BY ELECTRONIC LODGEMENT **ASX ANNOUNCEMENT**

CALTEX AUSTRALIA LIMITED
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21 April 2011

Company Announcements Office
Australian Securities Exchange

CALTEX AUSTRALIA LIMITED
CALTEX REFINER MARGIN UPDATE (MARCH 2011)

An *ASX Release* titled "Caltex Refiner Margin Update (March 2011)" is attached for immediate release to the market.

John Willey

John Willey
Company Secretary

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Attach.

CALTEX

Caltex Australia

ASX Release

For immediate release
21 April 2011

Caltex Refiner Margin Update (March 2011)

Caltex advises its realised lagged[1] Caltex Refiner Margin (CRM[2]) in respect of CRM sales from production for the month of March 2011.

Measure	March 2011	March 2010
Unlagged CRM	US$8.52/bbl	US$10.34/bbl
Impact of 7 day lag (negative)/positive	(US$2.20/bbl)	(US$0.12/bbl)
Realised CRM	US$6.32/bbl	US$10.22/bbl
CRM Sales from production	928 Ml	908Ml

The underlying Asian supply demand balance continues to support a gradual improvement in the underlying refiner margin. The tragic events in Japan and the unrest in Libya have caused global oil prices to rise significantly in recent weeks with premiums being paid above the Dated Brent benchmark price. These high crude premiums have offset the benefit of the strong Singapore Weighted Average Margin[2] reducing the unlagged CRM. In addition, the time lag related to the rise in crude oil prices has reduced the March 2011 realised CRM by US$2.20/bbl.

We note that refiner margins in the first quarter of 2010 were supported by weakness in the benchmark APPI Tapis crude price relative to other crudes.

Notes

1. A fall in the Australian dollar crude price, particularly at the latter end of the month produces a positive lag effect on the CRM (i.e. increases the CRM) and, conversely, in the event of a rise in the Australian dollar crude price, a negative lag effect occurs (i.e. reduces the CRM) .

2. 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 is calculated in the following manner:

   Weighted Singapore product prices (for a standard Caltex basket of products)
   Less: Reference crude price (from 1 January 2011 the Caltex reference crude marker is Dated Brent, in 2010 it was APPI Tapis)

   Equals: Singapore Weighted Average Margin (Dated Brent basis)

   Plus: Product quality premium
   Crude discount
   Product freight

   Less: Crude premium
   Crude freight
   Yield Loss

   Equals: Caltex Refiner Margin

   The Caltex Refiner Margin is converted to an Australian dollar basis using the prevailing average monthly exchange rate.

   CRM is just one contributor to the Replacement Cost Operating Profit (RCOP) EBIT earnings (excluding significant items). Other items contributing to the RCOP EBIT include Transport Fuels Marketing volume and margin, Lubricants and Specialties volume and margin, Non-Fuel Income and Other Margin less Operating Expenses.

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