



CALTEX

CALTEX AUSTRALIA LIMITED
ACN 004 201 307

LEVEL 24, 2 MARKET STREET
SYDNEY NSW 2000 AUSTRALIA

9 May 2011

Company Announcements Office
Australian Securities Exchange

CALTEX AUSTRALIA LIMITED
CALTEX PRESENTATION – INTERNATIONAL ROAD SHOW

Slides for presentations to be made by Mr Simon Hepworth (Chief Financial Officer) and Ms Fran van Reyk (Manager Investor Relations) as part of an international investor road show commencing on 9 May 2011 in Asia and the United States are attached for immediate release to the market.

Over the course of the road show, Mr Hepworth and Ms van Reyk will be making a number of presentations to investors and analysts. The presentations will be based on the material provided in the attached slides.



Peter Lim
Company Secretary

Contact number: (02) 9250 5562 / 0414 815 732

Attach.

May 2011 Road Show

CALTEX AUSTRALIA LIMITED



Our energy fuels a brighter future.



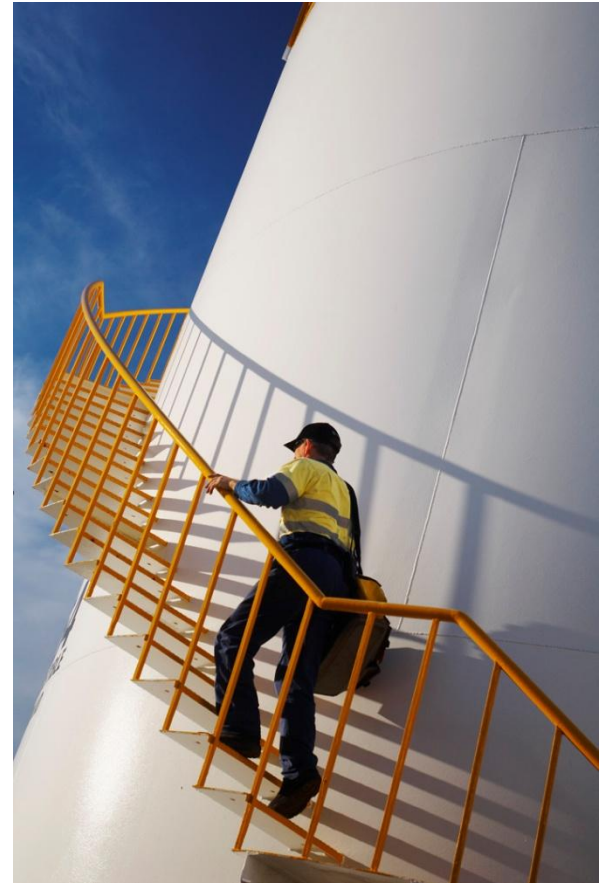
Contents

- 1. Who is Caltex Australia?**
- 2. Caltex core strategy elements**
- 3. Understanding our Results**
- 4. Outlook**



Australian market dynamics offer structural advantages

- Australia is relatively geographically isolated, with key and growing markets dispersed around the long coastline
- The Australian transport fuel market is structurally significantly short, with about 30% of all products imported (45% diesel, 30% jet)
- Demand growth linked to strong regional GDP growth (particularly resources sector)
- Deregulated market, with pricing based on import parity
- Australian fuel specifications are amongst the tightest in the region, attracting a quality premium
- This allows CTX to maximise refinery production when margins permit
- Given market dynamics, having well located infrastructure is a critical success factor
- These factors have shaped the Australian downstream industry and differentiate us from our global peers



CTX is a market leader, with national operations

CTX is the wholesale supplier of about one-third of all transport fuels in Australia

Market share data as of February 2011

- 35% in gasoline
- 33% in diesel
- 32% in jet fuel
- 22% in lubricants
- 27% in convenience retailing
- No.1 in refining capacity
- Strong national infrastructure



