**BY ELECTRONIC LODGEMENT** **ASX ANNOUNCEMENT**


**CALTEX AUSTRALIA LIMITED**
**ACN 004 201 307**

**LEVEL 24, 2 MARKET STREET**
**SYDNEY NSW 2000 AUSTRALIA**


31 July 2012

Company Announcements Office
Australian Securities Exchange

## CALTEX AUSTRALIA LIMITED
## CALTEX PRESENTATION – NOTES ISSUE

Caltex Australia Limited (Caltex) proposes to issue unsecured subordinated notes to raise $300 million (with the ability to raise more or less), as announced to the market this morning.

Mr Simon Hepworth (Chief Financial Officer) will make presentations to investors in relation to the proposed issue as part of a domestic road show commencing today. The slides for the presentation are attached for immediate release to the market.

**Peter Lim**
**Company Secretary**

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

**Attach.**

# CALTEX AUSTRALIA LIMITED
# Offer of Subordinated Notes

Simon Hepworth and David Davies
31 July 2012

# DISCLAIMER

The information contained in this document (including this "Disclaimer") or discussed at the presentation (collectively, the "Presentation") has been prepared by Caltex Australia Limited (ACN 004 201 307) (“Caltex”) in connection with the offer of Caltex Subordinated Notes ("Notes") ("Offer"). Citi, UBS, National Australia Bank and Westpac Institutional Bank are Joint Lead Managers ("JLMs") for the Offer. The Offer is made pursuant to a Prospectus which was lodged with the Australian Securities and Investment Commission ("ASIC") on 31 July 2012. Caltex intend to lodge a replacement Prospectus which will include the margin determined after the Bookbuild to be held on or about 8 August 2012 ("Replacement Prospectus").

This Presentation is provided to potential investors for the sole purpose of providing information to enable recipients to evaluate their interest in participating in the Offer. It is not intended as an offer, invitation, solicitation or recommendation with respect to the purchase or sale of any security. Prospective investors should make their own independent evaluation of an investment in Notes.

The information in this Presentation is an overview and does not contain all the information necessary to make an investment decision or which would be required in a prospectus or other disclosure document prepared in accordance with the requirements of the Corporations Act 2001. It is intended to be a summary of certain information relating to Caltex and its subsidiaries (the "Group") and does not purport to be a complete description of the Group or the Offer. The Offer is made under the Prospectus and you should read the entire Prospectus before deciding whether to acquire Notes.

This Presentation has not been lodged with ASIC. The information that Caltex will assume responsibility for is set out in the Prospectus. This Presentation is not a recommendation to acquire Notes. Nothing contained in this Presentation constitutes investment, legal, tax, financial product or other advice. The information in this Presentation does not take into account the investment objectives, taxation position, financial situation or needs of any particular investor.

Any decision by a person to apply for Notes should be made on the basis of the information contained in the Prospectus, not this Presentation. Applicants should read the Prospectus in its entirety before making a decision whether to apply for Notes. Applications for Notes may only be made on an application form that will be attached to or accompanying the Replacement Prospectus following the opening of the Offer, which is expected to occur on 9 August 2012. The Prospectus is available (and the Replacement Prospectus will be available) to Australian investors and Eligible Shareholders in electronic form at www.caltex.com.au/notes.
An investment in Caltex is subject to investment risks including possible loss of income and principal invested. Please see Section 6 (Investment risks) of the Prospectus for further details.

The information contained in this Presentation is of a general nature and has been prepared by Caltex in good faith and with due care, but no representation, express or implied, is made as to correctness, quality, accuracy, timeliness, adequacy, reliability or completeness of any statements, estimates or opinions or other information contained in this presentation. To the maximum extent permitted by law, Caltex, the Joint Lead Managers and their related bodies corporate, affiliates and each of their respective directors, officers, partners, employees, advisers and agents and any other person involved in the preparation of the presentation (each a "Disclaiming Party") disclaim all liability and responsibility (including without limitation any liability arising from the fault or negligence on the part of any Disclaiming Party) for any direct, indirect or consequential loss or damages which may be suffered by a recipient through the use of or reliance on anything contained or omitted from this Presentation. In no event will a Disclaiming Party be liable for any such loss or damage which may be incurred or experienced on such use or reliance, even if the user has been advised of the possibility of such loss or damage.

All references to $ are to Australian dollars, unless otherwise stated.

# DISCLAIMER

This Presentation is not a prospectus or other disclosure or offering document under Australian or any other law. This presentation does not constitute an offer, invitation or recommendation to subscribe for or purchase any security in any jurisdiction and neither this presentation nor anything contained in it shall form the basis of any contract or commitment. This Presentation does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or to any US persons (as defined in Regulation S under the US Securities Act of 1933, as amended ("US Securities Act")), and is not available to and may not be sent to persons in the United States or to US persons. Securities may not be offered or sold, directly or indirectly, in the United States, or for the account of any US person (as defined in Regulation S under the US Securities Act), unless the securities have been registered under the US Securities Act or an exemption from registration is available. The securities the subject of the Offer have not been and will not be registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States.

Certain statements in this Presentation may constitute "forward-looking statements". The words "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "could", "may", "target", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, financial position and performance are also forward-looking statements. Any forward-looking statements reflect the Group's expectations and speak only as of the date of this Presentation. These statements may involve significant elements of subjective judgement and analysis, and assumptions as to future events which may or may not be correct.

No Disclaiming Party makes any representation or warranty, express or implied, as to the fairness, accuracy, completeness, correctness, likelihood of achievement or reasonableness of any forecasts, forward-looking statements or projections contained in the presentation. Such forecast, forward-looking statement or projection are not guarantees of future performance. Any such forecast, forward-looking statement or projection contained in this Presentation has been based on current expectations about future events and is subject to significant uncertainties, risks and contingencies, many of which are outside the control of the Group, that could cause actual results to differ materially from the expectations expressed or implied. You are cautioned not to place undue reliance on forward looking statements. Except as required by law or regulation (including the ASX Listing Rules), Caltex undertakes no obligation to update these forward-looking statements.

No person has any responsibility or obligation to inform you of any matter arising or coming to their notice, after the date of this Presentation, which may affect any matter referred to in this Presentation.

