



CALTEX AUSTRALIA LIMITED
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SYDNEY NSW 2000 AUSTRALIA

7 September 2012

Company Announcements Office
Australian Securities Exchange

CALTEX AUSTRALIA LIMITED
CALTEX PRESENTATION – INVESTOR STRATEGY DAY

Caltex Australia Limited (Caltex) will hold a briefing for analysts and institutional investors at 9 am today (Sydney time) in relation to Caltex's strategy. The presentation will be made by Mr Julian Segal (Managing Director & CEO), Mr Simon Hepworth (Chief Financial Officer) and other members of the Caltex leadership team.

The presentation slides are attached for immediate release to the market.



Peter Lim
Company Secretary

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

CALTEX AUSTRALIA LIMITED
Investor Day Presentation

7 September 2012



The background of the slide features a photograph of a Caltex gas station sign. The sign is red with the word "CALTEX" in white, bold, sans-serif capital letters. To the right of the text is the Caltex logo, which consists of a circular emblem with a white star in the center, set against a background of red and blue segments. The sign is mounted on a dark, ribbed structure, and the sky in the background is a clear, light blue.

1. Agenda

2. Operational Excellence Moment
3. Caltex Strategy
4. Australian Transport Fuels Market
5. Supply
6. Infrastructure & Customers
7. Executing Growth Opportunities
8. Financial Strategy
9. Q&A
10. Summary

Agenda



Time	Presentation	Speaker
9.00am – 9.10am	Welcome and introduction	Rohan Gallagher
9.10am – 9.15am	Operational Excellence Moment	Julian Segal
9.15am – 9.45am	Caltex strategy	Julian Segal
9.45am – 10.15am	Market overview	Mike McMenamin
Morning tea		
10.30am – 11.10am	Supply	Gary Smith
11.10am – 11.50am	Infrastructure and Customers	Andy Walz
Break		
12.00pm – 12.20pm	Executing growth opportunities	Mike McMenamin
12.20pm – 1.00pm	Financial strategy	Simon Hepworth
1.00pm – 1.15pm	Panel Q&A / Summary	CLT / Julian Segal
Lunch		

“Caltex is Australia’s leading vertically integrated transport fuels supplier in a growing market.”



Objectives for today

- **The transport fuels industry in Australia**
 - Market size, structure
 - Industry trends
 - Key products and drivers
- **Caltex overview**
 - Caltex’s position in the market
 - Understanding Caltex’s value chain and strategy
 - Review of the Kurnell refinery closure and terminal conversion
 - Importance of Caltex’s differentiated infrastructure position within the value chain
- **Growth opportunities**
- **Caltex’s financial strategy**
- **Exposure to the Caltex Leadership Team**

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CALTEX



Operational Excellence

Product Quality and Stewardship



1. Agenda
2. Operational Excellence Moment
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CALTEX

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Caltex's strategy is very clear



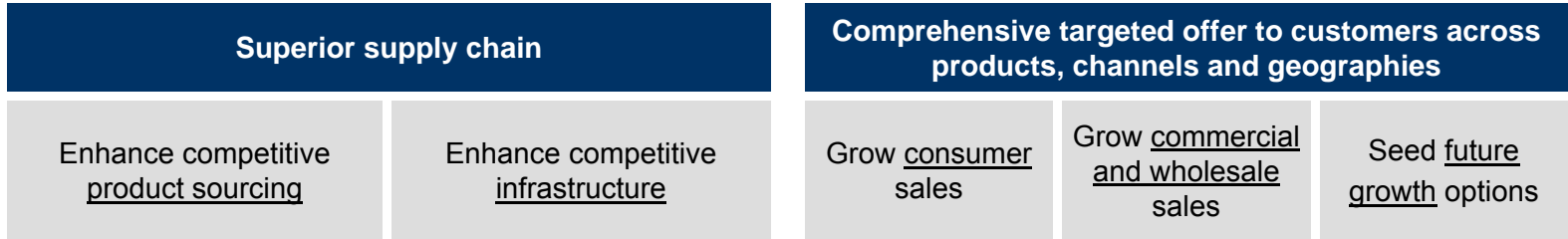
CALTEX'S VISION

Outright leader in transport fuels across Australia

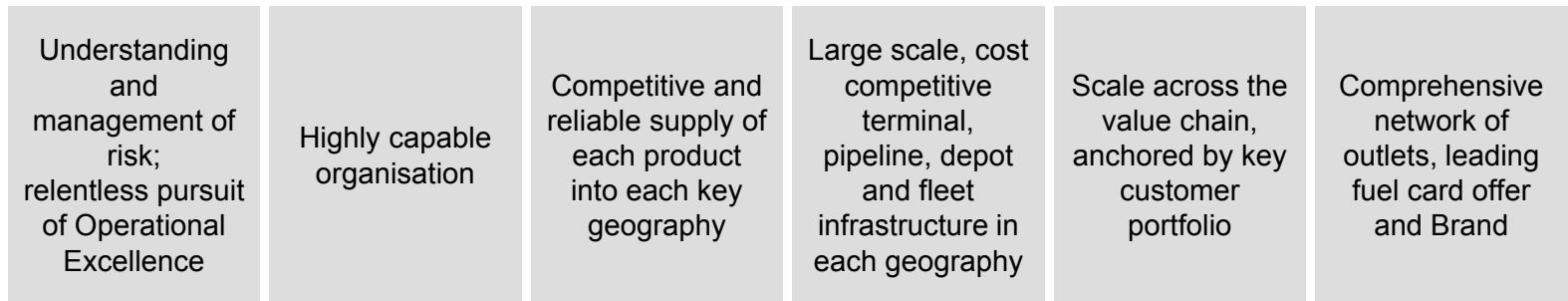
MEASURE OF SUCCESS

Safely and reliably deliver top quartile total shareholder returns

KEY STRATEGY PILLARS



KEY SOURCES OF COMPETITIVE ADVANTAGE



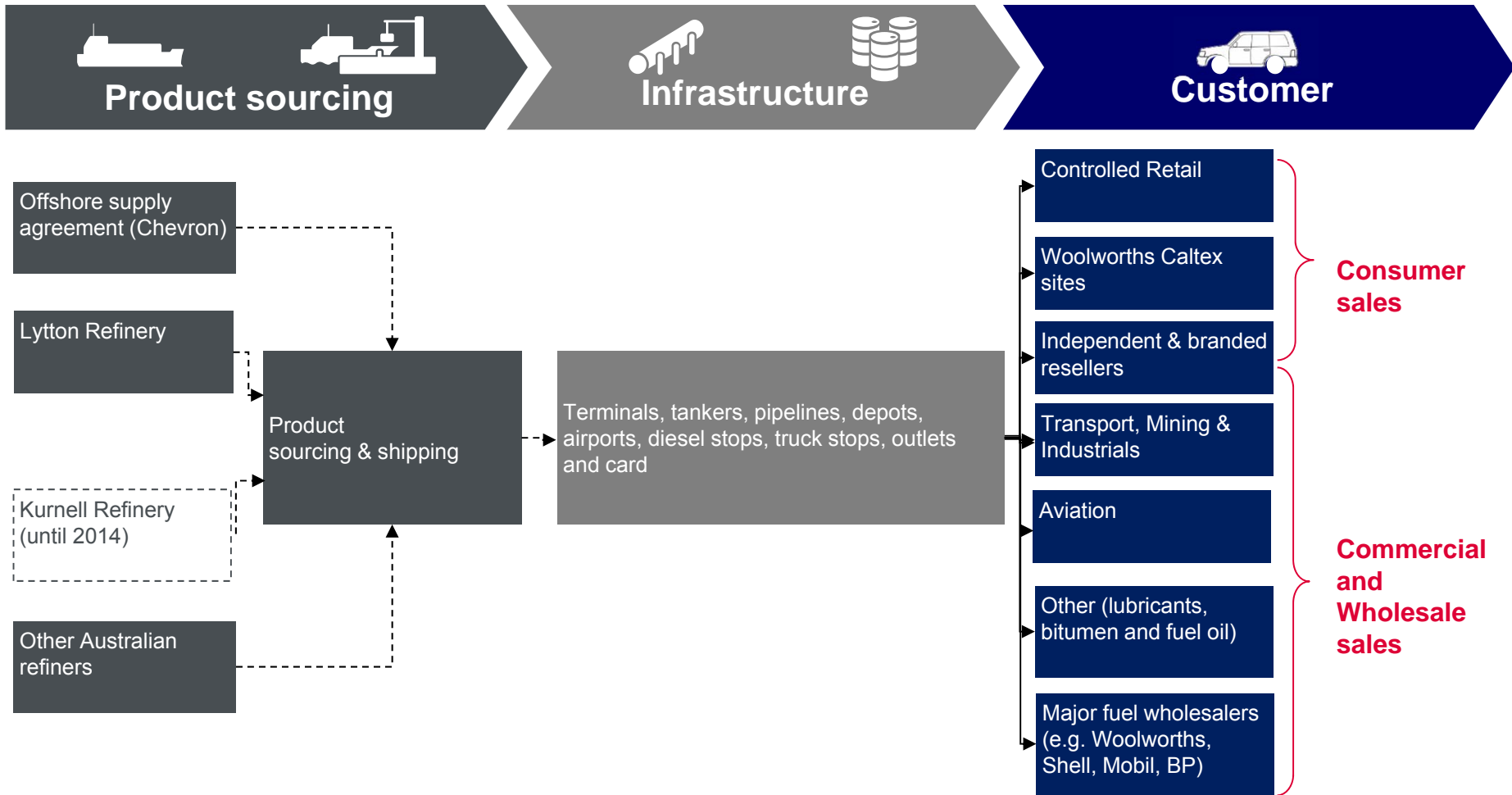
Caltex is continuing to optimise its business...



* Excludes sales under buy-sell arrangements

Caltex's value chain

Our competitive position continues to be optimised across the entire value chain



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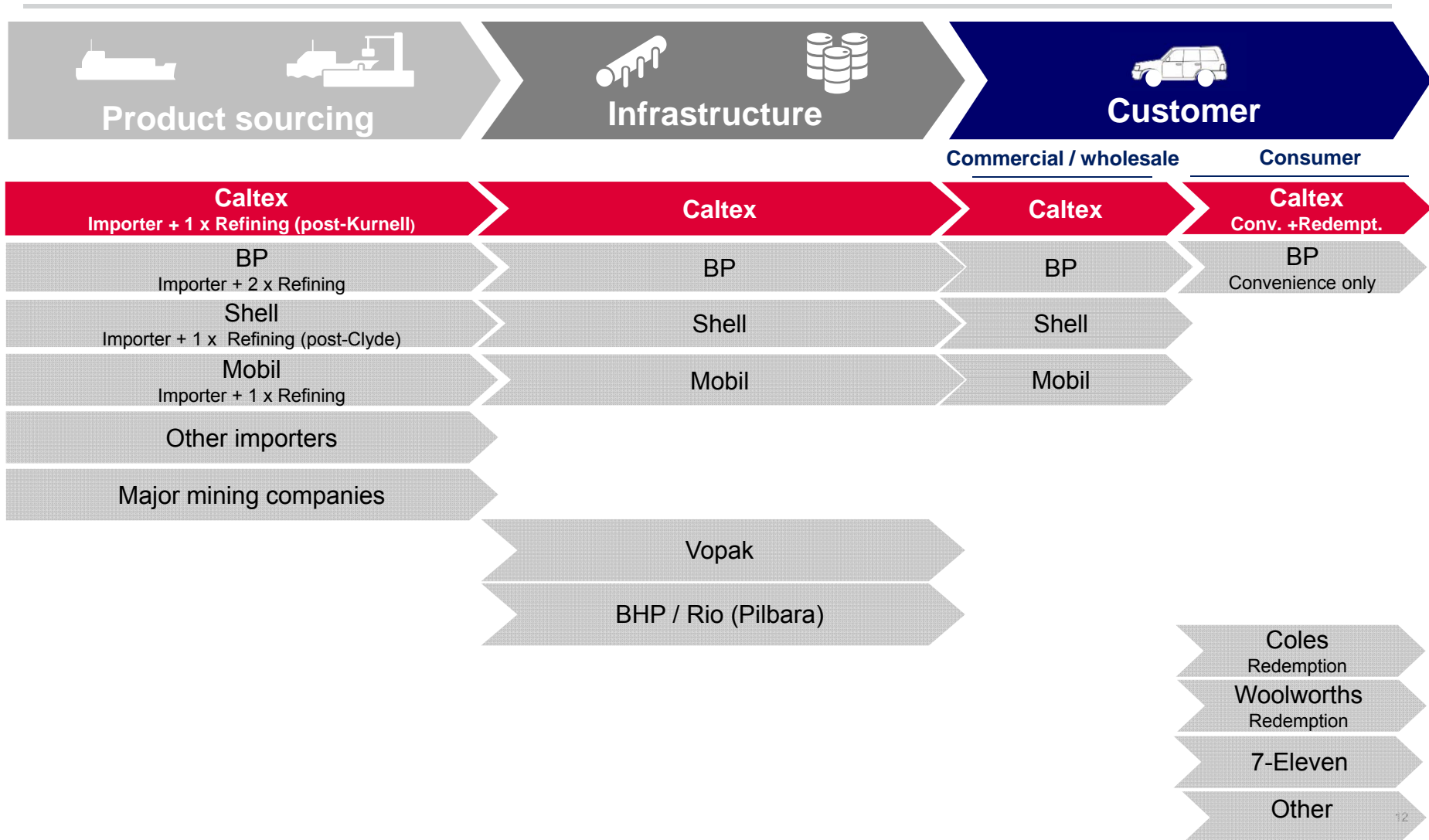


