



CALTEX AUSTRALIA LIMITED
ACN 004 201 307

LEVEL 24, 2 MARKET STREET
SYDNEY NSW 2000 AUSTRALIA

10 May 2012

Company Announcements Office
Australian Securities Exchange

CALTEX AUSTRALIA LIMITED
2012 ANNUAL GENERAL MEETING – FORMAL ADDRESSES

The 2012 Annual General Meeting (AGM) of Caltex Australia Limited (Caltex) is being held at 10 am today (Thursday, 10 May 2012).

The following material for the AGM is attached for release to the market:

- the formal addresses to shareholders by Ms Elizabeth Bryan (Chairman) and Mr Julian Segal (Managing Director & CEO) at the AGM and related presentation slides
- a “shareholder issues” list, which summarises key issues raised by shareholders prior to the AGM and Caltex’s responses to these issues

Peter Lim
Company Secretary

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

Attach.



CALTEX AUSTRALIA LIMITED
ACN 004 201 307

ANNUAL GENERAL MEETING – 10 MAY 2012

2012 AGM ADDRESSES

WELCOME & OPENING

(SLIDE – CALTEX AUSTRALIA LIMITED)

Good morning everyone, and welcome to the 2012 Annual General Meeting of Caltex Australia Limited.

We have a quorum of shareholders in attendance, so I declare this meeting open.

(SLIDE – ELIZABETH BRYAN)

Let me introduce myself. My name is Elizabeth Bryan and I have the honour of being the Chairman of the Caltex Board.

INTRODUCTORY MATTERS

(SLIDE – 2012 ANNUAL GENERAL MEETING)

The AGM is an important forum for all of us and gives you the opportunity to ask questions about Caltex's performance and management over the last year.

There will be several opportunities for your questions today. I will open the meeting to general questions after Julian and I have both reported to you and then, after that, you will be able to ask questions about each item of business as we move on to those matters on the agenda.

(SLIDE – AGENDA)

Before we turn to the formal business of the meeting, let me cover some introductory matters for you:

- If we need to evacuate, you can exit through the main door at the back – or at the exit points on either side of the stage.
- Today's meeting is being webcast and recorded, so your presence may be transmitted or recorded as part of the meeting.
- And, lastly, as a courtesy to other shareholders, please check that your mobile phone has been turned off.

INTRODUCTIONS

Now, I would like to introduce the people seated on the stage.

(SLIDE – JULIAN SEGAL)

Julian Segal

On my immediate left is Julian Segal, Managing Director & CEO.

Julian has served as your Managing Director & CEO since July 2009.

(SLIDE – JOHN THORN)

John Thorn

John Thorn is seated next to Julian.

John joined the Board in June 2004. He is the Chairman of the Board's Audit Committee.

(SLIDE – WALT SZOPIAK)

Walt Szopiak

Next to John is Walt Szopiak.

Walt joined the Board in September 2010, and has previously served as an alternate director.

(SLIDE – TREVOR BOURNE)

Trevor Bourne

Trevor Bourne is seated next to Walt.

Trevor joined the Board in March 2006. He is the Chairman of the OHS and Environmental Risk Committee.

(SLIDE – PETER LIM)

Peter Lim

Peter Lim, Company Secretary and General Counsel, is seated on my right. Peter was appointed to his role in January this year, and has been a member of Caltex's legal team since 2006.

(SLIDE – RYAN KROGMEIER)

Ryan Krogmeier

Ryan Krogmeier is seated next to Peter.

Ryan joined the Caltex Board in March this year.

(SLIDE – GREIG GAILEY)

Greig Gailey

Greig Gailey is seated next to Ryan.

Greig joined the Board in December 2007. He is the Chairman of the Board's Human Resources Committee.

(SLIDE – TIM LEVEILLE)

Tim Leveille

Unfortunately, Tim Leveille is unable to be with us today as he has conflicting overseas commitments and is an apology for this meeting.

(SLIDE – CALTEX SENIOR MANAGEMENT)

Senior management team

I would like also to introduce members of the Caltex senior management team who are here today:

- Simon Hepworth: Chief Financial Officer
- Andy Walz: General Manager – Marketing
- Gary Smith: General Manager – Refining and Supply
- Mike McMenamin: General Manager – Strategy, Planning and Development
- Simon Willshire: General Manager – Human Resources

- Ray Hayward: Group Manager – Operational Excellence and Risk

(SLIDE –EXTERNAL AUDITOR (KPMG))

KPMG

In addition to the management team, we also have here today Anthony Jones, our external auditor, who is a partner at KPMG. He is here to answer any questions you may have on audit related matters.

VOTING PROCESS

(SLIDE – VOTING PROCESS)

This year, we will again be using the electronic voting process that we introduced at our last AGM. I will briefly outline how this process works.

When you registered on your way in, you should have been provided with a handset and a plastic card inserted in the top of the handset. This is shown on the screen behind me.

The handsets will be used to submit and count your votes later in the meeting. The voting system will calculate the result from the votes received, including all votes cast by proxies, and we will announce the result and display the provisional votes immediately after each item of business is completed.

The data on the card enables the shares you are voting to be identified. No other personal information is stored on the card, and the data on the cards will be erased after the meeting.

As a back-up, we have also given you an old-style voting paper. We'll use these to vote as we have done in previous years, if any unexpected issues with the technology arise.

If you do not have a handset or a voting paper and believe you are eligible to vote, please visit the registration desk in the foyer of the auditorium. A member of Computershare's staff will assist you.

(SLIDE – HOW TO CAST YOUR VOTE)

When I ask you to vote on a resolution, press one of the buttons numbered one or two on your handset. To vote "for" the resolution, press button one. To vote "against" the resolution, press button two. If you wish to abstain from voting, you do not need to make any selection on the handset. Proxyholders should also cast their votes at this time.

If the card is dislodged at any time, a prompt to insert the card will appear on the screen of your handset.

(SLIDE – CONFIRMATION OF YOUR VOTE)

After you have submitted your vote, your handset will display your vote and confirm that it's been received.

Two more things...

If you wish to change your vote while the item is still open, you can submit a new vote by pressing button one to vote "for" or button two to vote "against" the resolution.

(SLIDE – WITHDRAWING YOUR VOTE)

If you decide to abstain after you've voted, you can withdraw your vote completely, by pressing the button marked "c" on your handset while that item of business is still open.

(SLIDE – "PRACTICE" RESOLUTION – POLL OPEN)

I would like to do a "practice run" with a sample resolution, just to make sure everything is working properly and that everybody is comfortable with the voting process. The resolution we will consider is: 'that it's time we should take the 5 cent coin out of circulation'.

The poll on this resolution is now open. Please press "one" on your handset to vote "for" the resolution, or "two" to vote "against".

If you have any questions in relation to how to use your handset, please raise your hand and a member of Computershare's staff will come and assist you.

(Allow a couple of minutes for the vote)

(SLIDE – “PRACTICE” RESOLUTION – POLL CLOSED)

I now declare the poll for our practice resolution closed. The results will be displayed on the screen behind me.

(Allow a moment for the vote to be finalised)

(SWITCH TO SLIDE – “PRACTICE” RESOLUTION RESULTS – FEED FROM IML)

I think I can say that the resolution has been passed.

NOTICE OF ANNUAL GENERAL MEETING

(SWITCH TO SLIDE – NOTICE OF ANNUAL GENERAL MEETING)

It is now time to move to the formal business of the meeting.

I will take the Notice of the Annual General Meeting as read.

ITEM 1: OPERATIONAL EXCELLENCE MOMENT

(SLIDE – AGENDA– ITEM 1: OPERATIONAL EXCELLENCE MOMENT)

At Caltex, we open meetings of five or more people with a story or example to remind us of how important safety is to our business and to our employees.

(SLIDE – ITEM 1: OPERATIONAL EXCELLENCE MOMENT)

I'd like to take the opportunity today to reflect on the safety result in the retail area of our business. During 2011, the Calstores team (which oversees our company-owned and operated network of convenience stores) delivered its best ever safety results.

They did not have any lost time injuries during the whole of 2011, and extended this period beyond the end of the year to achieve a total of 652 days without any lost time injuries, as at today.

This result was achieved through a lot of work by management and the team. They not only reinforced every day the importance of safety to all our people working in the convenience stores, but also implemented practical measures to help achieve the result. This achievement was highlighted in February 2012, with the presentation of the CEO's Stellar Award to the Calstores team. This is the peak award in Caltex's program to recognise the outstanding results that our people have achieved.

Safety isn't just a matter of luck. It results from leadership and the actions we take every day. These actions and how we behave at work are born of our culture... in Caltex we refer to it as "Operational Excellence". The creation of a true Operational Excellence culture has contributed to an unrelenting focus on safety for over 1,100 employees across all 90 plus Calstores locations.

But let me bring home to you why we put so much emphasis on safety at Caltex. Despite improvement, we still had a number of lost time injuries throughout the year. Even one injury is too many and is unacceptable. We know from previous experiences that in a few seconds, a life can change forever. Eternal vigilance on safety is the only option. And this must be a daily priority throughout our business.

ITEM 2: ADDRESSES

(SLIDE – AGENDA – ITEM 2:ADDRESSES)

(SLIDE ITEM 2: ADDRESSES)

Chairman's address

I will now turn to my formal Chairman's message.

(SLIDE – CHAIRMAN'S ADDRESS)

Caltex is the leading supplier and distributor of transport fuels in Australia, supplying over one third of Australia's demand. I'm pleased to say that this is a company with strong underlying earnings and a bright future.

During 2011, Caltex continued to deliver growth in its core business of reliably supplying finished product to its customers.

