BY ELECTRONIC LODGEMENT **ASX ANNOUNCEMENT**

CALTEX AUSTRALIA LIMITED
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23 March 2012

Company Announcements Office
Australian Securities Exchange

CALTEX AUSTRALIA LIMITED
CALTEX REFINER MARGIN UPDATE (FEBRUARY 2012)

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

Peter Lim
Company Secretary

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Attach.

CALTEX

Caltex Australia

ASX Release

For immediate release

23 March 2012

Caltex Refiner Margin Update (February 2012)

Caltex advises its realised lagged[1] Caltex Refiner Margin (CRM[2]) in respect of CRM sales from production for the month of February 2012.

Measure	February 2012	February 2011
Unlagged CRM	US$6.51/bbl	US$9.72/bbl
Impact of 7 day lag (negative)/positive	(US$1.86)/bbl	(US$3.28/bbl)
Realised CRM	US$4.65/bbl	US$6.44/bbl
CRM Sales from production	866Ml	755Ml

The unlagged Singapore Weighted Average Margin for February 2012 was US$13.09/bbl. Margins for all products pulled back from January levels as weakness in the global economy and slowing regional demand put pressure on product prices. Meanwhile the light heavy spread widened to over US$3/bbl in February as Dated Brent crude prices rose in response to Iranian crude sanctions. The strong rise in crude price throughout the month contributed to a negative timing lag of US$1.86/bbl as pump prices lagged the Singapore spot price. Yield loss was also negatively impacted by the higher crude price.

During February the freight differential also reduced as the average crude freight cost for the month rose with the relatively high proportion of West African crudes purchased in response to the higher regional crude price.

The higher CRM sales from production compared to 2011 reflected the impact of the significant rain event early in 2011.

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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