Any investor wishing to acquire Notes will need to complete the application form that will be attached to, or accompany, a printed or electronic copy of the Prospectus during the period of the Offer. To obtain a Prospectus, interested investors should contact their broker or call the Caltex Offer Information Line on 1300 638 671(within Australia) or +61 3 9415 4659 (outside Australia) or visit www.caltex.com.au/notes.

The Corporations Act 2001 prohibits Caltex from processing applications for Notes in the seven day period after 31 July 2012, being the date on which the Prospectus was lodged with ASIC (the "Exposure Period"). ASIC may extend the Exposure Period by up to a further seven days (that is, up to a total of 14 days). Applications received during the Exposure Period will not be processed until after the expiry of the Exposure Period. No preference will be conferred on applications received during the Exposure Period.

Not for distribution in the United States of America or to US Persons.

# OFFER SUMMARY

| | |
|---|---|
| **Issuer** | • Caltex Australia Limited<br>– S&P/ASX 100 company with a market cap of approximately $3.8 billion[1]<br>– Australia's largest supplier of petroleum products and the number one convenience retailer |
| **Security** | • Caltex Subordinated Notes ("Notes")<br>• Dated, direct, unsecured, subordinated, cumulative notes |
| **Offer size** | • $300 million with the ability to raise more or less |
| **Use of proceeds** | • General corporate purposes, including the repayment of existing financial indebtedness<br>• The Offer forms part of Caltex's capital management strategy and will provide additional capital support as it executes its growth plans and implements its recently announced supply chain restructure, including the closure and conversion of the Kurnell refinery to a major import terminal |
| **Equity credit** | • Caltex expects that Notes will provide an amount of equity credit from one rating agency |
| **Offer structure** | • Broker Firm Offer, Institutional Offer, Shareholder Offer, General Offer |
| **Bookbuild** | • Expected to occur by 8 August 2012 |
| **Joint Lead Managers** | • Citi, NAB, UBS, Westpac |
| **Listing** | • Expected to be listed on ASX under the code 'CTXHA' |

Refer to Sections 1, 2, 3 and 6 of the Prospectus for further information about the Offer.

Note 1: As at the close of trading on ASX on 27 July 2012.

# NOTES SUMMARY

| | |
|---|---|
| **Security** | • Caltex Subordinated Notes ("Notes") |
| **Issue price** | • $100 per Note |
| **Maturity date** | • 15 September 2037 (year 25), unless redeemed earlier |
| **First call date** | • 15 September 2017 (year 5) |
| **Interest payments** | • Floating rate, unfranked cash payments<br>• Payable quarterly in arrears, subject to deferral<br>• Any deferred interest payments are cumulative and compounding |
| **Margin** | • Expected range of 4.50% to 4.75% pa, to be determined under the Bookbuild<br>• Equates to an initial yield of approximately 8.00% to 8.25% pa[1] |
| **Interest deferral** | • Caltex may defer all or any part of any interest payment at its sole discretion<br>• Subject to a dividend stopper |
| **Change of control** | • Caltex redemption right, holder put |
| **Ranking** | • Notes are subordinated debt obligations, ranking only in priority to Caltex's ordinary shares |

Refer Prospectus for full details on the Offer.

Note 1: Based on an illustrative 3 month Bank Bill Rate of 3.50%.

# CONTENTS

# ABOUT CALTEX

CALTEX
Caltex Australia

- Operated in Australia for more than 70 years
  - Australia's largest supplier of petroleum products and number one convenience retailer
  - Focused on safely and reliably providing transport fuels to our customers
- Listed on ASX and a S&P/ASX 100 company by market capitalisation (approximately $3.8 billion)[1]
  - Chevron Corporation, which is listed on the NYSE with a market cap of US$215 billion[2], holds a 50% interest in Caltex

**1936** Caltex is born, the result of a merger between Socal and Texaco, both U.S. oil companies

**1952** Caltex establishes its own oil exploration and producing subsidiary, American Overseas Petroleum Ltd

**1956** Constructs Australia's Kurnell Refinery

**1966** Caltex's operations extend to more than 70 countries

**1981** Caltex purchases Golden Fleece Petroleum

Lists on the Australian Stock Exchange

**1995** Australian operations merge with Ampol Ltd – forms Australia's largest integrated refining and marketing company

**2012** Caltex announces proposed closure and conversion of Kurnell Refinery in Sydney to a major import terminal

1936 1952 1956 1966 1981 1995 2001 2012

Notes:
1 As at the close of trading on ASX on 27 July 2012
2 As at the close of trading on NYSE on 27 July 2012

# ABOUT CALTEX

| | |
|---|---|
| Australia's largest supplier of petroleum products | • National distribution network of refineries, terminals, pipelines and depots supplying around one in every three litres of petrol, diesel and jet fuel consumed in Australia with leading market share by volume sold |
| Australia's number one convenience retailer | • Operates a retail network of ~2,000 Caltex branded stores including ~500 Star Mart convenience stores in metropolitan markets across Australia |
| Strong Marketing performance | • The Marketing segment achieved a 20% increase in RCOP EBIT in 2011<br>• Caltex is positioned to capture growth in the resources, transportation and other commercial sectors |
| Experienced management team | • Experienced management team with strong strategic, operational and financial management skills and proven track record |