CALTEX

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The competitive landscape

Caltex is one of two players integrated across the entire value chain



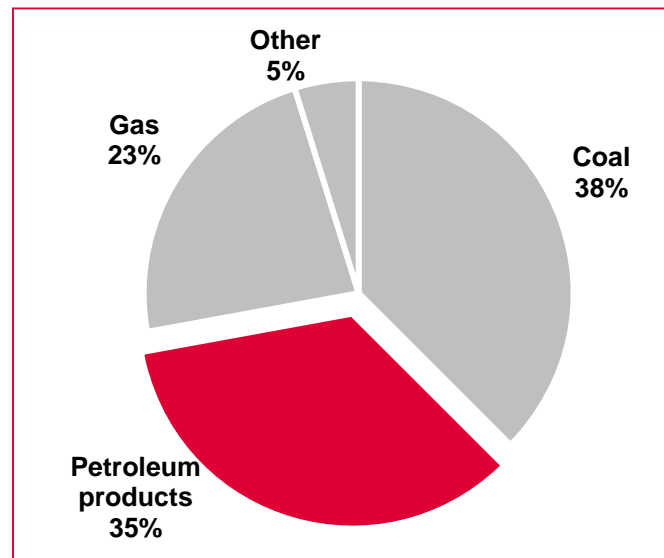
Australian transport fuels market

Market – by size



- The Australian petroleum products market is estimated to be 53 billion litres (by volume, in 2011), \$46 billion* by value
- This is small by world standards; ~1 mbpd versus 28mbpd for Asia Pacific⁽¹⁾ and 24mbpd for North America in 2011
- Petroleum products are essential to the Australian economy. These products represent ~35% of total energy consumed in Australia

Share of Australian energy consumption



SOURCE: ENERGY IN AUSTRALIA, 2012, BUREAU OF RESOURCES AND ENERGY ECONOMICS.

* Estimated value net of excise tax and GST.

(1) This covers about 20 countries and includes China, Japan, India and SE Asia.

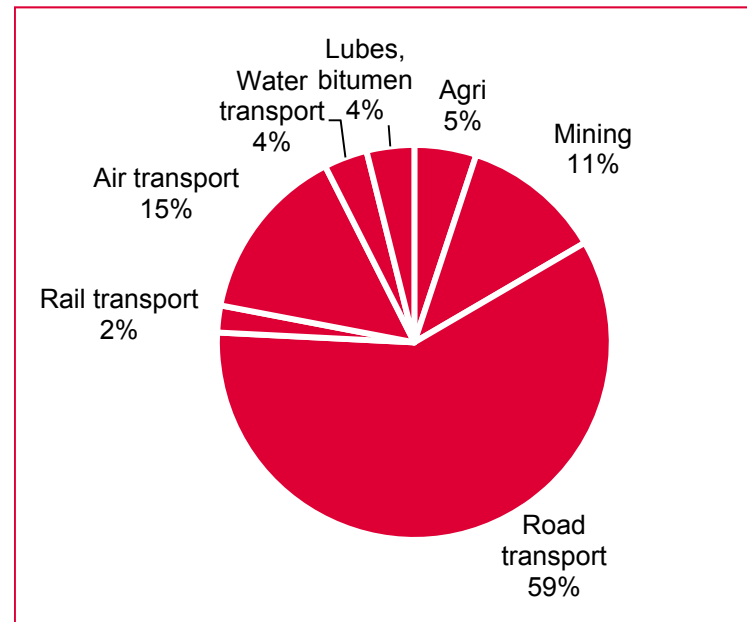
Australian transport fuels market

Market – by sector



- Consumption of transport fuels is spread across a broad variety of sectors, due to Australia's large land mass, dispersed population and limited alternative transport (e.g. rail, pipelines)

**Australian transport fuels comprise
~47 billion litres p.a.**

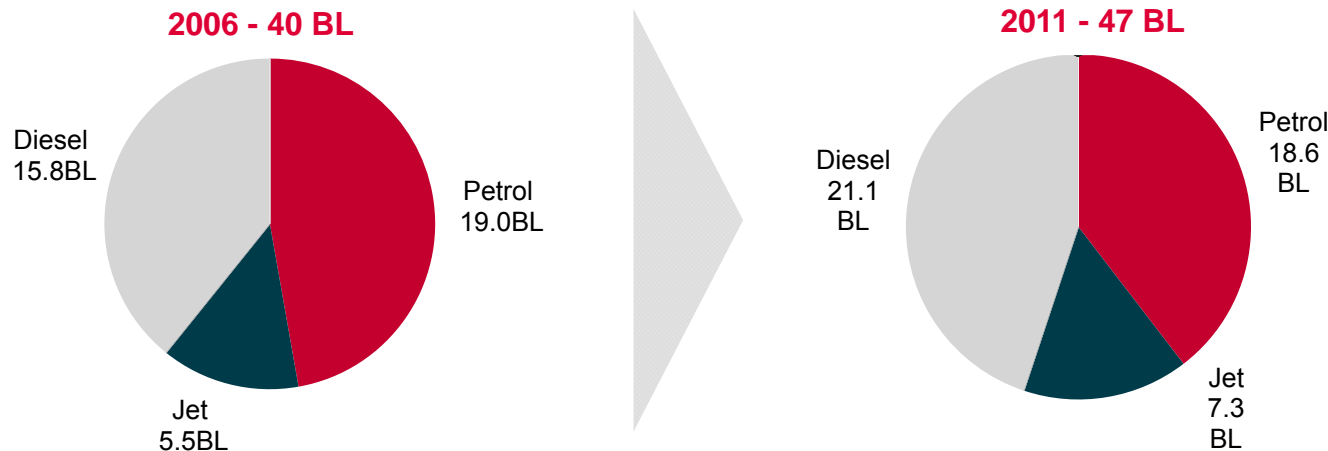


Australian transport fuels market

Market – by product



- The major products are diesel, petrol and jet
- The market continues to grow (~3.0% CAGR over last five years), with solid growth in diesel and jet fuel consumption more than offsetting the slow decline in total petrol
- The share of each product has changed over time. Diesel has grown to become the largest single product :
 - Diesel (~21.1 BL)
 - Petrol (~18.6 BL)
 - Jet (~7.3 BL)



Australian transport fuels market

Market segments – economic drivers



Product/segment	Macro drivers	Micro drivers
Petrol & retail diesel - consumer transport fuels	<ul style="list-style-type: none"> • Australian car fleet size, impacted by: <ul style="list-style-type: none"> - Population growth - New vehicle sales • Household income & consumer confidence • Business activity & employment 	<ul style="list-style-type: none"> • Consumer preferences – shift to diesel vehicles • Vehicle technology – fuel efficiency, uptake of hybrids and diesel vehicles • Consumer travel patterns (e.g. public transport) • Product availability at retail sites • High performance engines requiring high octane fuels • Regulation • Public transport
Diesel – heavy vehicle transport	<ul style="list-style-type: none"> • Australian GDP – freight transport linked to economic activity 	<ul style="list-style-type: none"> • Vehicle technology & fuel efficiency • Competes with electric rail • Regulation
Diesel – mining	<ul style="list-style-type: none"> • Volume of Australian resources production, impacted by: <ul style="list-style-type: none"> - Asian economic activity - Long term commodity prices - Mining investment - Australian cost competitiveness 	<ul style="list-style-type: none"> • Vehicle technology & fuel efficiency • Level of mining activity • Types of mines <ul style="list-style-type: none"> - Iron ore versus coal versus precious metals - Underground versus open cut
Jet – air transport	<ul style="list-style-type: none"> • Global & Australian GDP • Discretionary, price sensitive air travel • Business & consumer confidence 	<ul style="list-style-type: none"> • Aircraft technology & fuel efficiency • New entrants to Australian market • Airline refuelling patterns • Airport infrastructure and capacity

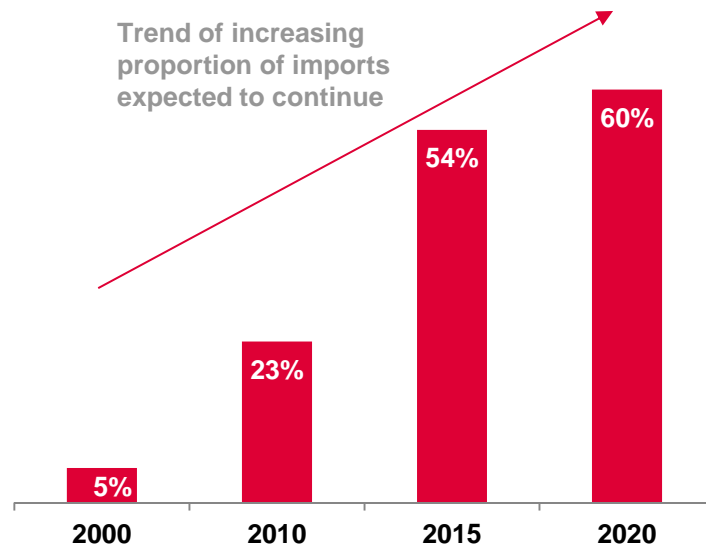
Australian transport fuels market

Key trends – “Supply shift from refining to importing”



Decline in domestic refining and increasing demand has driven increases in net imports of transport fuels

Australian imports of transport fuels (as % of total)



Year	2000	2010	2015	2020
Number of Australian refineries	8	7	5	5

Source: ABARE and Caltex forecasts

Impact on supply

Existing players' actions:

- Exxon Mobil closed the 78 kb/d Stanvac refinery (South Australia , 2003)
- Shell to close its 75 kb/d Clyde refinery in Sydney and convert to an import terminal (September 2012)
- Caltex proposed closure of Kurnell (2H2014)

Supply capability and infrastructure essential:

- Players with procurement capability and import infrastructure cost-effectively source and import transport fuel products
- Importing products is more economical and lower risk than expanding domestic refining capacity
- Regional petrol, diesel and jet available to meet expected demand

Australian transport fuels market

By product



Product	Market size Volume (est.) (2011)	Historic volume growth (2006-2011 5 year CAGR) (%)	Forecast volume growth (2011-2016 5 year CAGR) (%)
Diesel	21 BL	5.0% pa	4.5% pa
Petrol	19 BL	(0.5%) pa	(0.5)% pa
Jet	7 BL	4.5% pa	4.0% pa
Total transport fuels	47 BL	3.0% pa	3.0% pa

- Drivers by product:
 - Petrol flat to declining (0.0% - (1.0)%)
 - Regular unleaded (including E10) declining
 - Premium petrol (95/98 octane) growing
 - Diesel growing at ~4.5% p.a. (passenger fleet, shift to higher performance engines, resources sector)
 - Jet fuel growth at ~4.0% (international, domestic travel)
- Drivers by end customer:
 - Consumer drivers, petrol and diesel
 - Customer preferences
 - Increased high performance petrol and diesel engines – fuel efficiency and higher octane
 - Industry/commercial drivers (diesel)
 - Increased commercial transport (diesel) due to growth in economic activity
 - Manufacturer engine specification
 - Focus on fuel efficiency

Notes:

1. Estimated value net of excise tax and GST.

Source: Australian Petroleum Statistics, Caltex estimates.

