CALTEX AUSTRALIA LIMITED
ACN 004 201 307

LEVEL 24, 2 MARKET STREET
SYDNEY NSW 2000 AUSTRALIA

25 June 2012

Company Announcements Office
Australian Securities Exchange

CALTEX AUSTRALIA LIMITED
CALTEX REFINER MARGIN UPDATE (MAY 2012)

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

Peter Lim
Company Secretary

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

Attach.

Caltex Australia

ASX Release

For immediate release

25 June 2012

Caltex Refiner Margin Update (May 2012)

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

Measure	May 2012	May 2011
Unlagged CRM	US$10.93/bbl	US$7.82/bbl
Impact of 7 day lag (negative)/positive	US$1.62/bbl	US$3.48/bbl
Realised CRM	US$12.55/bbl	US$11.30/bbl
CRM Sales from production	1,055ML	790ML

Margins eased slightly in May from April levels. Regional economic growth slowed and US refineries returned to production from seasonal turnarounds. The unlagged Singapore Weighted Average Margin for May 2012 was US$13.35/bbl vs. US$15.86/bbl for April 2012. The light heavy spread remained at approximately US$2/bbl in May. The fall in crude price during the month, from a month average of US$120/bbl in April 2012, to a month average of US$110/bbl in May 2012, contributed to the favourable timing lag of US$1.62/bbl.

CRM sales from production were higher in 2012 compared to 2011, reflecting strong refinery production levels in the month.

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.

Analyst contact:
Simon Hepworth
Chief Financial Officer
Phone: 02 9250 5838
Email: LAyshfo@caltex.com.au

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