BY ELECTRONIC LODGEMENT **ASX ANNOUNCEMENT**

CALTEX

CALTEX AUSTRALIA LIMITED
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21 July 2011

Company Announcements Office
Australian Securities Exchange

CALTEX AUSTRALIA LIMITED
CALTEX REFINER MARGIN UPDATE (JUNE 2011)

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

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Company Secretary

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Attach.

CALTEX

Caltex Australia

ASX Release

For immediate release

21 July 2011

Caltex Refiner Margin Update (June 2011)

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

Measure	June 2011	June 2010
Unlagged CRM	US$6.51/bbl	US$7.88/bbl
Impact of 7 day lag (negative)/positive	US$1.39/bbl	(US$0.60/bbl)
Realised CRM	US$7.90/bbl	US$7.28/bbl
CRM Sales from production	766Ml	698Ml

Diesel and jet fuel product margins were supported by continuing strong demand. Gasoline product margins came under pressure due to low US demand, resulting in a Singapore Weighted Average Margin for June 2011 of US$9.98/bbl.

The average Dated Brent price in the last week of June was lower than the last week of May by approximately US$8/bbl. This has resulted in a positive lag impact on the CRM for June. The situation in Libya continues to negatively impact the Company's results through high freight rates for West African cargoes while the high crude cost has increased the yield loss impact on CRM. Despite the fall in the price of Dated Brent, the Brent – Dubai spread remained above US$6/bbl during June.

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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