2 Refineries

CLOR



1 Base oil refinery

Ship supply terminals



3 ALMC lubes plants (JV)



12 CTX terminals



11 Host & JV terminals



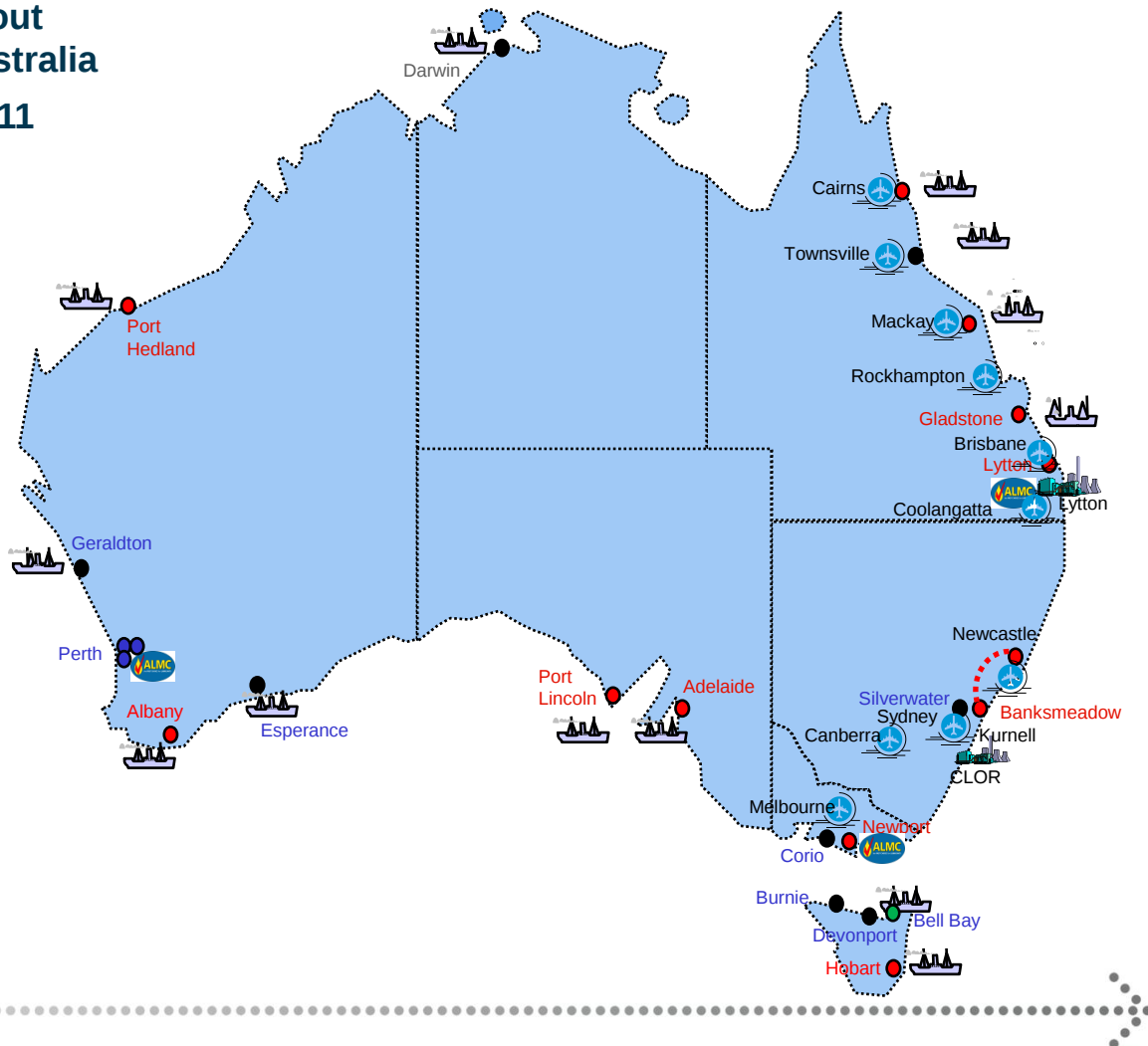
1 Independent terminal



10 Airports (Operator at Cairns, Coolangatta, Canberra, Brisbane)



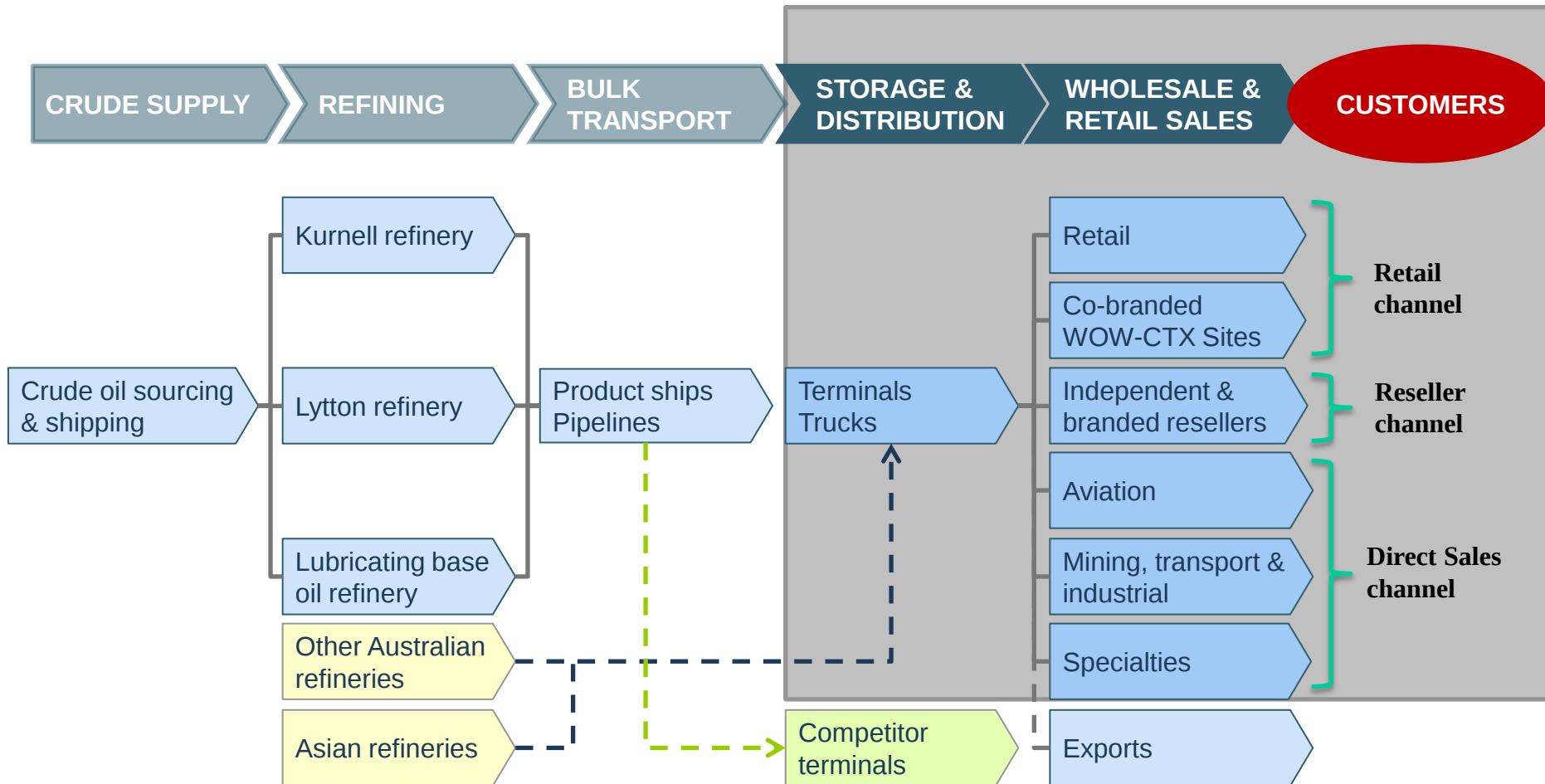
1 Sydney-Newcastle pipeline



CALTEX



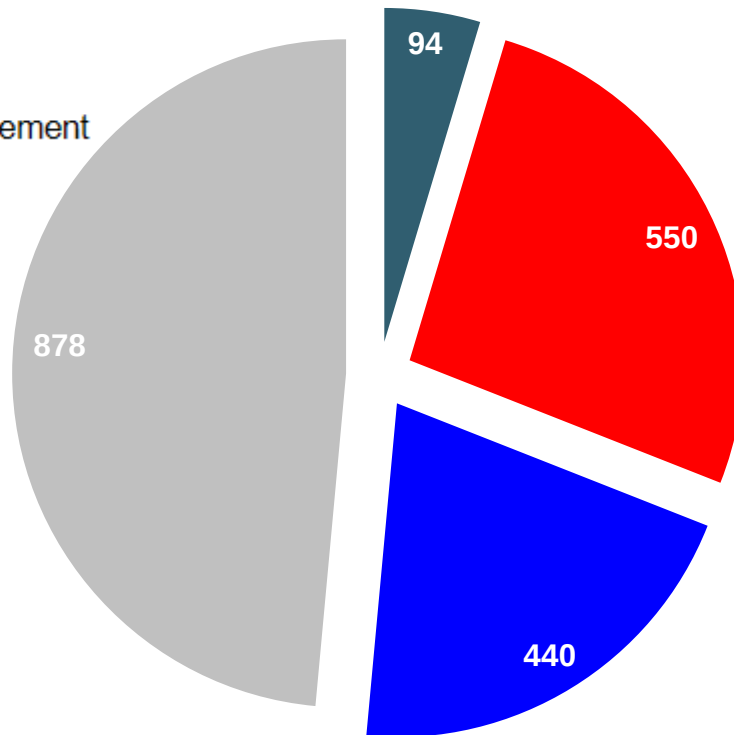
The Caltex value chain



The Caltex retail network

Caltex Retail Network Site Numbers

- Caltex Operated
- Franchised
- Reseller
- Woolworths Supply Agreement



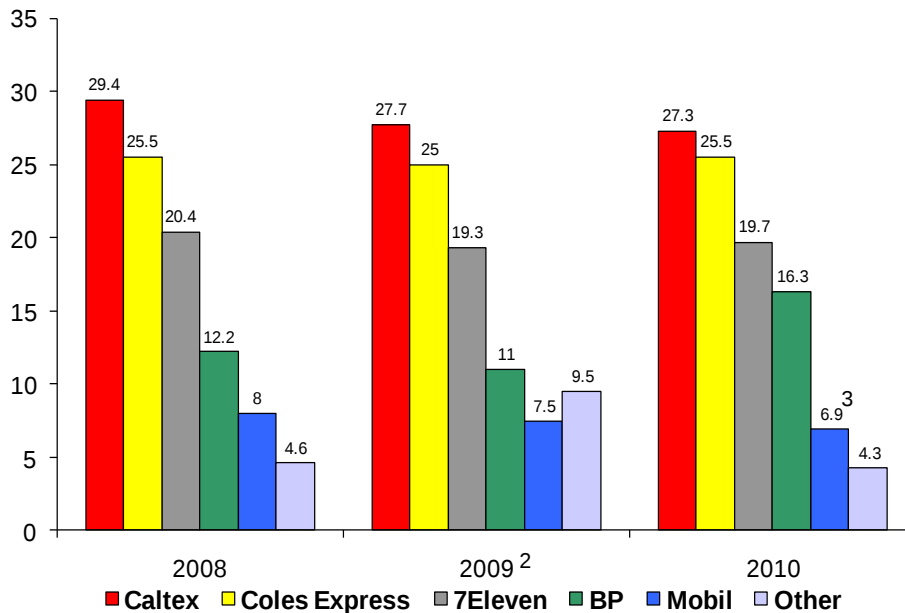
- Caltex supplies around 2000 sites across Australia
- Majority of the volume is dominated by metropolitan sites
 - About 40% CTX operated and franchised
 - About 40% Woolworths supply agreement
- Non-metropolitan supply volume
 - About 20% Reseller

About 50% of the retail network moves 80% of sales volume



We are the leading convenience retailer in Australia

Convenience Store Market Share ¹



Key data

- Caltex data includes 644 sites of which 472 are Star Mart/Shop convenience stores
- Average weekly shop sales of \$36.3K
- \$1 Billion shop turnover pa
- 2,200 product lines
- Over 3 million customers per week

Top 5 categories:

- Tobacco 32.3% of total sales in 2010
- Beverages 16.8% of total sales in 2010
- Communications 9.2% of total sales in 2010
- Confectionery 6.6% of total sales in 2010
- Bread & Milk 7.2% of total sales in 2010

¹ Source : ACNielsen ScanTrack

² Share 09 vs 08 impacted by increased store numbers participating in Nielsen survey

³ In October 2010, 7-Eleven acquired the Mobil sites in Australia.



Contents

1. Who is Caltex Australia?
2. Caltex core strategy elements
3. Understanding our results
4. Outlook



Caltex core strategy

Culture

- New values introduced in 2010
- Remuneration system revised

Cost and efficiency (Catalyst)

Growth

- Organic growth in Marketing
- Premium fuels, diesel, jet, finished lubricants, convenience stores
- Underpinned by strategic infrastructure investment
- Industry restructuring - positioned for inorganic growth



