 (79.14 cents). This had the effect of eroding the Australian dollar Caltex Refiner Margin by $94 million before tax when compared with 2009.

From 1 July 2010 Caltex introduced a foreign exchange hedging program to dampen volatility in the gains and losses experienced on the crude and product payables. After taking into account the impact of the foreign exchange hedging, the rising Australian dollar in the second half of 2010 has more than offset the realised losses on US dollar payables from the first half of 2010.

The cost and efficiency program, Catalyst, is delivering

The Catalyst program has continued to deliver significant cost and efficiency benefits to the base business. The corporate and Marketing restructures have been completed, delivering the targeted savings for 2010. Initiatives covering approximately 50% of the Refining Improvement Initiative target of $100 million EBIT improvement have been identified and commenced. The upfront investment in the establishment of the Project Management Office has created a platform to strengthen the performance of the base business.

Dividend

The Board is pleased to announce it has declared a final dividend of 30 cents per share (fully franked) for 2010, bringing the total dividend payout for 2010 to 60 cents per share (fully franked). This compares with a total dividend payout of 25 cents per share (fully franked) for 2009.

Net debt at 31 December 2010 was $544 million, compared with $487 million in 2009. Caltex remains committed to a conservative balance sheet and will continue to focus on good cash management.

Historical cost profit

On a historical cost profit basis (including inventory gains/losses), Caltex recorded an after tax profit of $317 million for 2010 (including significant items), compared with $314 million for 2009.

Outlook

The growth trajectory for Marketing is expected to continue in 2011. This growth will be further enhanced as infrastructure projects currently underway are completed in 2011. Caltex will continue to focus on delivering through its Catalyst program.

The recent floods in Queensland and New South Wales have had a minimal impact on Caltex's retail and direct sales business. Production has returned to normal post the unplanned shutdown at Lytton Refinery as a result of the heavy rains in early January. As previously advised, the financial impact of the unplanned shutdown of the refinery is expected to be in the order of $5 - $10 million (after tax) in 2011.

It is anticipated that the excess supply in the Asia Pacific region should slowly decline as the growth in demand for product in non-OECD countries is likely to offset the decline in demand expected in OECD countries. Caltex therefore remains optimistic in the medium term for a slow recovery in US dollar refiner margins. The relative strength of the Australian dollar to the US dollar will reduce the translated Australian dollar Caltex Refiner Margin.

In the medium to long term the outlook for the company remains positive due to the exposure Caltex has to the mining, agriculture and transport industries in Australia.

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CALTEX AUSTRALIA LIMITED ACN 004 201 307
2010 FULL YEAR RESULTS ANNOUNCEMENT

21 FEBRUARY 2011

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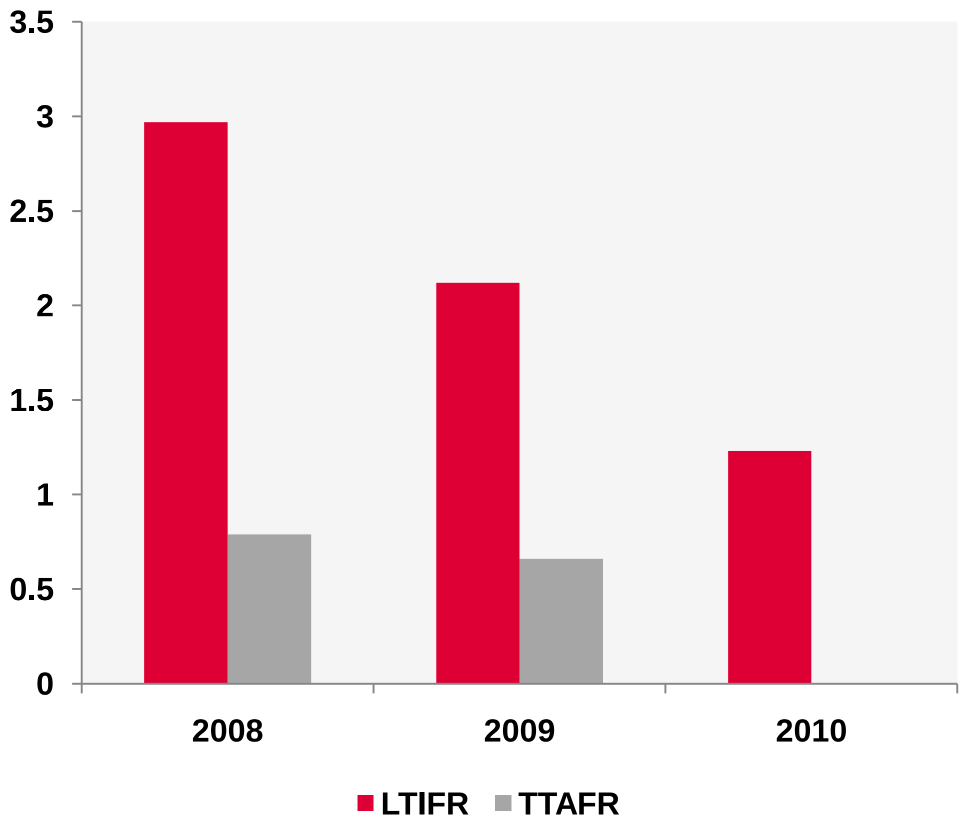
OE MOMENT

IMPROVEMENTS IN SAFETY PERFORMANCE CONTINUE



*LTIFR – Lost time injury frequency rate measured per 1 million man hours
TTAFR – Tanker truck accident frequency rate measured per million kilometres

- Despite the period of significant change a strong safety culture prevailed demonstrating the value of Care
- 35% reduction in Lost Time Injury Frequency Rate achieved in 2010
- Zero tanker truck accidents in 2010

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INTRODUCTION
RECORD MARKETING EARNINGS UNDERPINS RESULT

CALTEX
Caltex Australia

Excellent Marketing performance underpins result	✓ $318M RCOP NPAT before significant items ✓ Record sales volumes for transport fuels, particularly jet, diesel and premium fuels and finished lubricants ✓ Strong operational result negatively impacted by exchange rate movements and planned maintenance ✓ Balance sheet remains strong, BBB+/Stable credit rating affirmed

Refining environment recovering from cyclical lows	✓ Stronger average USD refiner margins in FY10
	  ✓ CRM in 1H10 driven by relative weakness of Tapis APPI benchmark crude price
	  ✓ Seasonally lower 2H10 CRM has recovered from the bottom of the cycle in 2H09
	× On average AUD was higher in FY10
	  × $94M before tax negative impact on Caltex Refiner Margin compared with FY09
	✓ Rising AUD in 2H10 offset losses on crude payables from 1H10
	  ✓ $27M full year gain compared with $92M gain in FY09
	  ✓ Hedging program introduced in 2H 2010 reduced earnings volatility due to currency movements

INTRODUCTION
RECORD MARKETING EARNINGS UNDERPINS RESULT

Catalyst program delivering	✓ FY10 Corporate and Marketing cost savings delivered ✓ Key initiatives to deliver over 50% of target Refining EBIT improvements commenced ✓ Progress made on delivering $100M of procurement benefits by end 2012 ✓ Upfront costs in the Project Management Office to create strong platform
Operational performance	✓ Best on record safety performance as measured by frequency rates ✓ Best on record refinery reliability as measured by mechanical availability ✓ Additional coastal shipping capacity supporting Caltex supply to Tasmania ✓ Near record 2H transport fuels production
Short term outlook	✓ Marketing outlook remains positive with core growth and expanded premium fuels supply capability × Continuing high AUD will pressure AUD CRM ✓ Catalyst program continues to deliver ✓ Gladstone and Mackay terminal upgrades complete and operational × Kurnell Cat Cracker shutdown in 1H11 ✓ FX Hedging program will reduce potential earnings volatility

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CALTEX STRATEGY CORE ELEMENTS
THREE PILLARS

- ✓Culture
- ✓Cost and efficiency (Catalyst)
- ✓Growth
  - ✓Organic growth in Marketing
  - ✓Positioned for inorganic growth

STRATEGY UPDATE

REFINING IMPROVEMENT INITIATIVE - INITIATIVES TOTALLING 50% OF TARGET COMMENCED

What we are targeting

- ✓ Refining Improvement Initiative
  - ✓ $100 M pa by end 2012 from
    - ✓ Cost efficiencies
    - ✓ Energy efficiencies
    - ✓ Reliability

Progress to date

- ✓ Maintenance contract for Lytton and Kurnell awarded to PSN June 2010
  - ✓ Savings and continued reliability improvement expected from 2011
- ✓ Lytton Operator EBA agreed
  - ✓ Manning level reduction and efficiency gains agreed
- ✓ CLOR closure announced
  - ✓ Identified benefits flowing to the Fuels refinery
- ✓ Rationalisation of resources across Refining
- ✓ Numerous minor improvement projects with recurring benefits

STRATEGY UPDATE
CATALYST – FULL YEAR 2010

What we are targeting

✓ Corporate Cost Savings

- ✓ $15 M in FY 2010, $20 M pa ongoing savings

✓ Marketing restructure

- ✓ $8 M in FY 2010, $15 M pa ongoing savings

✓ Procurement benefits

- ✓ $100 M total by 2012

Progress to date

✓ 120 roles eliminated

✓ $18 M savings to December

✓ 43 roles eliminated

- $7 M savings to December

✓ $35M of savings delivered to December including $12M impact on EBIT

STRATEGY UPDATE
INFRASTRUCTURE DEVELOPMENTS ON TRACK

What we are targeting

- ✓ Infrastructure growth projects to support diesel market growth
  - ✓ Queensland
  - ✓ North Western Australia
- ✓ Jet fuel pipeline upgrade

What we have delivered

- ✓ Further Qld terminal upgrades completed
  - ✓ 27ML tank at Mackay
  - ✓ 15ML tank at Gladstone
  - ✓ Combined investment of approximately $20 M.
- ✓ Port Hedland terminal expansion construction commenced
  - ✓ Demolition, earthworks and ring beams completed
  - ✓ 2 x 20ML diesel tanks
  - ✓ Completion expected end 2011
  - ✓ Investment of approximately $45M
- ✓ Sydney jet fuel supply upgrade in design and procurement phase
  - ✓ Investment of approximately $30 M
  - ✓ Additional jet tank and pipeline capacity upgrade
  - ✓ Investment intended to meet growing demand

STRATEGY UPDATE
ORGANIC GROWTH IN MARKETING CONTINUES

What we are targeting

- ✓ EBIT CAGR of at least 5% from:
  - ✓ Retail premium fuels
  - ✓ Jet fuels
  - ✓ Commercial diesel growth at or above market rate
  - ✓ Finished lubricants
  - ✓ Convenience store income growth at or above market

What we have delivered

- ✓ EBIT 28% above FY09
- ✓ 10% CAGR from 2008 to 2010
- ✓ Premium gasoline share increased from 16.2% to 19.6% while premium diesel share of retail diesel increased from 7% to 31%
- ✓ YoY jet fuel growth of 13.8% following a growth of 8% in 2009.
- ✓ YoY Commercial diesel growth 9%. New Qld business serviced via upgraded Mackay terminal
- ✓ Lubricants volumes grew 8% despite general decline in overall industry volume
- ✓ Weekly shop sales growth at 1.3% impacted by high number of upgrades. Caltex remains No1 convenience store operator as measured by Nielsen

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FINANCIAL HIGHLIGHTS

Replacement Cost	FY10	FY09	% Change
Excluding significant items:			
EBIT ($M)	500	489	2
NPAT ($M)	318	324	(2)
EPS (cps)	118	120	(2)
Dividend (cps)	60	25	140
Debt ($M)	544	487	12
Gearing (%)	15	14	
Gearing (Lease Adjusted %)	21	18	
Including significant items:			
EBIT ($M)	477	317	50
NPAT ($M)	302	203	49

