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ASX ANNOUNCEMENT



CALTEX

CALTEX AUSTRALIA LIMITED
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28 June 2012

Company Announcements Office
Australian Securities Exchange

CALTEX AUSTRALIA LIMITED
2012 HALF YEAR PROFIT OUTLOOK

An *ASX Release* titled "2012 half year profit outlook" is attached for immediate release to the market.

Peter Lim
Company Secretary

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Attach.

ASX Release

For immediate release

28 June 2012

2012 half year profit outlook

Key points:

- Half year Historic Cost Profit (HCOP) outlook \$150 million - \$170 million
- Half year Replacement Cost Operating Profit (RCOP¹) outlook \$185 million - \$205 million
- Continued strength in Marketing
- Production levels strong with improved refinery availability
- Refinery review on track for a third quarter decision

Results summary	Half year ended 30 June	
	2012 outlook \$M	2011 \$M
Historic Cost Profit after tax	150-170	270
RCOP profit:		
After tax	185-205	113
Before interest and tax	310-340	193

Historic Cost Profit

On an Historic Cost Profit basis, Caltex expects an after tax profit in the range of \$150 million to \$170 million for the half year ended 30 June 2012. The half year outlook includes forecast product and crude oil inventory losses of approximately \$35 million after tax, compared with product and crude oil inventory gains of \$157 million after tax for the half year to 30 June 2011. The impact of the 2011 impairment of refinery assets is a decrease to depreciation expense of approximately \$40 million after tax in the current half year period.

Replacement Cost Operating Profit

On a Replacement Cost Operating Profit (RCOP) basis, Caltex forecasts an after tax profit of \$185 million to \$205 million for the first half of 2012. This compares with \$113 million for the first half of 2011. After taking into account the benefit of the lower depreciation expense, the improved result in 2012 is largely attributable to improved transport fuel margins combined with increased refinery production volumes.

Marketing performance

The Marketing business continues to grow with strong results underpinned by strong commercial diesel sales, retail premium fuel sales, and jet fuel sales. These key contributors to growth on last year were partially offset by the ongoing trend of declining regular unleaded petrol sales. Total transport fuel sales volume is expected to be 7.8 billion litres for the first half of 2012 (first half 2011: 7.7 billion litres).

¹ The Replacement Cost Operating Profit (RCOP) excludes the impact of the fall or rise in oil prices (a key external factor) and presents a clearer picture of the company's underlying business performance. It is calculated by restating the cost of sales using the replacement cost of goods sold rather than the historical cost, including the effect of contract based revenue lags.

Refining performance

Production of petrol, diesel and jet fuel is likely to be of the order of 5.2 billion litres for the first half of 2012 (first half 2011: 4.7 billion litres). Production volumes are higher in the first half of 2012 compared with 2011 due to factors that impacted refining availability in 2011, including extended planned maintenance at Kurnell and unplanned outages at Lytton. The improved 2012 performance reflects the benefits of the ongoing Refinery Improvement Initiative.

The refinery review is on track for a decision in the third quarter of 2012.

CRM in line with first half 2011

The Caltex Refiner Margin (CRM²) in both US\$/bbl and realised A/cpl is broadly in line with the values realised in the same period last year. Caltex benefited from higher unlagged Weighted Average Margin (WAM) being nearly US\$2.50/bbl higher than the same period last year. However, this improved WAM value was partially offset by higher unit freight costs as Caltex accessed more West African crude to avoid high regional crude premia. Crude pricing and crude premia remained firm, driven by both geopolitical uncertainty and continued demand for crude and fuel oil from Japan, which replaced its nuclear capacity with hydrocarbon sources. On average the Australian dollar is forecast to be broadly in line with the same period in 2011.

Debt position

Net debt at 30 June 2012 is forecast to be approximately \$750 million, compared with \$675 million at 30 June 2011.

Notes

The forecast results for the 2012 half year are subject to audit and normal period end close processes.

The forecast results are premised on a AUD/USD exchange rate at 30 June 2012 of 100 cents and a June average unlagged CRM of US\$9/bbl, with Dated Brent crude benchmark averaging US\$94/bbl for June.

Any changes in key externalities such as the AUD/USD exchange rate, refiner margins and crude oil prices from those assumed in the profit outlook can have material impacts on both the RCOP and historic cost results for the half year.

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² The Caltex Refiner Margin (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 calculation represents: average Singapore refiner margin + product quality premium + crude discount/(premium) + product freight - crude freight - yield loss.