Culture – Our values



CALTEX



care



trailblaze



serve



own



move



win



Catalyst –2010

The target

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



Catalyst –2010

The target

- ✓ 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



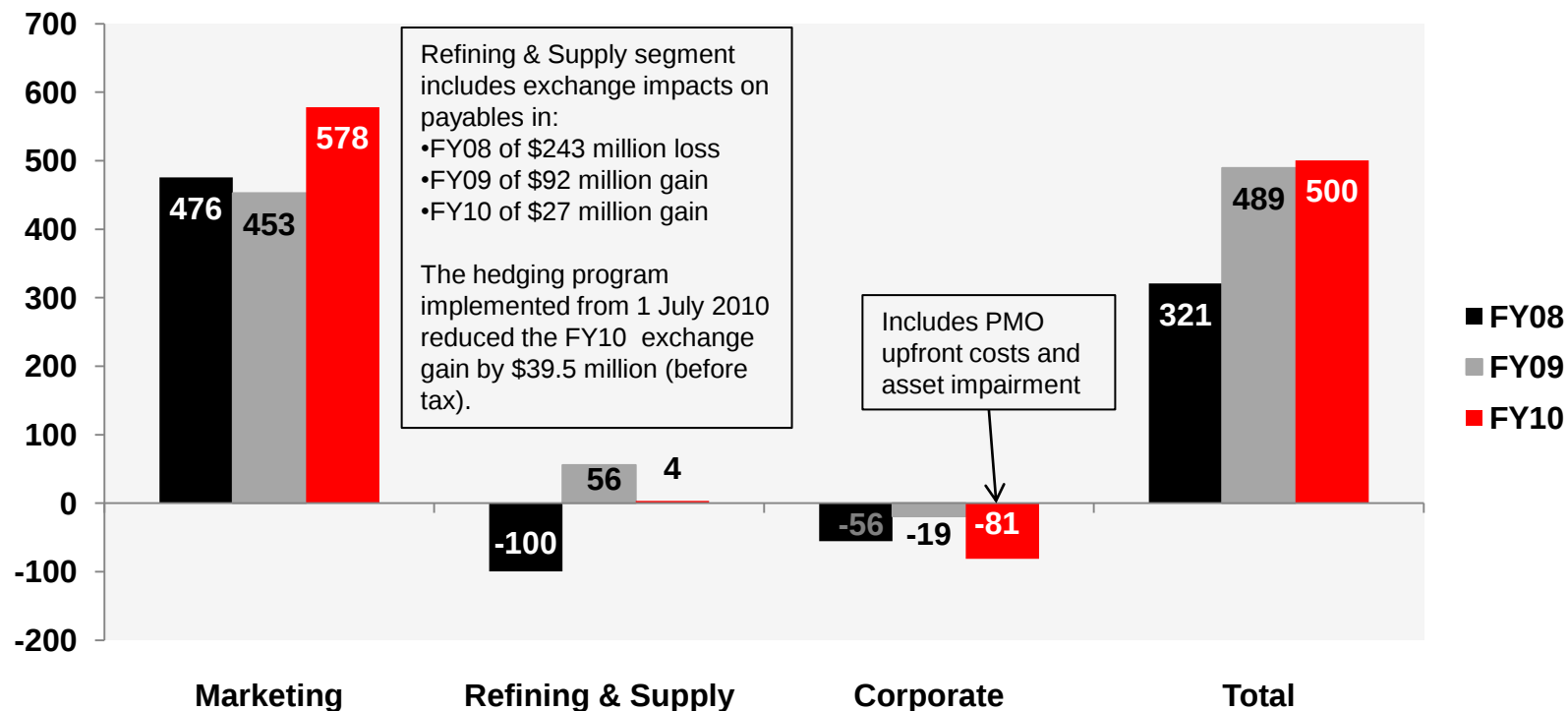
Contents

1. Overview
2. Caltex core strategy elements
3. Understanding our results
4. Outlook



2010 segmented results

RCOP EBIT* (\$M)



*RCOP EBIT, excluding significant items

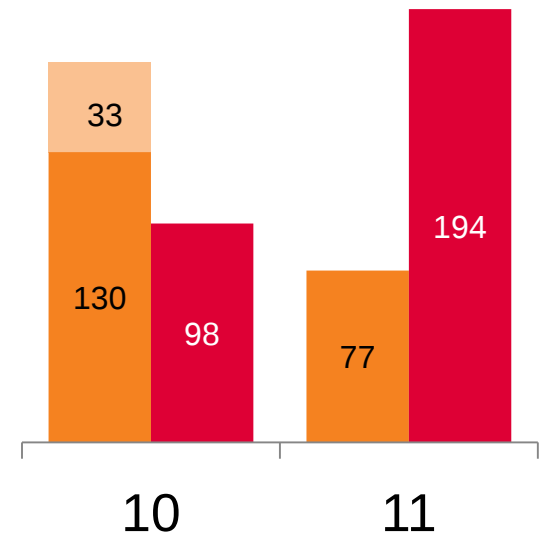
#Segment results are based on a transfer price between Refining & Supply and Marketing determined by reference to relevant import parity prices for petrol, diesel and jet, and other products including specialties and lubricants. Such a basis does not necessarily reflect the economic profitability of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



Caltex 1Q11 performance

- Unaudited 2011 Q1 RCOP NPAT of \$77 Million and HCOP NPAT of \$194 million after tax including inventory gains of \$117 million
- Marketing sales volumes up 5% overall
- Premium fuels volumes up 55%, Diesel volumes up 14%, Jet fuel volumes up 9%
- Finished lubricants sales volumes up 17%
- Asian supply demand balance continues to support gradual refiner margin improvement
- Events in Libya and Japan raising benchmark prices and crude premiums
- Timing lag reduced Q1 result by US\$2.13/bbl or \$24 Million after tax for the quarter
- Unplanned outage at Lytton negatively impacted result by approximately \$10 Million
- 2010 Q1 result supported by volatility in APPI Tapis Benchmark crude price

NPAT (\$ Millions)



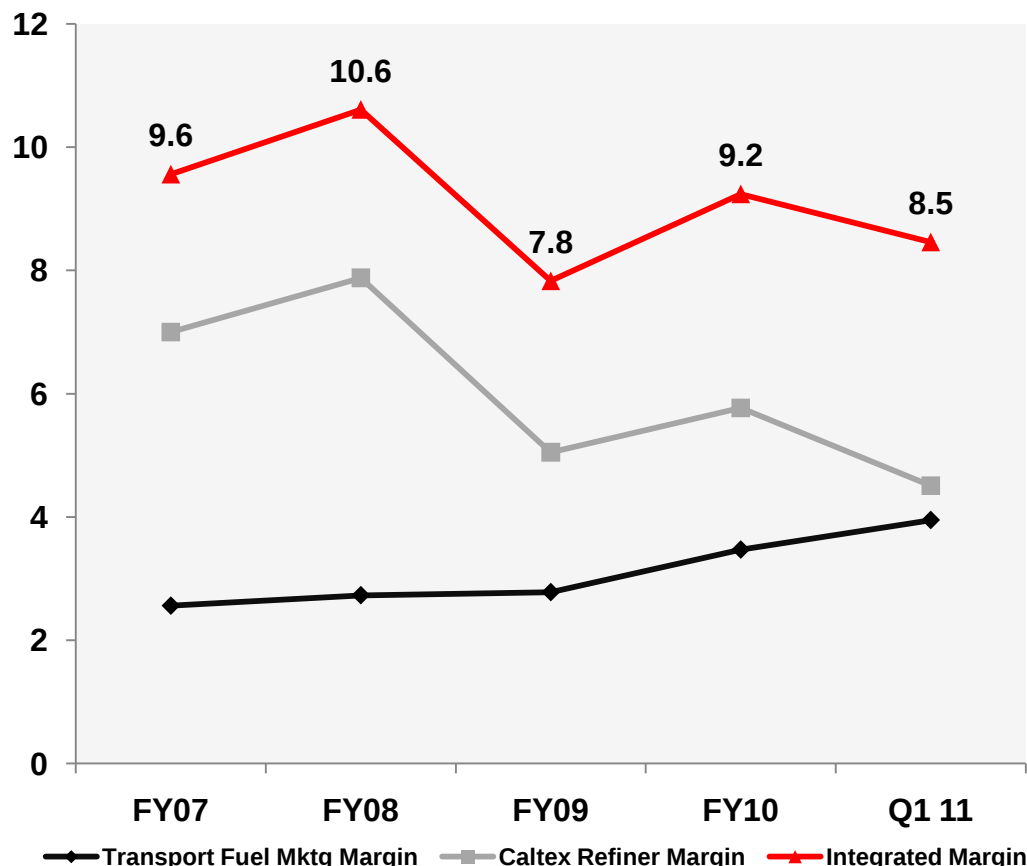
RCOP Q1 HCOP Q1 RCOP Q2



Integrated transport fuels margin (Acpl)

Caltex Integrated Gross Transport Fuels Margin* (Acpl)

Q1 11 Margins



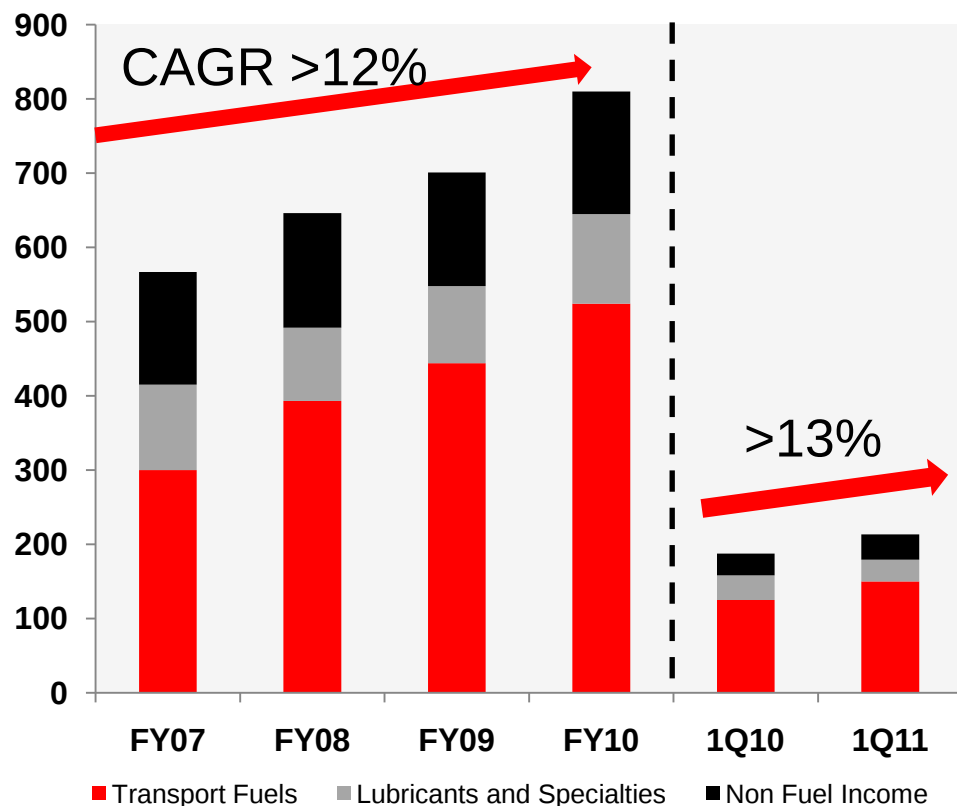
- USD refiner margins negatively impacted by lag effect due to sharply rising crude price
- High AUD has reduced the translated refiner margin
- Transport margin enhanced through improved product mix and changes to franchise agreements

*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).