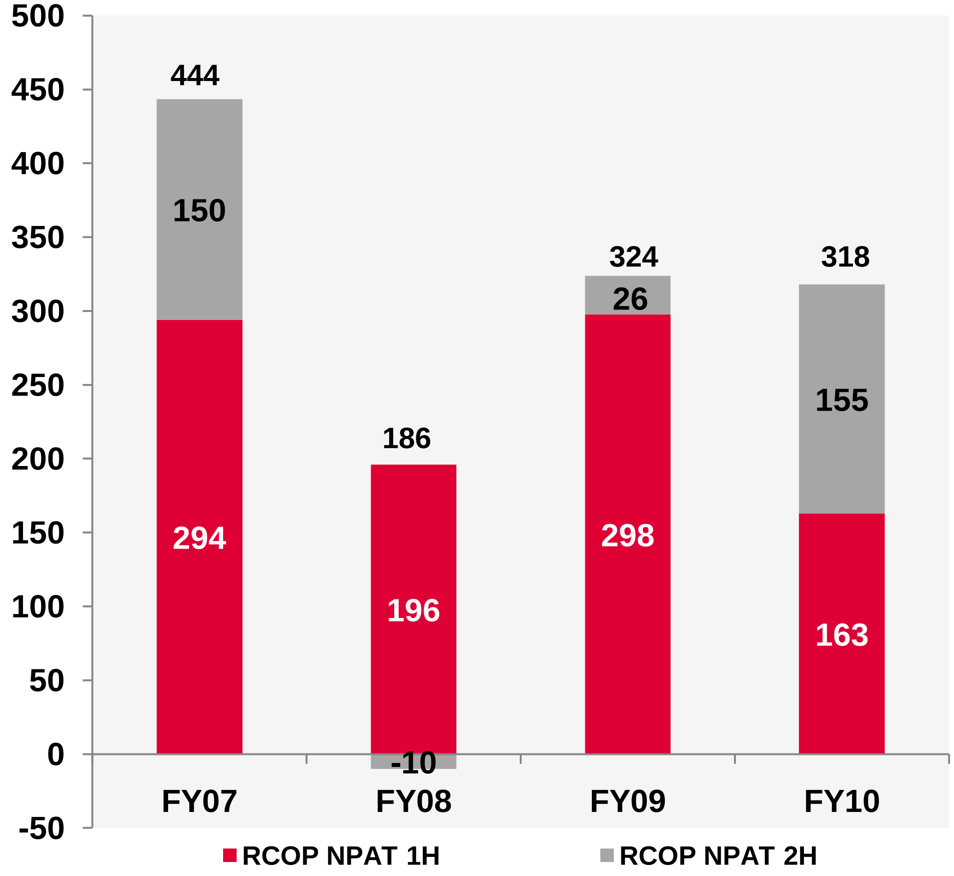
Historic Cost

Including significant items:	FY10	FY09
EBIT ($M)	499	475
NPAT ($M)	317	314
EPS (cps)	117	116

FINANCIAL HIGHLIGHTS

STRONG SECOND HALF RESULT

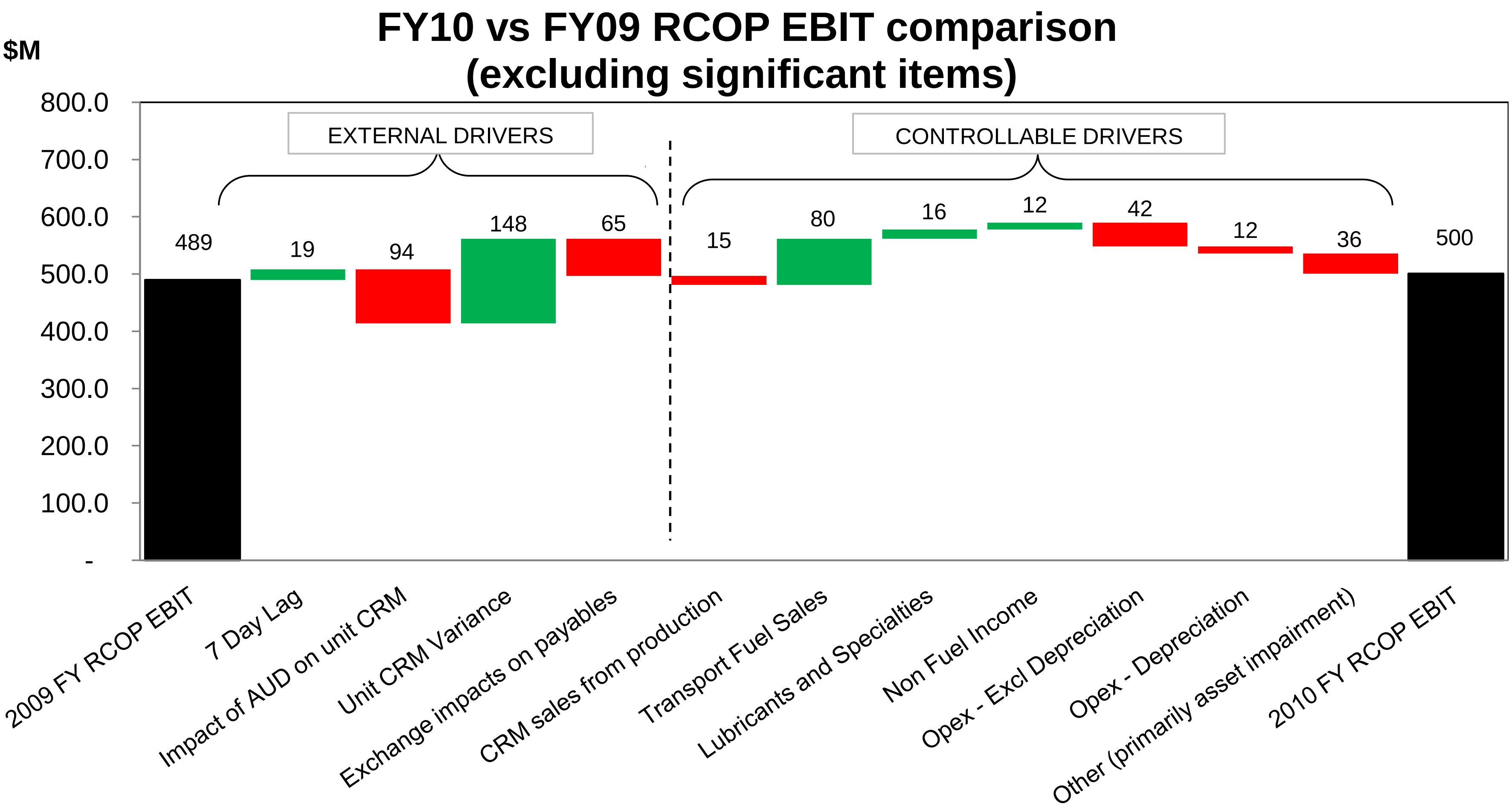
Caltex NPAT* ($M)



- Strong Marketing performance underpins result
- Refining result close to breakeven due to higher USD CRM being offset by high AUD/USD exchange rate impact on CRM and lower production
- Best 2H result since 2006

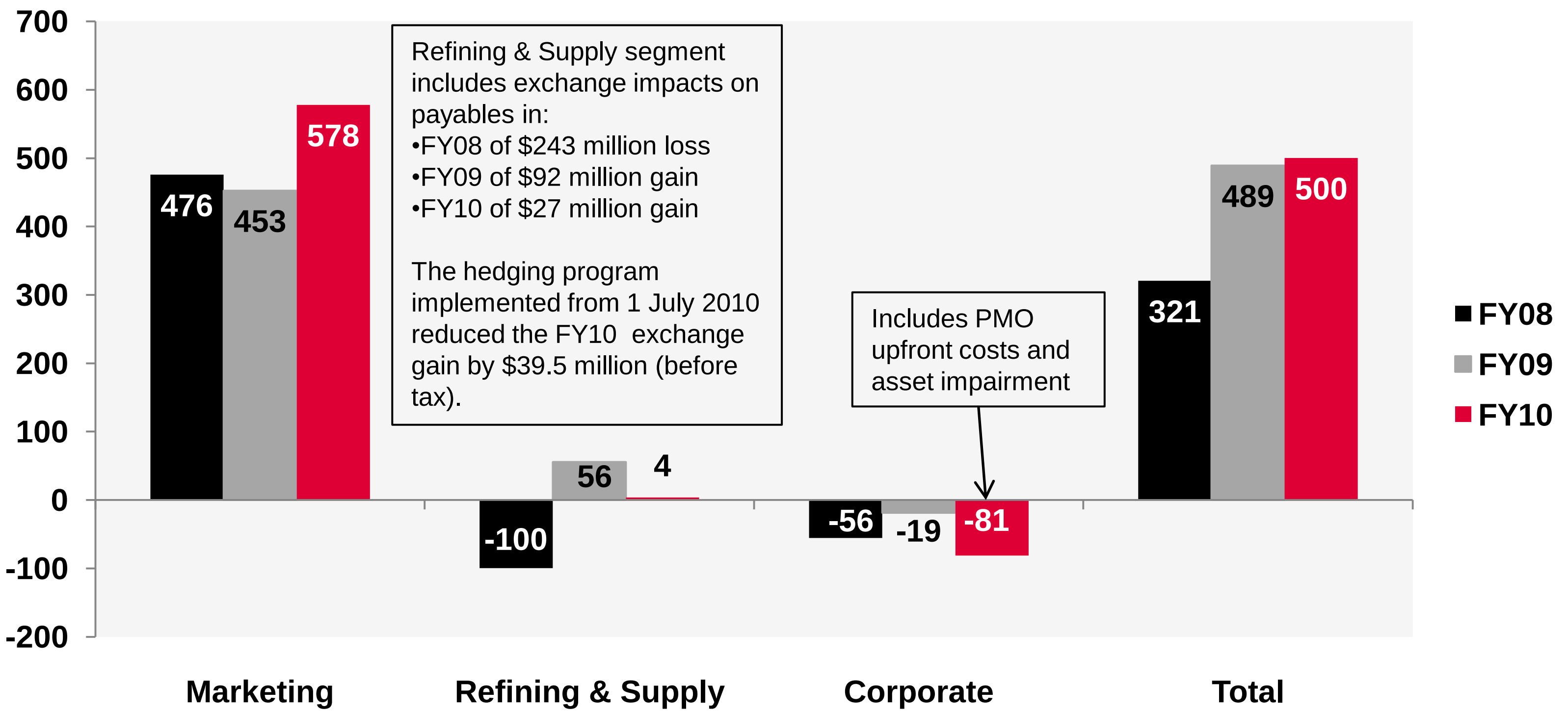
*Net RCOP profit after tax, excluding significant items

FINANCIAL HIGHLIGHTS
WATERFALL



FINANCIAL HIGHLIGHTS
SEGMENTED# REPORTING

RCOP EBIT* ($M)

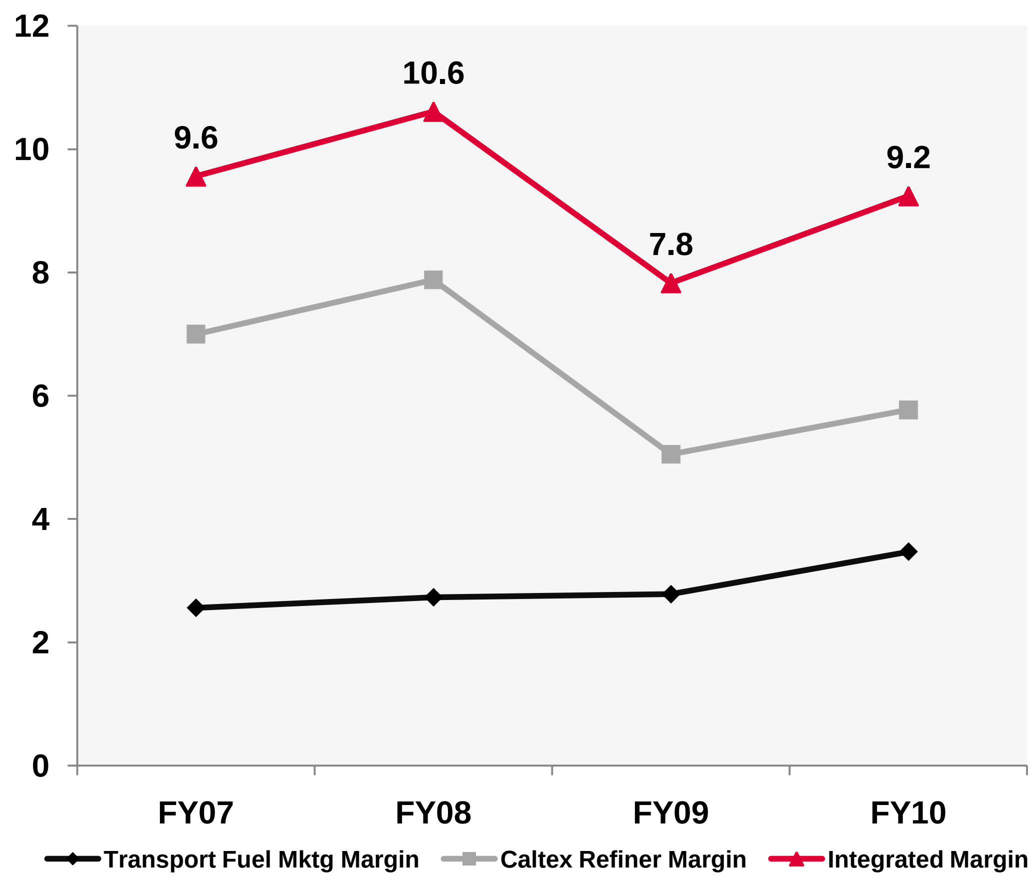


*RCOP EBIT, excluding significant items

#Segment results are based on a transfer price between Refining & Supply and Marketing determined by reference to relevant import parity prices for petrol, diesel and jet, and other products including specialties and lubricants. Such a basis does not necessarily reflect the true economic profitability of either segment on a stand alone basis. Domestic refinery production is essential to support the Marketing Business.

FINANCIAL HIGHLIGHTS
INTEGRATED MARGIN RECOVERING

Caltex Integrated Gross Transport Fuels Margin* (Acpl)



- Stronger than expected USD refiner margins due to weaker Tapis APPI benchmark relative to other crude markers in 1H10
- Benefit of higher USD margin partially offset by higher AUD throughout 2010
- Transport margin enhanced through improved product mix and changes to the franchise agreement

*Gross transport fuels margin, before expenses. Note that Transport fuels marketing margin applies to total transport fuel sales (15.1BL for 2010) whereas the Caltex Refiner Margin applies to sales from production (9.9BL for 2010).