This core business goes from strength to strength with earnings from our marketing business growing at over 13% per annum for more than five years. It comprises many revenue streams and our exposure to multiple sectors of the Australian economy provides a diversification of earnings.

The key to the success of this business is a strong and competitive supply chain supported by a national network of retail sites, terminals and pipelines, depot infrastructure and logistics. We have continued to invest to strengthen and expand this network to support our growth ambitions.

Efficient and competitive product supply is a critical part of the supply chain that underpins our growth. Product today is increasingly sourced from a mix of domestic and international competitors' refineries, as well as our own refineries. Our refineries today produce approximately 50% of the transport fuels supplied by Caltex to the market.

Caltex's refineries are relatively small and, in their current configuration, are disadvantaged compared to the modern, larger scale and more efficient refineries in the Asian region. This has presented challenges in 2011.

The recent deterioration in the financial performance of the refineries has been exacerbated by the ongoing strength of the Australian dollar, lower Caltex Refiner Margins and increasing costs.

Management has responded quickly to these conditions and undertaken a major examination of the role of our refineries in the supply chain.

This review continues. In a moment, I will share with you the progress made so far.

While the review is ongoing, Caltex people have remained focused on safety and reliable supply, and a record marketing result has been delivered. This is a significant achievement.

(SLIDE – 2011 HIGHLIGHTS)

I'd like to share with you some of our highlights from the year.

(SLIDE – IMPROVED SAFETY RECORD)

First, Safety.....

2011 marked continued improvement in our safety performance. For the second consecutive year, Caltex achieved a best ever safety result. The lost time injury frequency rate reduced 27% to 0.99 per million hours worked, compared to 1.35 per million hours worked in 2010.

Despite these improvements, Caltex remains committed to further improve our personal safety and process safety performance.

(SLIDE – ANOTHER RECORD MARKETING RESULT)

Second, Marketing.....

In 2011, the marketing business delivered another record result, with an EBIT increase of more than 20% in 2011. Total transport fuels sales volumes were 15.7 billion litres in 2011, compared to 15.1 billion litres in 2010. The outstanding growth in premium fuels continued. We sold 2.5 billion litres in 2011, up from 1.8 billion litres of premium fuels in 2010.

(SLIDE – SUPPLY AND DISTRIBUTION PROJECTS)

Third, Infrastructure.....

We also have a strong infrastructure supply chain.

We are committed to ensuring this supply chain remains reliable and efficient. To this end, Caltex continued to undertake major supply and distribution projects during 2011. For example, the business is working to ensure Caltex can capture growth in the resources, transportation, aviation and other commercial sectors.

Julian will touch on these projects in his CEO's address.

Let me turn to the results for the year.

(SLIDE – RESULTS)

Because of the deteriorating environment for refining, Caltex adjusted the value of its refining assets. During February 2012, we announced a write down of \$1.5 billion before-tax.

This contributed to a full year after tax loss of \$714 million for 2011, on an historic cost basis (including inventory gains). This statutory result includes significant items of approximately \$1.1 billion (after tax), primarily for the write down of the refining assets.

Importantly, this write down did not affect Caltex's credit metrics or debt covenants. The balance sheet remains strong and we are committed to retaining our BBB+ credit rating. This rating was reaffirmed for the seventh year in a row in April.

The 2011 historic cost result compares with a full year result of \$317 million in 2010, including significant items of \$16 million (after tax).

The 2011 result includes product and crude oil inventory gains of \$138 million (after tax) as the average crude oil price rose significantly in 2011. This compares with an inventory gain of \$15 million (after tax) in 2010, when the crude price was more stable. As you can see, fluctuations in the crude oil price can have a major impact on Caltex's historic cost result.

For this reason, it is common practice in our industry to report alternative profit metrics that adjust for this volatility in crude price. Caltex's preferred measure of reporting financial results is on a replacement cost of sales operating profit basis or RCOP. This allows a greater focus on the factors under management's control, and removes the effect of movements in the crude oil price.

On this RCOP basis, Caltex delivered an after tax profit of \$264 million in 2011, excluding significant items. This was lower than the 2010 replacement cost result of \$318 million and reflects lower Caltex refiner margins and the higher Australian dollar in 2011.

Caltex Refiner Margins are affected by the crudes that our refineries run. They are configured to process light, sweet crude oil, versus heavy, sour crude oil. In 2011, global events like the civil war in Libya and the tsunami in Japan raised crude oil prices generally and, in particular, increased the light-heavy 'spread'. This spread is the difference in price for light sweet crudes compared to heavy, sour crudes. Heavy sour crudes are used by many of our competitors in the region.

The increase in the light-heavy spread, higher overall crude prices, and the sustained high Australian dollar all contributed to a lower Caltex refiner margin (when converted into Australian dollars). Caltex initiated the refinery review that we announced in August 2011 as a result of these factors.

(SLIDE – REFINERY REVIEW)

In February this year, it was announced that a decision on this review would take another six months. The business is still on track to meet this third quarter deadline. While no decision has been taken, I would like to provide you with an update on the progress of the review.

As I mentioned earlier, Caltex's growing core business requires a reliable, economic and competitive product supply chain. The optimal mix of product sources may include domestic and international competitor refineries as well as our own production. As we said in February, the purpose of the review is to determine the role of our refineries in the supply chain.

Refining has continued to lose money during the first quarter, with Kurnell representing the majority of the losses in 2011 and 2012 to date. This is expected to continue into the future.

Therefore, the review is focused on the Kurnell operation.

Lytton's configuration is better suited to the product mix demanded by our customers, and consequently management is exploring a pathway to create a viable operation at Lytton.

Before a final decision can be made, a number of matters have to be determined such as supply alternatives for our core business, the risks associated with each strategic option and the impact of possible decisions on a broad range of stakeholders

Regardless of the decision, we remain, as always, strongly committed to safe and reliable operations.

(SLIDE – SHAREHOLDER RETURNS)

Based on the overall performance and the ongoing strength of our balance sheet, the Board declared a final dividend of 28 cents per share for the second half of 2011. Combined with the interim dividend of 17 cents per share for the first half, this equates to a total dividend of 45 cents per share, for the full year 2011. This compares to a total dividend payout of 60 cents per share for 2010. All these dividends were fully franked.

Disappointingly, after a strong relative total shareholder return performance in 2010, Caltex's share price declined by 18% in 2011, starting the year at \$14.38 and closing the year at \$11.77. While we outperformed our peers in the S&P/ASX 200 Energy Sector, we underperformed against the S&P/ASX 200. I am pleased to say, however, that the share price has recovered significantly.

(SLIDE – OUR PEOPLE)

Turning now to our people, I'd like to touch on our ongoing work to embed a high-performance culture across Caltex.

Our values of care, own, trailblaze, move, serve and win have been the basis for many tangible business successes in 2011 despite the many challenges faced by Refining.

(SLIDE – OUR PEOPLE – KEN JAMES)

I would also like to take this opportunity to recognise Ken James, Caltex's recently retired General Manager of Supply & Distribution. Ken joined the Kurnell refinery as a chemical engineer in January 1973. Since being appointed to the leadership team in 2008, Ken has overseen a significant expansion of our supply capability. The quality of our supply and distribution teams and our reputation for reliable supply is a testament to Ken's leadership and vision. On behalf of the Board, I would like to say thank you to Ken for choosing to spend his extraordinary 39 year career with Caltex.

All of the people of Caltex have achieved a great deal over the last year and on behalf of the Board, I would like to acknowledge the contribution and commitment of all Caltex employees, contractors, franchisees and resellers during 2011. The Board understands the impact that this period of uncertainty may have on our people. To their credit, our people continue to deliver and remain focused.

I would now like to hand over to Julian to present the Managing Director & CEO's address.

(SLIDE – MANAGING DIRECTOR & CEO’S ADDRESS)

Managing Director and CEO’s address

Thank you Elizabeth.

During 2011, Caltex continued to deliver growth in its core business of reliably supplying finished product to its customers.

Our core business as the leading supplier and distributor of transport fuels in Australia goes from strength to strength.

However, the external environment is presenting challenges for one part of our supply chain; our refineries.

We are addressing the challenges in this part of our supply chain to realise our growth potential.

To explain our successes and our challenges, I’d like to expand on what Elizabeth has covered and provide you with operational highlights from 2011.

(SLIDE – 2011 MARKETING HIGHLIGHTS)

Starting with Caltex’s core business. Marketing again maintained its outstanding performance in 2011, with 20% EBIT growth compared with 2010. This excellent result continues an annual growth rate of over 13% over the last five years.

As mentioned by Elizabeth, record sales volumes were achieved for transport fuels, particularly in diesel, jet and premium fuels, and finished lubricants. Overall, Caltex’s transport fuel sales grew to 15.7 billion litres in 2011 from 15.1 billion litres in 2010.

More specifically, the growth in premium fuels was outstanding with 2.5 billion litres sold in 2011, compared with 1.8 billion litres in 2010. Sales of our premium petrol brands Vortex 95 and 98 grew over 16% to represent a 23% share of the total petrol sales, while Vortex diesel volumes grew to 48% of our growing retail diesel sales. This outstanding growth was driven by our marketing teams and enabled by investments in our retail network along with improvements to our distribution infrastructure.

Our Direct Sales channel achieved over 12% growth in commercial diesel sales volume, nearly 7% growth in jet fuel sales and almost 17% growth in lubricants sales volume.

Average weekly shop sales were relatively flat compared with 2010 due to soft economic conditions, the impact of flooding on stores and our site upgrade program. Despite this, non-fuel income grew by nearly 9%.

Ten new convenience/service stations and seven new diesel stops were also added to Caltex’s footprint in 2011. An additional 25 stores were upgraded and redesigned in line with the twenty-first century Star Mart format and it is anticipated that this will support growth in retail in 2012 and beyond.