Marketing results reflect strategic focus

Marketing gross contribution (\$M)



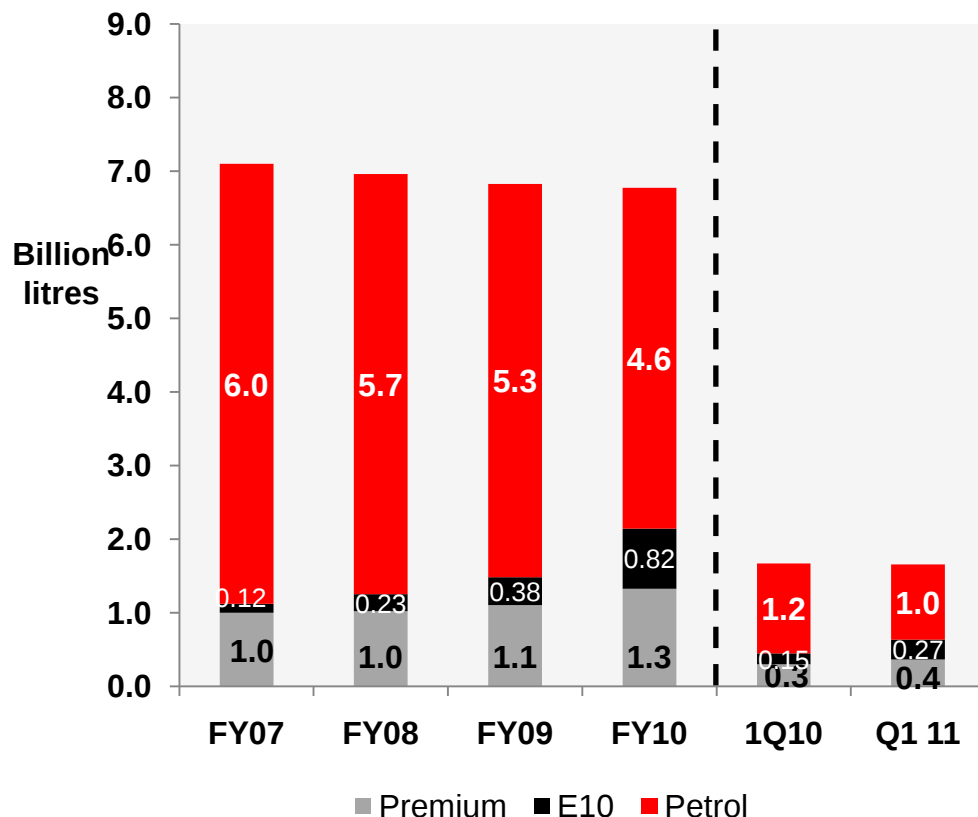
1Q11 - Strong Growth Continues

- Gross contribution up more than 13% on 1Q10
- Transport fuels volumes up 6.2% on pcg basis
- Contribution from Lubricants up 8.6% on pcg basis however Specialties contribution negatively impacted by low bitumen and LPG sales due to Queensland floods
- Non fuel income contribution up 14.6% on pcg basis



Transport fuel sales – Premium fuels growth

CTX Petrol Sales



1Q11 Petrol Sales

- Total volume of petrol sales declined 1% on pcp basis
- Margin enhancement through product mix
- Premium gasoline sales up 22% on pcp basis
- E10 sales up more than 85% on pcp basis

