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ASX ANNOUNCEMENT



CALTEX

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23 February 2012

Company Announcements Office
Australian Securities Exchange

CALTEX AUSTRALIA LIMITED
CALTEX REFINER MARGIN UPDATE (JANUARY 2012)

An *ASX Release* titled "Caltex Refiner Margin Update (January 2012)" is attached for immediate release to the market.



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Company Secretary

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Attach.

ASX Release

For immediate release

23 February 2012

Caltex Refiner Margin Update (January 2012)

Caltex advises its realised lagged¹ Caltex Refiner Margin (CRM²) in respect of CRM sales from production for the month of January 2012.

Measure	January 2012	January 2011
Unlagged CRM	US\$8.91/bbl	US\$9.89/bbl
Impact of 7 day lag (negative)/positive	(US\$0.72)/bbl	(US\$1.03/bbl)
Realised CRM	US\$8.19/bbl	US\$8.86/bbl
CRM Sales from production	791MI	847MI

The unlagged Singapore Weighted Average Margin for January 2012 was a relatively strong US\$16.21/bbl. Gasoline margins improved significantly in January as refinery closures in Europe and North East USA, combined with refinery maintenance in north Asia and the Middle East, reduced supply, and demand was supported by stronger buying from Indonesia and Vietnam. Jet margins improved due to tight regional supply, while diesel margins strengthened due to ongoing strong demand. The strong rise in gasoline margins, particularly, contributed to a negative timing lag of US\$0.72/bbl as pump prices lagged the Singapore spot price.

Demand arising from Japanese oil burning power stations for light sweet crudes resulted in high crude premia and the ongoing high crude price impacted yield loss, both of which reduced the realised Caltex Refiner Margin. Meanwhile, the unseasonably wet and cold January impacted domestic demand, resulting in a fall in CRM sales from production compared to the same time last year.

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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