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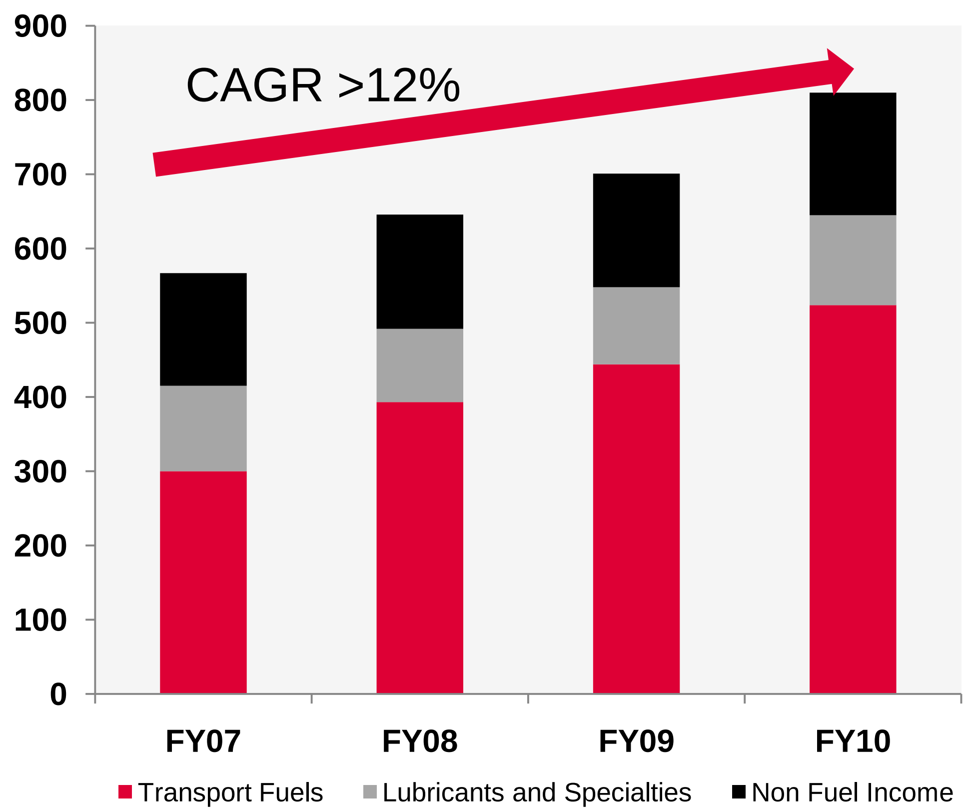
MARKETING HIGHLIGHTS

STRONG MARKETING RESULTS REFLECT STRATEGIC FOCUS

Marketing gross contribution ($M)



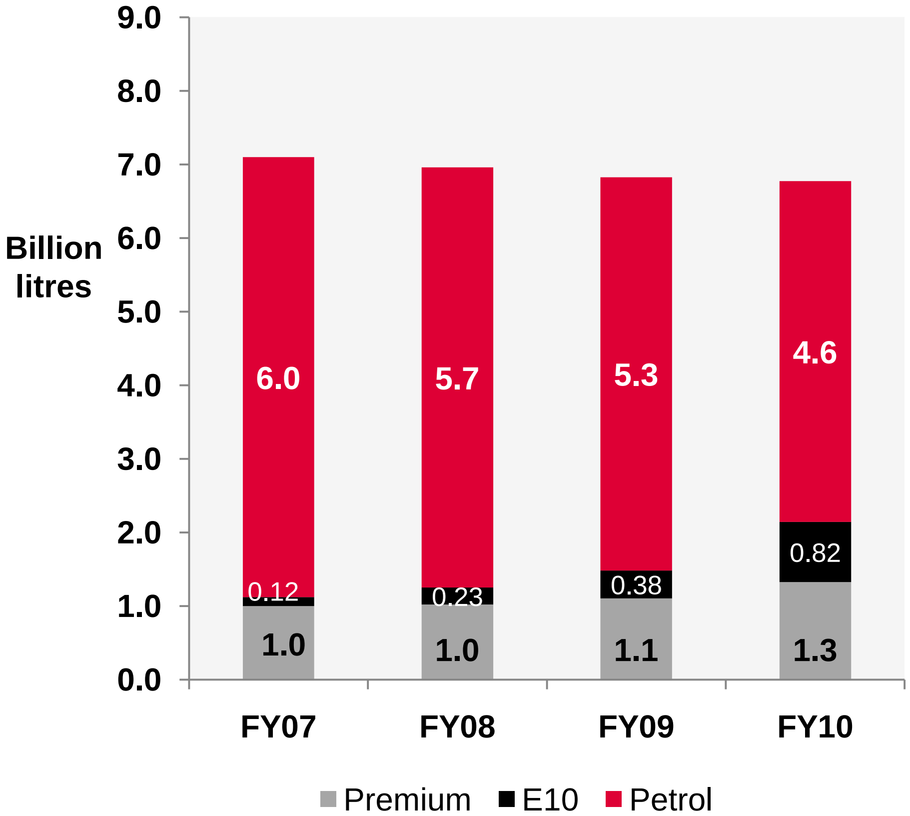
Strong growth

- Transport fuel volumes up 4.5%
- Increased petrol and diesel margins due to increased share of premium fuels
- Contribution from Lubricants and Specialities up 16.5% in 2010
- Non fuel income contribution up 7.8% despite high level of store upgrades in 2010.

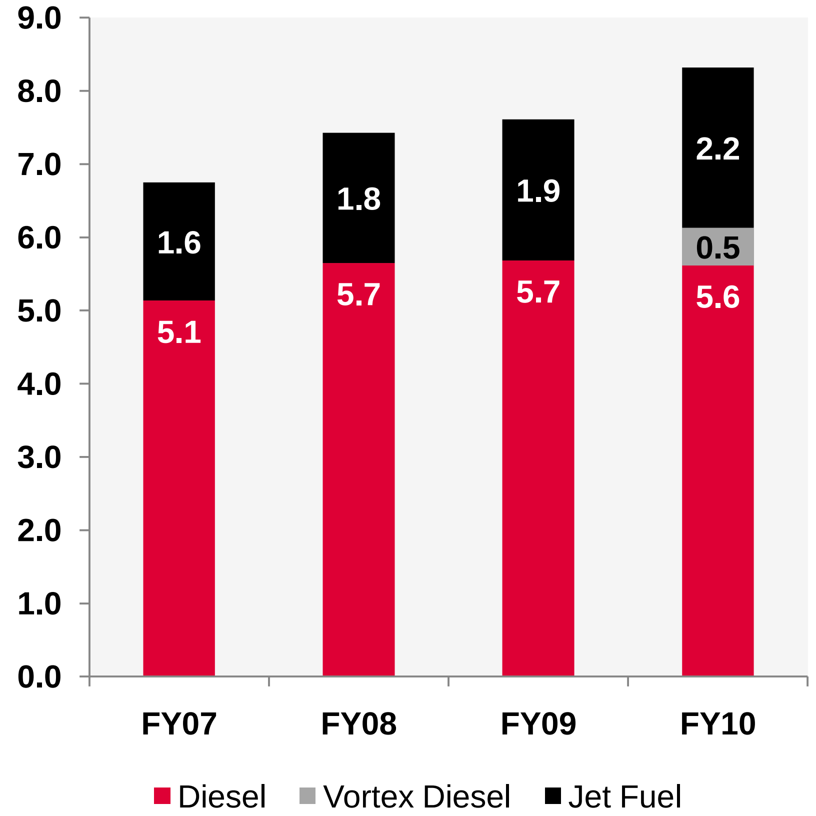
MARKETING HIGHLIGHTS

HIGHER DIESEL, JET FUEL AND PREMIUM FUEL SALES

CTX Petrol Sales



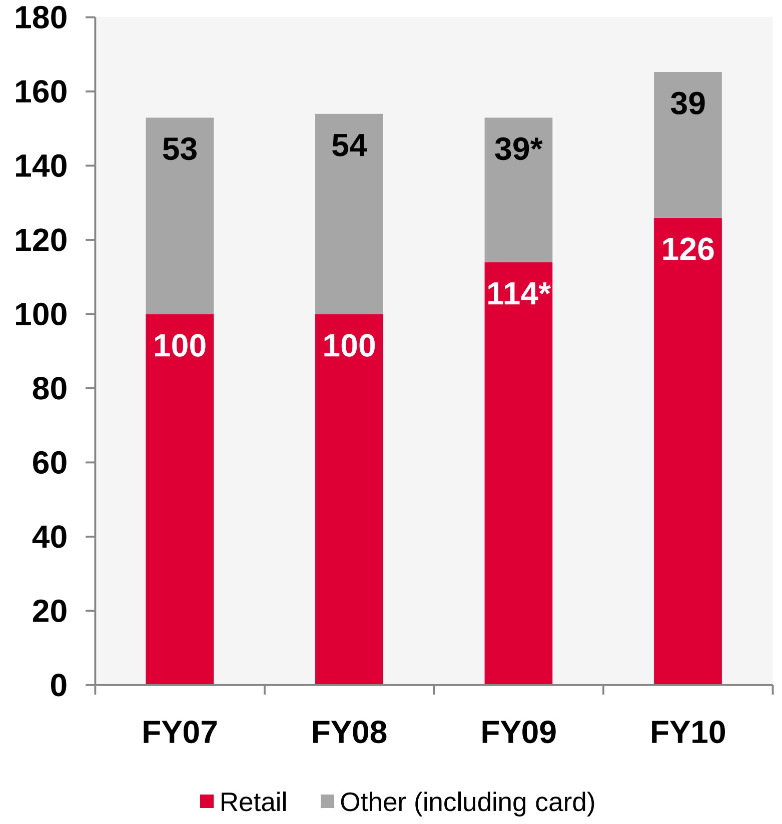
CTX Diesel and Jet Fuel Sales



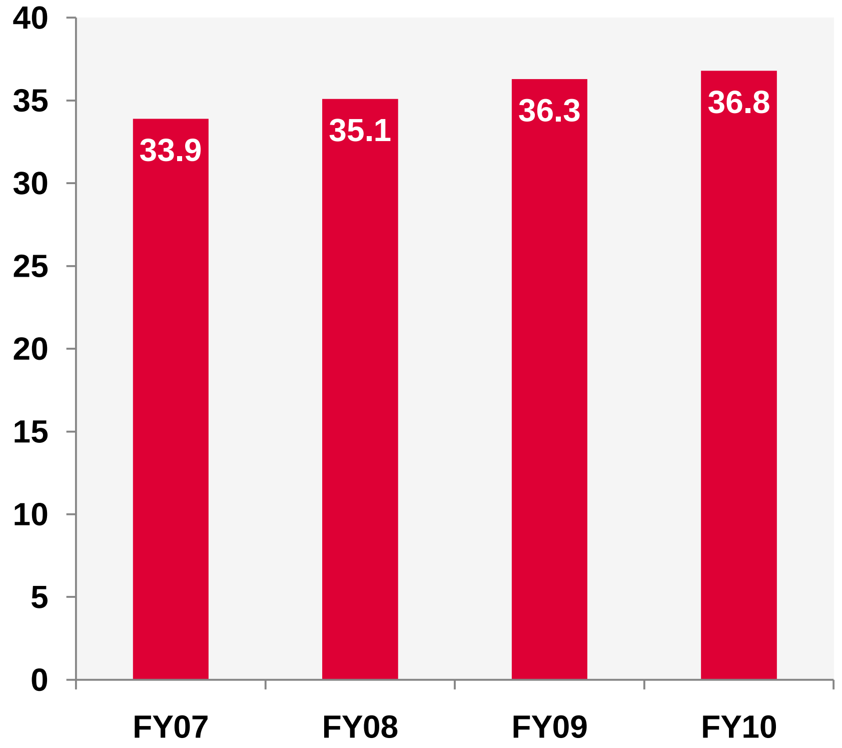
MARKETING HIGHLIGHTS

NON FUEL INCOME CONTINUES TO GROW DESPITE HIGH NUMBER OF UPGRADES

CTX Non Fuel Income ($M)



CTX Average Weekly Shop Sales ($'000/wk)