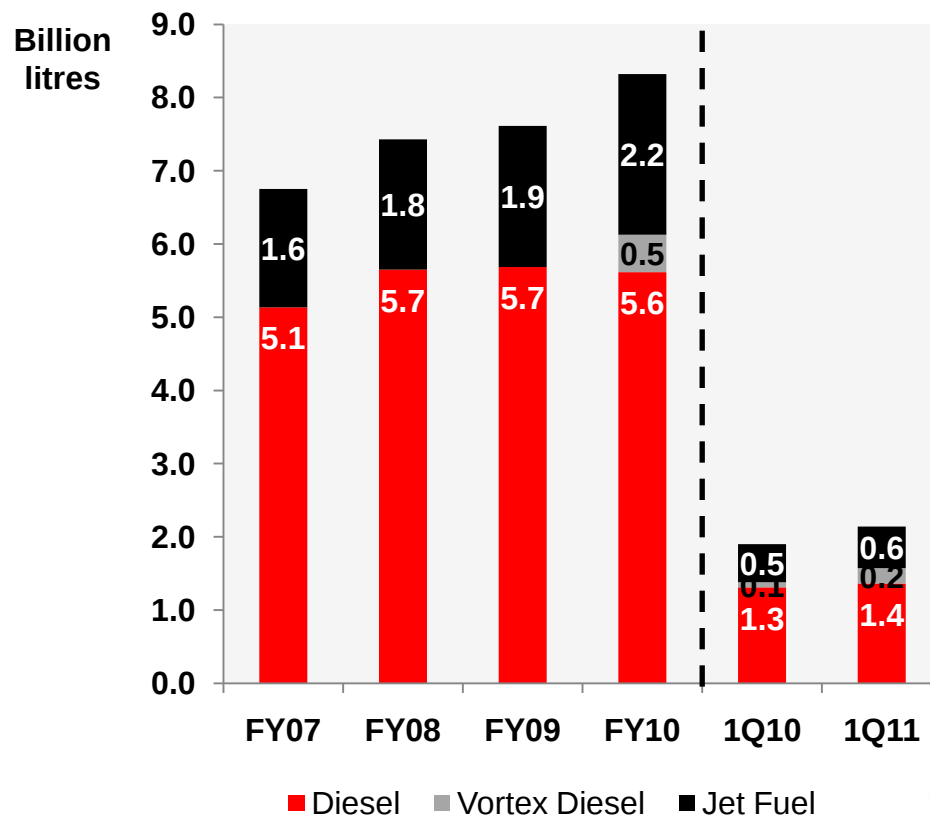


Transport fuel sales – Growth continues

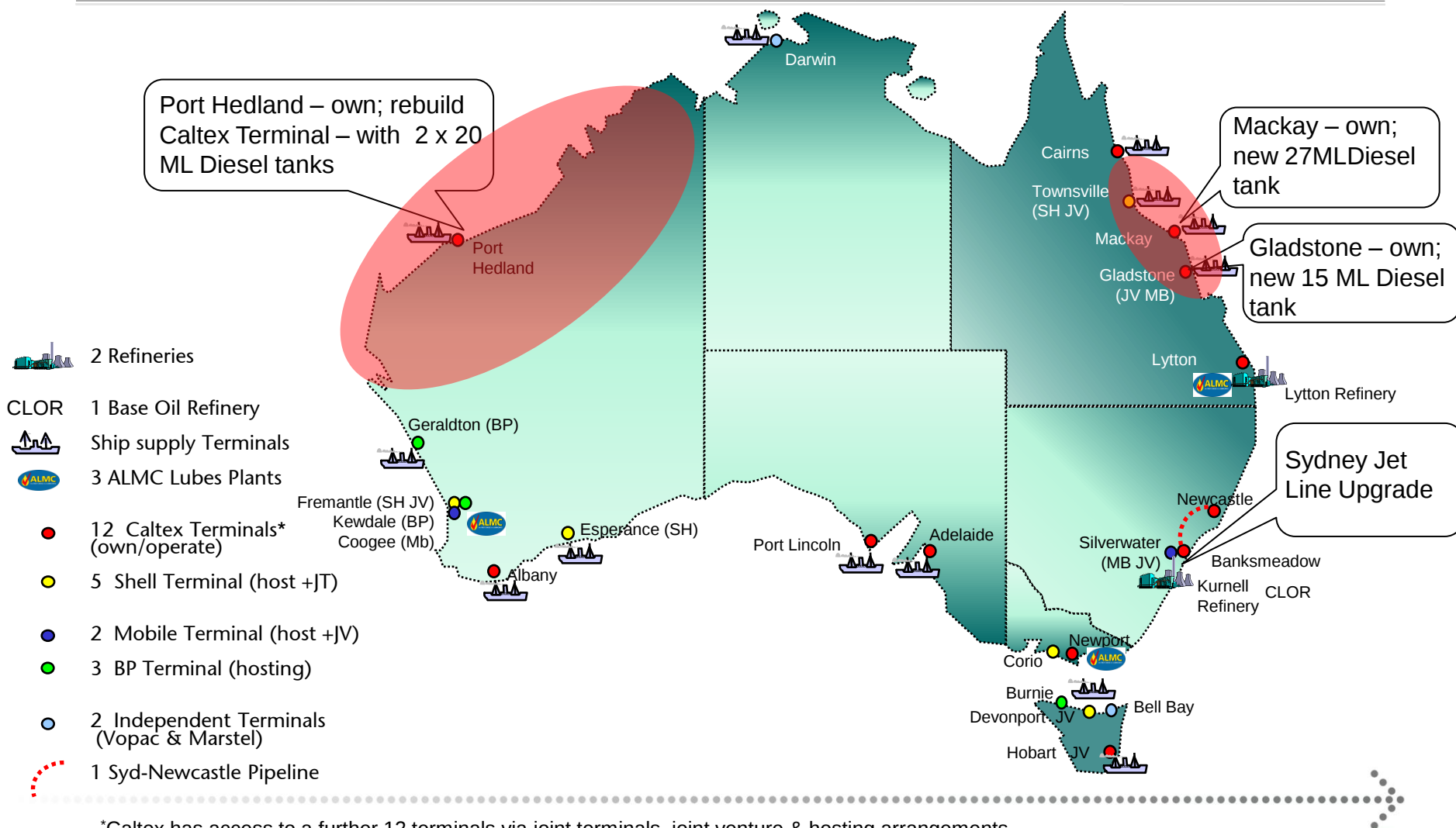
1Q 11 Diesel Sales

- Total volume of diesel sales up 13.8% on pcp basis
- Vortex diesel sales almost tripled from low base
- Jet fuel sales up 9.3% on pcp basis

CTX Diesel and Jet Fuel Sales



Investments in well located infrastructure

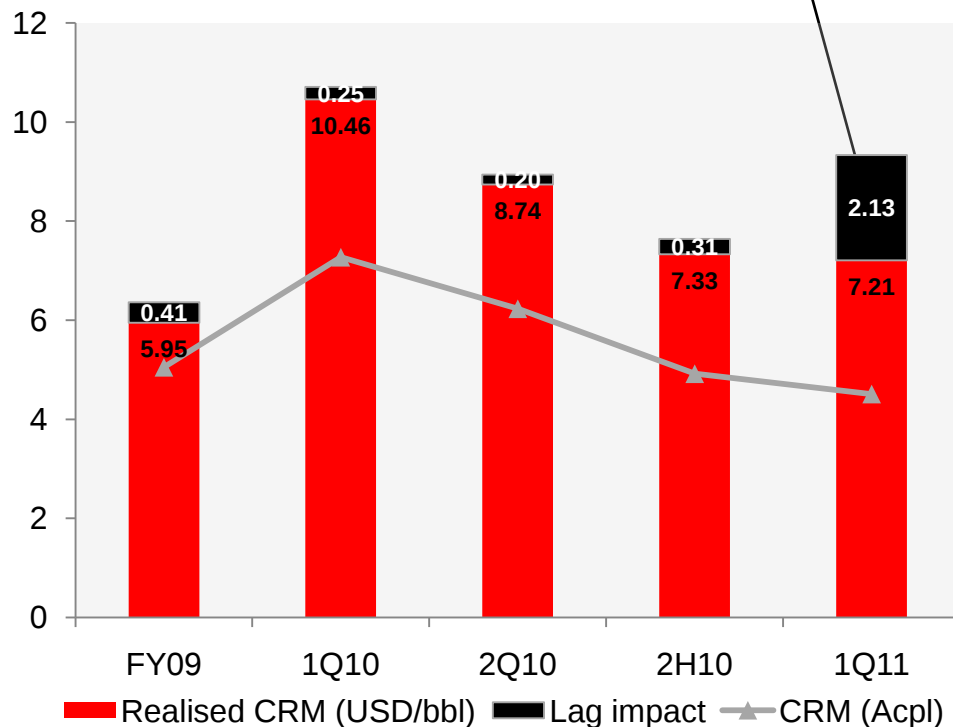


*Caltex has access to a further 12 terminals via joint terminals, joint venture & hosting arrangements



Caltex Refiner Margin

The CRM was negatively impacted by a market price timing lag of US \$2.13/bbl in 1Q11 (A\$33.7million) compared with only US\$0.25/bbl for 1Q10.



*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

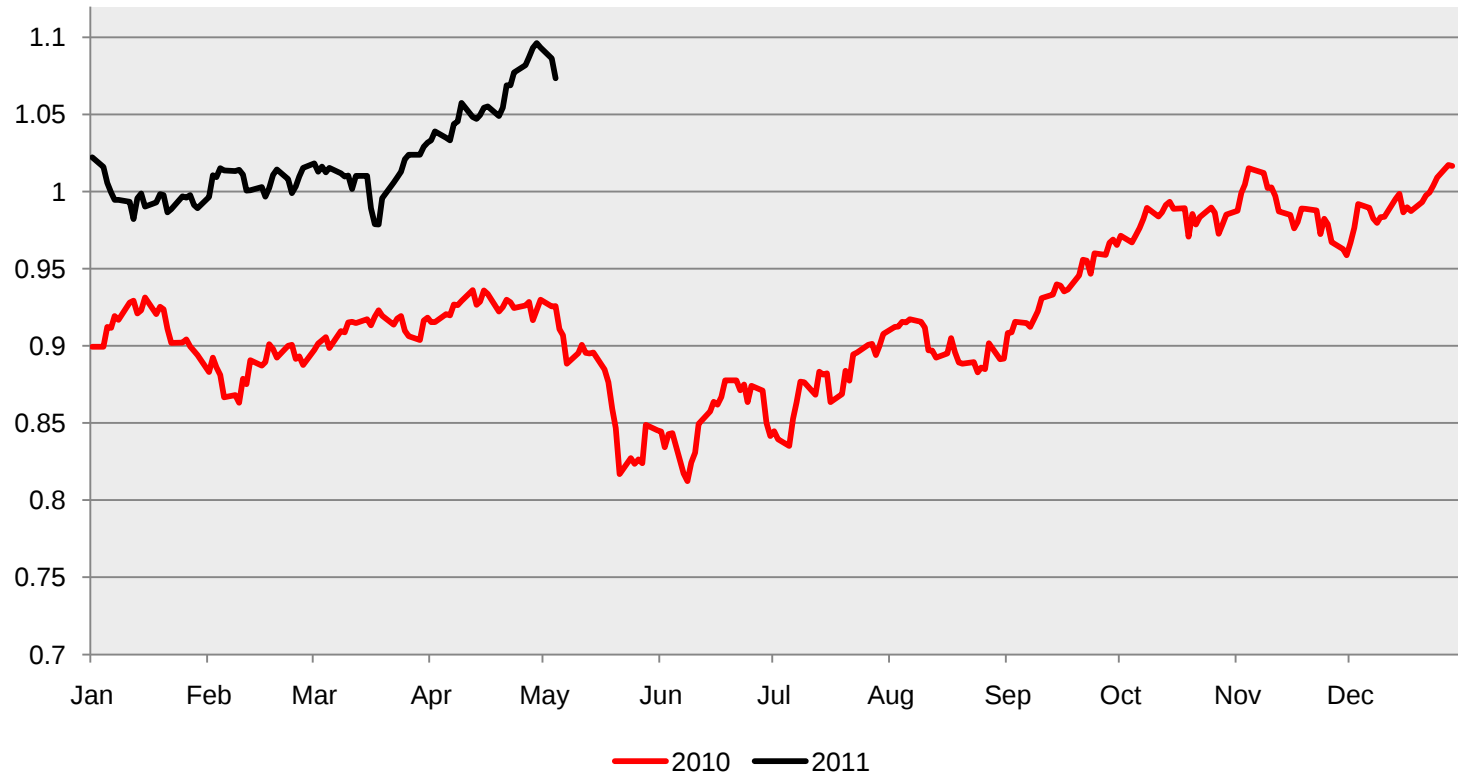
1Q11 - CRM

- 1Q11 CRM impacted negatively by 7 day timing lag due to sharply rising crude price
- In contrast 1Q10 CRM supported artificially by weakness in APPI Tapis benchmark relative to other crude benchmarks
- Strong AUD continues to weigh on the translated refiner margin
- Bottom of the cycle refiner margins experienced in 2009



