BY ELECTRONIC LODGEMENT **ASX ANNOUNCEMENT**

CALTEX AUSTRALIA LIMITED
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Company Announcements Office
Australian Securities Exchange

CALTEX AUSTRALIA LIMITED
CALTEX REFINER MARGIN UPDATE (DECEMBER 2011)

An *ASX Release* titled "Caltex Refiner Margin Update (December 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
31 January 2012
Caltex Refiner Margin Update (December 2011)

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

Measure	December 2011	December 2010
Unlagged CRM	US$7.17/bbl	US$10.19/bbl
Impact of 7 day lag (negative)/positive	US$0.75/bbl	(US$2.16/bbl)
Realised CRM	US$7.92/bbl	US$8.03/bbl
CRM Sales from production	888Ml	926Ml

The falling USD Dated Brent price combined with a higher AUD contributed to a positive lag of US$0.75/bbl for the month of December. Gasoline margins improved in December as major Asian refineries announced production rate cuts due to slumping refiner margins. Middle distillate margins came under pressure from the unseasonal warmer northern winter. The Brent-Dubai spread narrowed further in December as North Sea and Libyan production returned. In December, the Brent-Dubai spread averaged US$1.402/bbl.

The unlagged Singapore Weighted Average Margin for December 2011 was US$11.46/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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