* Includes effect of earnings from retail sites transitioned from reseller

Caltex Australia

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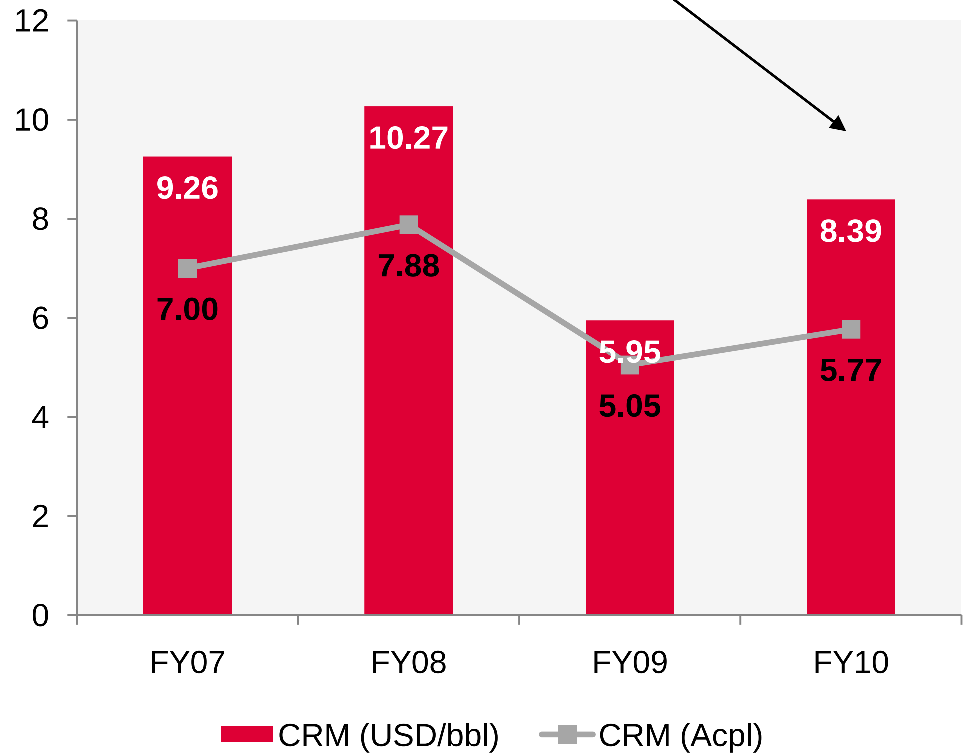
SUPPLY CHAIN HIGHLIGHTS

CALTEX REFINER MARGIN – SIGNS OF RECOVERY

The CRM was negatively impacted by a market price timing lag of US $0.27/bbl (A$16.3m EBIT) in FY10



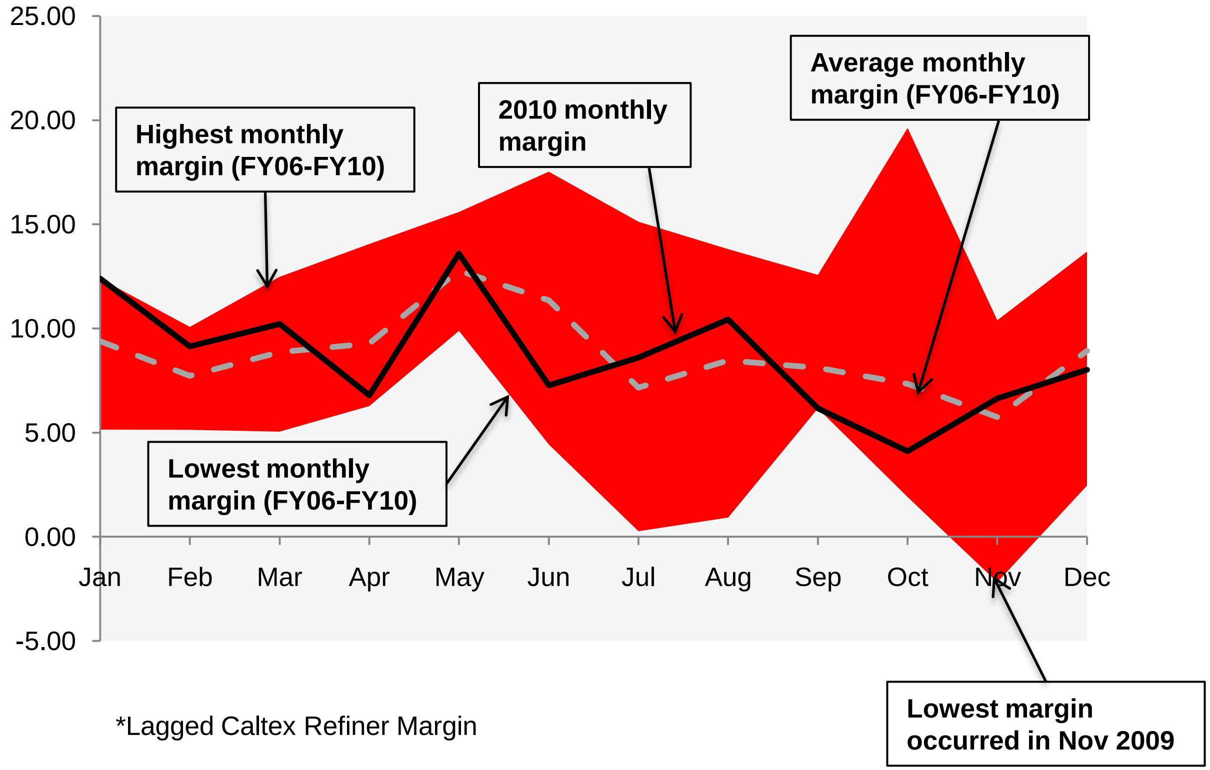
Caltex Refiner Margin Build-up (US$/bbl)

	Tapis Basis	Dated Brent Basis
Singapore WAM	13.65	9.86
Add:		
Product freight	3.90	3.90
Crude discount	0.00	0.00
Quality premium	1.90	1.90
Less:		
Crude freight	2.18	2.18
Crude premium	4.44	0.65
Yield loss	4.17	4.17

*The Caltex Refiner Margin (CRM) represents the difference between the cost of importing a standard Caltex basket of products to Eastern Australia and the cost of importing the crude oil required to make that product basket. The CRM calculation represents: average Singapore refiner margin + product quality premium + crude discount/(premium) + product freight - crude freight - yield loss

SUPPLY CHAIN HIGHLIGHTS
RECOVERY FROM BOTTOM OF THE CYCLE MARGINS

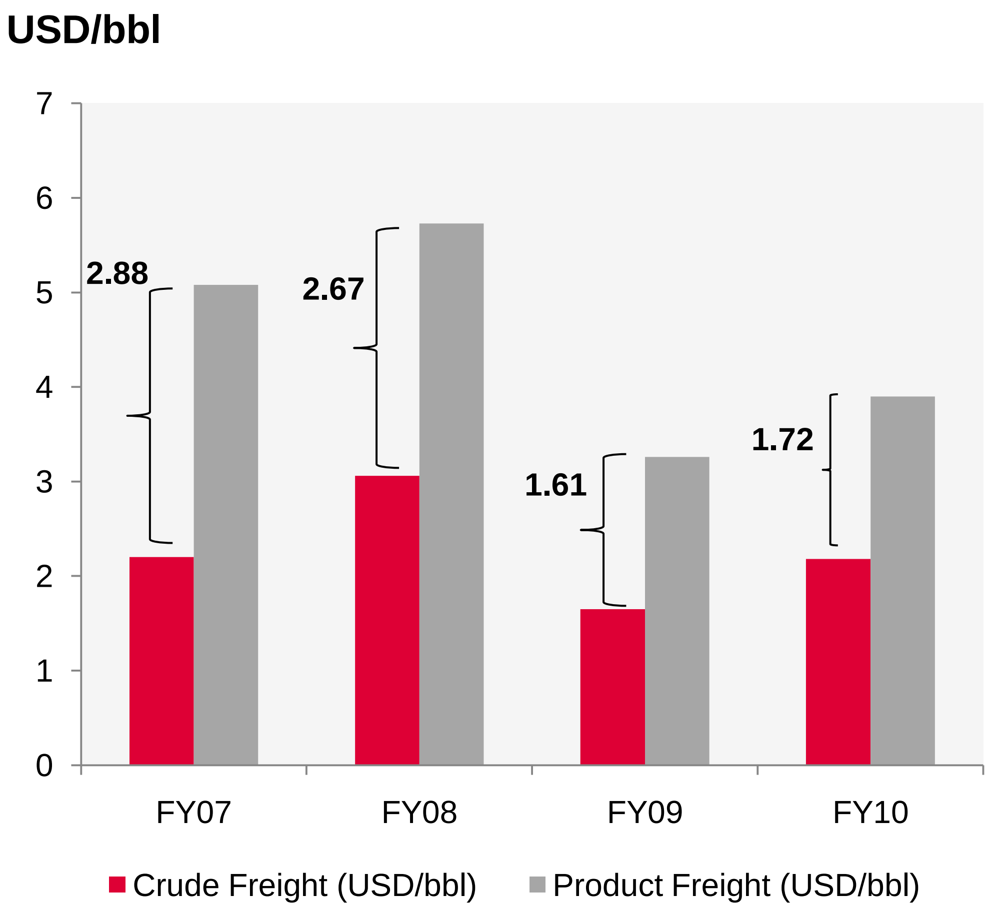
2006-2010 Caltex Refiner Margin* (US$/bbl)



*Lagged Caltex Refiner Margin

- Stronger than expected US dollar refiner margins in 1H10 due to weaker Tapis APPI benchmark relative to other crudes
- Seasonality of margins evident
- Margins recovering from lows of 2009
  - 2009 included 6 of the monthly lowest margins
- Stronger AUD impacting Australian dollar refiner margin

SUPPLY CHAIN HIGHLIGHTS
FREIGHT DIFFERENTIAL IMPROVING

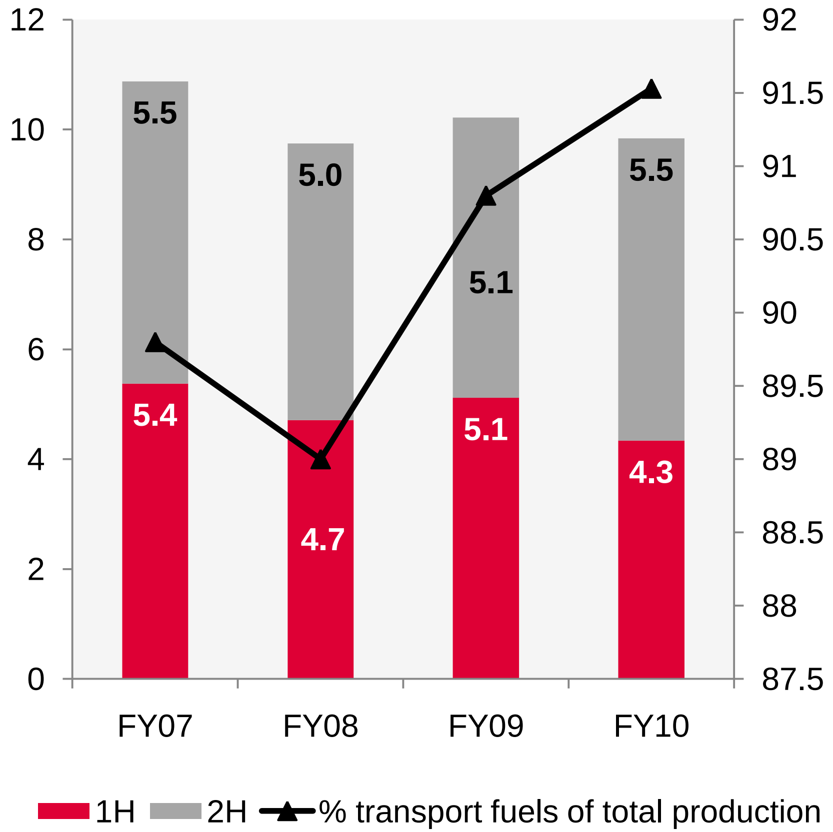


- Product freight rates have recovered about 20% since the low of 2009
- Modest recovery evident in crude freight rates
- Caltex Crude freight costs are increasing as the proportion of West African crudes grows
  - Economics based on landed cost of crude
  - Long haul costs mitigated by using larger vessels
- Freight differential improving but continues to pressure Caltex Refiner Margins

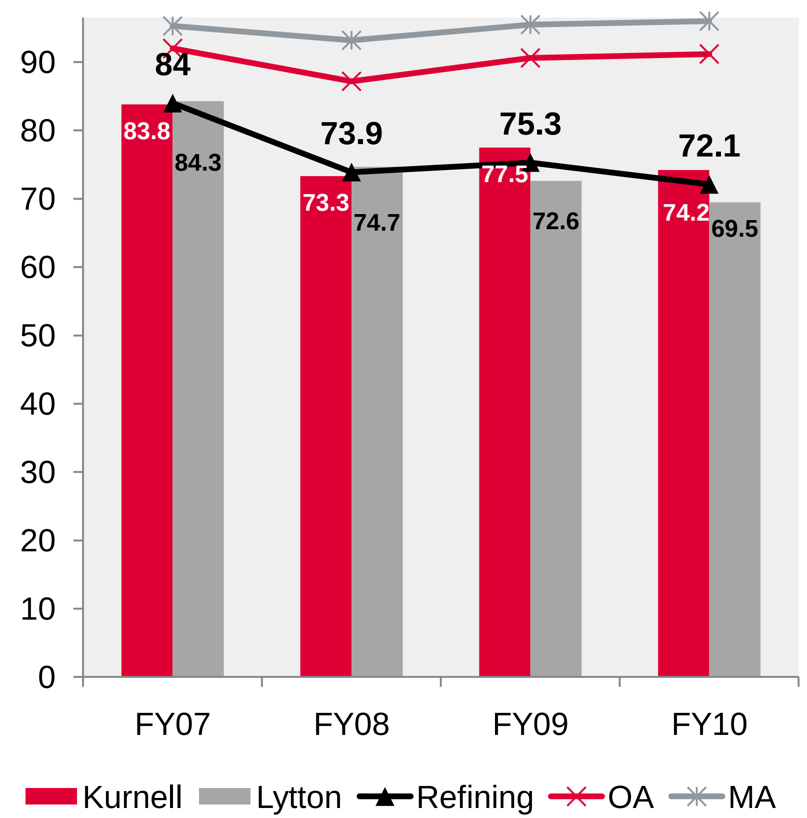
SUPPLY CHAIN HIGHLIGHTS

FIRST HALF PRODUCTION IMPACTED BY PLANNED MAINTENANCE, STRONG SECOND HALF

Refinery transport fuel production (Billion Litres)