In December 2011, Caltex acquired Bailey’s Marine Fuel Australia, a specialist marine fuel distributor, infrastructure developer and fuel service provider to the commercial and recreational marine market.

(SLIDE – 2011 SUPPLY CHAIN HIGHLIGHTS)

I will now move to our supply chain, which incorporates Refining, Supply and Distribution.

Before addressing the issues of impairment and the refinery review, I would like to discuss the underlying performance of our refineries and our supply chain capability and investments.

As you know the refineries had a very difficult year in 2011, recording a significant loss. The higher Australian dollar, lower Caltex Refiner Margin and increasing cost pressures were significant contributors to this poor result. Other factors included extreme weather (including flooding in Queensland and northern NSW), unplanned maintenance and extension of the planned major maintenance program.

Despite these challenges, the refining team continued to focus on matters within their control, including controlling cash operating expenses and increasing the share of premium petrol production.

In 2011, Caltex successfully introduced the use of very large crude carriers, or VLCCs. This provides advantages over using multiple smaller vessels, with opportunities to reduce the average freight cost of long haul crude. Each VLCC carried approximately two million barrels of crude oil from West Africa to Australia. The carriers lightered approximately 150 kilometres off the New South Wales coast. From there, the crude was transferred to smaller tankers and then delivered to our Kurnell and Lytton refineries.

To ensure the business is well placed to capture growth in the resources, transportation, aviation and commercial sectors, Caltex has committed to investment in its supply chain. During 2011 we completed terminal expansions in North Queensland and Port Hedland (which are major growth markets for mining customers in Australia) and commenced a major upgrade of the jet pipeline between the Kurnell Refinery and Sydney Airport. We also secured agreements with Terminals Pty Ltd to build a new fuel terminal in Adelaide and a bitumen import facility at Port Botany, in Sydney.

(SLIDE – IMPROVED SAFETY RECORD)

Elizabeth mentioned the exceptional safety record for the Calstores business in her operational excellence moment. While this achievement shows that operating without injuries is possible for extended periods, we must recognise that incidents can and do occur unless we are uncompromising in our approach to safe and reliable operations.

We reduced our lost time injury frequency rate from 1.35 per million hours worked in 2010 to 0.99 per million hours worked in 2011, an exceptional improvement achieved across the entire business. Nevertheless, this achievement still means that a number of Caltex employees or contractors suffered injuries and we must continue to improve.

(SLIDE – REFINERY ASSET VALUE WRITE DOWN)

Caltex's refineries are small, and in their current configuration are disadvantaged relative to the modern, larger scale, more efficient refineries in the Asian region. This, combined with the challenging business environment, including the ongoing strength of the Australian dollar and increasing costs and a lower Caltex Refiner Margin, led to the write down of the refinery assets by \$1.5 billion before tax.

(SLIDE – Q1 2012 RESULTS)

Caltex's unaudited 2012 first quarter profit after tax is \$69 million on a replacement cost of sales operating profit basis compared to \$77 million for the same quarter in 2011. On a statutory or historical cost basis, the first quarter profit after tax is \$106 million including an inventory gain of \$37 million after tax, compared with \$194 million in the same quarter of 2011, which included an inventory gain of \$117 million.

(SLIDE – 2012 Q1 SEGMENTED RESULTS)

In the first quarter of 2012, our core business continued its strong growth from 2011. Total Marketing volumes have grown by more than 2% to 4.1 billion litres for the first quarter from 4.0 billion litres for the prior corresponding period. Growth in our premium fuels volumes was particularly pleasing with volumes up by over 26% overall on the prior corresponding period, driven largely by growth in our Vortex diesel sales which grew by 45%, while our premium petrol sales grew by 15% on the same quarter last year.

Overall, diesel sales were up nearly 6% on the prior corresponding period, while jet volumes were up nearly 4% and lubricant sales up 8%.

The difficult conditions which negatively impacted Refining and Supply in 2011 have continued into 2012, resulting in a loss of \$60 million before tax for the first quarter of 2012, compared with a \$39 million before tax loss for the same quarter in 2011. Despite the stronger Singapore Weighted Average Margin for the quarter compared with the same period last year, the realised Caltex Refiner Margin has declined. This is due to higher crude freight costs associated with a

higher proportion of cargoes sourced from West Africa, the high crude premium paid and the yield loss associated with the higher crude price.

Earnings benefited from a reduction in depreciation associated with the write down of the refining assets.

(SLIDE – OUTLOOK)

Turning now to the outlook for Caltex.

Our core business goes from strength to strength.

Our expanding distribution infrastructure continues to allow us to seize growth opportunities.

The short-term outlook for this core business remains positive with the drivers of growth in volumes and earnings expected to continue throughout the year.

We have some challenges with the refining part of our supply chain.

Singapore refiner margins for April have improved, driven by strength in premium gasoline grades, delivering a positive earnings result for Refining (in that month). We anticipate an improvement in the second quarter earnings for Refining compared to the first quarter, but believe the ongoing strength of the Australian dollar will continue to pressure the Caltex Refiner Margin in the medium to long term.

This reinforces the importance of making the right decision on the refinery review to ensure that Caltex has the most competitive product supply chain to support our growing core business. As Elizabeth mentioned, in addition to our own refineries, product today is increasingly sourced from a mix of domestic and international competitors' refineries. Our refineries today produce approximately 50% of the transport fuels supplied by Caltex to the market.

(SLIDE – REFINERY REVIEW)

At our 2011 full year results announcement in February 2012, we stated that the refinery review was likely to be concluded in six months, which would be in the third quarter of this year. In spite of the range of complex issues we are working through, we are still on track to meet that timeline.

Notwithstanding that the Review is ongoing, I would like to provide you with an update in light of the ongoing losses of our refineries.

Our refineries in their current configuration are relatively small and are disadvantaged compared to the modern, larger scale and more efficient refineries in the Asian region. This disadvantage has been exacerbated by the impact of the ongoing strength of the Australian dollar, lower Caltex refiner margins and increasing costs on the 'as is' refining business.

As mentioned, refining continued to lose money during the first quarter, with Kurnell contributing the majority of the losses in 2011 and 2012 to date.

This is expected to continue into the future.

Therefore, the review is focused on the Kurnell operation.

Lytton's configuration is better suited to the product mix demanded by our customers. Consequently we are exploring a pathway to create a viable operation at Lytton, requiring modest incremental investment and an associated focus on appropriate operational and financial performance targets. We will be working with key stakeholders to develop a clear path to drive sustained improvement.

Before a decision can be made, a number of matters have to be determined, such as supply alternatives for our Marketing business, the risk associated with each strategic option and the impact of possible decisions on a broad range of stakeholders.

As Elizabeth said, we remain committed to safe and reliable operations.

(SLIDE – OUR PEOPLE)

Finally I would like to echo the thoughts of Elizabeth about the people of Caltex.

Despite the challenging year, I am pleased to say that Caltex's values of care, own, trailblaze, move, serve and win are evident and in action throughout the business.

I would also like to take this opportunity to say thank you to Ken James for his work and support, particularly during my time at Caltex.

On this note, I will now hand back to Elizabeth.

ITEM 3: SHAREHOLDER ISSUES

(SLIDE – AGENDA – ITEM 3: SHAREHOLDER ISSUES)

We always set aside time at each AGM to talk about the major themes from the questions you have sent to us. This year, we have had just a few questions, which have been on a wide range of matters.

(SLIDE – SHAREHOLDER ISSUES)

One of the themes that recurred in several of your questions was the refinery review and its potential implications for Caltex and for you as shareholders. The review has been a key focus for the Board and for management since it began last year. The review is very important to Caltex, and also to our people, our shareholders and a wide range of other stakeholders. Julian and I have both talked earlier in this meeting about how the review is progressing, and when the Board expects to be able to make a decision on the future of our refineries. As soon as that happens, we will share this information with you and the market.

Caltex has also put together a summary of our responses to the matters raised by shareholders in their questions to us. We have lodged this document with the ASX this morning, and also have some printed copies available at the Shareholder Information table in the foyer.



Annual General Meeting

10am (AEST), Thursday 10 May 2012

ELIZABETH BRYAN
Chairman





Annual General Meeting

Agenda

-
- Item 1 – OE Moment
 - Item 2 – Addresses
 - Item 3 – Shareholder Issues
 - Item 4 – Financial Reports
 - Item 5 – Remuneration Report
 - Item 6 – Election of Directors