Diesel

Product overview



Industry customer	Market size (2011) Volume (est.)	Historic volume growth (2006-2011 5 year CAGR) (%)	Forecast volume growth (2011-2016 5 year CAGR) (%)
Transport (non-consumer)	7 BL	3.0% pa	3.5% pa
Consumer	6 BL	8.0% pa	7.5% pa
Mining	4 BL	5.6% pa	5.0% pa
Agriculture	2 BL	-1.5% pa	2.5% pa
Industrial	2 BL	5.4% pa	2.0% pa
Total	21 BL	5.0% pa	4.5% pa

- Key drivers (net growing):
 - Transport industry growth
 - Continued vehicle fleet shift (e.g. diesel vehicle penetration increased from 10% in 2001 to around 30% now, expected to reach nearly 37% by 2020)
 - Resource sector growth (based on existing and risk-adjusted committed project volumes)
 - Focus on fuel efficiency (diesel engine technology has become increasingly fuel efficient)

Notes:

1. Estimated value net of excise tax and GST.

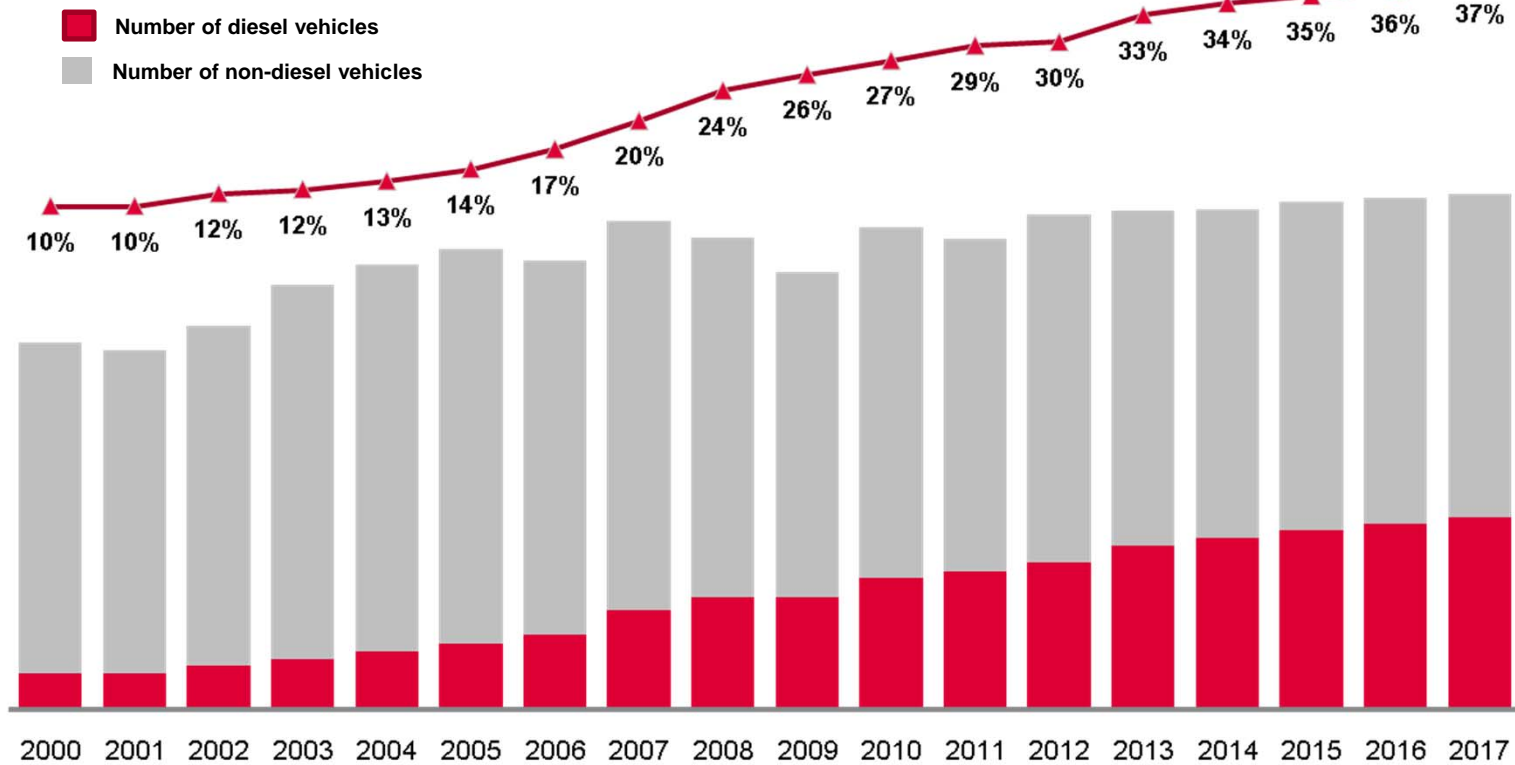
Source: Australian Petroleum Statistics, Caltex estimates.

Australian transport fuels market

Key trends (Product) – “Increasing penetration of diesel vehicles”



Total new vehicle sales (passenger and other) and share of diesel vehicles



Source: Caltex estimate.

Petrol

Product overview



Product	Market size volume (est.) (2011)	Historic volume growth (2006-2011 5 year CAGR) (%)	Forecast volume growth (2011-2016 5 year CAGR) (%)
ULP (including E10)	14 BL	(2.6%) pa	(1.5%) pa
Premium ULP	5 BL	8.7% pa	5.0% pa
Total petrol	19 BL	(0.5%) pa	(0.5)% pa

- Key demand drivers for petrol (net declining / flat):
 - Petrol substitution by diesel
 - New vehicle requirements for higher octane premium fuels
 - Regulatory impacts (e.g. introduction of E10 in NSW)
 - New technology (e.g. hybrid cars, increased fuel efficiency)

Notes:
 1. Estimated value net of excise tax and GST.
 Source: Australian Petroleum Statistics, Caltex estimates.

Jet fuel

Product overview



Product	Market size (2011) Volume (est.)	Historic volume growth (2006-2011 5 year CAGR) (%)	Forecast volume growth (2011-2016 5 year CAGR) (%)
Jet fuel	7 BL	4.5% pa	4.0% pa

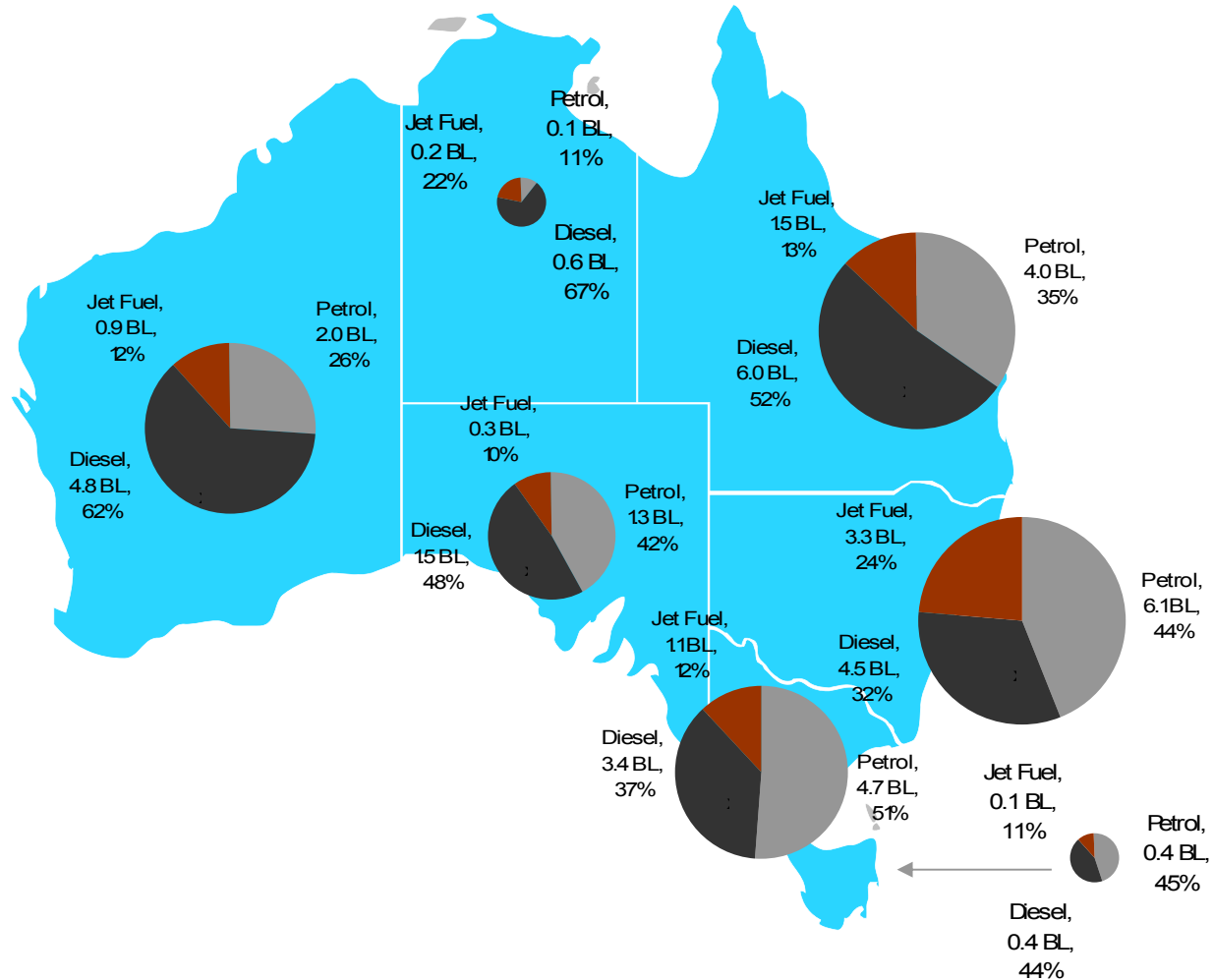
- Key drivers (growing) :
 - Sustained growth in passenger movements
 - Expansion of Chinese and Middle Eastern airlines
 - Longer haul flights (e.g. A380s) with fewer stops
 - Trend to minimising 'top-ups' at regional airports supporting growth in bigger airports

Notes:

1. Estimated value net of excise tax and GST.
Source: Australian Petroleum Statistics, Caltex estimates.

Geographies

Consumption by state



Australian transport fuels market

Structural characteristics



Individual players must be competitive in each segment of the value chain in which they operate

- **Supply**
 - Domestic refining capacity is decreasing
 - Finished product imports are therefore increasing (30% and growing)
 - Product import sourcing capability required
 - Domestic import infrastructure required
 - Reliability critical
- **Infrastructure**
 - Geographically dispersed pockets of demand
 - Lack of rail and Australia's large land mass means greater dependency on road transport infrastructure
 - Long lead-time & large capital commitment required for importation & distribution
 - Geographically isolated and small market versus Asia and other markets
 - Comprehensive, national infrastructure and investment in working capital required
- **Customers**
 - Serviced by established players that represent ~90%+ of market channels (not the same players in each channel)
 - Retail fuel site rationalisation from ~8,000 to ~6,400 sites over the last 10 years
 - Competition (entry of major supermarket retailers)
 - Environmental regulation

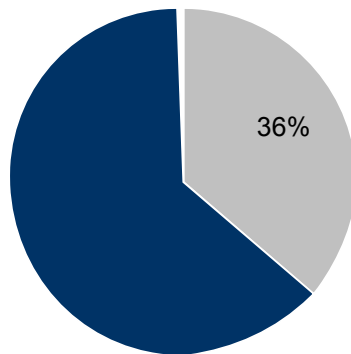
Caltex in context of the Australian market

Market share

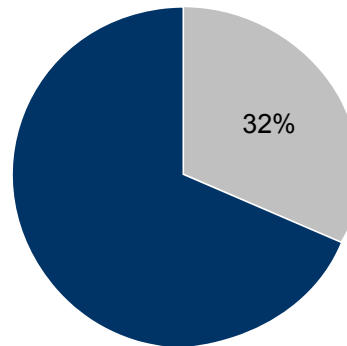


“Moving one third of Australia”

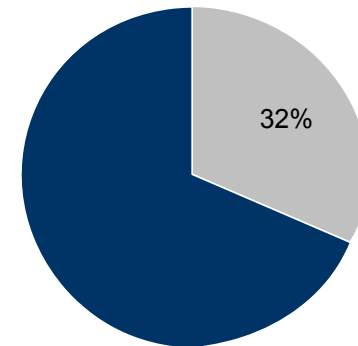
Petrol



Diesel



Jet



Note: Indicative 2011 share of volume.