Refinery utilisation (%) and Availability (%)



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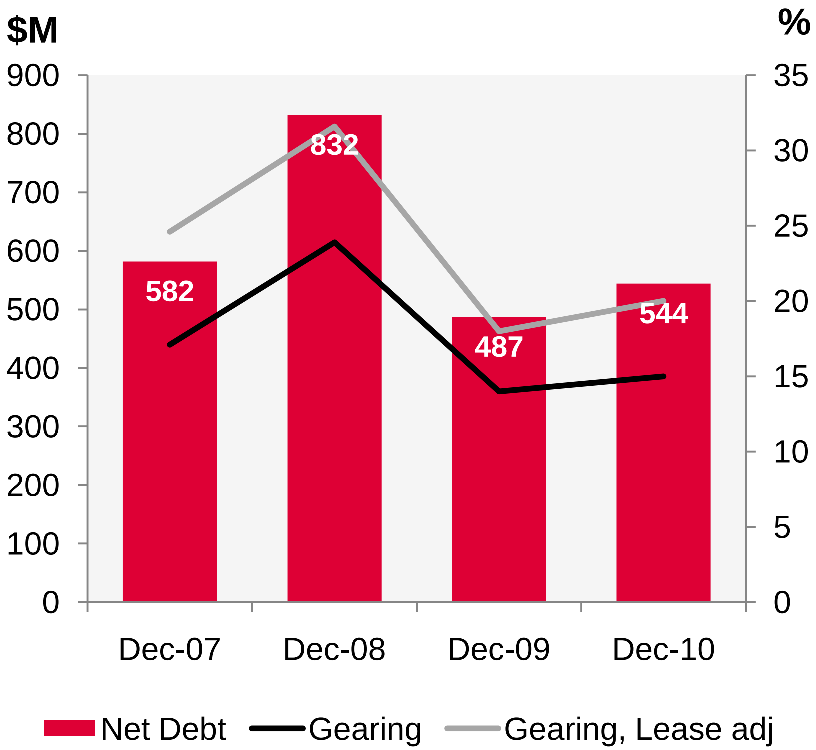
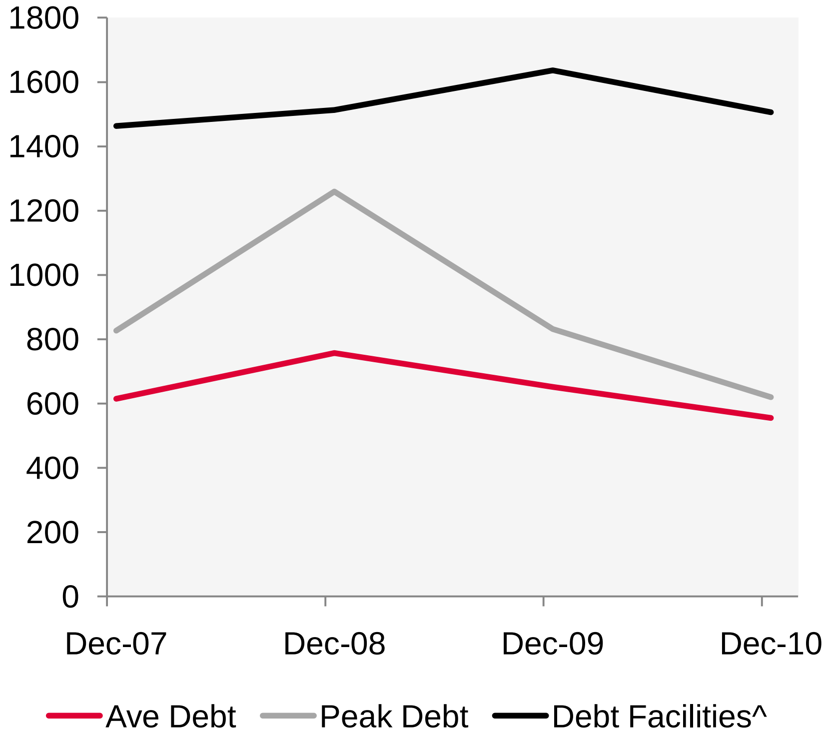
FINANCIAL DISCIPLINE
BALANCE SHEET REMAINS STRONG

Period end debt and gearing*



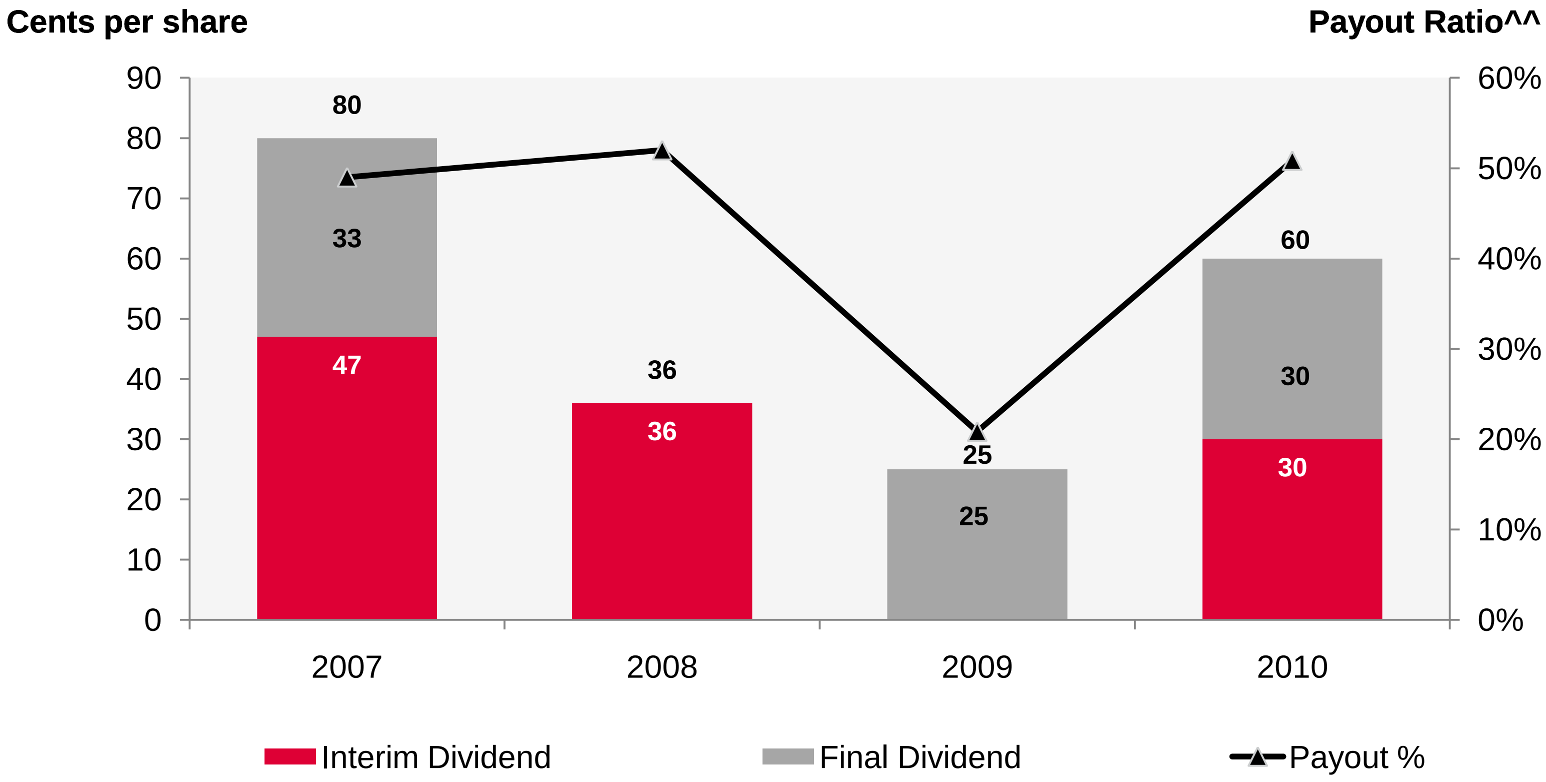
Caltex net debt levels**



* Gearing = net debt / (net debt + equity); Gearing – Lease adjusted, adjusts net debt to include lease liabilities
** Average debt is the average level of debt through the year; Peak debt is the maximum daily debt through the year
^ Debt facilities includes committed facilities as at December 2010. (Note: Introduction of hedging program has allowed a reduction in debt facilities.)

DIVIDEND
FINAL DIVIDEND OF 30 CENTS PER SHARE

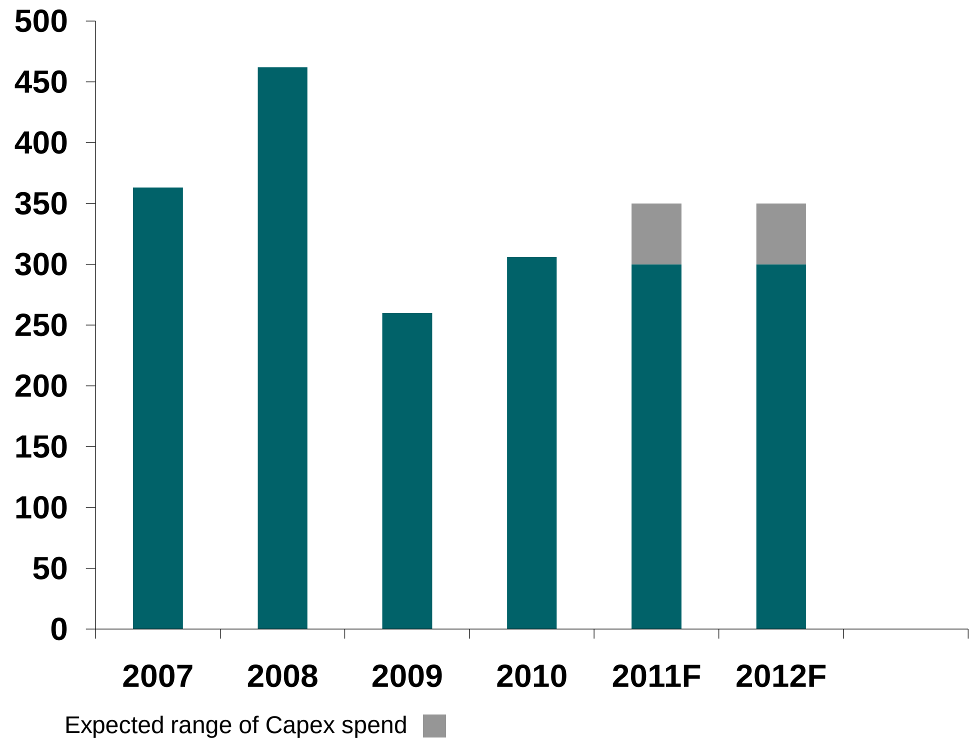
Caltex dividend history^



^ Dividends declared relating to the operating period; all dividends fully franked
^^ Payout ratio of reported RCOP NPAT

CAPITAL EXPENDITURE

Caltex Capex Spend ($M)



- Baseline capital spending plans over the next 2-3 years will be around $300M - $350M pa.
- Excludes capital required for other potential opportunities related to the base business
- Excludes Turnaround and Inspection expenditure

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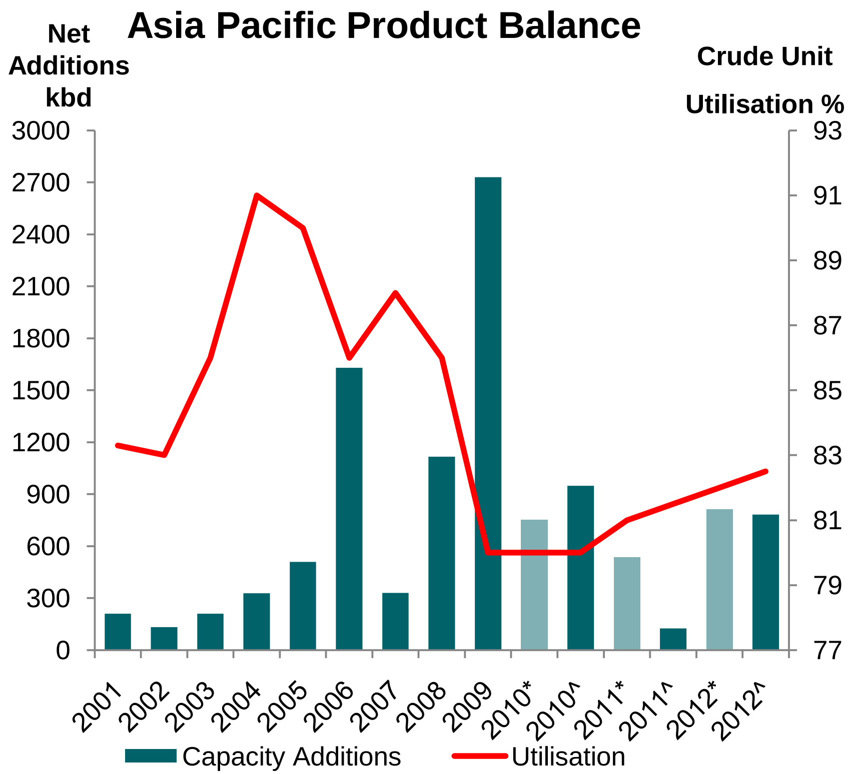
SLOW RECOVERY IN SUPPLY DEMAND BALANCE EXPECTED