# CALTEX'S STRATEGY

CALTEX Caltex Australia

## CALTEX'S VISION

**Outright leader in transport fuels across Australia**

## MEASURE OF SUCCESS

**Safely and reliably deliver top quartile total shareholder returns**

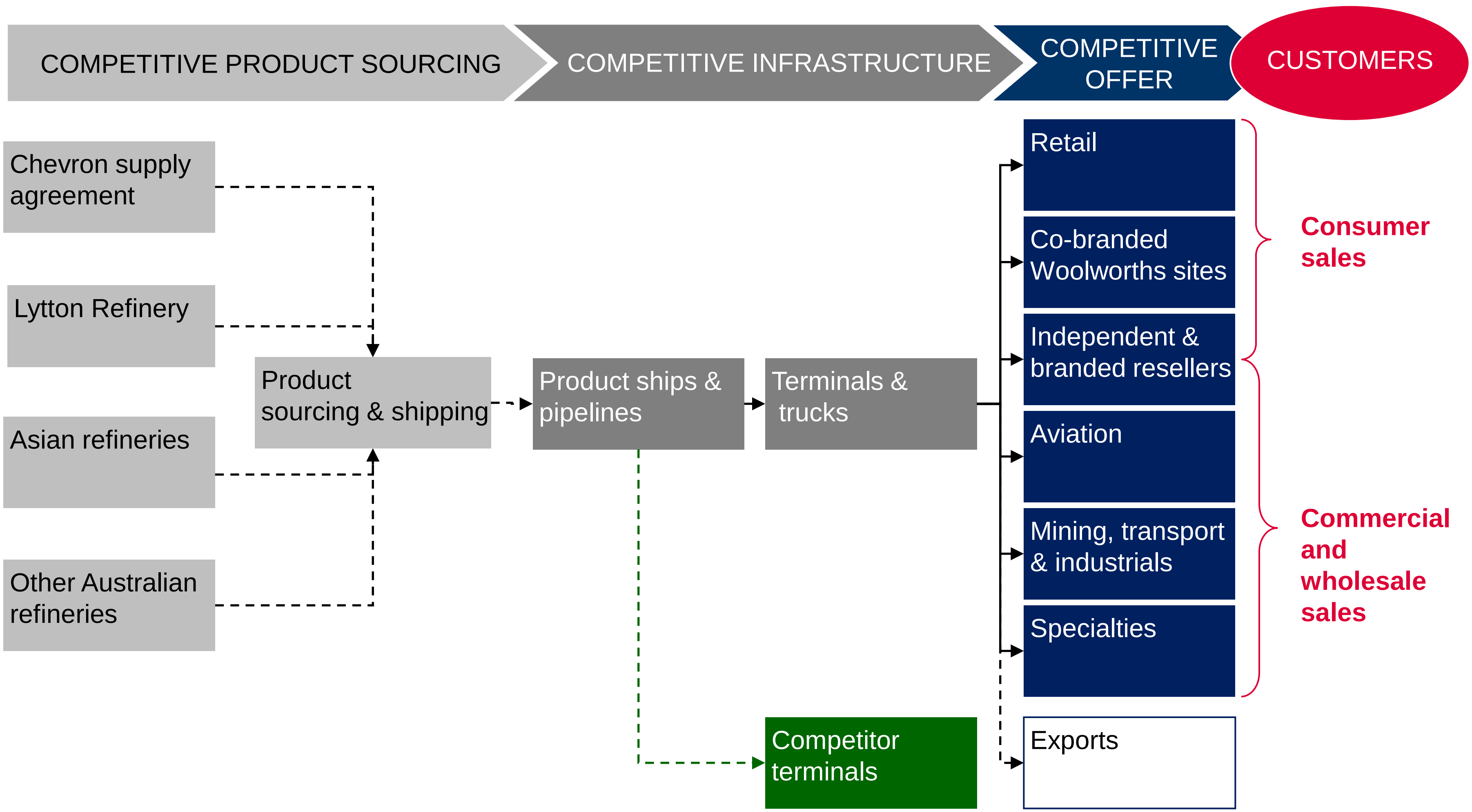
## KEY STRATEGY PILLARS

| Superior supply chain | | Comprehensive targeted customer offer across products, channels and geographies | | |
|---|---|---|---|---|
| Enhance competitive product sourcing | Enhance competitive infrastructure | Grow consumer sales | Grow commercial and wholesale sales | Seed future growth options |

## KEY SOURCES OF COMPETITIVE ADVANTAGE

| | | | | | |
|---|---|---|---|---|---|
| Understanding and management of risk; relentless pursuit of Operational Excellence | Highly capable organisation | Competitive and reliable supply of each product into each key geography | Large scale, cost competitive terminal, pipeline, depot and fleet infrastructure in each geography | Scale across the value chain, anchored by key customer portfolio | Comprehensive network of outlets, leading fuel card offer and Brand |