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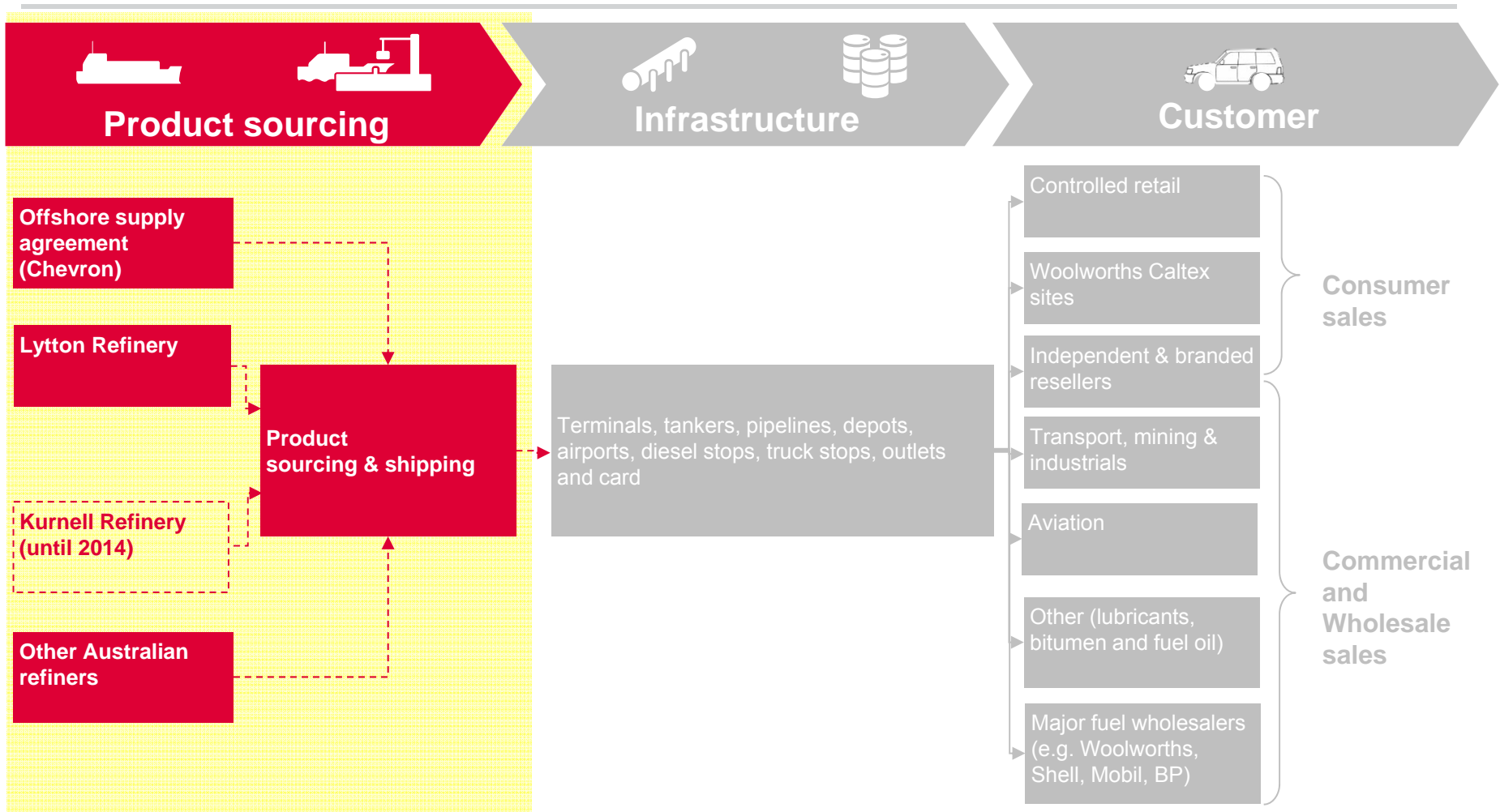


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Supply

Competitive product sourcing is a critical element of Caltex's value chain



Rationale for Proposed Kurnell Closure

Twelve month detailed review culminated in 26 July Supply Chain Restructure announcement



- Kurnell refinery has been losing money (expected to continue)
- Kurnell is at a competitive disadvantage compared to regional pacesetter refineries
 - Shipping constraints
 - Yield of high value products, particularly premium petrol
- Comprehensive review around Kurnell, all options exhausted
- Proposed closure in approximately two years time (2H 2014)
- Net cash cost of closure to be broadly offset by one-off and recurring cash benefits
- There is sufficient product supply in the region to replace Kurnell production and meet Caltex's forecast growth. Accessing supply is underpinned by a long term product supply agreement with Chevron

Kurnell conversion milestones



-
- Establish offshore supply chain capability by working with Chevron
 - Convert crude and feedstock tanks to finished product tanks
 - Marine developments
 - Wharf upgrades include berth dredging, loading arm replacement and fender improvements
 - Conversion will enable access for larger product ships (lower unit freight costs)
 - Subject to regulatory approvals
 - Detailed design and engineering underway (completion expected in Q2 2013)
 - Includes terminal manning, conditions, operations
 - Proposed closure – anticipated 2H2014

Supply chain

Reliable, secure supply from three sources



- 1 Chevron Product Supply Agreement (PSA) and Marine Services Agreement (MSA)
- 2 Lytton refinery production
- 3 Other domestic suppliers (Buy-Sell)

Chevron supply and shipping agreements



The product procurement and supply arrangements with Chevron underpin competitive product sourcing

Provides security of product volumes	<ul style="list-style-type: none">• Caltex's security of supply will be underpinned by a long term arrangement with Chevron to source and procure all of Caltex's 'out of country' product requirements (petrol, diesel and jet)
Competitive supply price	<ul style="list-style-type: none">• Under the arm's length arrangement, Chevron will procure and supply to Caltex imported product at market-based prices
Long term secure supply	<ul style="list-style-type: none">• The arrangement is evergreen
Caltex retains flexibility and optionality	<ul style="list-style-type: none">• Caltex retains flexibility to determine how much product will be sourced locally (e.g. under existing buy/sell arrangements with other local refiners) and how much it will source "out of country" via Chevron

Lytton improvement



-
- Lytton accounted for ~20 – 30% of 2011 Refining losses (~\$50m of \$211m, FY11)
 - 1H2012 profitable
 - Decision to maintain Lytton mitigates supply chain risk during Kurnell closure, strengthens our supply and gives greater optionality
 - Hardware differences to Kurnell
 - Lytton single train versus Kurnell dual train – greater focus on reliability
 - Higher value product slate (e.g. premium petrol, diesel)
 - Operational efficiency improvement opportunities
 - Reliability / strategic maintenance
 - Energy efficiency
 - Cost management
 - Continue to prioritise scoping and analysis of modest targeted investments at Lytton
 - Projects are still in design phase. Project approval expected ~1H2013 (2 – 3 year paybacks targeted)

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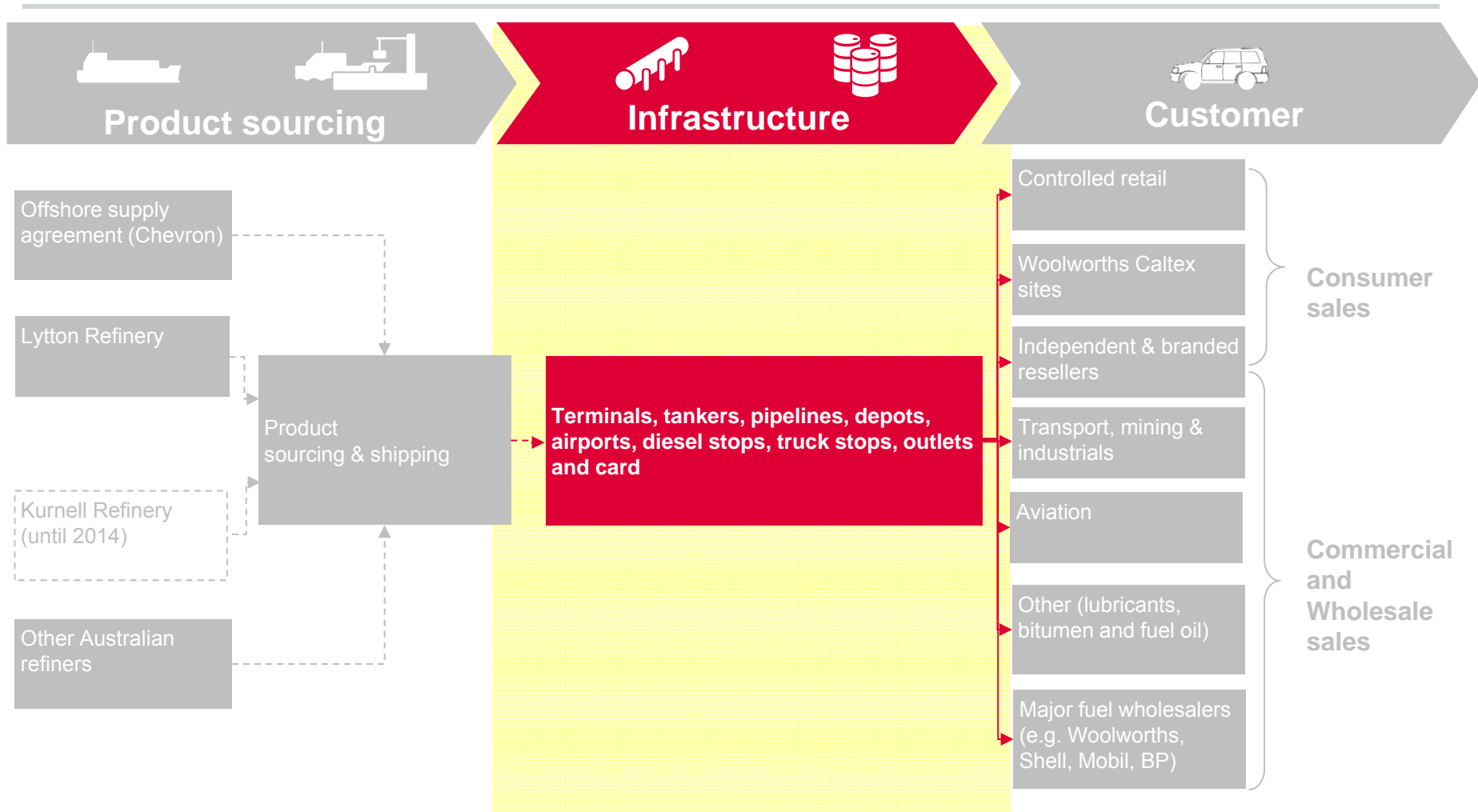


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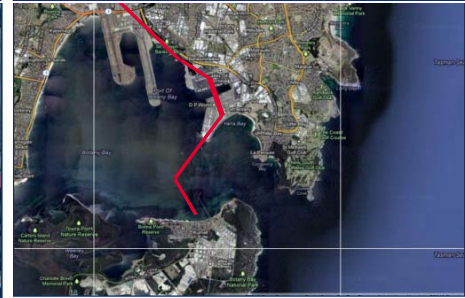