Board of Directors

JULIAN SEGAL
Managing Director & CEO



Board of Directors

JOHN THORN

Independent, Non-Executive Director



Board of Directors

WALT SZOPIAK
Non-Executive Director



Board of Directors

TREVOR BOURNE

Independent, Non-Executive Director



PETER LIM
Company Secretary



Board of Directors

RYAN KROGMEIER
Non-Executive Director



Board of Directors

GREIG GAILEY

Independent, Non-Executive Director



Board of Directors

TIMOTHY LEVEILLE
Non-Executive Director

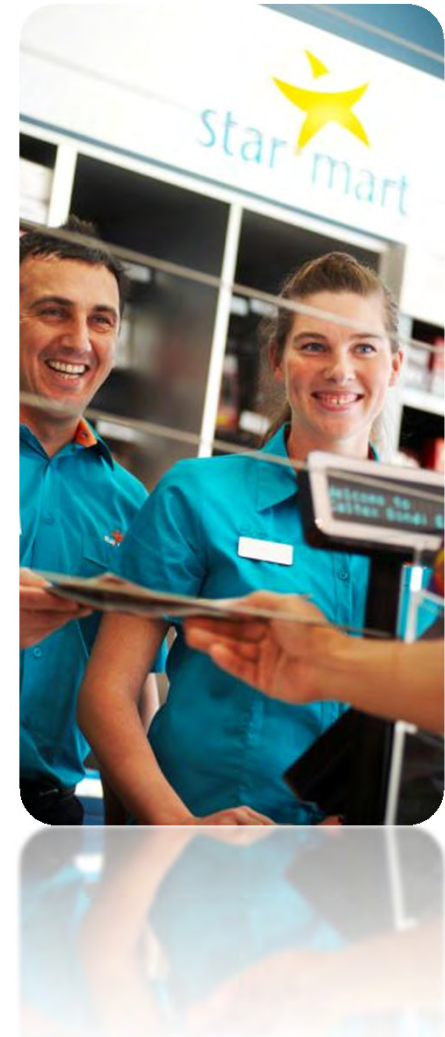


Caltex Senior Management

Simon Hepworth	Chief Financial Officer
Andy Walz	General Manager – Marketing
Gary Smith	General Manager – Refining & Supply
Mike McMenamin	General Manager – Strategy, Planning & Development
Simon Willshire	General Manager – Human Resources
Ray Hayward	Group Manager – Operational Excellence & Risk

External Auditor

ANTHONY JONES
KPMG Partner



Voting Process

Electronic voting process using handsets

A plastic card should have been inserted into your handset when you registered this morning



How to cast your vote

When the poll opens, the handset will display the voting options being:

- **1** to vote **FOR** the resolution
- **2** to vote **AGAINST** the resolution

Press the appropriate button on the handset to submit your vote

If your card is dislodged at any time, a prompt to insert the card will appear on the screen of the handset



Confirmation of your vote

Your handset will display the vote that you have submitted and indicate that it has been received

If you wish to change your mind, simply enter your new choice by pressing 1 or 2 while the poll is open



Withdrawing your vote

To abstain after you have already voted, press the button marked **C** while the poll is open



Practice resolution

Shareholders will be asked to consider and, if thought fit, pass an ordinary resolution that we should take the five cent coin out of circulation.

The poll on this resolution is open – please cast your vote

- 1 to vote **FOR** the resolution
- 2 to vote **AGAINST** the resolution



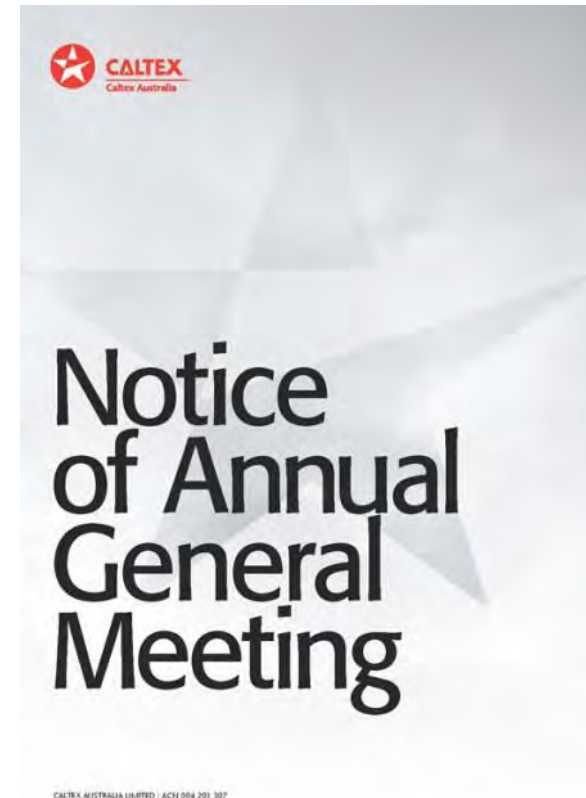
Practice resolution

Shareholders will be asked to consider and, if thought fit, pass an ordinary resolution that we should take the five cent coin out of circulation.

The poll on this resolution is now closed



Notice of Meeting



Agenda

-
- Item 1 – OE Moment
 - Item 2 – Addresses
 - Item 3 – Shareholder Issues
 - Item 4 – Financial Reports
 - Item 5 – Remuneration Report
 - Item 6 – Election of Directors



Item 1

OPERATIONAL EXCELLENCE MOMENT



Agenda

-
- Item 1 – OE Moment
 - Item 2 – Addresses
 - Item 3 – Shareholder Issues
 - Item 4 – Financial Reports
 - Item 5 – Remuneration Report
 - Item 6 – Election of Directors



Item 2

ADDRESSES



Chairman's Address



2011 Highlights



Improved safety record

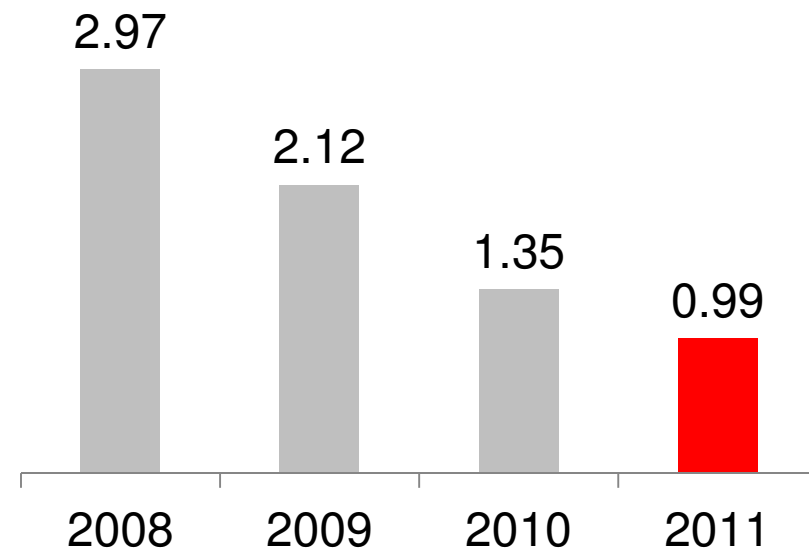
COMMITMENT TO FURTHER IMPROVEMENT

Performance improvement

Lost time injury frequency rate (LTIFR) decreased to 0.99 per million hours worked, from 1.35 per million hours worked in 2011

27% improvement year on year

Lost time injury frequency rate



Another Marketing record result

EBIT INCREASE OF MORE THAN 20%

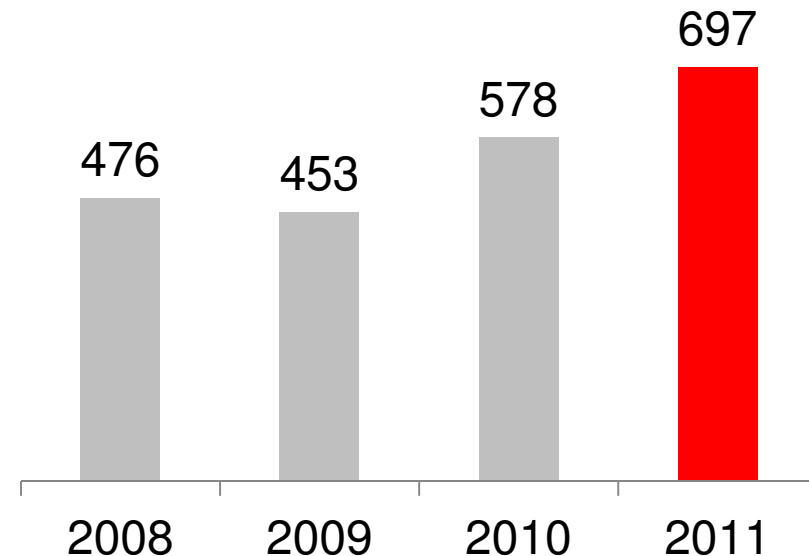
Key Drivers

Growth in premium petrol, diesel, jet fuel, lubricants and non-fuel income

15.7 billion litres transport fuel sales in 2011 compared to 15.1 billion litres in 2010

2.5 billion litres premium fuel sales in 2011 compared to 1.8 billion litres in 2010

Marketing Segment EBIT (\$ mil)



Supply and Distribution projects



Results



Refinery Review

ADDRESSING KEY STRATEGIC CHALLENGES

No decision has been taken

On track to meet third quarter timeline

Kurnell represents the majority of the losses and will be the main focus of the review

Exploring a pathway to make Lytton viable

Committed to safe and reliable operations



Shareholder returns



Our people

Our energy fuels a brighter future.



care



own



move



serve



trailblaze



win

Our people

KEN JAMES



Managing Director & CEO's Address



2011 Marketing highlights

NEW RECORDS ACHIEVED

Record sales were achieved for transport fuels, particularly diesel, jet and premium fuels, and finished lubricants

Areas of growth (compared to 2010)

- premium petrol sales up more than 16%
- Vortex diesel now 48% of retail diesel sales

Direct Sales channel:

- commercial diesel fuel sales up 12%
- jet fuel sales volume up 7%
- finished lubricants sales up 17%