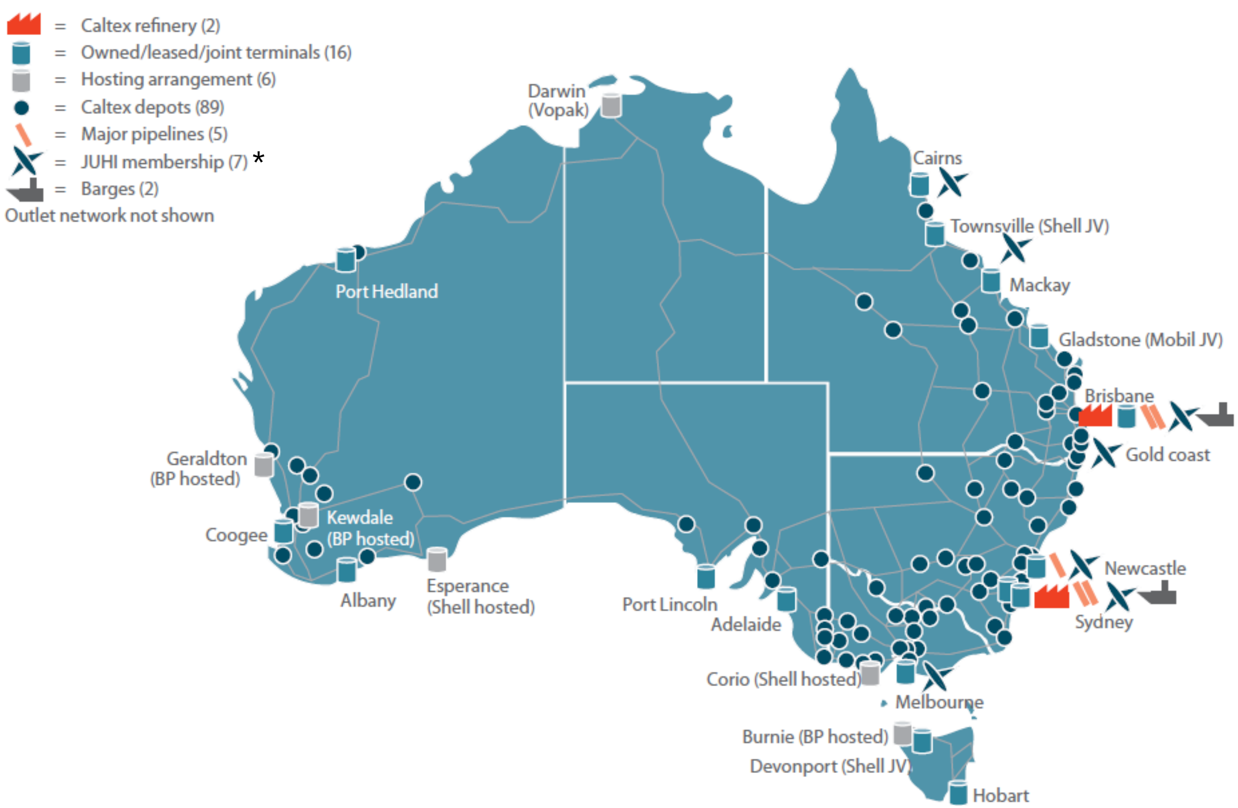
# THE CALTEX PRODUCT SUPPLY CHAIN




Note: Post successful closure and conversion of Kurnell refinery, expected to be later 2014.

# LEADING SUPPLY CHAIN AND INFRASTRUCTURE

- National distribution network of refineries, terminals, pipelines and depots
- Leading market share (number 1 or 2) by volume sold: 36% in petrol; 32% in diesel; 32% in jet fuel and 22% in lubricants
- Positioned to capture growth in the resources, transportation, aviation and other commercial sectors

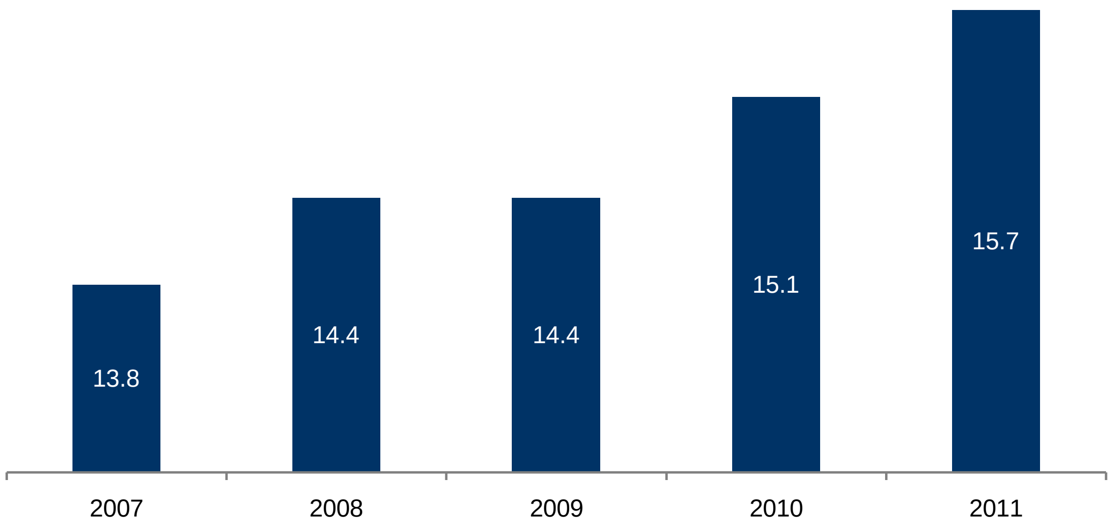



* JUHI = joint user hydrant installation

# COMPREHENSIVE TARGETED OFFER TO CUSTOMERS

- Annual transport fuel sales have grown from 13.8 billion litres in 2007 to 15.7 billion litres in 2011
- Sales have been achieved across a wide variety of products, channels and locations
- There are two key channels through which Caltex reaches its customers: a retail channel, and a commercial channel

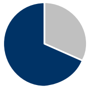
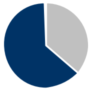
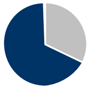
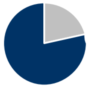
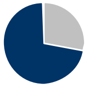
**Caltex's annual transport fuel sales (billion litres)**




Refer to Section 4 and 5 of the Prospectus for additional information

# LEADING MARKETING AND DISTRIBUTION

- Commercial and wholesale channel
  - supplies diesel, jet fuel and lubricants to mining, automotive, industrial, specialties, transport, aviation, farming and marine industries
- Consumer channel
  - service station network comprising approximately 2,000 Caltex branded sites with more than $1 billion in annual convenience store revenue

| Product | | | Estimated Caltex share |
|---|---|---|---|
| **Diesel** |  |  | 32% |
| **Petrol** |  |  | 36% |
| **Jet fuel** |  |  | 32% |
| **Lubricants** |  |  | 22% |
| **Convenience** |  |  | 25-30% |

Caltex Other

Note: Indicative 2011 share of volume and share of revenue (convenience).

# SUPPLY CHAIN RESTRUCTURE
## Overview

Caltex Australia

On 26 July 2012, Caltex announced a supply chain restructure following a major review of its refining operations, which included:

- The **continued investment** in the development of Caltex's supply chain and Marketing operations to position Caltex as the outright leader in transport fuels across Australia
- The proposed **closure in the second half of 2014 of the Kurnell Refinery** in Sydney **and its conversion to a major import terminal** to enable the continued reliable supply of transport fuels to Caltex customers
  - Status quo not sustainable: Caltex refineries in their current configuration are relatively small and disadvantaged versus modern, larger scale and more efficient Asian refineries
  - Medium to long term benefits include cessation of Kurnell refinery operating losses, a reduction in maintenance capex and lower earnings volatility due to reduced exposure to refining margins
- Continued operation of **the company's Lytton Refinery** in Brisbane with a focus on necessary operational and financial performance improvements
- An arm's length **agreement with Chevron for the procurement and supply of transport fuels** with associated shipping services to provide a reliable and efficient supply of imported product
  - Chevron has a significant presence globally and in the region from which Caltex will be able to source reliable supply of product at market-based prices