Infrastructure

Competitive infrastructure is a key element of Caltex's value chain



Caltex has both a national and a comprehensive infrastructure footprint

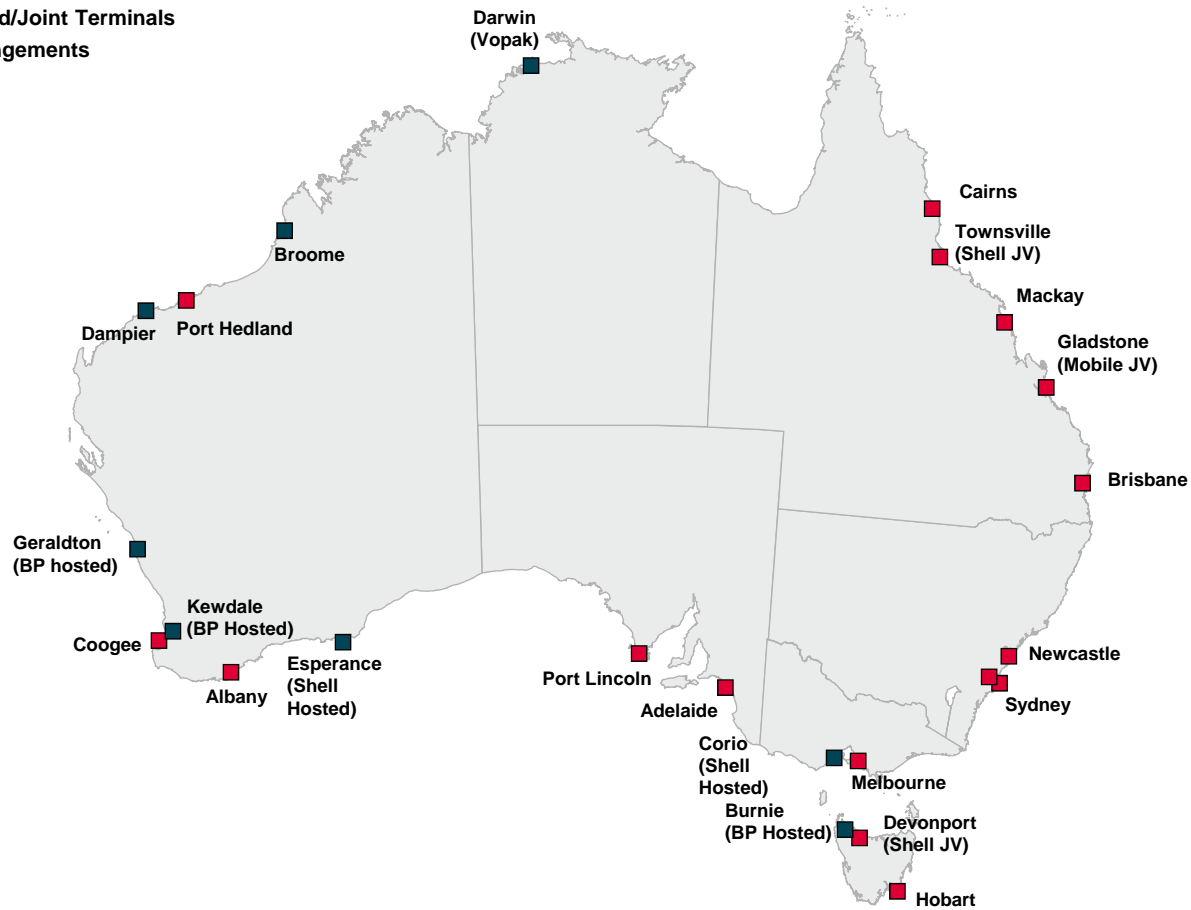


<p>Terminals</p>	<p>Pipelines</p>	<p>Depots</p>	<p>Airport depot and refuelling</p>
<p>One of three players with national terminal coverage (24 locations)</p>	<p>Five major pipelines in Sydney, Newcastle and Brisbane basins</p>	<p>Industry-leading network of 89 CAL owned/leased depots</p>	<p>Membership at seven major east coast airports (JUHI)</p>
			
<p>Site network (incl. WOW)</p>	<p>Marine Refuelling Network</p>	<p>Barges</p>	<p>StarCard</p>
<p>=#1 position with ~2,000 service stations and diesel/truck stops</p>	<p>Emerging position established with acquisition of Baileys</p>	<p>Barges in key locations (Sydney, Brisbane)</p>	<p>#1 position with 40% of cards on issue</p>
			

One of three players with national import terminal coverage (24 locations)...



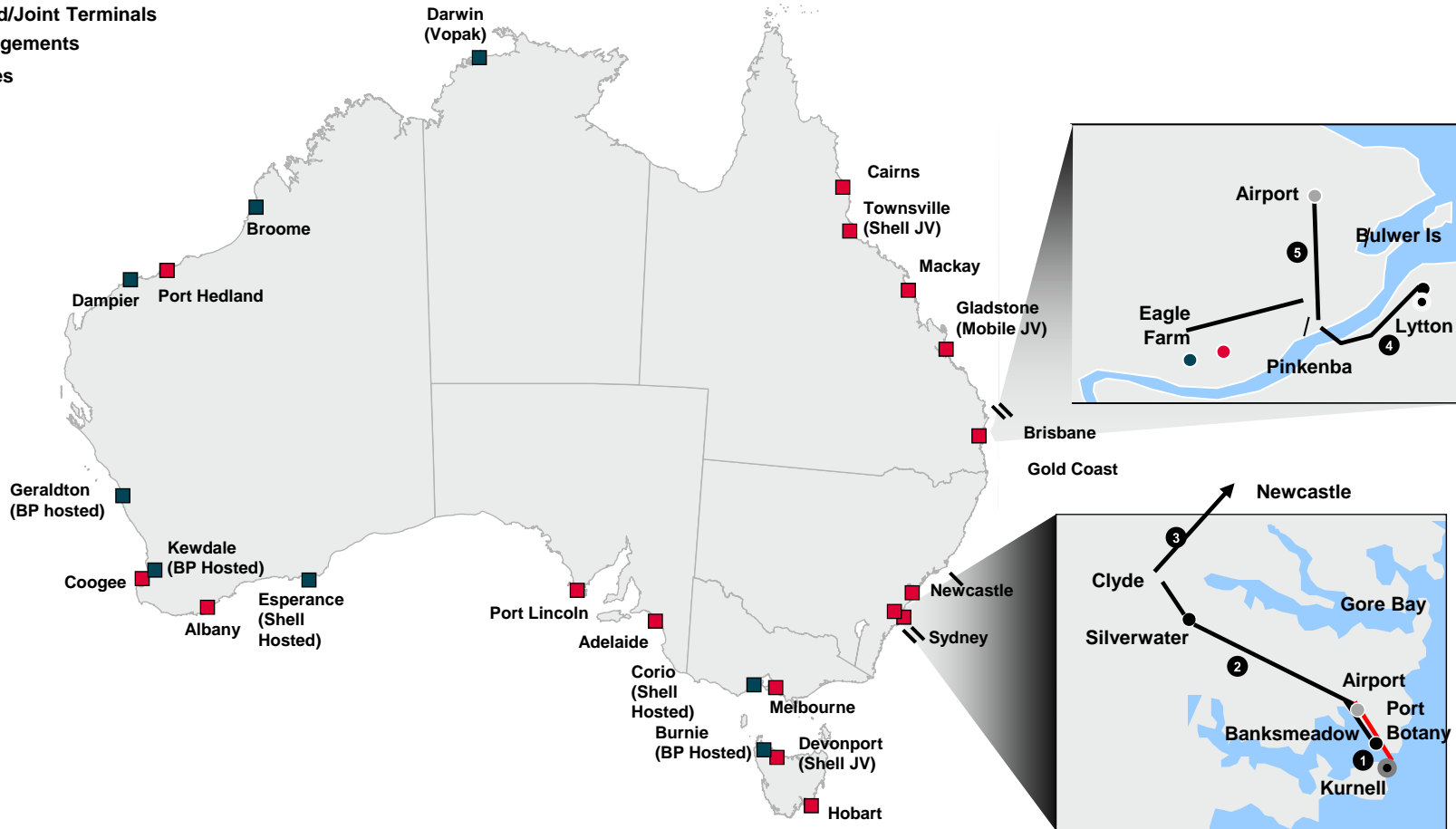
- Owned/Leased/Joint Terminals
- Hosting Arrangements



...with pipelines and barge operations in Sydney, Newcastle and Brisbane basins...



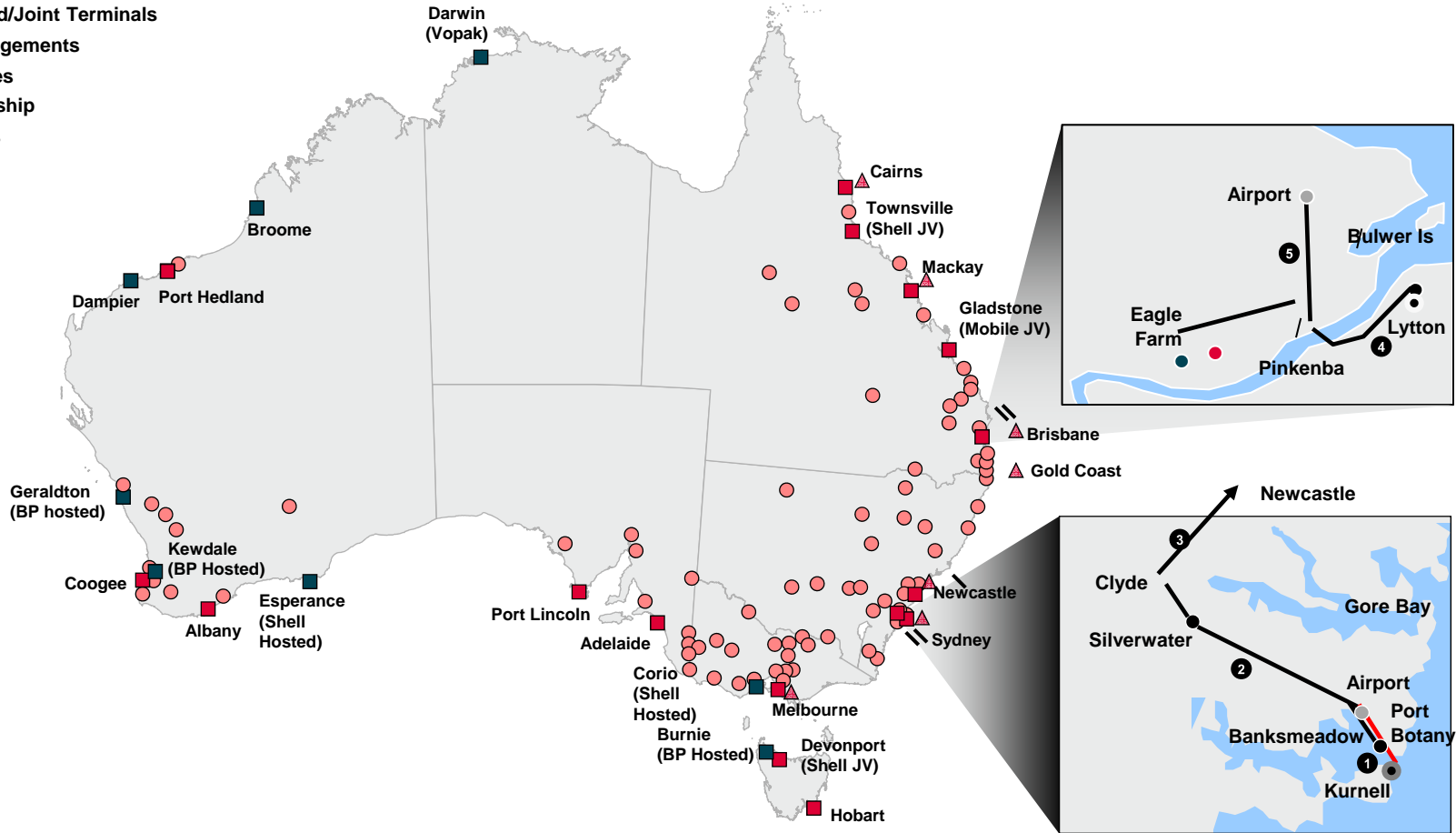
- Owned/Leased/Joint Terminals
- Hosting Arrangements
- ↘ Major Pipelines