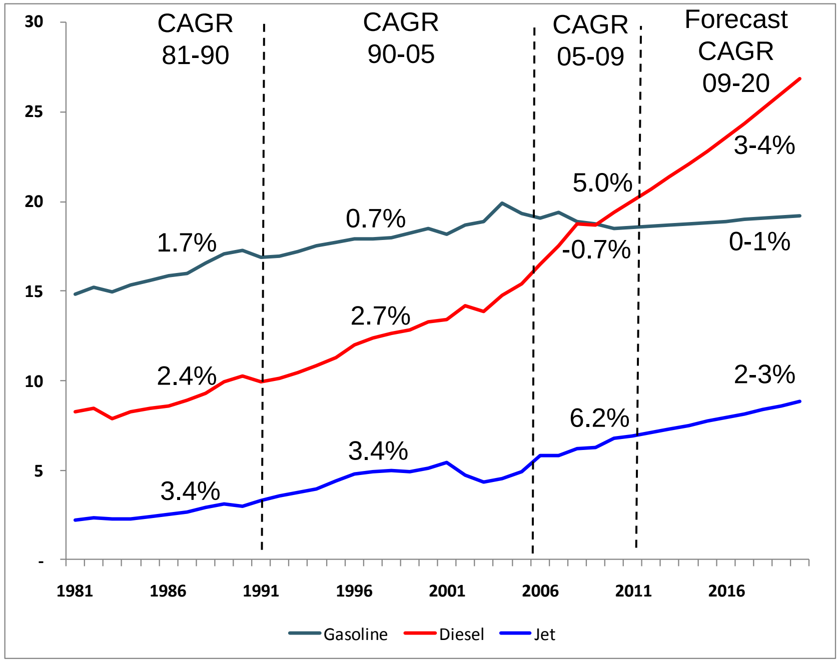
- Japan's CDU capacity is forecast to drop by 300kbpd in 2011, in addition to the 250kbpd shuttered in 2009/10, offsetting capacity additions in China and India
- FACTS forecast Asian product demand growth to be 2.3%, down from 4.2% in 2010. IEA forecast 2.6%.
- Gasoline surplus in the region forecast to grow. However, Australian grade quality premium to remain.

Gradual margin recovery underway as demand growth outstrips net capacity additions

Source: FACTS Global Energy, International Energy Agency, Caltex estimates
* April 2010 Forecast. Capacity additions are net of forecast closures
^October 2010 Forecast. Capacity additions are net of forecast closures

A DECADE OF DEMAND GROWTH FOR DIESEL AND JET EXPECTED

Billion Litres

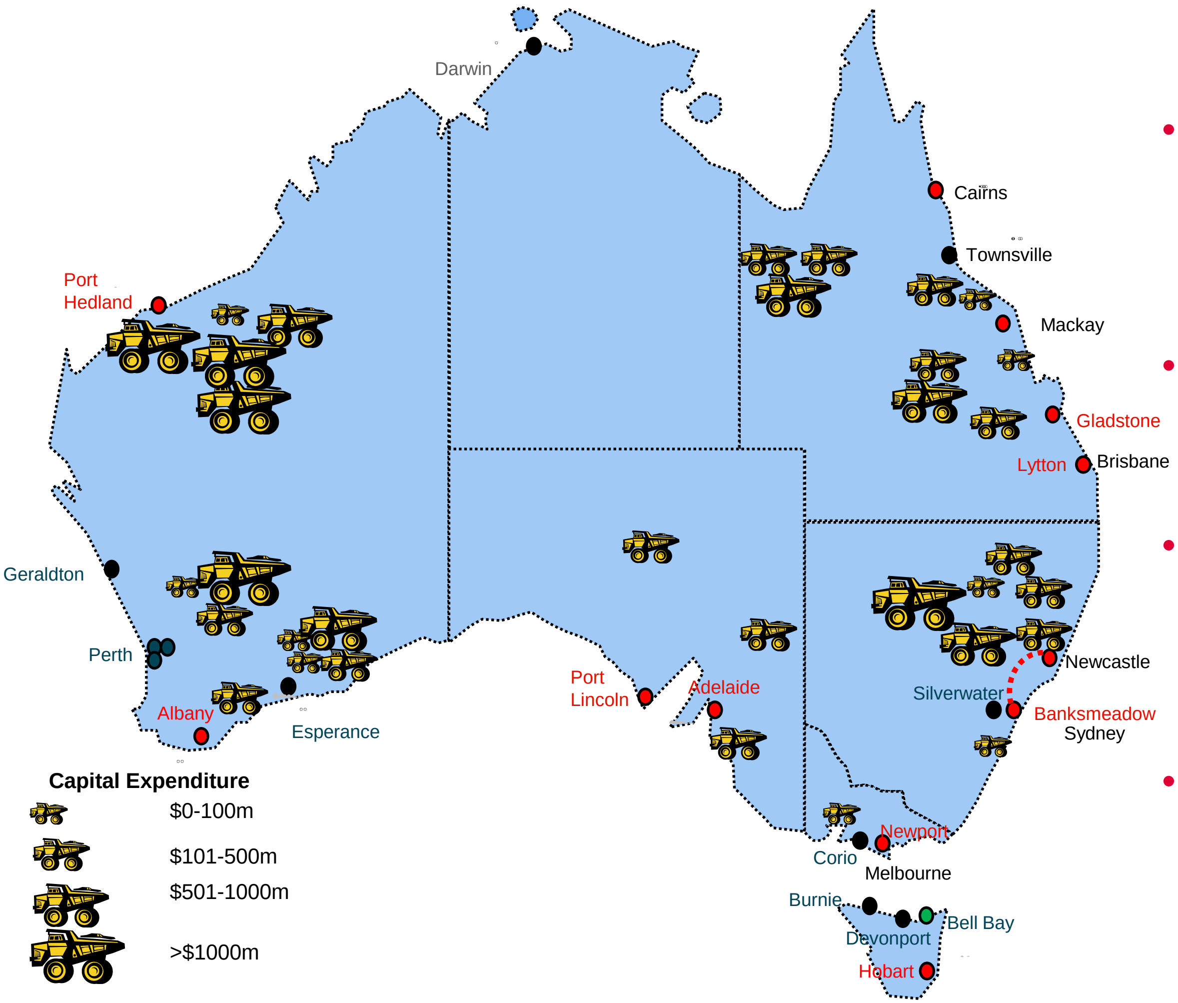


- Solid demand recovery in diesel and jet fuel sales in 2010 off lower 2009 base
- Longer-term demand prospects are favourable
- Diesel demand growth underpinned by GDP growth
  - Mining and transport
- Jet Fuel linked to increasing passenger travel due to economic activity / prosperity
- While gasoline overall remains a mature product, more rapid demand for higher octane, premium gasoline is expected

Source: ABARE; DITR & CTX Analysis

DIESEL DEMAND

MINING PROJECTS WITH PLANNED START UP IN 2011-2013

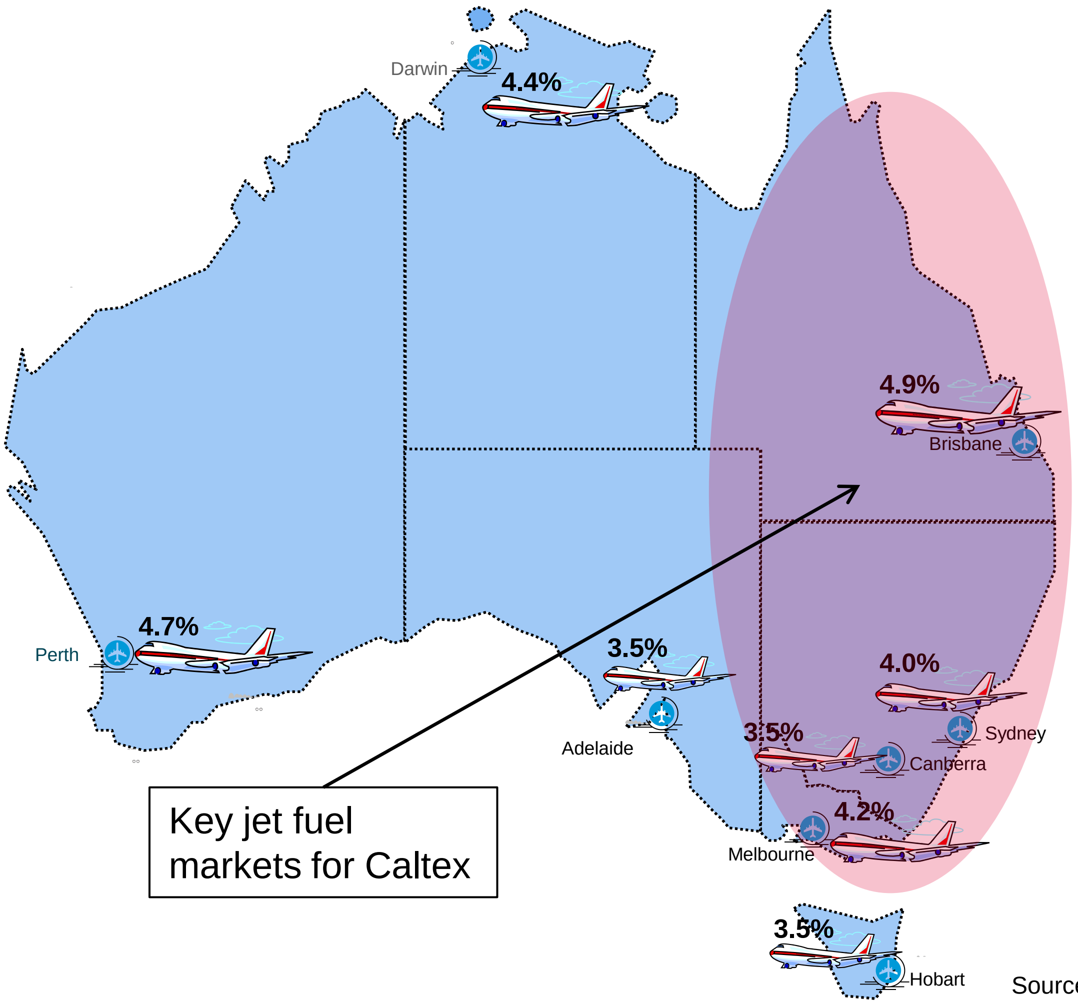


Diesel demand

- Nearly 40 mt of Black Coal mining projects in NSW and QLD combined
- Nearly 140 mt of Iron Ore mining projects in WA
- Plus various Uranium, Copper, Gold, other metals and rare earths projects
- Caltex forecasts diesel demand growth at 3-4% CAGR over the next decade

Source: ABARE

JET FUEL DEMAND
PASSENGER MOVEMENTS GROWTH FORECASTS



Jet Fuel

- Forecasts 20 year CAGR for passenger movements through capital city airports at 4.2% overall (5.3% international, 4.0% inter-capital and 3.5% regional)
- Assuming fuel efficiency improvements, Caltex forecasts a CAGR of 2 – 3% for jet fuel demand over the next decade.

Source: Bureau of Infrastructure, Transport and Regional Economics

SUMMARY

- ✓Excellent Marketing performance underpins result
- ✓Refining environment recovering from cyclical lows
- ✓Catalyst program delivering
- ✓Excellent operational performance
- ✓Balance sheet remains strong
- ✓Short term outlook improving

Caltex Australia

AGENDA

- OE Moment
- Introduction
- Strategy
- Financial Highlights
- Marketing Highlights
- Supply Chain Highlights
- Financial discipline
- Outlook & Summary
- Q&A

IMPORTANT NOTICE

This presentation for Caltex Australia Limited is designed to provide:

- an overview of the financial and operational highlights for the Caltex Australia Group for the 12 month period ended 31 December 2010; and
- a high level overview of aspects of the operations of the Caltex Australia Group, including comments about Caltex's expectations of the outlook for 2011 and future years, as at 21 February 2011.