Network additions and upgrades



Supply Chain highlights

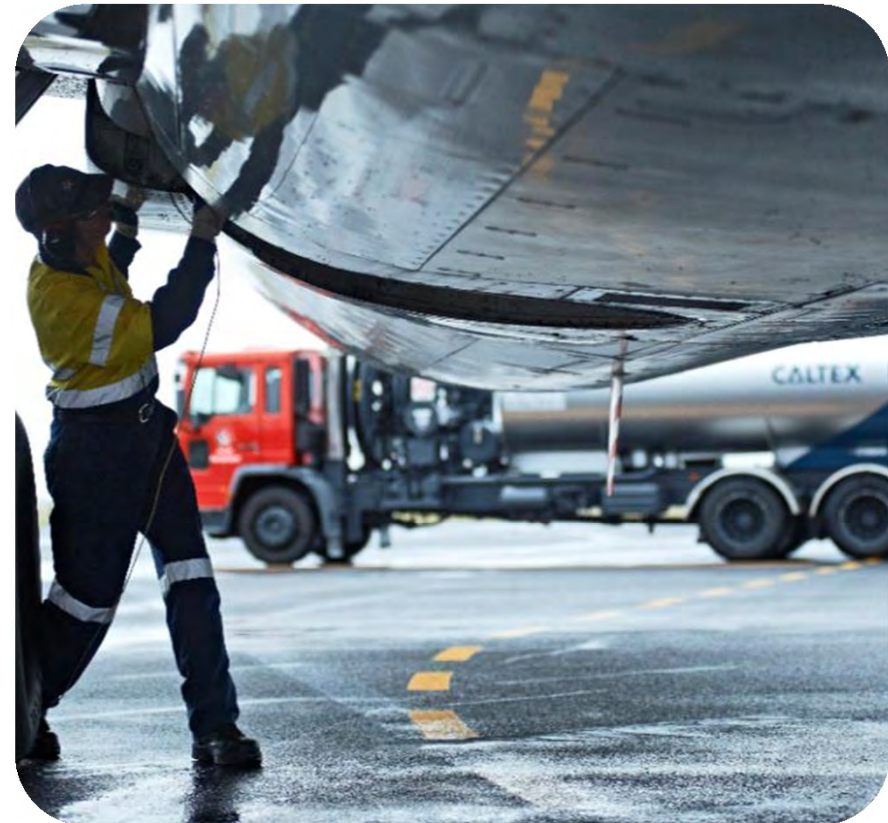
INVESTING IN CAPABILITY

Refining challenged but focused on matters within its control

Introduced Very Large Crude Carrier (VLCC) operations

Terminal infrastructure strengthened

Jet pipeline upgrade



Improved Safety Record

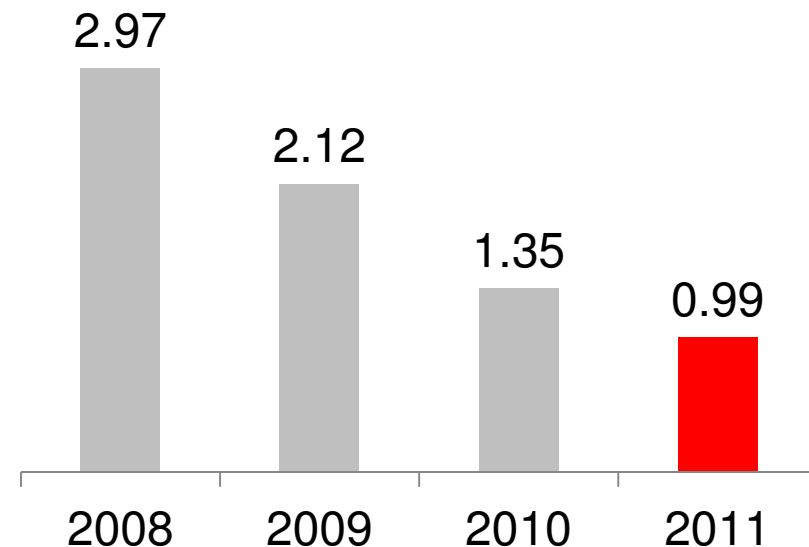
COMMITMENT TO FURTHER IMPROVEMENT

Performance improvement

Lost time injury frequency rate (LTIFR)
decreased to 0.99 per million hours worked

Focus on safe and reliable operations

Lost time injury frequency rate



Refinery asset write down



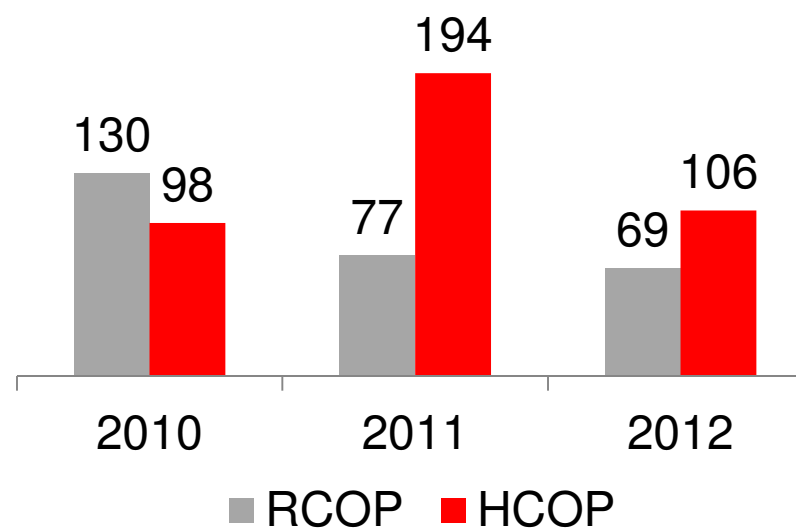
2012 Q1 results

UNAUDITED PROFIT RESULTS

\$69 million RCOP NPAT

\$106 million HCOP NPAT including \$37 million inventory gain

Q1 Results, After Tax (\$ mil)



2012 Q1 segmented results

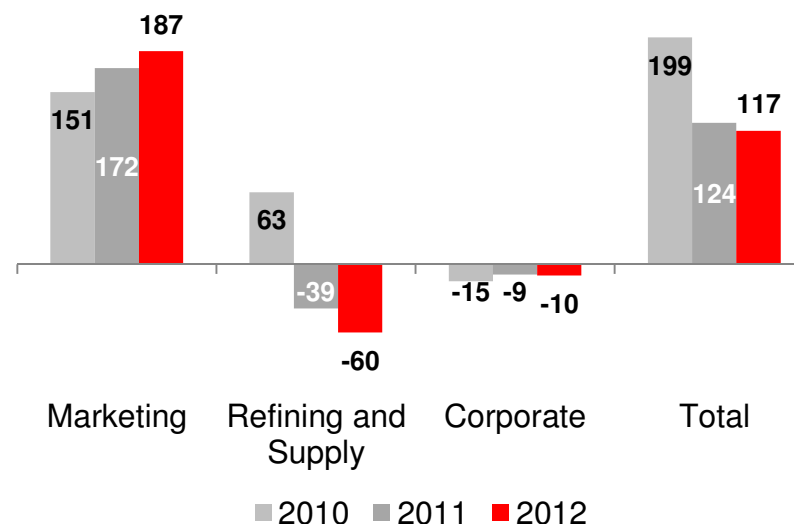
UNAUDITED PROFIT RESULTS

Marketing earnings growth continues

Refining and Supply earnings continue to face headwinds

Overall EBIT result of \$117 million

Q1 Result, EBIT (\$ mil)



Outlook

MARKETING OUTLOOK REMAINS POSITIVE

Marketing growth drivers expected to continue

Singapore refiner margins for April 2012 have improved

Australian dollar Caltex refiner margin remains under pressure



Refinery Review

ADDRESSING KEY STRATEGIC CHALLENGES

No decision has been taken

On track to meet third quarter timeline

Kurnell represents the majority of the losses and will be the main focus of the review

Exploring a pathway to make Lytton viable

Committed to safe and reliable operations



Our people



Agenda

-
- Item 1 – OE Moment
 - Item 2 – Addresses
 - Item 3 – Shareholder Issues**
 - Item 4 – Financial Reports
 - Item 5 – Remuneration Report
 - Item 6 – Election of Directors



Item 3

SHAREHOLDER ISSUES



Shareholder Questions

If you would like to ask a question or make a comment, please press the button marked with a blue dot on your handset

When the Chairman calls your name, please make your way to the nearest microphone

If you decide not to ask a question, press the blue button again to be removed from the queue



Item 3

SHAREHOLDER ISSUES



Agenda

-
- Item 1 – OE Moment
 - Item 2 – Addresses
 - Item 3 – Shareholder Issues
 - Item 4 – Financial Reports**
 - Item 5 – Remuneration Report
 - Item 6 – Election of Directors



Item 4

FINANCIAL REPORTS



Voting Matters

Items of business to be put to a vote of shareholders

Item 5 – Remuneration report

Item 6

- a. Re-election of Elizabeth Bryan
- b. Re-election of Trevor Bourne
- c. Election of Ryan Krogmeier



Agenda

-
- Item 1 – OE Moment
 - Item 2 – Addresses
 - Item 3 – Shareholder Issues
 - Item 4 – Financial Reports
 - Item 5 – Remuneration Report**
 - Item 6 – Election of Directors



Item 5

REMUNERATION REPORT

Shareholders will be asked to consider and, if thought fit, pass an ordinary resolution adopting the remuneration report (which forms part of the directors' report) for Caltex (and the Caltex Australia Group) for the year ended 31 December 2011.

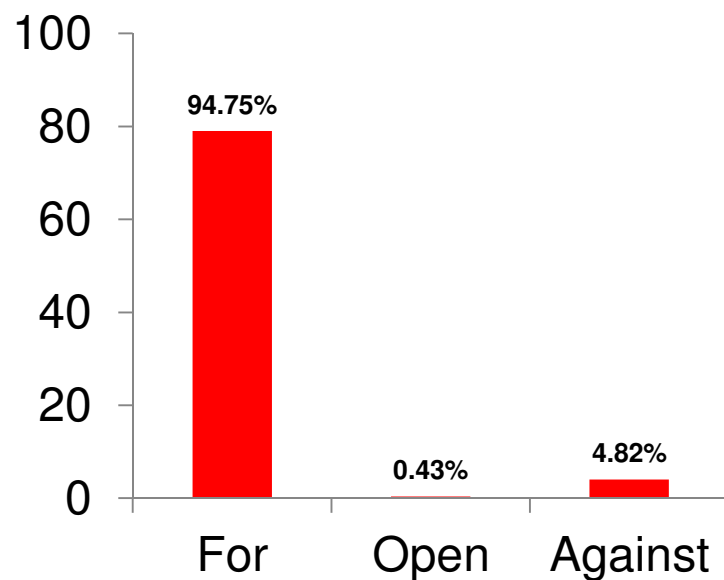
Note: The vote on this resolution is advisory only and does not bind the directors or Caltex.