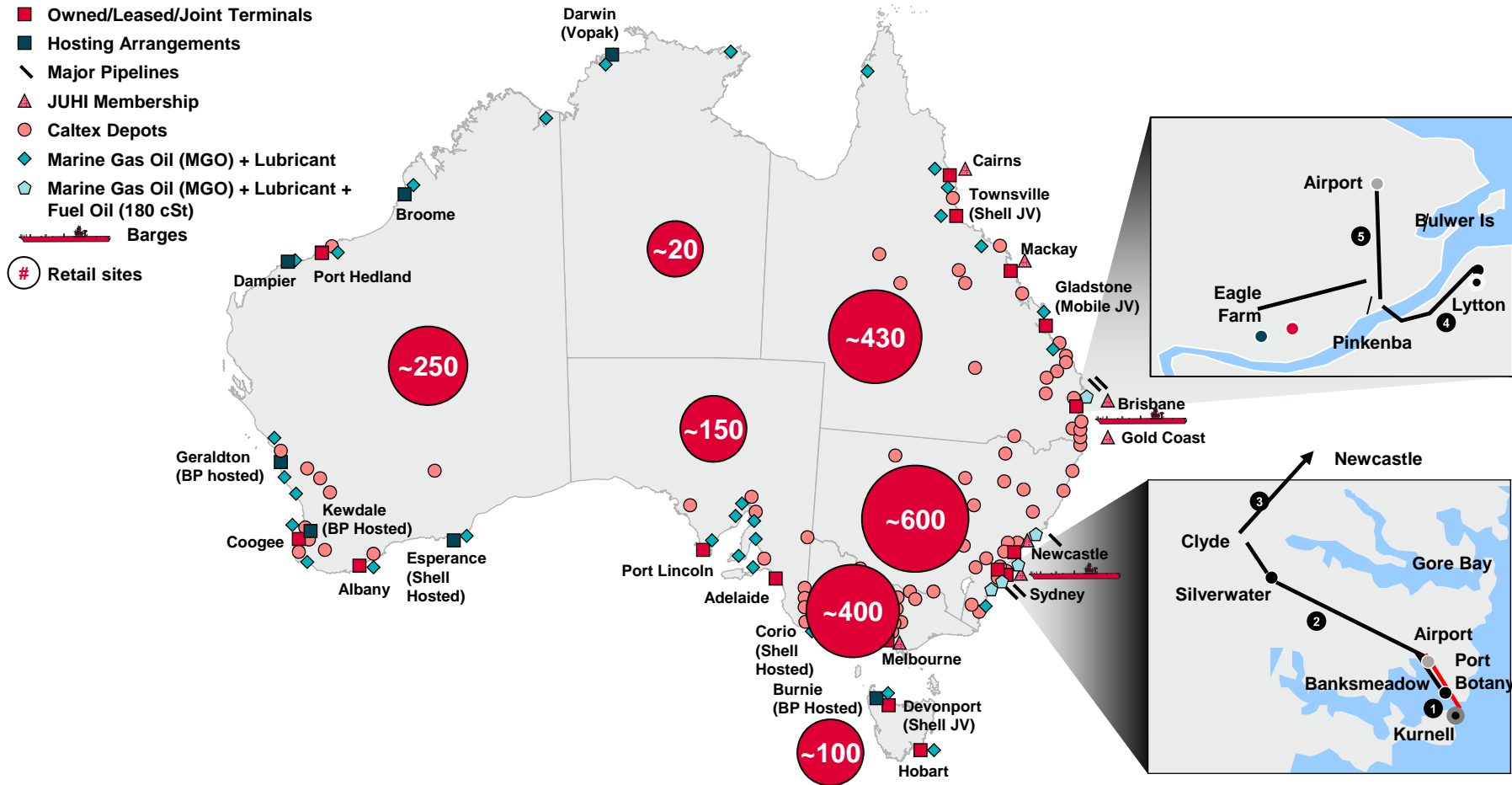
...and an industry-leading network of 89 Caltex owned/leased depots and membership of JUHIs at seven major east coast airports...



- Owned/Leased/Joint Terminals
- Hosting Arrangements
- ↘ Major Pipelines
- ▲ JUHI Membership
- Caltex Depots



...a #1 network with ~2,000 service stations and diesel/truck stops, as well as a comprehensive marine refuelling network

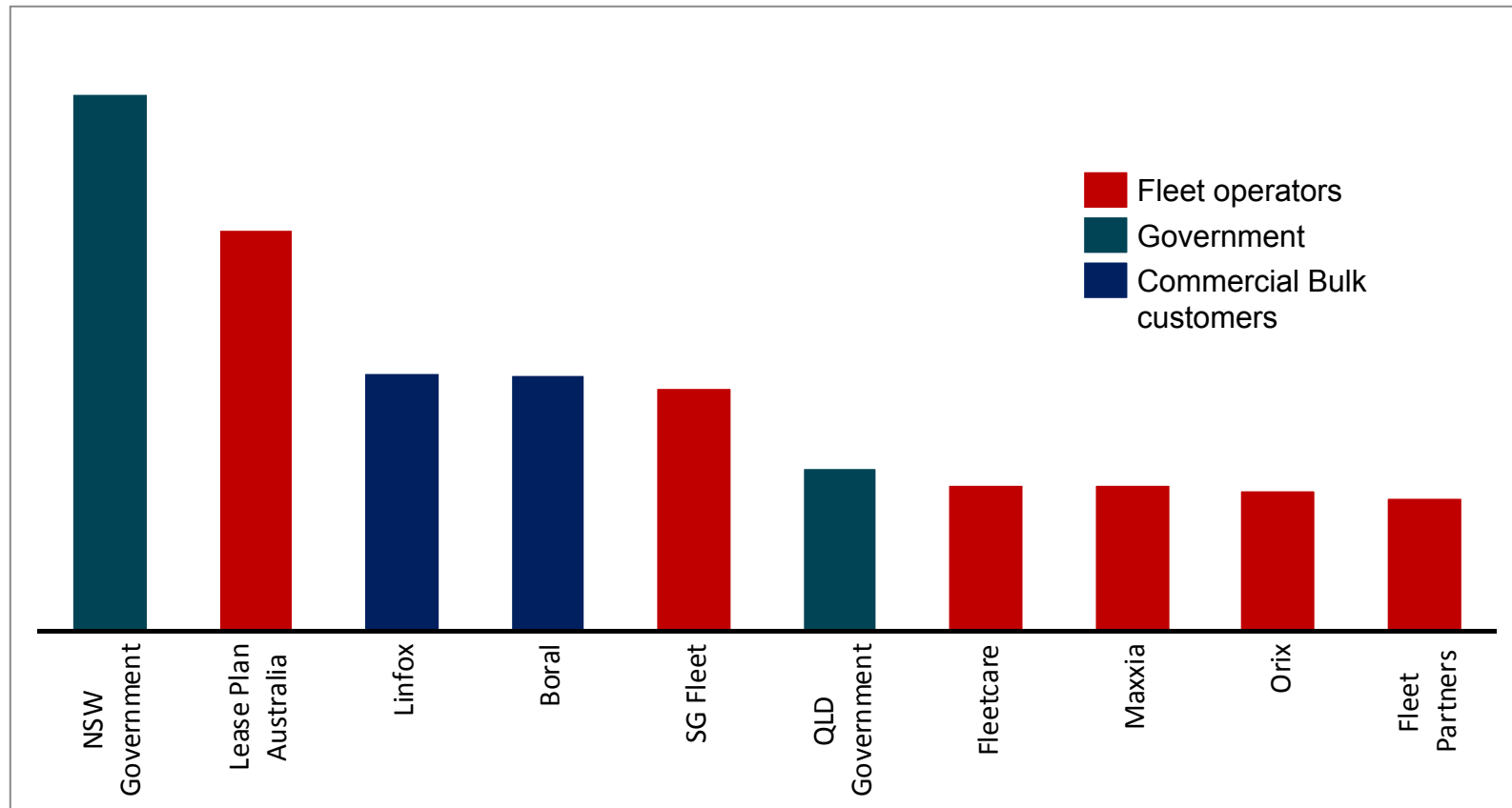


Caltex supports this network with Australia's leading fleet fuel card (40% of fuel cards on issue)



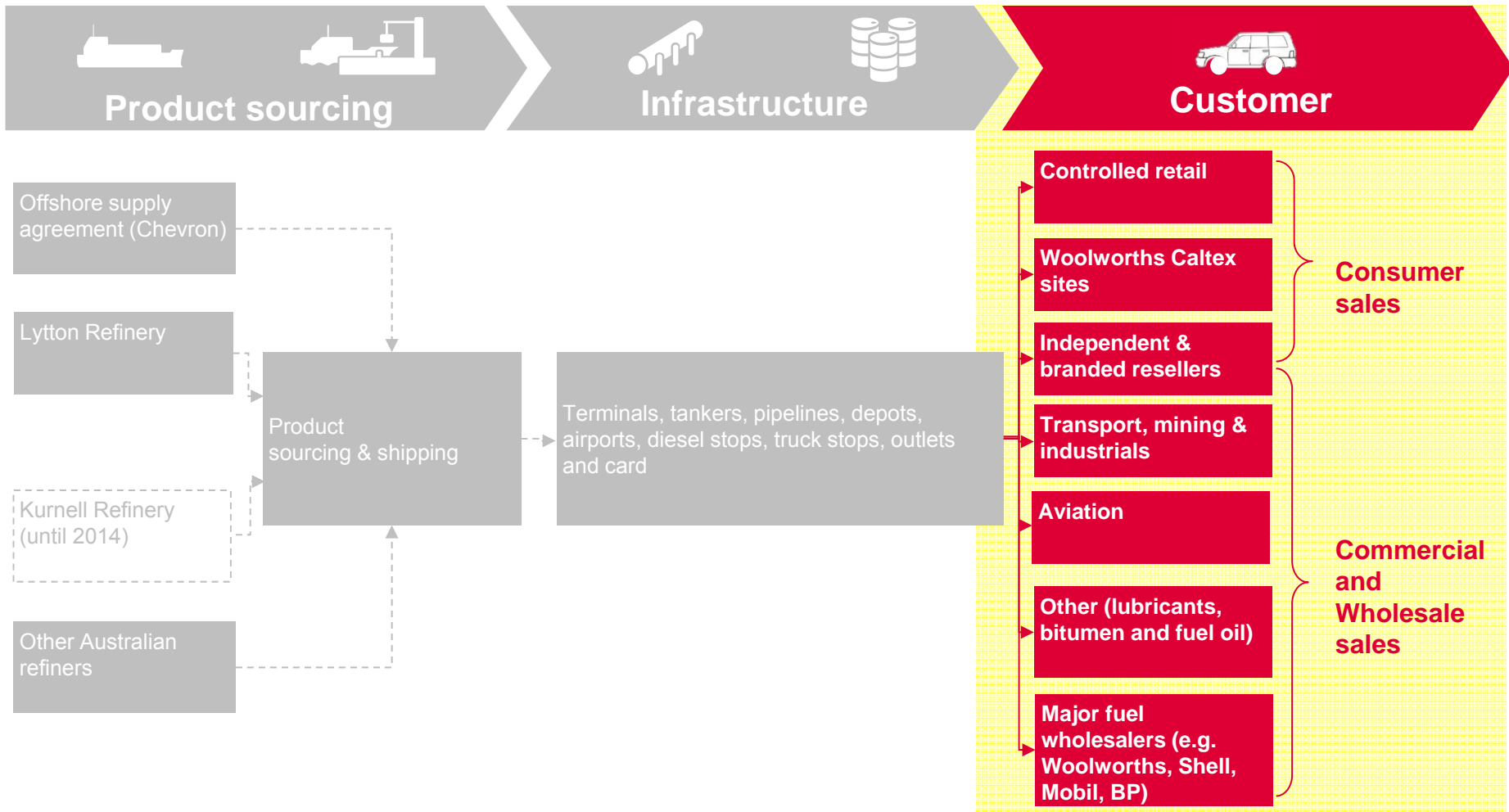
LARGE STARCARD CUSTOMERS

Volumes of StarCard sales



Customer

Caltex has a comprehensive targeted offer across products, channels and geographies



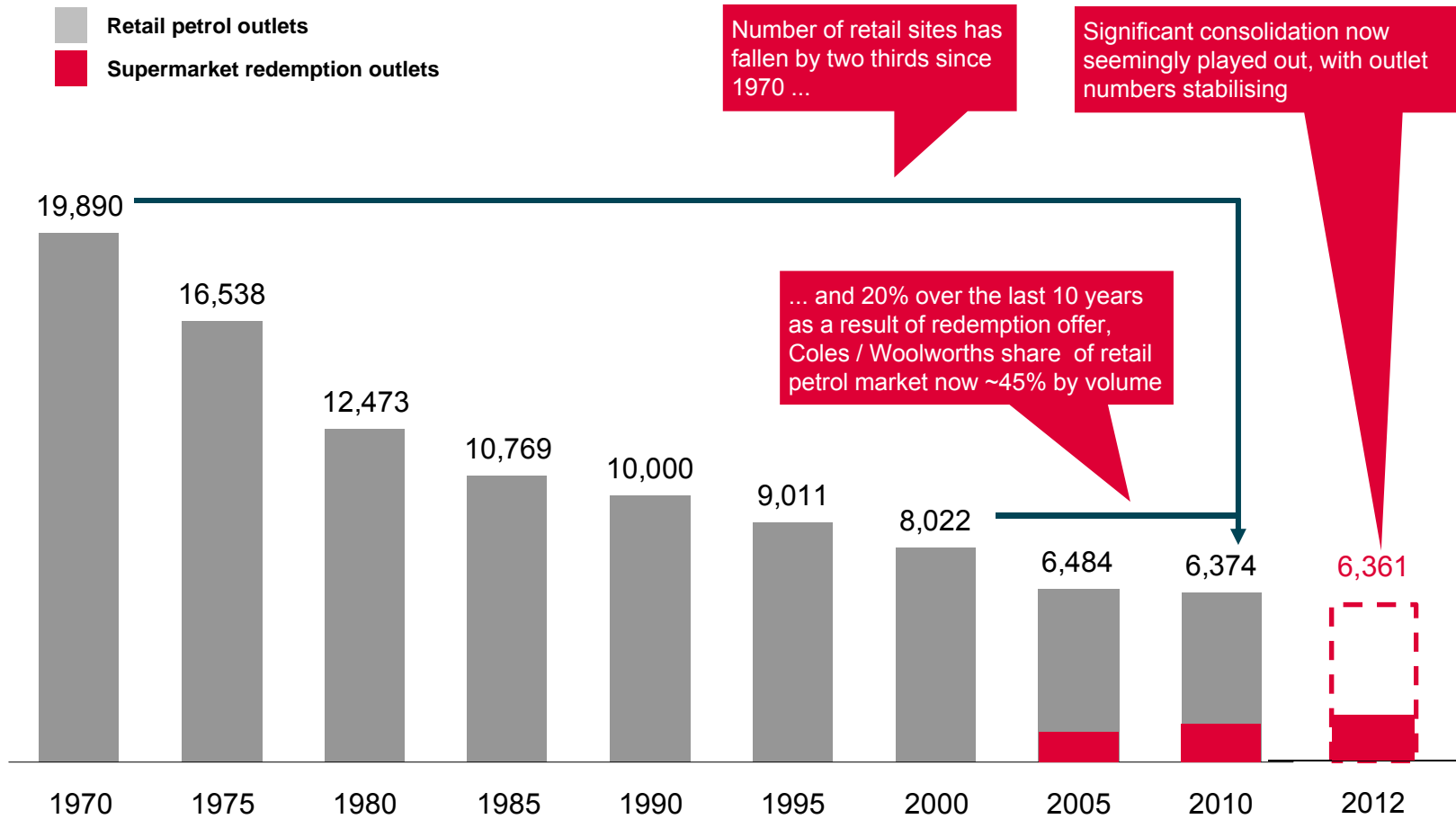
Caltex supplies customers via multiple channels