# SUPPLY CHAIN RESTRUCTURE
## Funding and financial impact

- In the period 2012 to 2016, it is expected that **cash outflows will be largely offset by one-off benefits** resulting from the Kurnell closure
  - Import terminal conversion costs of approximately $250m
  - Kurnell refinery provisions of $430m, reflecting expected closure costs and remediation post-closure
  - Tax benefits and release of working capital
- While there will be some differences in timing of cash inflows and outflows, it is anticipated that there will be **no major impact on debt levels** during the conversion period
- Caltex's prudent capital management strategy has allowed the company to maintain a **strong credit profile** for the past 17 years
- Caltex is **committed to maintaining its current credit profile**, and is undertaking a number of capital management initiatives to maintain its **strong financial position during the transition period**, including:
  - the Offer of Notes
  - a temporary reduction in its dividend payout ratio


# CONTENTS

# FINANCIAL POSITION AND PERFORMANCE

| Key capitalisation metrics (A$m) | 31 December 2010 | 31 December 2011 |
|---|---|---|
| Cash and cash equivalents | 18 | 2 |
| Total assets | 5,291 | 4,861 |
| Interest bearing liabilities | 563 | 619 |
| Total liabilities | 2,208 | 2,643 |
| Total equity | 3,083 | 2,218 |

| Key earnings metrics (A$m)[1] | 31 December 2010 | 31 December 2011 |
|---|---|---|
| Revenue from sale of goods | 18,672 | 22,105 |
| Statutory profit attributable to Caltex shareholders (excludes significant items)[1] | 333 | 402 |
| RCOP (after tax)[2] | 318 | 264 |
| Net operating cash flows | 428 | 447 |

| Key credit ratios | 31 December 2010 | 31 December 2011 |
|---|---|---|
| Interest Cover Ratio (RCOP EBIT[2]/net finance costs) | 8.8x | 6.5x |
| Gearing Ratio (Net Debt/Net Debt and Equity) | 15% | 22% |
| Leverage Ratio (Net Debt/RCOP EBITDA[2]) | 0.8x | 0.9x |

Refer to Section 5 of the Prospectus for additional financial information.
Note:
1 The difference between Statutory profit (Historical Cost basis) and RCOP is explained in the Appendix. Excludes significant items.
2 Replacement Cost of Sales Operating Profit basis excluding significant items

# 2012 HALF YEAR PROFIT OUTLOOK

CALTEX
Caltex Australia

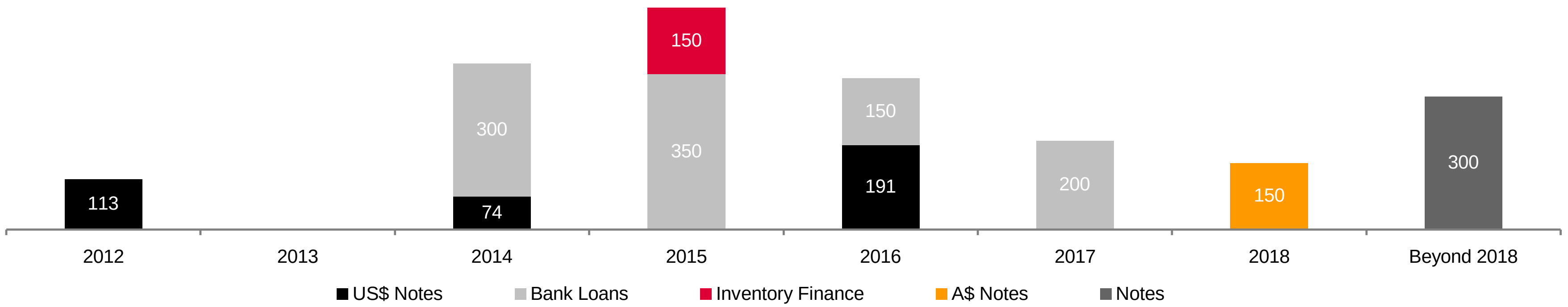
| | |
|---|---|
| Trading update | • On 28 June 2012, Caltex released a statement on Caltex's outlook for 2012 half year profit to the ASX<br>• Caltex continues to expect the results for the half year ended 30 June 2012 to be consistent with the outlook released on 28 June 2012 |
| Key highlights | *Net Profit*<br>• Caltex expects net profit after tax (on a statutory historical cost basis) in the range of $150 million to $170 million for the half year ended 30 June 2012. This compares with net profit after tax of $270 million for the half year ended 30 June 2011<br>*RCOP*[1]<br>• RCOP (after tax) is expected to be in the range of $185 million to $205 million, compared with RCOP (after tax) of $113 million for the half year ended 30 June 2011<br>*Net Debt*<br>• Net Debt as at 30 June 2012 is forecast to be approximately $750 million |

Refer to Section 5 of the Prospectus for additional financial information and Caltex Trading Update released to ASX on 28 June 2012.
Note:
1 The difference between Statutory profit (Historical Cost basis) and RCOP is explained in Appendix. Excludes significant items.

# DEBT STRUCTURE AND CAPITAL MANAGEMENT

- Caltex's prudent capital management strategy has allowed the company to maintain a strong financial position for the past 17 years, and the company is committed to maintaining its current credit profile
- The Offer of Notes will provide Caltex with additional capital support and further diversify its funding sources during the transition period at Kurnell
- In addition, Caltex's dividend policy will change to a payout ratio of 20% to 40% of RCOP NPAT in the short term. The intention is to revert to a 40% to 60% payout ratio following the successful closure of the Kurnell Refinery in 2014
- As at 30 June 2012, Caltex had $1.7 billion of committed debt facilities (not including the Notes)

**Committed debt maturity profile as at 30 June 2012 (Notes included for illustrative purposes) (A$m)[1]**




Note:

1 The chart includes the impact of this Offer, and shows Caltex's debt maturity profile including an additional amount in the "Beyond 2018" period in respect of the total funds raised under the Offer.


