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ASX ANNOUNCEMENT



CALTEX

CALTEX AUSTRALIA LIMITED
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16 December 2011

Company Announcements Office
Australian Securities Exchange

CALTEX AUSTRALIA LIMITED
2011 FULL YEAR PROFIT OUTLOOK

An *ASX Release* titled "2011 full year profit outlook" is attached for immediate release to the market.



Peter Lim
Company Secretary

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

Attach.

ASX Release

For immediate release

16 December 2011

2011 full year profit outlook

Key points:

- Full year Historic Cost Profit (HCOP) outlook \$330 million - \$350 million including significant items
- Full year RCOP¹ outlook \$245 million - \$265 million before significant items
- Marketing continues strong growth
- Refinery review is ongoing

Results summary	Full year ended 31 December	
	2011 outlook	2010
Historic Cost result after tax	\$M	\$M
Excluding significant items	395-415	333
Including significant items	330-350	317
RCOP result:		
After tax		
Excluding significant items	245-265	318
Including significant items	180-200	302
Before interest and tax		
Excluding significant items	415-445	500
Including significant items	320-350	477

Historic Cost Profit

On an Historic Cost Profit basis, Caltex expects an after tax profit in the range of \$330 million – \$350 million for the 2011 full year including significant items of approximately \$65 million (after tax), compared with the 2010 full year result of \$317 million, including significant items of \$16 million (after tax). The 2011 outlook includes forecast product and crude oil inventory gains of approximately \$150 million after tax, compared with an inventory gain of \$15 million after tax in 2010.

The significant items include the costs associated with the decisions to close the #1 Fluidised Catalytic Cracking Unit (FCCU) and Propane De-Asphalting Unit (PDU) at the Kurnell refinery (which were announced in October 2011), redundancies associated with the decision to outsource most of Caltex's in-house maintenance activities at its Kurnell and Lytton refineries (which were announced in August 2011), and other consulting costs.

With the exception of the costs associated with the closure of the PDU and #1 FCCU (highlighted above), the forecast excludes any significant items related to carrying value adjustments. As part of the preparation of its year end accounts, and in the context of the continuing strength of the Australian dollar combined with the challenging outlook for refiner margins, Caltex is undertaking an analysis of the recoverability of its asset carrying values in accordance with AASB 136 Impairment of Assets. Any adjustments to asset carrying values arising out of this analysis will be determined around the time of the full year results release, scheduled for February 2012.

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 historic cost, including the effect of contract based revenue lags.

Replacement Cost Operating Profit

On a Replacement Cost Operating Profit (RCOP) basis, Caltex forecasts an after tax profit for the 2011 full year of \$245 million to \$265 million, excluding significant items. This outlook compares with \$318 million for the 2010 full year (excluding significant items). The difference between 2010 and 2011 is largely attributable to challenging externalities and operational disruptions during 2011. These externalities include a higher Australian dollar and a wider light-heavy crude oil price spread.

Marketing performance

Marketing continues to focus on its core strategy of driving sales of premium fuels, diesel, jet and lubricants, with record volumes achieved to date for each of these products. Based on this volume growth and continued strength in convenience store earnings, Marketing expects to achieve a record result for 2011.

Review of Refining operations

The deteriorating external conditions mentioned above continue to present challenges and pressure Refining earnings. Despite these headwinds, the Refining team has focused on driving efficiencies and maintaining safe and reliable operations. The detailed work to review the role of Caltex's refineries in supplying customers is ongoing. A broad range of options is being explored and the complex nature of this work means that a decision is still a number of months away.

Debt position

Net debt at 31 December 2011 is forecast to be approximately \$600 million, compared with \$544 million at 31 December 2010.

Caltex is committed to maintaining a BBB+/Stable credit rating.

Notes

The forecast results for the 2011 full year are subject to audit and normal period end close processes.

The forecast results assume a year end parity AUD/USD exchange rate, a December average AUD/USD exchange rate of 101 cents, a December average unlagged CRM² of US\$5.50/bbl and a December average Dated Brent crude benchmark of US\$110/bbl. Small changes in these key externalities during the balance of the month of December 2011 can materially affect both the RCOP and historic cost results for the full year.

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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.