	Consumer segment	Commercial & Wholesale segment			
		<i>Small</i>	<i>Large</i>	<i>Specialty</i>	<i>Major wholesale</i>
Key products:	<ul style="list-style-type: none"> • ULP/E10 • Premium petrol and premium diesel • Non-fuel income 	<ul style="list-style-type: none"> • Diesel • Lubricants 	<ul style="list-style-type: none"> • Jet A1 • Bitumen 	<ul style="list-style-type: none"> • ULP/E10 • Premium petrol/diesel 	
Drivers/trends:	<ul style="list-style-type: none"> • Strong growth in premium fuels and solid convenience growth 	<ul style="list-style-type: none"> • Strong growth in resource sectors • Solid growth in transport and primary producer 			
Main competitors:	<ul style="list-style-type: none"> • Woolworths • Coles • BP • 7-11 	<ul style="list-style-type: none"> • BP • Shell • Mobil 			



Caltex's Consumer business

Outlet rationalisation and supermarket entry



Caltex's Consumer business strategy is to target the large and growing "convenience" and "redemption" segments



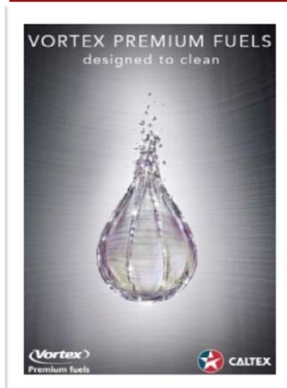
Caltex Consumer business is focussed on serving two attractive customer segments

	Convenience retail sites	Corner/Rural service stations	Volume pumpers (no redemption)	Redemption sites
Site type:				
Key competitors:				
Target customer:	<ul style="list-style-type: none"> • "One stop" convenience shopper • Driven by premium fuels and convenience 	<ul style="list-style-type: none"> • Motorist with fuel focus • Driven by location appeal 	<ul style="list-style-type: none"> • Motorist with fuel focus • Discount or value driven 	<ul style="list-style-type: none"> • Motorist with fuel focus • Redemption and discount driven
Number of CAL branded sites:	<ul style="list-style-type: none"> • ~250 Retail sites 	<ul style="list-style-type: none"> • ~200 Retail "Tier 3" franchised sites • ~600 Reseller sites 	<ul style="list-style-type: none"> • ~180 "Retail Owned Retail Operated"* sites 	<ul style="list-style-type: none"> • ~130 Retail sites • ~500 Woolworths Supply

2012 Retail Initiatives



Premium fuels



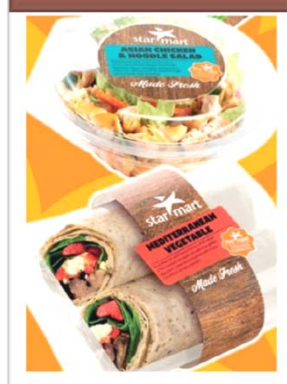
Network Development



21CC / Sparky



Merchandise Plan



Social Media



Systems



Major Commercial & Wholesale customers across a range of sectors, with a range of delivery methods...



Sectors

Aviation



Mining



Marine / Oil & gas



Commercial



Delivery methods

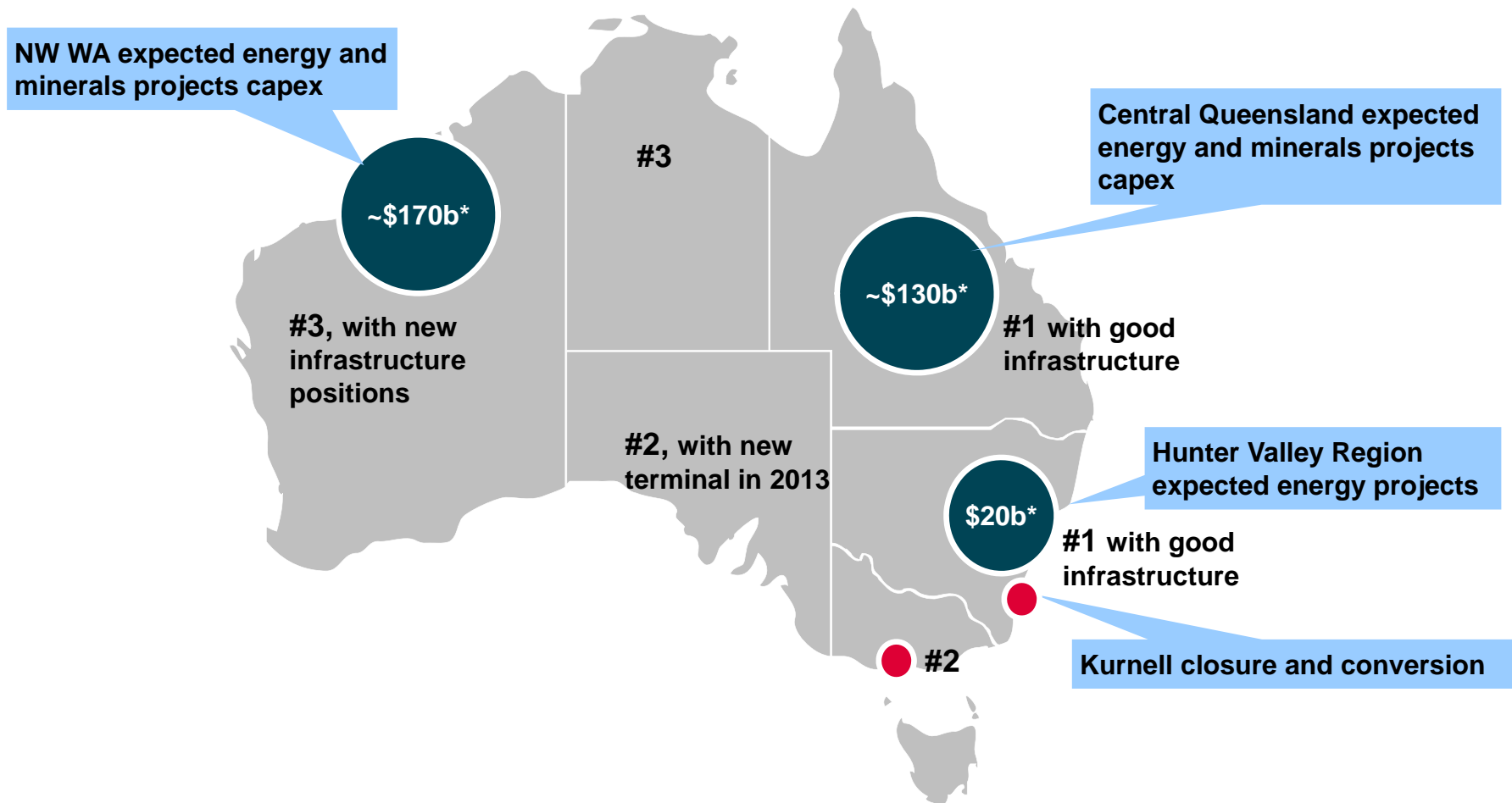
Bulk fuel deliveries



Diesel & truck stops



Resource driven growth and refinery rationalisation drive infrastructure related opportunities...

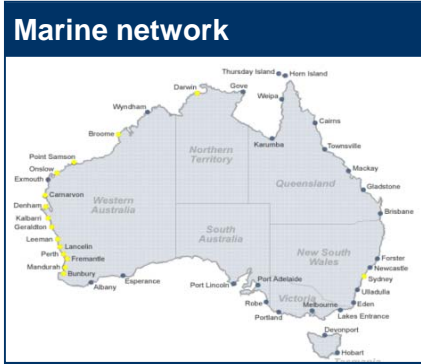
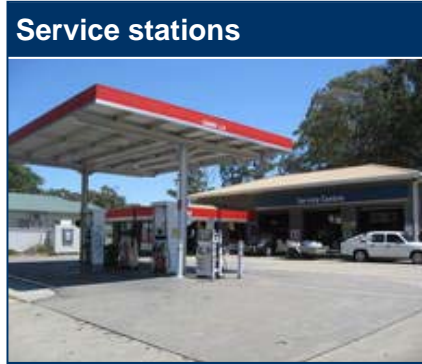


* BASED ON RISK ADJUSTED COMMITTED PROJECT VOLUMES.

Caltex's Reseller business is responsible for a broad range of activities, predominantly in rural Australia. . .



KEY RESELLER OPERATIONS



Caltex market position – key products



Caltex has scale positions across key products

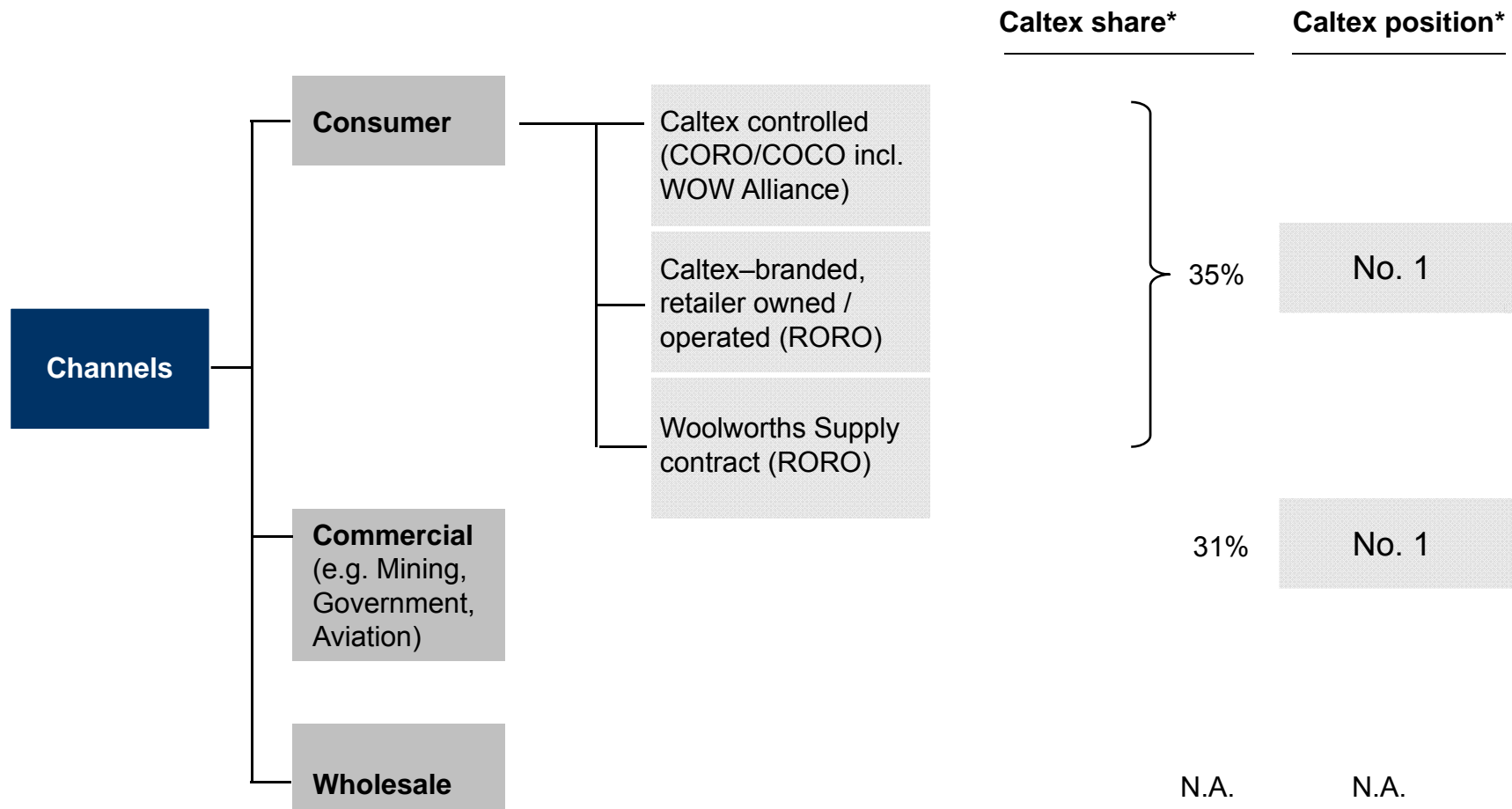
		<u>Caltex share*</u>	<u>Caltex position*</u>
Products	Diesel	32%	No. 1
	Petrol	36%	No. 1
	Jet	32%	No. 2
	Lubricants	22%	No. 2
	Convenience	28%	No. 1