This presentation contains forward-looking statements relating to operations of the Caltex Australia Group that are based on management's own current expectations, estimates and projections about matters relevant to Caltex's future financial performance. Words such as “likely”, “aims”, “looking forward”, “potential”, “anticipates”, “expects”, “predicts”, “plans”, “targets”, “believes” and “estimates” and similar expressions are intended to identify forward-looking statements.

References in the presentation to assumptions, estimates and outcomes and forward-looking statements about assumptions, estimates and outcomes, which are based on internal business data and external sources, are uncertain given the nature of the industry, business risks, and other factors. Also, they may be affected by internal and external factors that may have a material effect on future business performance and results. No assurance or guarantee is, or should be taken to be, given in relation to the future business performance or results of the Caltex Australia Group or the likelihood that the assumptions, estimates or outcomes will be achieved.

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CALTEX AUSTRALIA LIMITED

ACN 004 201 307

2010 FULL YEAR RESULTS ANNOUNCEMENT – SPEAKER NOTES
21 FEBRUARY 2011

{Slide 1 – Cover sheet}

Good morning everyone I am Julian Segal, Managing Director and CEO of Caltex Australia and I would like to welcome you all to the Caltex Australia 2010 Full Year results briefing. I would also like to welcome participants joining us via webcast or teleconference this morning. A copy of the webcast will be available on our website by the close of business today.

Those of you joining us here at 2 Market Street will have received a copy of our half year results and our ASX media release, together with this morning's presentation.

For those joining us remotely, the same material can be accessed via the ASX website and the Caltex public website later today.

{Slide 2 – Contents – OE Moment}

As many of you will be aware, it is customary to commence a meeting at Caltex with an Operational Excellence moment. This is a short reminder for all our employees that we will continually strive for incident free operations across all areas of our business.

{Slide 3 – OE Moment}

2010 was a year that saw many changes for the team at Caltex including organisational restructure, development of a new culture and a focus on cost and efficiency becoming part of the way we do business. In the midst of all this change I am very pleased to say that we maintained our focus on safe and reliable operations with our best safety performance ever achieved in 2010. We achieved a 35% reduction in our Lost Time Injury Frequency Rate, a similar reduction in our Total Treatable Injury Frequency Rate and the outstanding result of zero tanker truck accidents despite higher sales and a significantly greater number of deliveries and kilometres travelled. This is an outstanding achievement and testament to the ability of the people at Caltex to rise to the challenge and a demonstration of the way that the Care value is entrenched within Caltex.

{Slide 4 – Contents – Introduction}

Let's now turn to the discussion of our results....

{Slide 5 – Record Marketing Earnings Underpins Result}

Caltex delivered a solid financial result of $318 million RCOP NPAT, excluding significant items, for the full year of 2010.

The excellent performance of our Marketing business underpinned our result with record results for transport fuels, particularly premium fuels sales volumes. Strong results were also achieved by the lubricants business and from our convenience store network, despite it undergoing a significant upgrade program throughout 2010.

Our Refining team delivered a strong operational performance, successfully completing a year with high planned maintenance in the first half and a near record production level in the second half. However the stronger on average Australian dollar did negatively impact the financial result.

The balance sheet remains strong with our BBB+ /stable credit rating reaffirmed this year for the sixth year in a row. Caltex is the only independent refining company globally with such a strong rating reflecting the strong fiscal management practiced at Caltex.

The Refining environment is recovering from the cyclical lows of 2009 with stronger average US dollar refiner margins experienced in 2010. The stronger than expected Singapore WAM experienced in the first half was driven largely by the weakness of Tapis relative to other crudes. The second half featured seasonally lower Caltex Refiner Margins but the average over the half was approximately two and a half times the average realised margins of the second half in 2009. This reflects the improvement in regional demand, slowing of capacity additions and the subsequent gradual improvement in global refinery utilisation.

Despite the recovery in the US dollar Caltex Refiner Margin the Australian dollar Caltex Refiner Margin achieved only a modest increase due to the impact of the higher average Australia dollar in 2010 compared to 2009.

As you know, foreign exchange impacts Caltex not only on the translation of the US dollar Caltex Refiner Margin but also on our US dollar payables. Net of hedging impacts, the rising Australian dollar resulted in realised gains in the second half, offseting losses on payables from the first half. The net result was a full year gain of $27 million compared with a $92 million gain in 2009.

{Slide 6 – Record Marketing Earnings Underpins Result}

Our Catalyst program has begun to deliver with the Corporate and Marketing restructures completed and procurement benefits starting to flow. Initiatives to deliver approximately 50% of the targeted EBIT improvement required through the Refining Improvement Initiative have been identified and commenced, with the benefits expected to start to flow through in 2011.

I was particularly pleased with the strong operational performance across the business. In addition to our excellent safety performance, Refining reliability continues to improve from the disappointing lows of 2008 with record refinery reliability and a near record production for the second half of 2010.

Turning to the outlook, notwithstanding the impact of recent flooding in Queensland we see the positive outlook for Marketing continuing, particularly with our expanded premium fuel capability and, with the completion of the Gladstone and Mackay terminal upgrades, our ability to service the growing diesel market in the region.

We are cautiously optimistic about regional refiner margins, but the Refining outlook will be tempered should the AUD remain high. Planned major maintenance in 2011 includes the Kurnell Cat Cracker shutdown in the first half, for a total of approximately 40 days. This is expected to have only a minor impact on gasoline production.

We expect the Catalyst program to deliver more in the coming months as more initiatives start to deliver returns.

The policy of foreign exchange hedging of 50% of Caltex's US dollar crude and product payables exposure after allowing for natural hedges will reduce the potential of earnings volatility associated with sharp movements in the exchange rate.

{Slide 7 – Contents - Strategy}

Turning now to an update of progress against our strategy...

{Slide 8 – Caltex Strategy Core Elements – Three Pillars}

In February last year I unveiled the three pillars of the Caltex strategy, Culture, Cost and Capital Efficiency and Growth. Twelve months on I am please to show you how well we are executing that strategy.

I spoke earlier of how our new culture is manifesting itself with the example of our tremendous improvement in safety performance. This new culture has also supported the achievement of our financial results.

{Slide 9 – RII – Initiatives totalling 50% of target commenced}

In February we announced the Refining Improvement Initiative targeting efficiency improvements of $100 million per annum by the end of 2012. We are making progress with initiatives totalling approximately 50% of the target underway including the award of the new maintenance contract for Lytton and Kurnell refineries to PSN and expect bottom line and reliability improvements to commence in 2011.

In addition, the new Lytton Operator Enterprise Bargaining Agreement was agreed, incorporating manning level reductions and efficiency gains to be achieved over the next couple of years.

Benefits from the CLOR closure later this year are expected to flow to the fuels refinery at Kurnell.

In addition, a review of resourcing, similar to those conducted in Corporate and Marketing, resulted in a further reduction of professional staff across refining.

Finally, numerous minor improvement projects were completed in 2010 that we expect to have recurring benefits in 2011.

{Slide 10 – Catalyst – Full Year 2010}

The Corporate restructure was completed in March 2010 with approximately 120 roles eliminated delivering savings of $18 million to December 2010. A further organisational structure review conducted in the Marketing business has eliminated another 43 roles delivering savings of $7 million to December 2010. The combined savings of $25 million in 2010 exceed the combined target of $23 million from these two initiatives.

We also announced a program to secure procurement benefits of a total of $100 million for the three years to end 2012. As I mentioned earlier, the procurement team have commenced the journey having delivered, approximately $35 million of benefits including a $12 million benefit to EBIT.

{Slide 11 – Infrastructure}

I am thrilled by the progress being made by our Supply and Distribution team. Our two additional diesel tanks in Mackay and Gladstone are in operation. This expansion will enhance Caltex's efficiency and reliability while meeting the growth that is occurring in the mining industry in Queensland. In addition, construction of two new large diesel tanks in Port Hedland has commenced for an investment of approximately $45 million. When completed in late 2011, Caltex will be transformed from being a relatively small player in that region to one where we have the capability required to take a leading role in supplying fuel and lubricants to the iron ore and natural gas developments in the north west.

Caltex has also committed to significantly improve its jet fuel supply services to Sydney's domestic and international aviation industry. The investment of approximately $30 million will provide additional jet tankage and pipeline capacity to meet Sydney Airport's growing demand. This project is currently in the design phase with procurement of some long lead items undertaken to ensure completion by early 2012.

{Slide 12 – Organic Growth in Marketing}

Our Marketing business was set an organic growth challenge to grow EBIT by at least 5% per annum. I am very pleased to announce that Marketing achieved an impressive 28% increase in EBIT over 2009's result and a 10% compound annual growth rate from 2008-2010.

This substantial improvement in profitability was supported by the increase in premium gasoline sales despite the slight decline in overall gasoline sales. Premium diesel sales growth was exceptional with its share of overall retail diesel sales growing from 7% in 2009 to 31% in 2010.

Our jet strategy continues to bear fruit with Jet fuel sales up an impressive 13.8% year on year. This followed an 8% increase in jet sales in 2009.

Commercial diesel sales volumes have grown 9% year on year. The success of our infrastructure strategy has been reinforced by the securing of new Queensland mining business serviced from our recently upgraded Mackay terminal.

Finished lubricants growth has been outstanding with new supply contracts in the mining sector and the establishment of key relationships in the automotive sector. Lubricants sales volumes grew 8% during 2010 despite a decline in the overall market.

Growth in shop sales has been tempered by the economic conditions and poor weather in Queensland, but still achieved a growth in excess of 1.3% while non fuel income rose approximately 8%. Shop sales have been impacted by the extensive retail upgrade program underway this year including the upgrade of several flagship sites. Despite these conditions Caltex remains the number one convenience store operator as measured by Nielsen.

{Slide 13 – Contents – Financial Highlights}

I will now handover to Simon Hepworth our Chief Financial Officer to present our financial results and discuss the performance of the individual business units in greater detail.

{Slide 14 – Financial Highlights}

Thank you, Julian.

The 2010 Full Year Replacement Cost EBIT was $500 million excluding significant items, in line with 2009. Including significant items, RCOP EBIT was $477 million compared to $317 million in 2009 which included $173 million in significant items before tax.

RCOP NPAT of $318 million, excluding significant items, was in line with the 2009 full year RCOP NPAT of $324 million.

The Board declared a final dividend of 30 cents per share fully franked, in line with policy. This takes the total dividend declared for 2010 to 60 cents per share fully franked after 30 cents per share interim dividend was paid on 28 September 2010. This compares with an only and final dividend of 25 cents for the same period in 2009.

Debt rose modestly during the year from $487 million at the end of December 2009 to $544 million at the end of December 2010. As a result, period end gearing rose to 15%, or 21% on a lease adjusted basis.

Historic Cost Net Profit after Tax was $317 million including significant items of $16 million compared with $314 million for 2009 which included $121 million in significant items, after tax.

On a historical cost basis, including significant items, earnings per share was 117 cents in the first half of 2010 compared with 116 cents per share in 2009.

Whilst the historic cost result includes the impact of the fall or rise in oil prices, the replacement cost result excludes this impact. We believe the RCOP result presents a clearer picture of the company's underlying business performance as it removes the impact of changes in the cost of crude. Historical Cost Net Profit After Tax was very close to the RCOP result this year due to the landed cost of crude in Australian dollars throughout 2010 being very close to the landed cost of crude in Australian dollars at the end of 2009.

{Slide 15 – Strong second half result}

The second half result of $155 million represents the best second half result since the golden age of refining in 2006. This result was made possible by the strong and consistent performance of the Marketing business and despite the impact of the high Australian dollar.

{Slide 16– Waterfall}

Turning now to the waterfall, the contributions from factors within our control appear on the right hand side of the chart.

The major positive contribution compared with full year 2009 came from Marketing. Improvement in the total Transport Fuel Margin was driven by overall growth in transport fuel sales, and an improved product sales mix due to the increase in premium fuels. The contribution from Lubricants and Specialties and Non Fuel Income were all up compared to the prior year.

The near record refinery production result for the second half partially offset the significant impact of the planned maintenance on the first half result with the net impact of lower full year production resulting in a $15 million reduction in RCOP EBIT contribution when compared with 2009.

Operating expenses in Marketing were essentially flat when compared with 2009. This is an excellent result and reflects the benefits of the cost reduction initiatives in Marketing. Inflationary pressures and substantial pressure on salaries for employees in high demand given the resources boom have essentially been absorbed in Refining with cost increases limited to the increased manning and operating costs associated with the new DHTU2. Higher operating expenses are largely in the Corporate area and reflect certain one-off costs incurred by the Project Management Office in delivering a range of initiatives across the business. A top up of the superannuation fund and associated payroll tax and an amount of $7 million of non-cash items reflecting the change in accounting treatment of future provisions, such as long service leave liability.

The increase in depreciation of approximately $12 million relates to the DHTU2 in Lytton.

Other cost increases of approximately $36 million relate primarily to recognition of impairment to assets.

Turning now to the external drivers, the 7 day pricing lag, while negatively impacting the full year result by approximately $16 million, was lower than the lag in 2009 by $19 million before tax due to the relatively more stable crude price.

The US dollar refiner margin improved significantly from the low of 2009 for a benefit of $148 million before tax. This was partially offset by the $94 million before tax negative impact due to the stronger average Australian dollar (91.96 cents on average in 2010 compared with 79.14 cents in 2009) on the translated US dollar refiner margin.