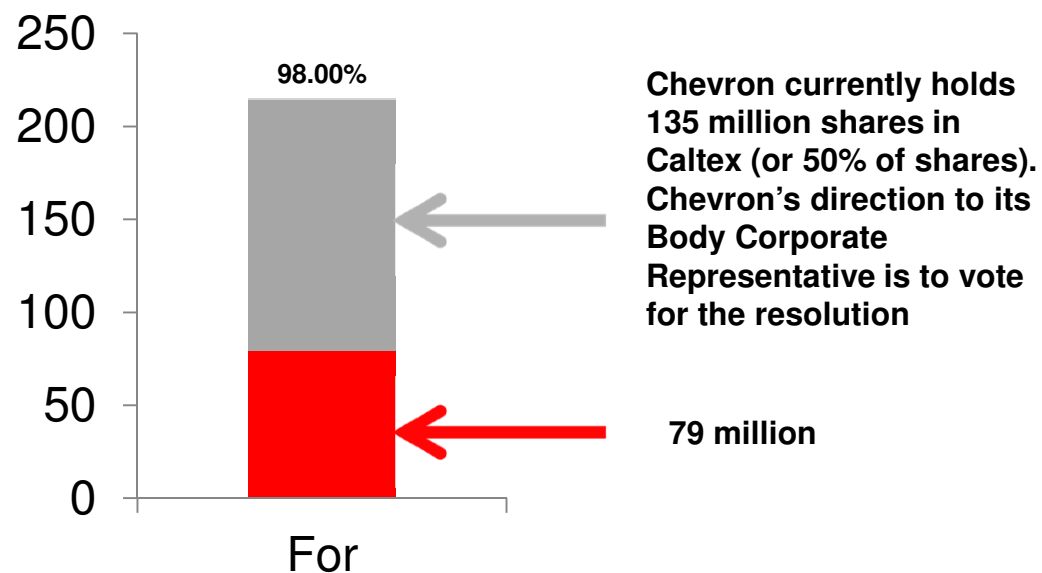
Item 5

REMUNERATION REPORT

Millions - Proxy voting directions



Millions – Voting directions (incl Chevron)



Item 5

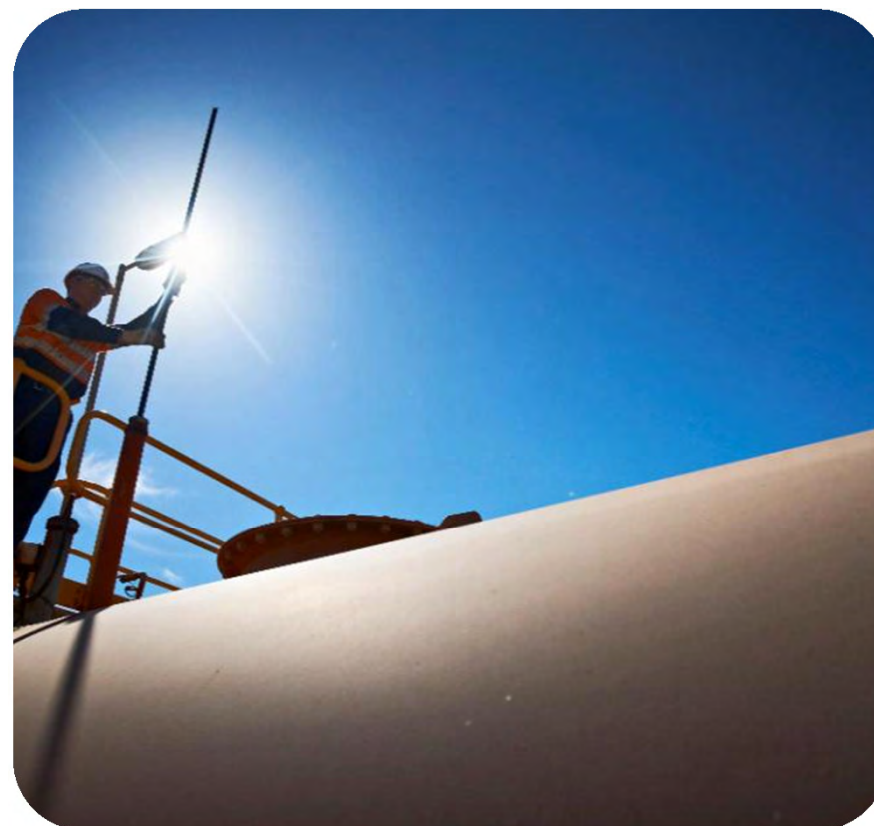
REMUNERATION REPORT

Shareholders will be asked to consider and, if thought fit, pass an ordinary resolution adopting the remuneration report (which forms part of the directors' report) for Caltex (and the Caltex Australia Group) for the year ended 31 December 2011.

Note: The vote on this resolution is advisory only and does not bind the directors or Caltex.

The poll on this resolution is open – please cast your vote

- 1 to vote **FOR** the resolution
- 2 to vote **AGAINST** the resolution



Item 5

REMUNERATION REPORT

Shareholders will be asked to consider and, if thought fit, pass an ordinary resolution adopting the remuneration report (which forms part of the directors' report) for Caltex (and the Caltex Australia Group) for the year ended 31 December 2011.

Note: The vote on this resolution is advisory only and does not bind the directors or Caltex.

The poll on this resolution is now closed



Agenda

-
- Item 1 – OE Moment
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 - Item 5 – Remuneration Report
 - Item 6 – Election of Directors



Item 6

ELECTION OF DIRECTORS

Shareholders will be asked to consider and, if thought fit, pass ordinary resolutions to:

- a. re-elect Elizabeth Bryan as a director,
- b. re-elect Trevor Bourne as a director, and
- c. elect Ryan Krogmeier as a director

in accordance with, and on the terms set out in, the company's Constitution.

Each re-election or election will be open for discussion as a separate item of business and voted on as a separate ordinary resolution



Item 6A

RE-ELECTION OF ELIZABETH BRYAN

Elizabeth joined the Board in July 2002 and was elected as Chairman in October 2007

Elizabeth brings to the Board management, strategic and financial expertise

She is Chairman of the Board and the Nomination Committee

The Board supports Elizabeth's re-election



Item 6A

RE-ELECTION OF ELIZABETH BRYAN

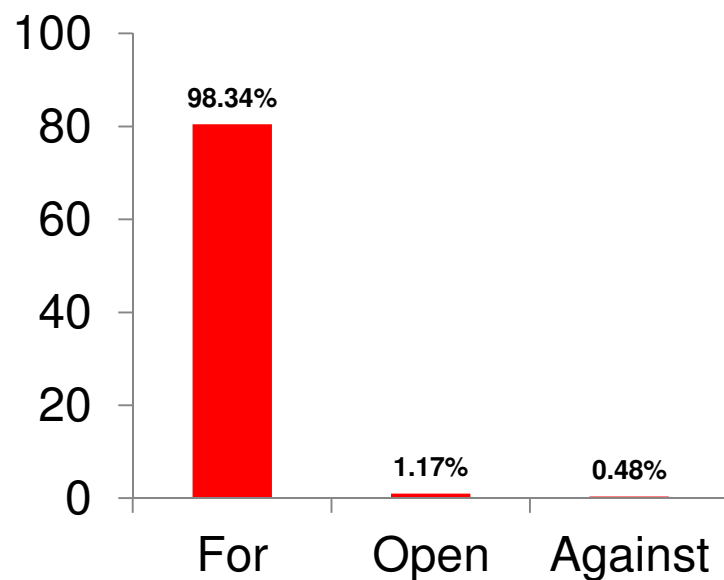
Shareholders will be asked to consider and, if thought fit, pass an ordinary resolution to re-elect Elizabeth Bryan as a director, in accordance with and on the terms set out in the company's Constitution.



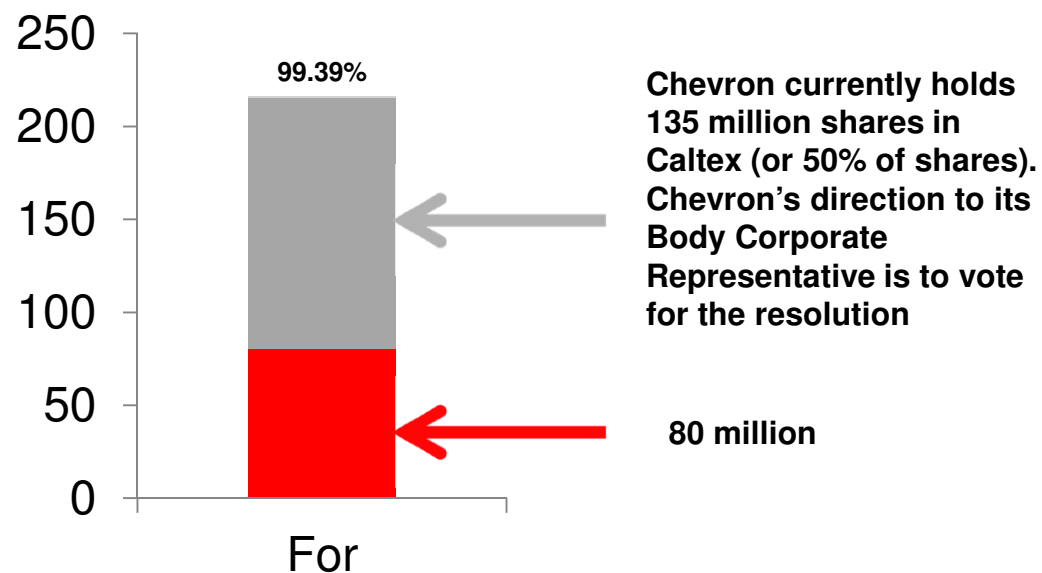
Item 6A

RE-ELECTION OF ELIZABETH BRYAN

Millions - Proxy voting directions



Millions – Voting directions (incl Chevron)



Item 6A

RE-ELECTION OF ELIZABETH BRYAN

Shareholders will be asked to consider and, if thought fit, pass an ordinary resolution to re-elect Elizabeth Bryan as a director, in accordance with and on the terms set out in the company's Constitution.

