CALTEX AUSTRALIA LIMITED
ACN 004 201 307

LEVEL 24, 2 MARKET STREET
SYDNEY NSW 2000 AUSTRALIA

21 August 2012

Company Announcements Office
Australian Securities Exchange

CALTEX AUSTRALIA LIMITED
CALTEX REFINER MARGIN UPDATE (JULY 2012)

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

Peter Lim
Company Secretary

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

Attach.

CALTEX

Caltex Australia

ASX Release

For immediate release
21 August 2012
Caltex Refiner Margin Update (July 2012)

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

Measure	July 2012	June 2012	July 2011
Unlagged CRM	US$12.19/bbl	US$9.09/bbl	US$7.23/bbl
Impact of 7 day lag (negative)/positive	(US$3.20/bbl)	US$5.34/bbl	(US$1.83/bbl)
Realised CRM	US$8.99/bbl	US$14.43/bbl	US$5.40/bbl
CRM Sales from production	1,005ML	901ML	863ML

The higher July 2012 unlagged CRM (US$12.19/bbl versus June US$9.09/bbl) reflected (i) an increase in the unlagged Singapore Weighted Average Margin compared with June due to strong regional demand (US$14.02/bbl versus June US$13.62/bbl); and (ii) dampening of the June unlagged CRM by higher crude premia (due to a number of June cargoes being priced off higher May crude markers).

The increase in Dated Brent crude price during the month to US$103/bbl (July 2012 average) from US$95/bbl (June 2012 average) drove the unfavourable timing lag of US$3.20/bbl.

July 2012 CRM sales from production increased 11.5% and 16.5% respectively on the preceding month (901 ML) and prior year (863 ML) periods. This reflects strong July 2012 refinery production levels.

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 (Dated Brent)

   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:
Rohan Gallagher
Investor Relations
Phone: 02 9250 5247
Email: rgallag@caltex.com.au