After the significant weakening of the Australian dollar in May and June and a net realised exchange loss of $36 million on crude and product payables in the first half, the rising dollar through the second half more than offset this impact to result in a net realised and unrealised exchange gain of approximately $27 million dollars before tax compared with a $92 million gain in 2009. The 2010 result takes into account the impact of the hedging program implemented progressively from 1 July 2010.

{Slide 17 – Segment reporting }

This slide shows the contribution of our two key segments:

- Marketing; and
- Refining and Supply.

Marketing's EBIT increased by approximately 28% over the prior corresponding period. This result demonstrates the robustness of Marketing's earnings and the success of our strategy to grow this part of the business. Marketing's success is supported by our Refining business.

Refining achieved an essentially break even result which, excluding the impact of exchange impacts on payables this result represented an improvement of $13 million from 2009. This was driven by the higher Australian cents per litre Caltex Refiner Margin offset partially by the lower production.

As you can see the Refining result is subject to considerable volatility as a result of the exchange impacts on payables. In 2008 the result included a $243 million loss which partially reversed in 2009 to a $92 million gain. To reduce this ongoing volatility, i.e. both future gains and losses, Caltex implemented a hedging policy in the second half of 2010. Whilst this reduced the full year exchange gain in 2010 by $39.5 million (before tax), the policy performed as expected in its impact.

As I said previously, Corporate operating costs increased this year for the reasons I articulated earlier.

{Slide 18 – Integrated transportation fuels margin down due to poorer refiner margin reflecting weakness in demand}

Our integrated fuel margin for the full year 2010 was 9.2 Australian cents per litre, up from 7.8 Australian cents per litre in the same period last year.

The increase reflected the impact the transportation fuel marketing margins and improvement in the CRM despite the higher average Australian dollar.

{Slide 19 – Contents – Marketing Highlights}

Turning now to the discussion of our Marketing results.

{Slide 20 – Strong Marketing results reflect strategic focus}

The gross contribution from our Marketing business – that is, before operating costs - continues to provide a stable and growing earnings platform achieving a greater than 12% compound annual growth rate for the last 4 years.

Within the total result, the contribution from transportation fuels, lubricants and specialties and non fuel income all grew in 2010, with the improvement in the contribution from finished lubricants particularly pleasing with a more than 16% increase for lubricants and specialties over 2009's result. The contribution of non fuel income rose by 7.8% despite the high level of store upgrades that were underway during the year.

{Slide 21 – Middle distillate sales growth remains strong }

Caltex's overall transportation fuel sales volumes grew by 4.5% in 2010.

Total diesel sales have increased more than market to be up by more than 7%. Retail diesel sales have grown strongly following the introduction of the premium diesel product, Vortex Diesel. With the fastest growing segment of new passenger vehicle sales being diesel powered, the trend in growth of our premium diesel product is likely to continue.

Jet fuel volumes increased by nearly 14%, well in excess of market growth of 9%, underpinned by a strong and growing customer base. This follows a 8% growth in 2009.

Overall gasoline sales declined slightly but substantial growth was experienced in premium petrol and E10 sales volumes. Premium petrol now represents approximately 20% of our total petrol sales while E10 sales have jumped substantially to represent 12.1% of our total petrol sales due largely to the unleaded petrol displacement program being undertaken in NSW and Qld.

{Slide 22 – Non fuel income}

As discussed before, non-fuel income has grown by 7.8% in 2010 with the contribution from retail growing strongly. Total average weekly sales from our convenience stores have increased by more than 1.3% on the same period last year. As discussed previously this result has been impacted by the increase in site upgrade activity including the upgrade of flagship sites.

This is a solid result and an endorsement of our strategy to grow this part of our business.

{Slide 23 – Contents – Supply Chain Highlights}

I will now turn to our Refining and Supply business.

{Slide 24 – Caltex Refiner Margin – Signs of Recovery}

For the full year 2010, the lagged Caltex refiner margin (CRM) averaged US$8.39/bbl compared to US$5.95/bbl in the previous year.

The Singapore Weighted Average Margin (WAM) for this period was US$13.65 /bbl, more than double the $US5.92/bbl recorded for the full year in 2009. This increase was primarily due to relative weakness in the APPI Tapis crude price compared with other crude prices in the first half of 2010 and some improvement in the structural balance of supply versus demand in the second half. However, ongoing volatility in the APPI Tapis price, and the impact of buying some non-Tapis crudes resulted in higher crude premiums offsetting the impact of the inflated Singapore WAM.

Throughout 2010 the increased volatility of the APPI Tapis benchmark led to many producers changing the pricing marker away from APPI Tapis towards Dated Brent or other markers. As a result Caltex has moved to calculating the Singapore WAM relative to Dated Brent. A theoretical breakdown of the CRM on a Dated Brent basis is also presented here demonstrating the difference in calculated Singapore WAM and related crude premium as a result of the changed reference crude benchmark.

The product quality premium averaged around $US1.90/bbl across all transportation fuels, slightly up on the result achieved for the previous corresponding period.

The CRM was impacted by an unfavourable pricing lag of $US 0.27/bbl equivalent to EBIT of approximately $16 million. This was driven by a modest increase in crude cost over the period.

The heavy planned maintenance schedule resulted in a significant increase in the cost of yield loss due to the significant impact of start ups from shutdowns on the resultant yield.

The stronger AUD negatively impacted our AUD CRM with the AUD averaging US91.96 cents, compared with 79.14 cents for the same period in 2009. This 16% increase in the average exchange rate reduced the benefit of the stronger US dollar refiner margin which improved by approximately 40% from the low of the average US dollar CRM in 2009.

{Slide 25 – Recovery from bottom of the cycle margins}

This slide shows the range of Caltex Refiner Margin during the period of 2006-2010. The seasonality of margins is evident with second half margins generally lower than the first half of the year. Six of the lowest monthly Caltex Refiner Margins occurred in 2009 with November 2009 signalling the bottom of the cycle. The black line reflects the 2010 Caltex Refiner Margin. The recovery in USD Caltex Refiner Margin was partially offset by the higher AUD exchange rate.

{Slide 26 – Crude and Product Freight Rates}

As the Australian market is short, import parity pricing allows Caltex to capture the freight differential between product and crude freight in the CRM.

Between 2003 and 2008 this differential was reasonably stable and generally over US$2/bbl.

During the downturn, the decline in global demand for both crude and product resulted in lower shipping rates. With product shipping rates falling further than crude freight, the freight differential fell to historically low levels in 2009.

The freight differential has been volatile throughout 2010 but on average has shown a modest recovery from the low of 2009. Product freight rates have recovered by about 20% while a modest recovery in crude freight rates is evident.

Caltex's crude freight costs will increase as the proportion of West African crudes grows. However, the economics between these and regional crudes is based on the landed cost of crude (includes purchase cost plus freight). Caltex is able to mitigate the cost of these longer voyages by using larger vessels. Our first VLCC cargo (1.95 mbbls) arrived in February 2011.

Despite improvement, this narrower freight differential continues to pressure Caltex Refiner Margins.

{Slide 27 – First half production impacted by planned maintenance, strong second half}

As previously mentioned, a factor in the result for Refining has been the lower production of transport fuels.

After the major planned maintenance at both Lytton and Kurnell Refineries impacted the first half 2010 production levels, all units have returned to service. Production for the second half was at a near record level with total production for the full year close to that of the second half of 2007.

As can be seen from these charts, high value transport fuel production is an increasing proportion of our total production ensuring we are extracting maximum value from our production capacity.

Operational availability and mechanical availability continue to improve to record levels. This turnaround in the performance of our refineries is pleasing. However, we continue to focus on further improvement. Utilisation for the full year rose significantly to 72.1% from the first half of 65.7% which was impacted by the high planned maintenance.

{Slide 28 – Contents – Financial Highlights}

I will now turn to our continued management of our strong balance sheet through maintenance of financial discipline.

{Slide 29 – Balance sheet remains strong}

Average debt and peak debt levels decreased again this year with the implementation of the hedging program allowing the release of $150 million in facilities while maintaining significant head room. Year End Debt and gearing rose slightly to $544 million and 15% respectively. As we have explained before, the period end debt is particularly influenced by the timing issues and consideration should be given to the peak and average levels of debt.

Given we operate in a cyclical industry, we remain cognisant of the need to maintain a strong balance sheet at all times. This factor has been recognised with the company's BBB+/Stable credit rating being recently affirmed, making Caltex the highest rated integrated refiner globally.

{Slide 30 – Final dividend of 30 cents per share}

As discussed earlier the Board declared a final dividend of 30 cents per share fully franked. This takes the total dividend payment associated with the 2010 financial year to 60 cents per share fully franked. This represents a payout ratio of approximately 51% in line with policy and compares with a total dividend payout of 25 cents per share fully franked for the full year 2009. The record date is 8 March 2011 with the dividend payable on 29 March 2011.

Caltex remains committed to a conservative balance sheet and will continue to focus on good cash management

{Slide 31 – Capital Expenditure}

Capital expenditure for the full year 2010 was $306 million, excluding turnaround and inspection expenditure which was a further $55 million, within the range indicated in February 2010. We expect capital expenditure in 2011 and 2012 to be at similar levels ranging between $300 – 350 million.

{Slide 32 – Contents – Outlook & Summary}

At this point I would like to hand back to Julian to discuss the outlook.

{Slide 33 – Slow recovery in supply demand balance expected}

Asian product demand grew faster in 2010 than previously expected with beneficial impacts on the global supply demand balance. The peak of capacity additions appears to be behind us with FACTS Global Energy updating their view to reflect significantly less net capacity additions in 2011 driven by project delays and significant closures in Japan. Forecasts of Asian product demand growth, while below that of 2010, will see Asian demand growth outstrip these net capacity additions leading to an increase in utilisation and providing conditions supportive of modest margin recovery.

Caltex also expects the Australian grade quality premium to remain in the forecast period.

{Slide 34 – A decade of demand growth for diesel and jet}

In the longer term demand prospects are favourable for diesel and jet fuel. Diesel demand growth will be underpinned by GDP growth primarily from the mining (the fastest growing) and transportation (the largest) sectors. Jet fuel demand is linked to the increasing passenger travel due to economic activity and relative prosperity.

The outlook for gasoline remains steady, or in slight decline, however given significant demand for higher octane, premium gasoline is expected to grow strongly.

{Slide 35 – Mining projects with planned start up in 2011-2013}

This slide shows the significant number of mining projects with planned start up in the outlook period. Nearly 40 million tonnes of Black Coal mining projects are planned for New South Wales and Queensland alone. Western Australia features nearly 140 million tonnes of Iron Ore mining projects reinforcing the validity of our strategy to significantly enhance our capabilities at Port Hedland. There are numerous other metals and rare earth mining projects along with infrastructure projects to support these expansions. Caltex forecasts diesel demand growth at 3-4% CAGR over the next decade.

{Slide 36 – Passenger movements growth forecasts}

This slide shows the passenger movements growth forecasts for each major city with the 20 year CAGR expected to be 4.2% overall. In the key Caltex jet fuel markets of New South Wales and Queensland, growth is forecast to be between 3.5% and 4.9%. Assuming fuel efficiency improvements, Caltex forecasts a CAGR of 2-3% for jet fuel demand over the next decade. The future for jet fuel demand supports our strategy of investment in jet fuel supply infrastructure.

{Slide 37– Summary}

I am very proud of the team at Caltex who have delivered an exceptional result during a period of significant change. Our new values are well entrenched in the business providing a culture supportive of our growth plans. Our safety performance has improved significantly with dramatic improvements in injury frequency rates and achievement of zero tanker truck accidents. The Catalyst program is starting to deliver and our infrastructure investments critical to underpinning our organic growth plans are well underway. The Marketing business delivered a fantastic result and continues to be the main earnings contributor to the overall business. Refining had a successful year completing a challenging major maintenance program in the first half of 2010 to finish the year with a near record production level for the second half. Refiner margins improved this year from the lows of 2009 but were offset by the high Australian dollar and lower production leading to a breakeven result. Through our Refining Improvement Initiative we will continue to work to make our refineries an efficient component within our supply chain to provide a reliable source of Australian grade product to our Marketing business.

We have a positive outlook for our Marketing business and see slow but ongoing improvement in the global refining supply demand balance which should be supportive of refiner margins. Our currency hedging program should reduce potential earnings volatility from sharp movements in the US and Australian dollar exchange rate. Our strategy remains to provide a stable and growing earnings base from our marketing business, dampen earnings volatility from sharp currency movements and to position the refining business to be at least cash flow neutral through the bottom of the refining cycle.

{Slide 38 – Questions & Answers}

That concludes this morning's presentation. We have time to take questions. Could I ask that we start with questions from the floor before moving to our teleconference participants?

Please raise your hand if you have a question and state your name. For the benefit of our webcast and teleconference participants, please wait for the microphone before posing your question.

{Field questions from the floor}

END: That's all we have time for today. Thank you for attending the presentation today, either in the auditorium in Sydney, via webcast or teleconference call. I look forward to talking to you again in August when we announce our half year results for 2011.

{Slide 39 – Disclaimer}