The poll on this resolution is open – please cast your vote

- 1 to vote **FOR** the resolution
- 2 to vote **AGAINST** the resolution



Item 6A

RE-ELECTION OF ELIZABETH BRYAN

Shareholders will be asked to consider and, if thought fit, pass an ordinary resolution to re-elect Elizabeth Bryan as a director, in accordance with and on the terms set out in the company's Constitution.

The poll on this resolution is now closed



Item 6B

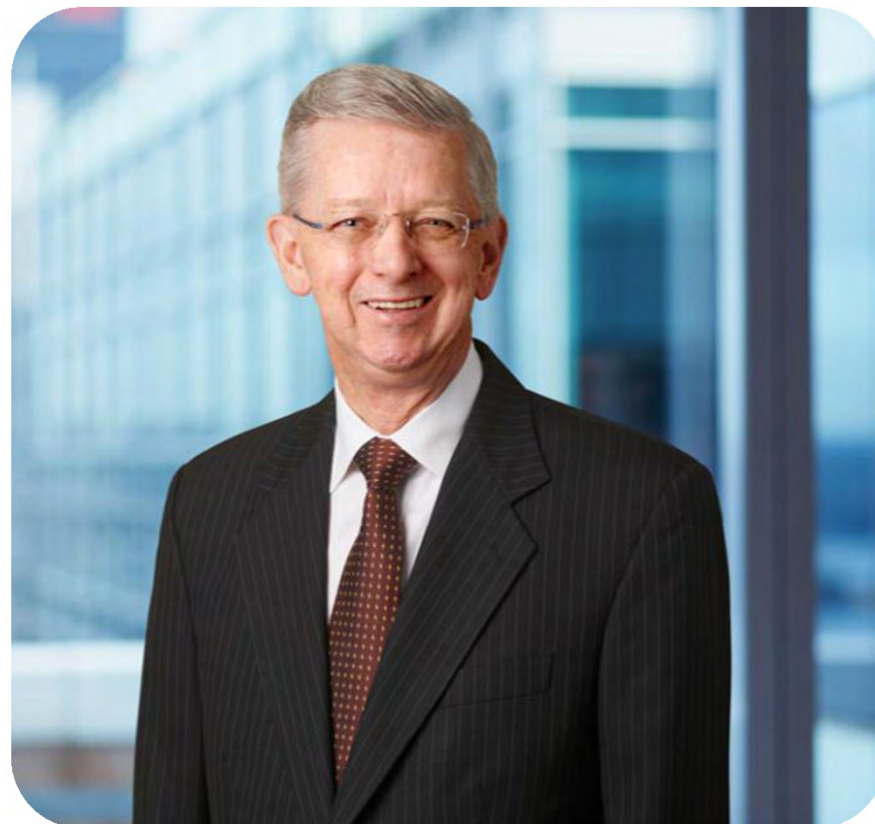
RE-ELECTION OF TREVOR BOURNE

Trevor joined the Board in March 2006

Trevor brings to the Board broad management experience in industrial and capital intensive industries, and engineering and supply chain skills and experience

He is Chairman of the Board OHS & Environmental Risk Committee

The Board supports Trevor's re-election



Item 6B

RE-ELECTION OF TREVOR BOURNE

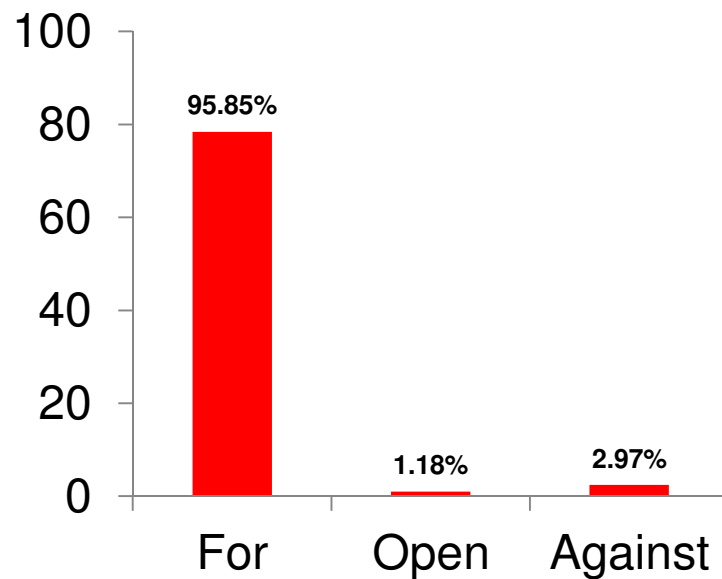
Shareholders will be asked to consider and, if thought fit, pass an ordinary resolution to re-elect Trevor Bourne as a director, in accordance with and on the terms set out in the company's Constitution.



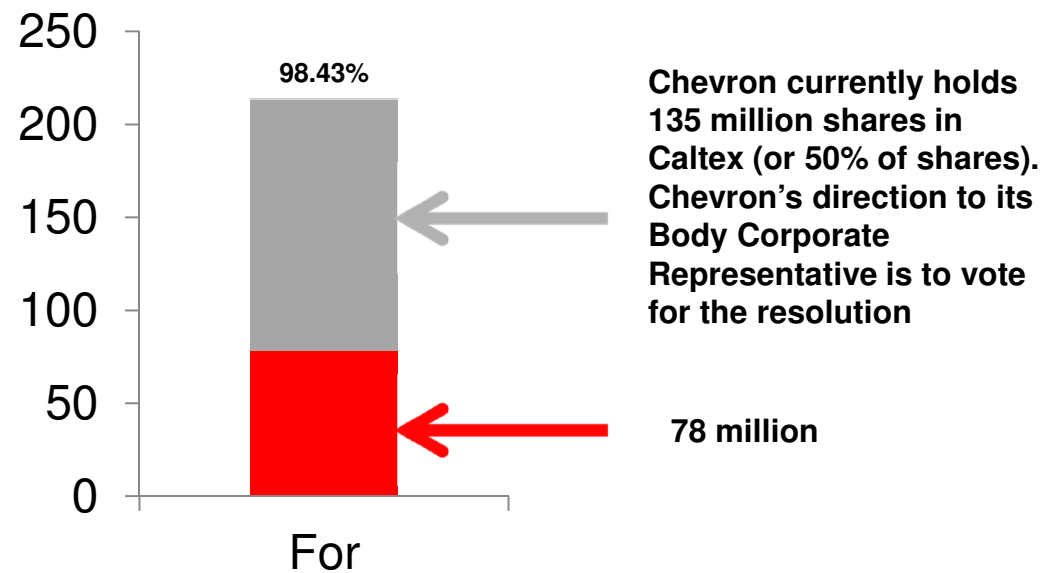
Item 6B

RE-ELECTION OF TREVOR BOURNE

Millions - Proxy voting directions



Millions – Voting directions (incl Chevron)



Item 6B

RE-ELECTION OF TREVOR BOURNE

Shareholders will be asked to consider and, if thought fit, pass an ordinary resolution to re-elect Trevor Bourne as a director, in accordance with and on the terms set out in the company's Constitution.

**The poll on this resolution is open –
please cast your vote**

- 1 to vote **FOR** the resolution
- 2 to vote **AGAINST** the resolution

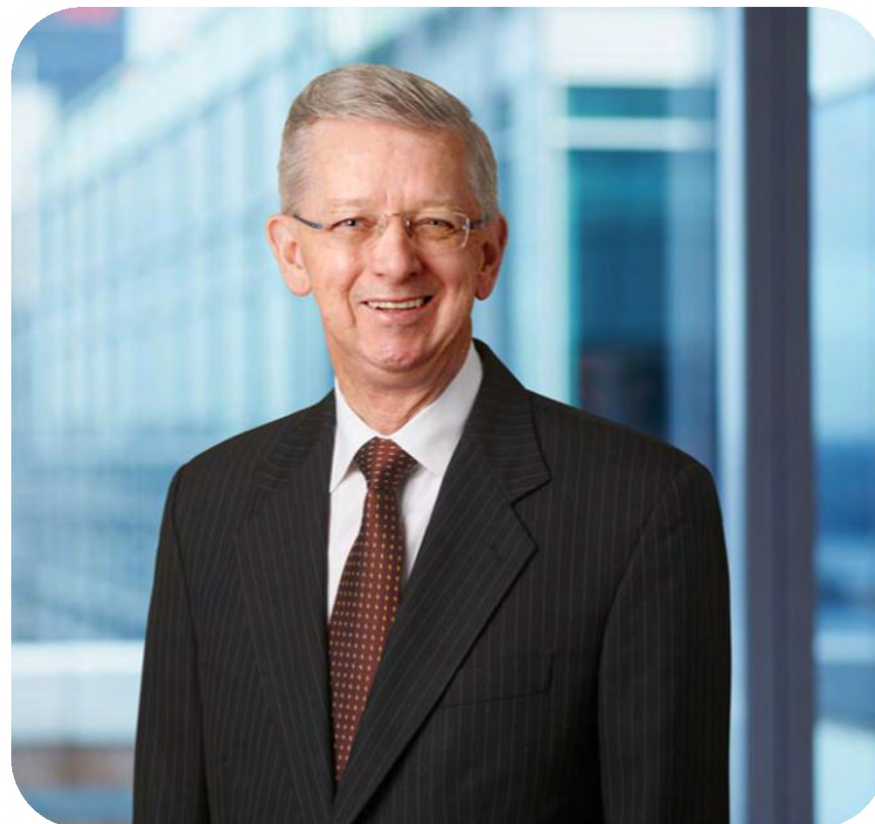


Item 6B

RE-ELECTION OF TREVOR BOURNE

Shareholders will be asked to consider and, if thought fit, pass an ordinary resolution to re-elect Trevor Bourne as a director, in accordance with and on the terms set out in the company's Constitution.