# CONTENTS

# KEY FEATURES OF NOTES

| | |
|---|---|
| **Interest payments** | • Unfranked, cumulative, cash payments<br>• Floating rate, payable quarterly in arrears, subject to deferral<br>• Calculated as 3 month Bank Bill Rate + Margin<br>• Margin will be determined under the Bookbuild (expected range of 4.50% to 4.75% pa)<br>• Equates to an initial interest rate of approximately 8.00% to 8.25% pa[1] |
| **First call date** | • Caltex may redeem on 15 September 2017 (year 5) and on any quarterly interest payment date thereafter |
| **Change of control**[2] | • If a Change of Control Event occurs, Caltex may redeem all Notes<br>• Holders may also request redemption if Caltex does not elect to redeem after a Change of Control Event |
| **Ranking** | • Notes are subordinated debt obligations, ranking only in priority to Caltex's ordinary shares |
| **Listing** | • Expected to be listed on ASX under the code 'CTXHA' |

Refer Prospectus for details of the Offer.

Note:
1 Based on an illustrative 3 month Bank Bill Rate of 3.50%.
2 Other Redemption Events are outlined in the Prospectus, section 2.4.1.

# DEFERRAL OF INTEREST

| | |
|---|---|
| **Overview** | • No mandatory interest deferral<br>• Caltex may, at its discretion, defer an Interest Payment<br>• Any Deferred Interest Payments may be paid at any time, and in any event must be paid no later than 5 years from the then longest outstanding deferred interest payment (or earlier in certain circumstances) |
| **Dividend and capital stopper** | • If Caltex elects to defer an Interest Payment, it must not:<br>– declare or pay any dividends, distribution or interest on any Equal Ranking Obligations, Junior Ranking Obligations (if any) or Shares; or<br>– redeem, reduce, cancel, purchase or buy-back any Equal Ranking Obligations, Junior Ranking Obligations (if any) or Shares,<br>unless all Deferred Interest Payments that remain outstanding are paid (subject to certain exceptions including in relation to employee incentive plans) |
| **Accumulation** | • Any Deferred Interest Payments are cumulative and compounding |

Refer Prospectus for details of the Offer.

# COMPARISON OF NOTES WITH RECENT ISSUES

| | Caltex Subordinated Notes | Woolworths Notes II[1] | Origin Energy Subordinated Notes[1] | Tabcorp Subordinated Notes[1] | AGL Energy Subordinated Notes[1] |
|---|---|---|---|---|---|
| Issuer | Caltex Australia Limited | Woolworths Limited | Origin Energy Limited | Tabcorp Holdings Limited | AGL Energy Limited |
| Issue date | Expected to be 5 September 2012 | September 2011 | December 2011 | February 2012 | March 2012 |
| Ranking | Subordinated | Subordinated | Subordinated | Subordinated | Subordinated |
| Maturity | Year 25 | Year 25 | Year 60 | Year 25 | Year 27 |
| First call date | Year 5 | Year 5 | Year 5 | Year 5 | Year 7 |
| Step-up date | Year 5 (25bp) | Year 5 (100bp) | Year 25 (100bp) | Year 5 (25bp) | Year 7 (25bp) |
| Interest payments | Unfranked, gross cash pay | Unfranked, gross cash pay | Unfranked, gross cash pay | Unfranked, gross cash pay | Unfranked, gross cash pay |
| Issue margin | Margin range of 4.50% to 4.75% | 3.25% | 4.00% | 4.00% | 3.80% |
| Optional deferral | Yes, subject to a dividend stopper | Yes, subject to a dividend stopper | Yes, subject to a dividend stopper | None | None |
| Mandatory deferral | None | None | Yes, on breach of a leverage ratio or a interest cover ratio | Yes, on breach of a leverage ratio or a interest cover ratio | Yes, on breach of a leverage ratio or a interest cover ratio |
| Deferred Interest Payments accumulation | Cash cumulative, with an obligation to pay no later than five years from initial deferral | Cash cumulative, with an obligation to pay no later than five years from initial deferral | Cash cumulative, with an intention to pay no later than five years from initial deferral | Cash cumulative, with an obligation to pay no later than five years from initial deferral | Cash cumulative, with an obligation to pay no later than five years from initial deferral |
| Issuer redemption rights | Change of Control, Tax, Capital Event, Clean-up | Change of Control, Tax, Capital Event, Accounting | Change of Control, Tax, Capital Event | Change of Control, Tax, Capital Event, Clean-up | Change of Control, Tax, Capital Event, Clean-up, Accounting |
| Change of Control | Issuer call, holder put | Issuer call, holder put | Issuer call, 500bps coupon step-up | Issuer call, holder put | Issuer call, holder put |

Note:

1 Information regarding Woolworths Notes II, AGL Energy Subordinated Notes, Tabcorp Subordinated Notes and Origin Energy Subordinated Notes is sourced from documents published by Woolworths Limited, AGL Energy Limited, Tabcorp Holdings Limited and Origin Energy Limited, respectively. Caltex takes no responsibility for that information and investors should read those documents for information regarding those securities.

# CONTENTS

# OFFER STRUCTURE

| | |
|---|---|
| **Broker Firm Offer** | • For eligible retail clients of Syndicate Brokers who have received a firm allocation through the Bookbuild<br>• 1.00% selling fee payable on Broker Firm allocations |
| **Institutional Offer** | • For institutional investors who have been invited by Citi and UBS to bid for Notes through the Bookbuild |
| **Shareholder Offer** | • For eligible holders of Caltex ordinary shares resident in Australia |
| **General Offer** | • For members of the general public who are resident in Australia |

Refer Prospectus for details of the Offer.

# INDICATIVE TIMETABLE

| Key dates for the Offer[1] | |
|---|---|
| Lodgement of Prospectus with ASIC | 31 July 2012 |
| Bookbuild to determine the Margin | 8 August 2012 |
| Announcement of the Margin | 9 August 2012 |
| Lodgement of Replacement Prospectus with ASIC | 9 August 2012 |
| Opening Date for the Offer | 9 August 2012 |
| Closing Date for Shareholder Offer and General Offer | 28 August 2012<br>at 5.00pm (Sydney time) |
| Closing Date for the Broker Firm Offer | 4 September 2012<br>at 10.00am (Sydney time) |
| Settlement Date | 4 September 2012 |
| Issue Date | 5 September 2012 |
| Notes begin trading on ASX (on a deferred settlement basis) | 6 September 2012 |
| Holding Statements despatched | 10 September 2012 |
| Notes begin trading on ASX (on normal basis) | 11 September 2012 |

Note:
1 The key dates for the Offer are indicative only and may change without notice.