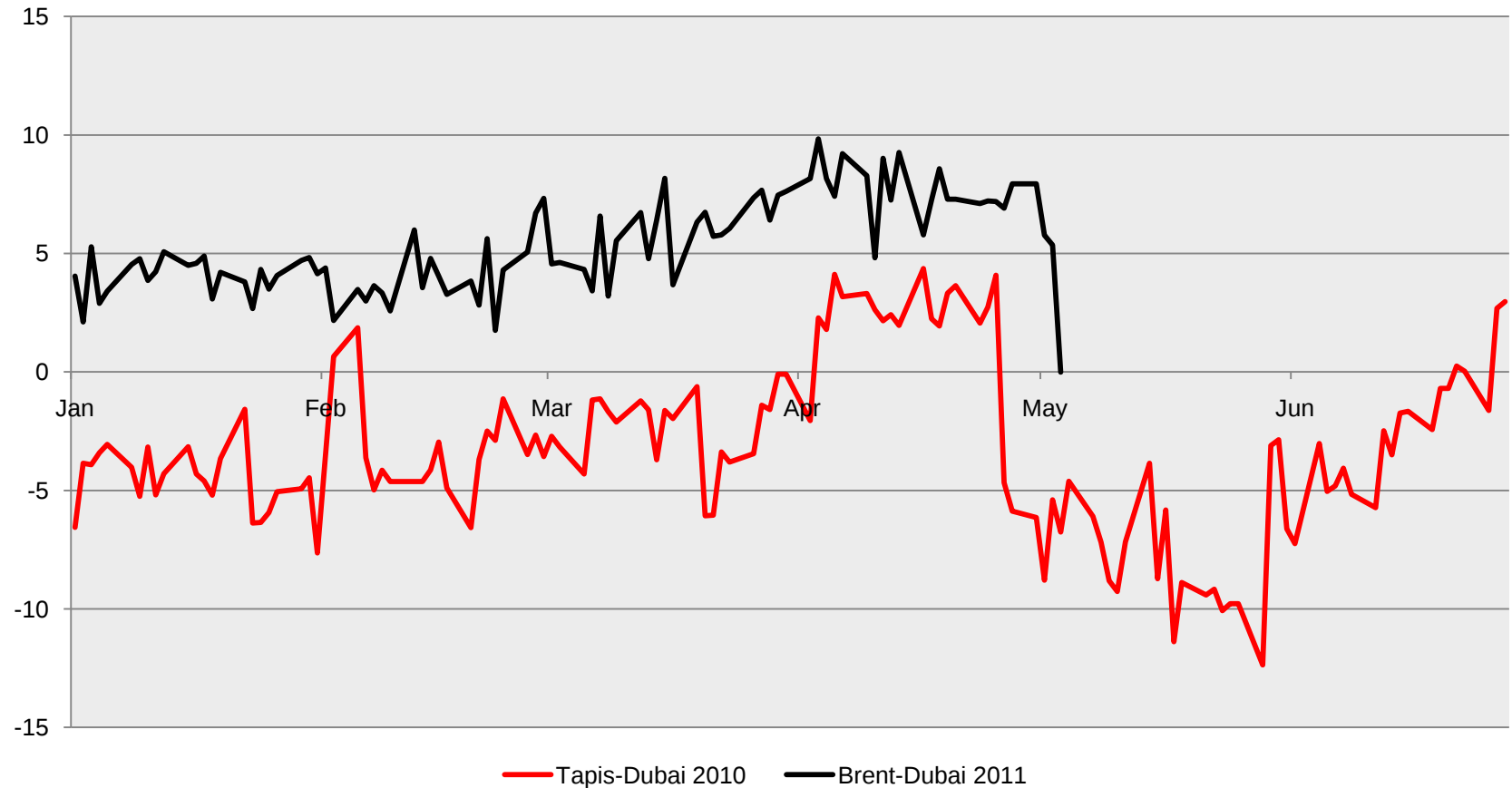
Exchange Rate

AUDvsUSD



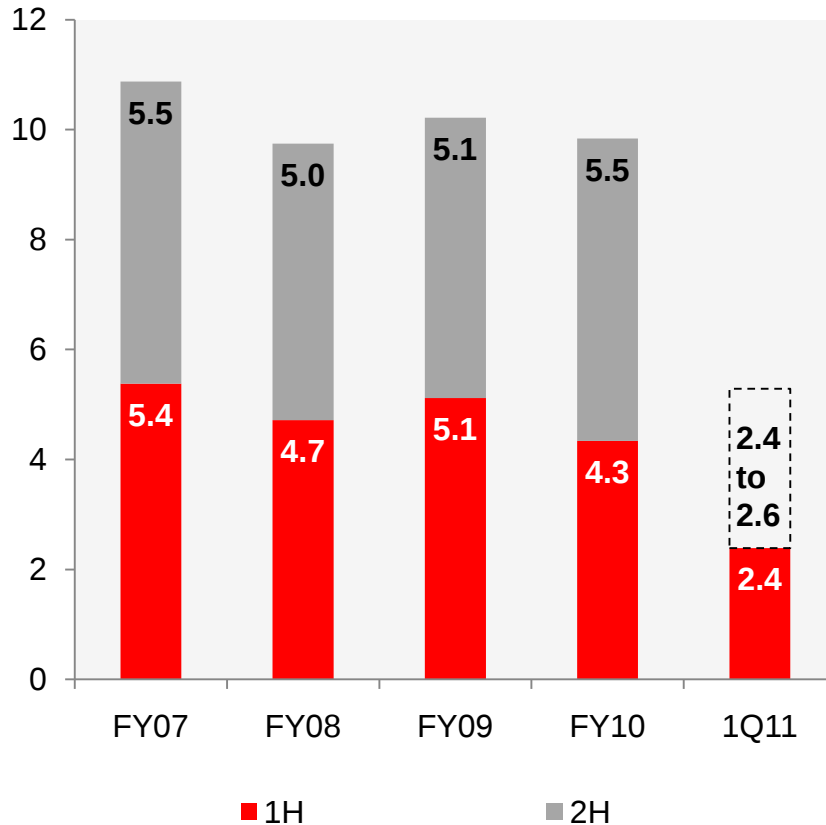
Light Heavy Spread

Light Heavy Spread



Forecast improvement in production level for 1H11

Refinery transport fuel production (Billion Litres)



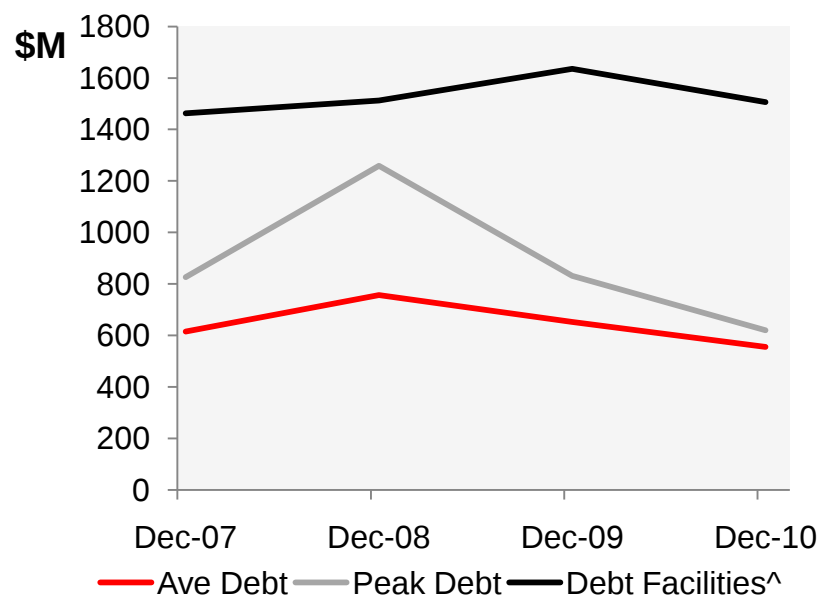
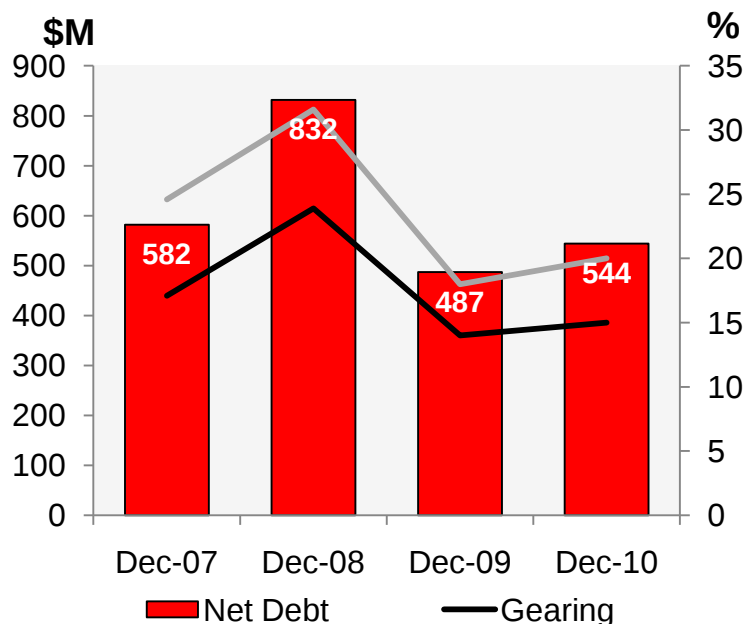
- 1Q11 production reduced by Lytton unplanned outage (200ML) and Kurnell planned major maintenance
- 1H production expected to be between 4.8 and 5.0 BL
- No major maintenance planned for 2H11

Financial strength

BBB+ stable rating

Positioned to take advantage of industry rationalisation underway

Dividend Policy – payout 40 – 60% RCOP NPAT (Excluding significant items)*



*The declaration and amount of dividends are at the sole discretion of the Caltex Board. In making a decision concerning the dividend, the Caltex Board will take into account Caltex's earnings for the period, future capital requirements and other relevant factors, such as the outlook for the business.