The poll on this resolution is now closed



Item 6C

ELECTION OF RYAN KROGMEIER

Ryan joined the Board in March 2012

Ryan brings to the Board significant downstream oil industry experience, particularly in the areas of crude and products supply and trading, risk management and financial operations

He is an executive of Chevron

The Board supports Ryan's election



Item 6C

ELECTION OF RYAN KROGMEIER

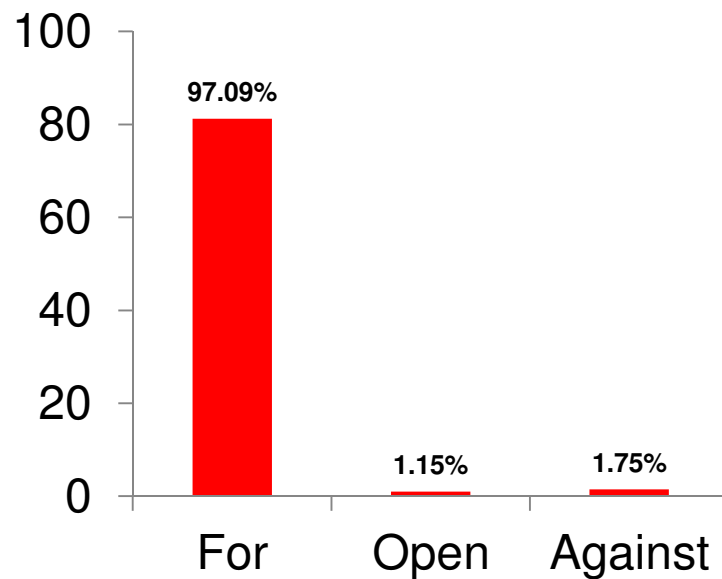
Shareholders will be asked to consider and, if thought fit, pass an ordinary resolution to elect Ryan Krogmeier as a director, in accordance with and on the terms set out in the company's Constitution.



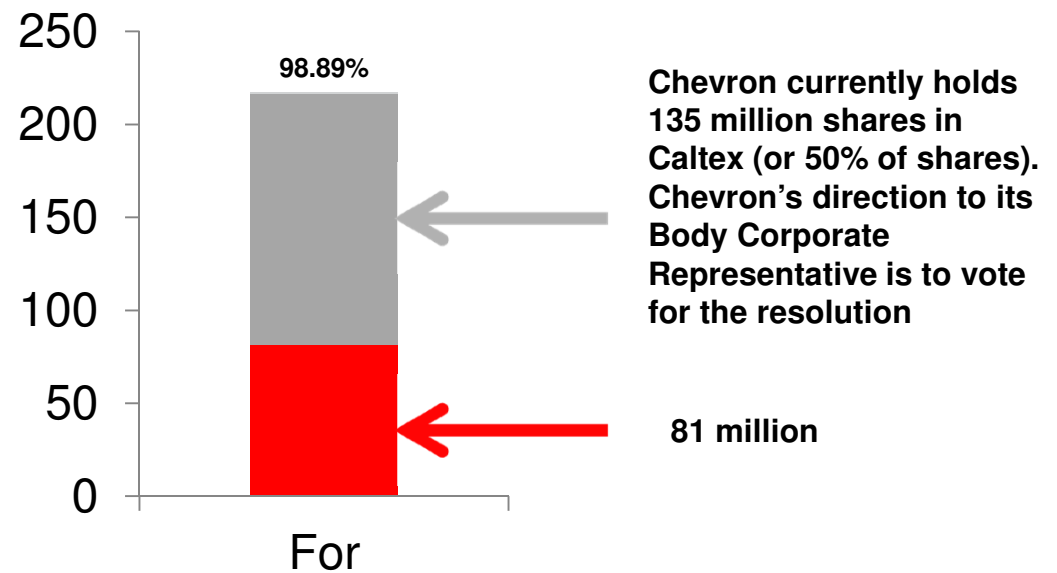
Item 6C

ELECTION OF RYAN KROGMEIER

Millions - Proxy voting directions



Millions – Voting directions (incl Chevron)



Item 6C

ELECTION OF RYAN KROGMEIER

Shareholders will be asked to consider and, if thought fit, pass an ordinary resolution to elect Ryan Krogmeier as a director, in accordance with and on the terms set out in the company's Constitution.

**The poll on this resolution is open –
please cast your vote**

- 1 to vote **FOR** the resolution
- 2 to vote **AGAINST** the resolution



Item 6C

ELECTION OF RYAN KROGMEIER

Shareholders will be asked to consider and, if thought fit, pass an ordinary resolution to elect Ryan Krogmeier as a director, in accordance with and on the terms set out in the company's Constitution.

The poll on this resolution is now closed







CALTEX AUSTRALIA LIMITED
ACN 004 201 307

ANNUAL GENERAL MEETING – 10 MAY 2012

2012 AGM – SHAREHOLDER ISSUES

SHAREHOLDER ISSUES (FROM CHAIRMAN'S ADDRESS)

Issue: Refinery Review

Response: We announced in August last year that Caltex is undertaking a refining review. At our 2011 full year results announcement in February we outlined that an outcome would be known in approximately six months, which would be in the third quarter of this year. We are still on track to meet that timeline given the range of complex issues we are working through.

Notwithstanding that the review is ongoing, we provide an update in light of the ongoing losses from our refining business.

Caltex's refineries, like all Australian refineries, compete directly with other Asian refineries. Caltex refineries in their current configuration are relatively small and are disadvantaged compared to the modern, larger scale and more efficient refineries in the Asian region. This disadvantage has been exacerbated by the impact of the ongoing strength of the Australian dollar, lower Caltex refiner margins and increasing costs on the "as is" refining business.

Kurnell accounts for the majority of losses incurred by the refinery business in 2011 and 2012 year to date, and this is expected to continue into the future. Therefore, management's attention is now focussed on this operation. While we are not yet in a position to finally determine the future direction for Kurnell, we are committed to ensuring the right decision is made to optimise value for our shareholders, to run safe and reliable operations and to maintain reliable supply.

Lytton's configuration is better suited to the product mix demanded by our customers, and consequently we are exploring a pathway to create a viable operation at Lytton requiring modest investment with quick paybacks and an associated focus on appropriate operational and financial performance targets. We will be working with key stakeholders to develop a clear path to drive sustained improvement.

It is important that we make the right decision on what is an extremely complex issue. Before a final decision can be made, a number of matters have to be determined such as supply alternatives for our core business, the risk associated with each strategic option and the impact of possible decisions on a broad range of stakeholders.

Regardless of the decision, we remain, as always, strongly committed to safe and reliable operations.

OTHER SHAREHOLDER ISSUES

Issue: Caltex's dividend franking account balance

Response: The Board is very mindful of the level of Caltex's dividend franking account balance and is aware that the balance of the dividend franking account has continued to rise since Caltex committed at our last AGM to look into methods of releasing some of these franking credits to our shareholders.

There are two things to consider in relation to Caltex's franking credits.

Firstly, with regard to the options available to us to release some of the balance to shareholders, we commenced this work during 2011. However through the process of the refinery review, it has become clear that our approach to franking credits is a matter that should be considered after a decision on the review has been made, given that each potential outcome of the review may have a different impact on debt levels, particularly in the short term. After we complete this work we will consider the viability of, and the potential mechanisms for, releasing some of the franking credits.

Secondly, it is relevant to consider the broad reasons why the franking credit balance has increased so significantly over the last few years. These are:

- The significant capital investment required to ensure our two refineries were able to comply with the Australian Federal government's clean fuels legislation. A total investment of \$800 million was spent between 2004 and 2008 over and above our normal level of investment. Our dividend payout levels were reduced in the 2003 to 2005 period to accommodate that level of investment.
- The material increase in crude oil prices over the last five or six years which has resulted in our historic cost profits being significantly higher over that period than our profits calculated on a replacement cost basis. This is an important point to note as Caltex pays tax on its historic cost profits, which included inventory gains relating to the rise in the crude oil price.
- Caltex's dividends, however, are declared based on replacement cost profits before significant items. This is for two main reasons: firstly, replacement cost reflects more closely operating cash flow, and secondly, replacement cost profits are more stable than historic cost results as they eliminate the inventory gains and losses associated with changes in the price of crude oil. As a result, the use of replacement cost as a basis for paying dividends provides a more stable dividend flow.