# KEY CONTACTS

| Caltex | | |
|---|---|---|
| Caltex | Simon Hepworth – Chief Financial Officer | +61 2 9250 5838 |
| | David Davies – Group Treasurer | +61 2 9250 5838 |

| Joint Lead Managers | | |
|---|---|---|
| Citi | Alex Allegos | +61 3 8643 9709 |
| | James Arnold | +61 2 8225 6390 |
| National Australia Bank | Nicholas Chaplin | +61 2 9237 9518 |
| | Nathan Doake | +61 2 9237 1514 |
| UBS | Barry Sharkey | +61 2 9324 2926 |
| | Dean O'Hara | +61 2 9324 2191 |
| Westpac Institutional Bank | Allan O'Sullivan | +61 2 8254 1425 |
| | Daniel Lemcke | +61 2 8254 5206 |

| Further information | |
|---|---|
| Information line | Caltex Offer Information Line on 1300 638 671 or +61 3 9415 4659<br>Monday to Friday – 8:30am to 5:30pm (Sydney time) |
| Website | www.caltex.com.au/notes |

# APPENDIX – PLEASE READ


A. Investment Risks

B. Caltex basis for reporting

# APPENDIX A – INVESTMENT RISKS

**There are a number of other risks associated with Notes and Caltex, which are discussed in more detail in Section 6 of the Prospectus**

**All potential investors in Notes should review the risks outlined in the Prospectus and not rely on this Presentation**

Risks associated with Notes include:

**Notes are subordinated obligations**

In a Winding-Up of Caltex the claims of the Holders will rank ahead of Caltex's Ordinary Shares but behind all other claims on Caltex. There may be a shortfall of funds to pay all amounts ranking senior to and equally with the Notes if a Winding-Up of Caltex occurs resulting in Holders receiving no payment, or only partial payment, of any amounts due on the Notes.

**Interest Payments may be deferred**

Deferral of Interest Payments may occur at the sole discretion of Caltex for a period of five years from the deferral of the then longest outstanding Deferred Interest Payment, and may have an adverse effect on the market price of the Notes. Deferral may also be disadvantageous to Holders from a cash flow timing perspective. Where Interest Payments are deferred, Holders may be required to include the Deferred Interest Payments (and interest compounding on such amounts) in their assessable income as they accrue.

**Change in Interest Rate**

The Interest Rate is calculated by reference to the Bank Bill Rate, which is influenced by a number of factors and may fluctuate over time. The Interest Rate may become less attractive compared to rates of return available on other securities or alternative investments.

**Notes are long-dated securities**

The Notes will mature on 15 September 2037. Although Caltex may redeem the Notes or purchase and cancel Notes from 15 September 2017, and in certain circumstances may redeem Notes prior to this date, Caltex is under no obligation to do so except in limited circumstances. Caltex expects that the Notes will provide an amount of equity credit for quantitative purposes from a rating agency until 15 September 2017 (being 20 years prior to the Maturity Date). In particular, Caltex intends (without thereby assuming a legal obligation) to retain Notes in its capital structure in circumstances where Caltex's credit profile is materially worse than as at the date of this Prospectus, unless it elects to replace Notes with a new issue of hybrid or other securities which are ascribed at least an equal equity credit from a rating agency.

Holders have limited rights to request redemption of Notes before they mature. Holders may seek to sell Notes on ASX but there is no guarantee they will be able to do so, or at a price acceptable to the Holder. Holding a Note for a long period may result in the real value of proceeds received on Redemption decreasing as a result of inflation.

# APPENDIX A – INVESTMENT RISKS

**There are a number of other risks associated with Notes and Caltex, which are discussed in more detail in Section 6 of the Prospectus**

**All potential investors in Notes should review the risks outlined in the Prospectus and not rely on this Presentation**

Risks associated with Notes include:

**Caltex may redeem Notes under certain circumstances**
The Notes may be redeemed by Caltex in certain circumstances. There is a risk that the relevant Redemption Amount may differ from the market price of the Notes at the time of a Redemption or the timing of such Redemption may not accord with a Holder's preferences in light of its individual financial circumstances or tax position.

**Limited right for Holders to request redemption**
Holders have no right to request Redemption of the Notes prior to 15 September 2037 (i.e. the Maturity Date) unless a Change of Control Event occurs and Caltex does not elect to redeem the Notes or does not give notice of the Change of Control Event.

**No limitation on issuing securities senior to, equal with or subordinate to Notes**
There are no restrictions on the amount of securities, guarantees or other liabilities which Caltex may issue or incur and which rank (legally or in effect) senior to, or equal or subordinate to the rights and claims of Holders in respect of the Notes. The market value of the Notes may be impacted.

**No minimum subscription**
Caltex intends to raise approximately $300 million through the issue of the Notes under the Offer, with the ability to raise more or less. However, there is no minimum aggregate subscription for the Offer and the Offer is not underwritten. If the Offer is not fully subscribed, this may have an adverse impact on the market price and liquidity of the Notes.

**Tax consequences for Holders**
A general description of the Australian taxation consequences of investing in the Notes is set out in Section 7 of the Prospectus. Investors should seek independent advice in relation to their individual tax position. Holders should also be aware that future changes in Australian taxation, law including changes in interpretation or application of the law by the courts or taxation authorities in Australia, may affect the taxation treatment of an investment in the Notes.

**General market risks**
The market price of the Notes may fluctuate and the Notes may trade below the Issue Price due to various factors, including investor perceptions, global economic conditions, interest rates, credit spreads, movements in the market price of Shares or senior or other subordinated debt.
Caltex will apply for the Notes to be listed on the ASX. However, the Notes will have no established trading market when issued and a trading market may never develop. Insufficient liquidity may have an adverse effect on a Holder's ability to sell its Notes and the Notes may trade at a market price below their Issue Price. The market for the Notes is likely to be less liquid than the market for Caltex Ordinary Shares and Holders who wish to sell their Notes may be unable to do so at an acceptable price, if at all.