^Debt facilities includes committed facilities as at December 2010. (Note: Introduction of hedging program has allowed a reduction in debt facilities.)

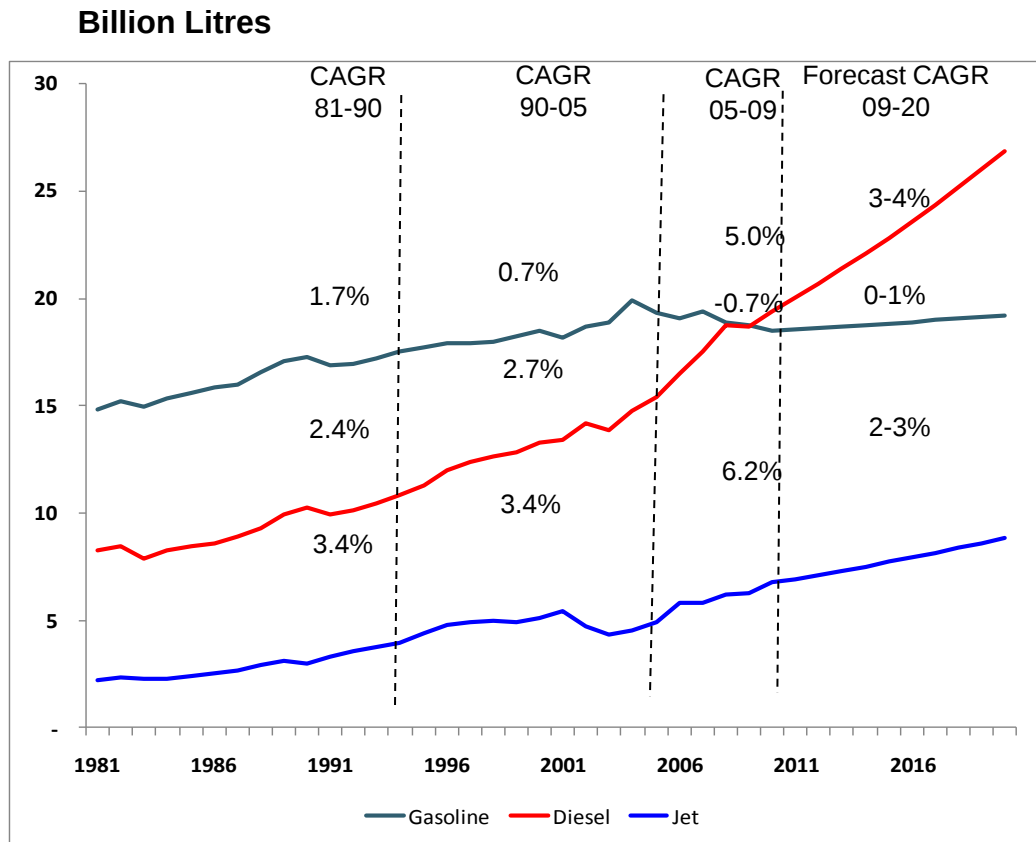


Contents

1. Who is Caltex Australia?
2. Caltex core strategy elements
3. Understanding our results
4. Outlook



A decade of demand growth for diesel and jet expected

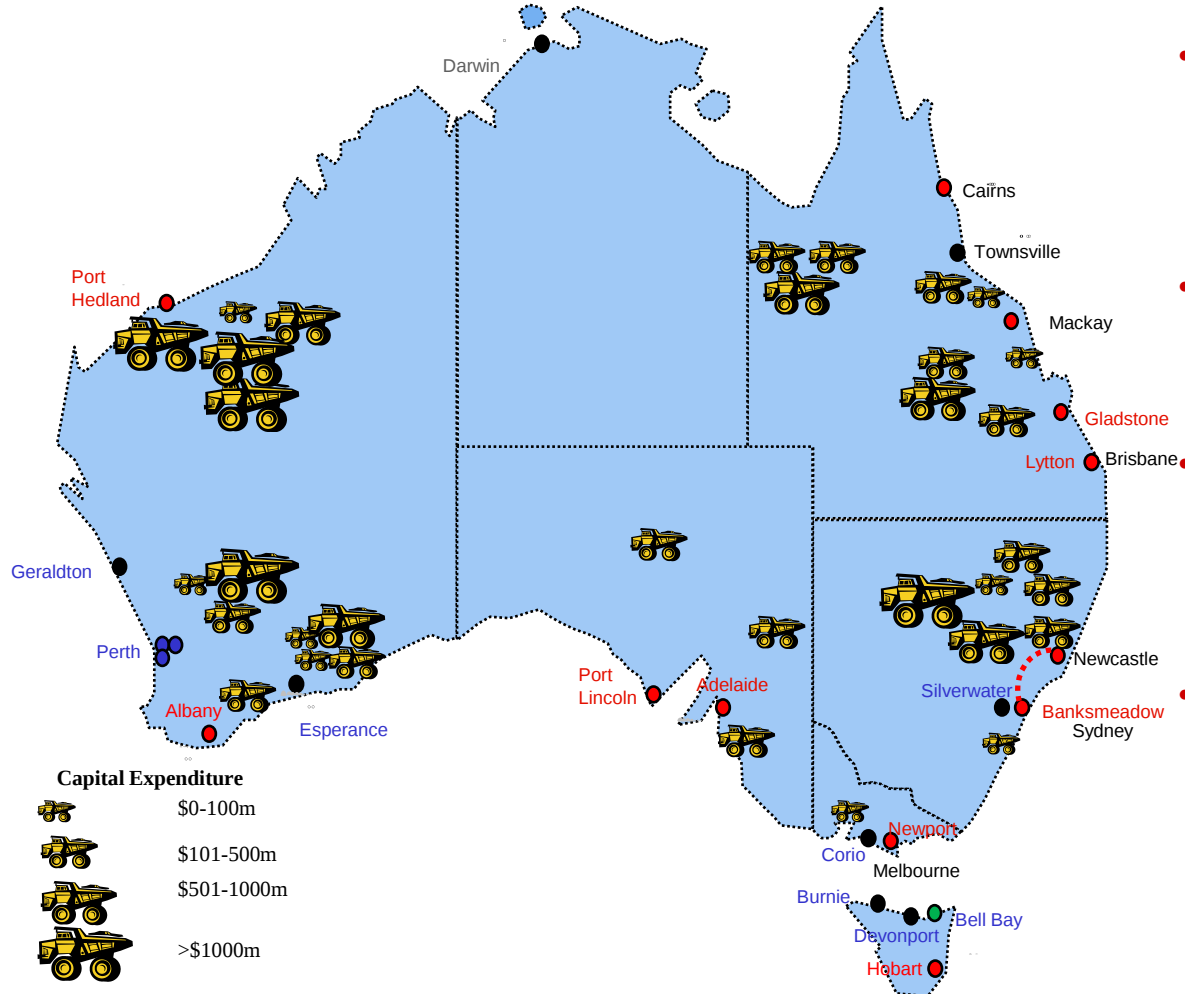


Source: ABARE; DITR & CTX Analysis

- 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



Exposure to Diesel Demand – Mining projects 2011-13

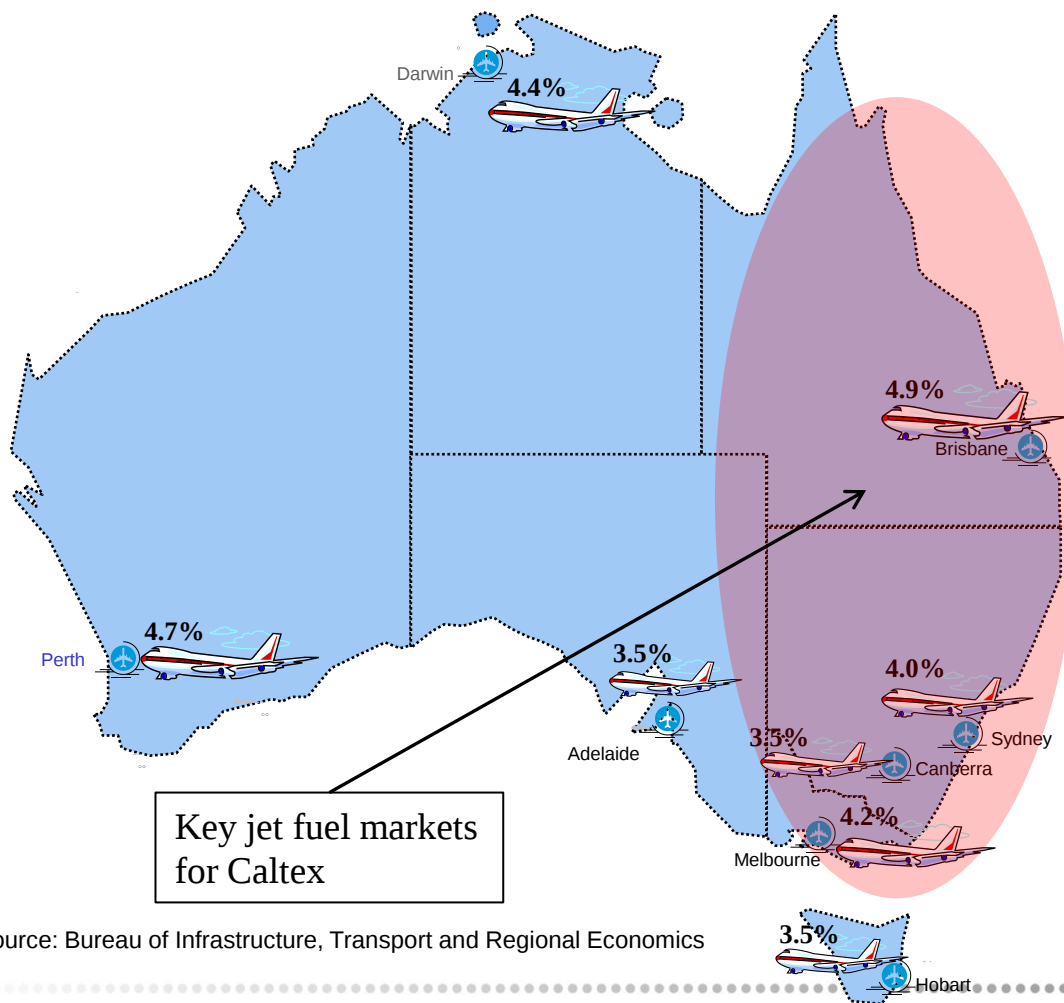


- Nearly 40 mt of Black Coal mining projects in NSW and QLD combined
- Nearly 140 mt of Iron Ore mining projects in WA
- Plus various Uranium, Copper, Gold, other metals and rare earths projects
- Caltex forecasts diesel demand growth at 3-4% CAGR over the next decade

Source: ABARE



Jet Fuel Demand – Passenger movements

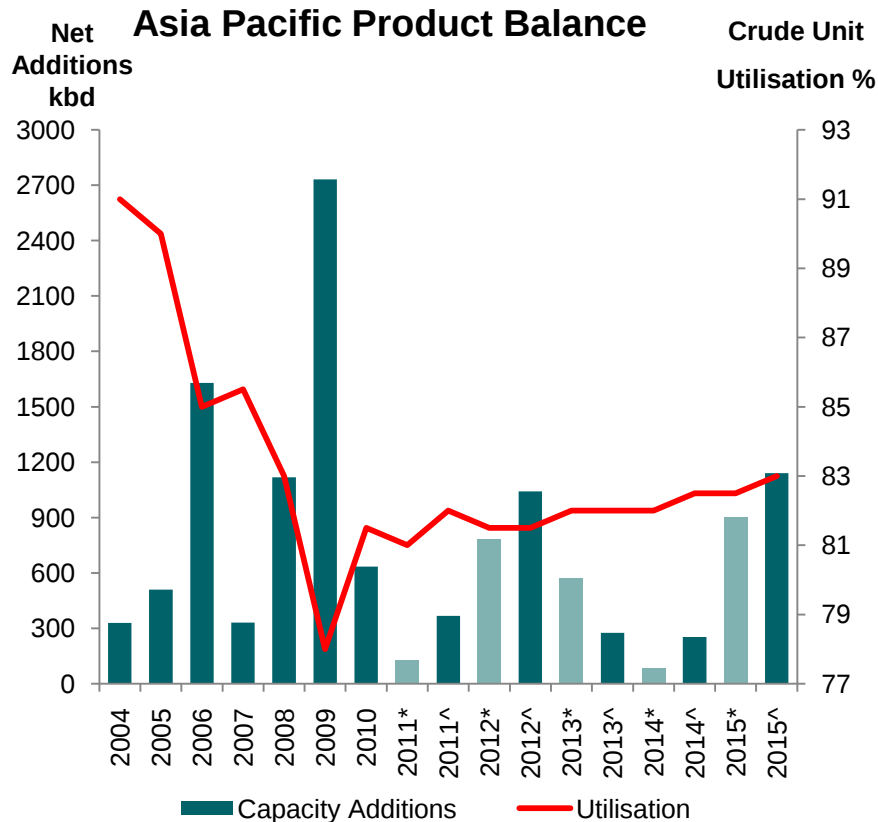


Source: Bureau of Infrastructure, Transport and Regional Economics

- 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.



Slow recovery in supply demand balance expected



- Projected net capacity additions in 2011 have increased due to a higher forecast for China's additions and lower forecast closures in Japan
- The latest FACTS forecast is for Asian product demand growth to be 3.5% in 2011, up from the previous forecast of 2.3%
- The longer term demand forecast out to 2020 remains similar at about 2.5% per annum

Gradual margin recovery underway as demand growth outstrips net capacity additions

Source: FACTS Global Energy, Caltex estimates

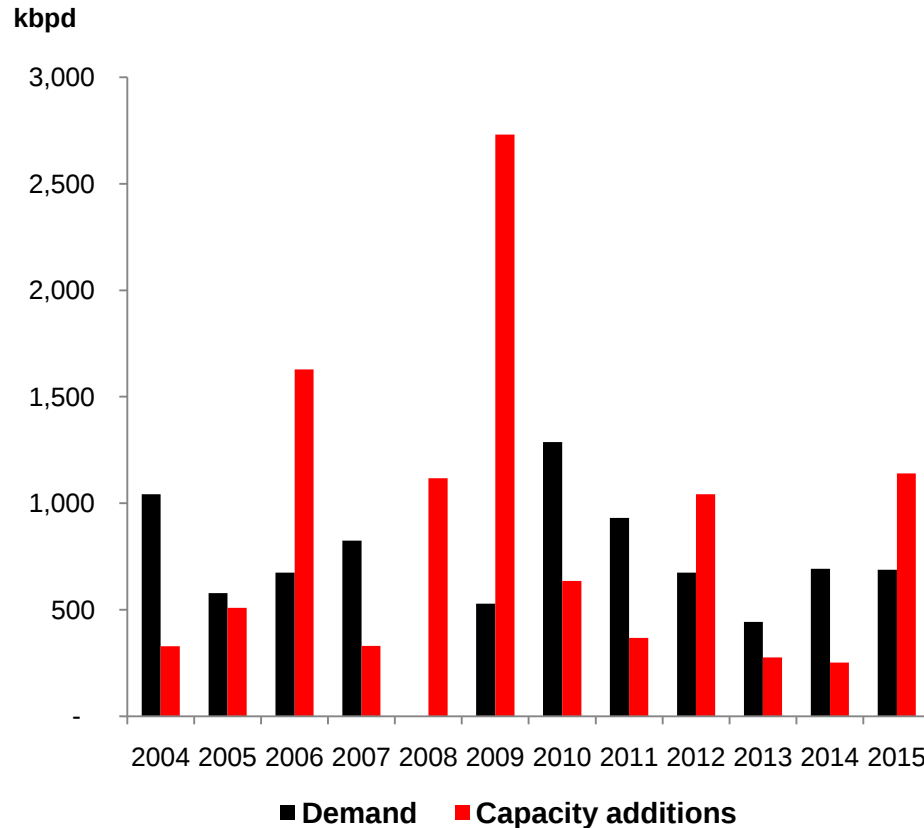
* October 2010 Forecast. Capacity additions are net of forecast closures

^ April 2011 Forecast. Capacity additions are net of forecast closures



Demand Growth vs refining capacity additions

Asia Pacific Product Demand vs CDU Capacity Additions



Source: FACTS Global Energy, Caltex estimates
April 2011 Forecast. Capacity additions are net of forecast closures

- 2012 and 2015 are projected to be the peak years for refining capacity additions in Asia
