BY ELECTRONIC LODGEMENT **ASX ANNOUNCEMENT**

CALTEX AUSTRALIA LIMITED
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20 October 2011

Company Announcements Office
Australian Securities Exchange

CALTEX AUSTRALIA LIMITED
CALTEX REFINER MARGIN UPDATE (SEPTEMBER 2011)

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

Peter Lim
Company Secretary

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Attach.

Caltex Australia

ASX Release

For immediate release
20 October 2011
Caltex Refiner Margin Update (September 2011)

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

Measure	September 2011	September 2010
Unlagged CRM	US$9.74/bbl	US$5.34/bbl
Impact of 7 day lag (negative)/positive	(US$0.88/bbl)	US$0.82/bbl
Realised CRM	US$8.86/bbl	US$6.16/bbl
CRM Sales from production	869Ml	829Ml

Despite only a minor fall in the Dated Brent price in the last week of September compared with the last week of August, a negative lag impact on the CRM for September occurred due to the fall in the average exchange rate to 98.6 US cents compared with 104.8 US cents in the last week of August. The Brent – Dubai spread was approximately US$7/bbl during September and continues to put pressure on the CRM, compared to the long term Brent – Dubai spread of US$3 – 4/bbl. The high crude price also continues to negatively impact the CRM due to higher dollar yield losses.

The unlagged Singapore Weighted Average Margin for September 2011 was US$11.47/bbl.

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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