30

# APPENDIX A – INVESTMENT RISKS

**There are a number of other risks associated with Notes and Caltex, which are discussed in more detail in Section 6 of the Prospectus**

**All potential investors in Notes should review the risks outlined in the Prospectus and not rely on this Presentation**

Risks associated with Caltex's business include:

**Caltex Refiner Margin (CRM)**
The Caltex Refiner Margin (CRM) is a key metric which drives the profitability of Caltex's refineries. CRM is impacted by a range of factors. A low CRM will adversely impact Caltex's refining earnings and cashflows.

**Commodity price risk**
Caltex is exposed to the risk of both crude and finished product price movements as this impacts Caltex's refining earnings and cash flows.

**Competitive risk**
Caltex operates in a highly competitive market space, and could be adversely impacted by new entrants to the market or increased competition from existing competitors, or loss of a major customer.

**Foreign exchange risk**
Caltex is exposed to the effect of changes in exchange rates on crude and product payables, refiner margin, capital expenditure and foreign borrowings. As Caltex purchases crude and products in US dollars, a decrease in the AUD:USD exchange rate between the time Caltex assumes liability for the crude and subsequently pays for that crude will negatively impact Caltex's payables, earnings and cash flows.

Additionally, the CRM is determined principally with reference to the US dollar Singapore spot product price relative to the US dollar Brent crude price. An increase in the AUD:USD exchange rate will adversely impact Caltex's Australian dollar refiner margin and therefore refining earnings.

**Liquidity risk**
Due to the nature of the underlying business, Caltex must maintain sufficient cash and adequate committed credit facilities to meet the forecast requirements of the business. From time to time, Caltex will be required to refinance debt facilities. There is no certainty as to the availability of debt facilities or the terms on which such facilities may be provided to Caltex in the future.

**Operational risk**
The nature of many of Caltex's operations are inherently risky. Major hazards may cause injury or damage to people or property. Major incidents may cause suspension of certain operations and/or financial loss.

**Key risks associated with proposed Kurnell refinery closure**
The conversion of a refinery to an import facility is a major capital project and involves significant costs and will be completed over several years. There are risks to operations, schedule and costs in the execution of this project, potentially resulting in cost overruns and operational disruption, including unplanned shutdowns, early closure and or supply disruption. Whilst Caltex believes that it has adequately provided for these costs, some of these are early estimates and the actual cashflows could materially differ from current estimates. Caltex's reliance on imported transport fuels will also increase following the Kurnell refinery closure.

# APPENDIX A – INVESTMENT RISKS

**There are a number of other risks associated with Notes and Caltex, which are discussed in more detail in Section 6 of the Prospectus**

**All potential investors in Notes should review the risks outlined in the Prospectus and not rely on this Presentation**

Risks associated with Caltex's business include:

**Environmental risk**
Caltex refines, imports, stores, transports and sells transport fuels. As such, it is exposed to the risk of environmental spills and incidents. It is also responsible for contaminated sites which it operates or has previously operated.

**Demand for Caltex's products**
Caltex's operating and financial performance is influenced by a variety of general economic and business conditions, including economic growth and development, the level of inflation and government fiscal, monetary and regulatory policies. In a global economic downturn, demand for Caltex's products and services may be reduced, which may negatively impact Caltex's financial performance.

**Regulatory risk**
Caltex is exposed to potential legal proceedings incidental to operations from time to time. Changes in laws and government policy in Australia or elsewhere, including regulations, licence conditions and fuel quality standards, could materially impact Caltex's operations, assets, contracts, profitability and prospects.

**Health & safety risk**
There are hazards associated with Caltex's refining and distribution operations which may adversely impact Caltex's financial performance.
Caltex's operations could be impacted by accidents, natural disasters or other catastrophic events which could materially disrupt its operations.

**Interest rate risk**
Caltex's cash flows are exposed to interest rate risks arising from its borrowings issued at variable rates. Caltex enters into fixed interest rate instruments to manage a proportion of this exposure

**Labour shortages & industrial disputes**
There is a risk Caltex may not be able to acquire or retain the necessary labour for operations and development projects. This may disrupt operations or lead to financial loss. The risk of industrial dispute is heightened following the announced conversion of Kurnell refinery to an import terminal.

**Credit risk**
Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. Primary credit exposure relates to trade creditors.

# APPENDIX B – CALTEX BASIS FOR REPORTING

Caltex reports its results for statutory purposes on a historical cost basis (as presented in Section 5 of the Prospectus). Caltex also provides financial results on a Replacement Cost of Sales Operating Profit (RCOP) basis (as presented in Section 5 of the Prospectus). The RCOP result removes the impact of fluctuations in the US dollar price of crude and foreign exchange on cost of sales, which is separately identified as inventory gains/(losses) in the statutory income statement. Such impacts constitute a major external influence on Caltex profits.

The Caltex RCOP methodology is consistent with the basis of reporting commonly used within the global refining industry. RCOP results are a measurement basis for Caltex used by the Rating Agency and bank covenants. The RCOP measure (excluding significant items) is consistent with the presentation of RCOP disclosed in Caltex's Annual Report for the year ended 31 December 2011.

As a general rule, an increase in crude prices on an Australian dollar basis will create an earnings gain for Caltex (but working capital requirements will also increase). Conversely, a drop in crude prices on an Australian dollar basis will create an earnings loss. This is a direct consequence of the first in first out (FIFO) costing process used by Caltex in adherence with accounting standards to produce the statutory financial result on a historical cost basis. With Caltex holding approximately 45 to 60 days of inventory, revenues reflect current prices in Singapore whereas FIFO costings reflect costs approximately 45 to 60 days earlier. The timing difference creates these inventory gains and losses.

To remove the impact of this factor on earnings and to better reflect the underlying performance of the business, the RCOP Net Profit After Tax methodology calculates the cost of goods sold on the basis of theoretical new purchases instead of actual costs from inventory. The cost of these theoretical new purchases is calculated as the average monthly cost of cargoes received during the month of those sales.