- Overall, product demand growth is projected to exceed capacity expansion over the next 5 years, which will help to support refiner margins
- Any delays in capacity build will also be favourable for margins



Key points

A Marketing company supported by a strong supply chain

Favourable Australian market dynamics

- Short position – import parity pricing
- Tight fuel specifications – no significant change to regional balances over next 5 years – Quality Premium expected to be retained

Transparent corporate governance regime, relative to Asian peers

Access to significant benefits through relationship with Chevron

Located within the Asian Region

- Region is long but growing faster than other regions
- Additional capacity closures and run cuts will help maintain margins

Growth opportunities

- Downstream Industry rationalisation
- Strong balance sheet



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 period ended 31 March 2011; 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 30 April 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.
- While management has taken every effort to ensure the accuracy of the material in the presentation, the presentation is provided for information only. Caltex Australia Limited, its officers and management exclude and disclaim any liability in respect of anything done in reliance on the presentation.
- All forward-looking statements made in this presentation are based on information presently available to management and Caltex Australia Limited assumes no obligation to update any forward looking- statements. Nothing in this presentation constitutes investment advice and this presentation shall not constitute an offer to sell or the solicitation of any offer to buy any securities or otherwise engage in any investment activity. You should make your own enquiries and take your own advice in Australia (including financial and legal advice) before making an investment in the company's shares or in making a decision to hold or sell your shares. You should also refer to Caltex Australia Limited's 2010 Annual Review and 2010 Annual Report and the 2010 Preliminary Final Report.