SOURCE: CALTEX ESTIMATES; AC NIELSEN

* INDICATIVE 2011 SHARE OF VOLUME

Caltex market position – major channels

Caltex has scale positions across key channels



SOURCE: CALTEX ESTIMATES

* INDICATIVE 2011 SHARE OF VOLUME

Caltex market position – major geographies

Caltex has scale positions across major geographies



		<u>Market size⁽¹⁾</u>	<u>Caltex share*</u>	<u>Caltex position*</u>
Geographies	NSW	13.8BL	39%	No. 1
	Queensland	11.5BL	40%	No. 1
	Victoria	9.2BL	29%	No. 2
	WA	7.6BL	21%	No. 3
	SA	3.0BL	27%	No. 2
	NT	0.9BL	28%	No. 3
	Tasmania	0.8BL	44%	No. 1

SOURCE: CALTEX ESTIMATES
 * INDICATIVE 2011 SHARE OF VOLUME
 (1): VOLUME OF PETROL, DIESEL AND JET ONLY

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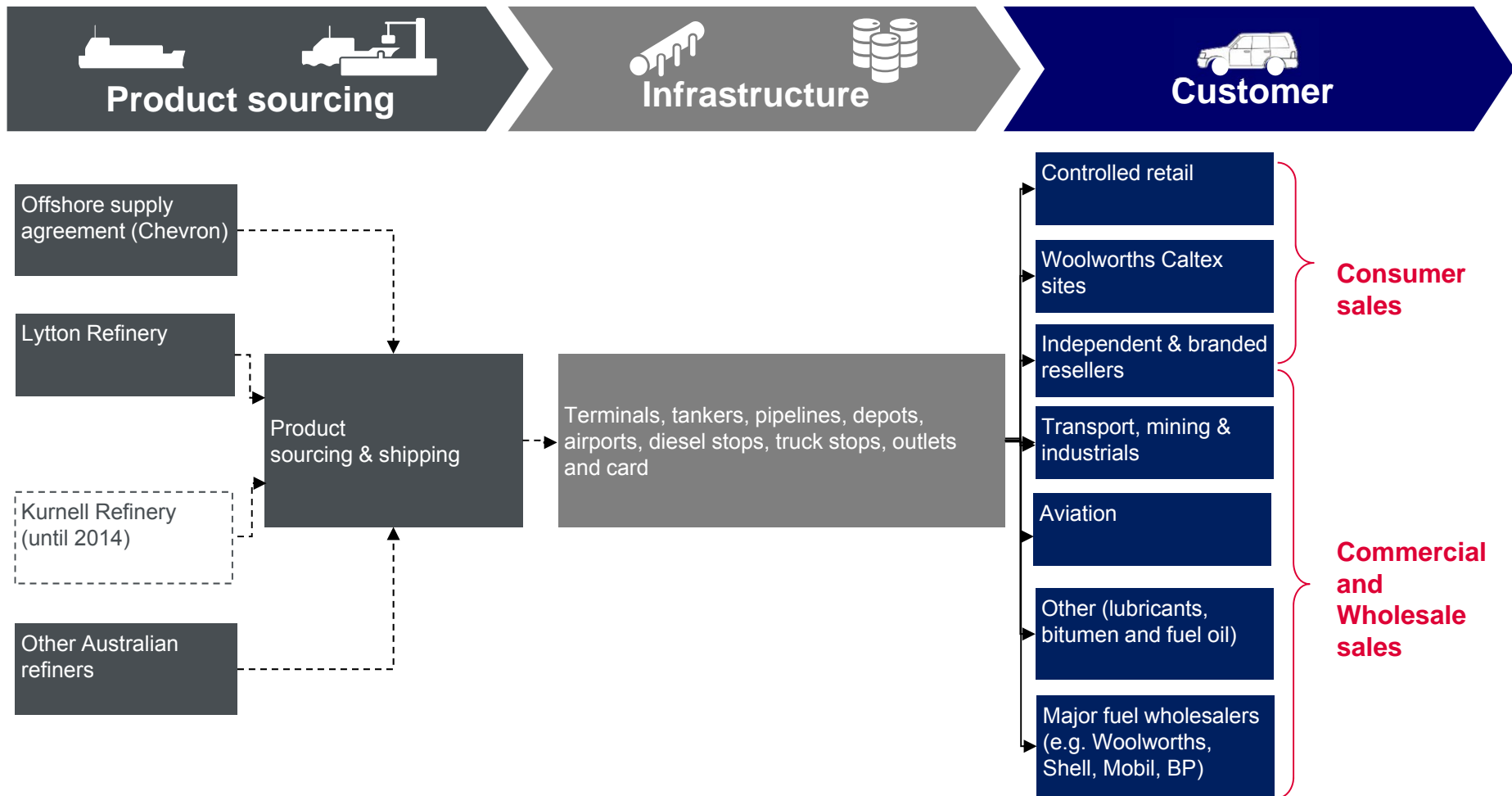


CALTEX

The image shows a close-up, low-angle shot of a Caltex sign on a building. The sign is red with the word "CALTEX" in white, bold, sans-serif capital letters. To the right of the text is the Caltex logo, which is a circular emblem containing two stylized white stars on a red and blue background. The building's roofline is visible in the foreground, and the sky is a clear, light blue.

Caltex's value chain

Our growth opportunities are across the entire value chain



Our earnings growth will come from a diverse suite of opportunities across our core business



FIX	CLOSE	GROW
<ul style="list-style-type: none">• Lytton<ul style="list-style-type: none">- Pathway identified- Operational improvements- Targeted investments (business case being developed)	<ul style="list-style-type: none">• Kurnell closure (proposed)<ul style="list-style-type: none">- Planning is behind us- Targeting 2H2014 closure	<ul style="list-style-type: none">• Target high growth channels / geographies / products• Continue to build and leverage import infrastructure• Infrastructure supporting Resource Driven Growth• Infrastructure services to the sector (e.g. Kurnell terminal)• Accelerate network expansion• New to industry sites• Site upgrade programme• Targeted M&A fills network gaps• Targeted M&A to grow in adjacent businesses (e.g. Bailey's marine) and under-represented geographies (e.g. WA reseller)

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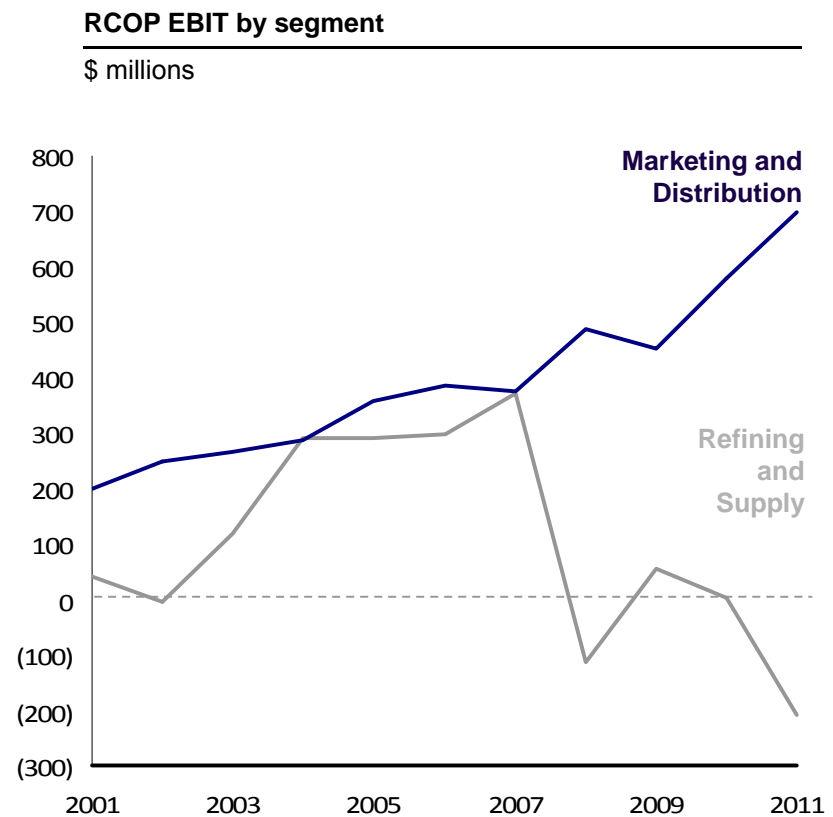
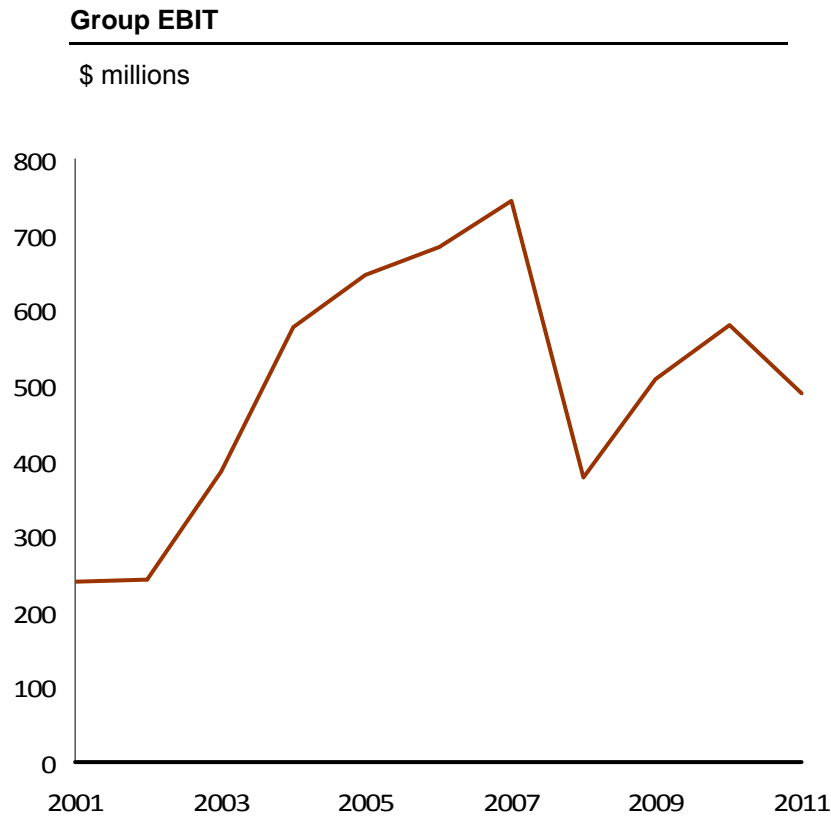
CALTEX



Caltex's strategy recognises the relative strength and financial performance of its operations



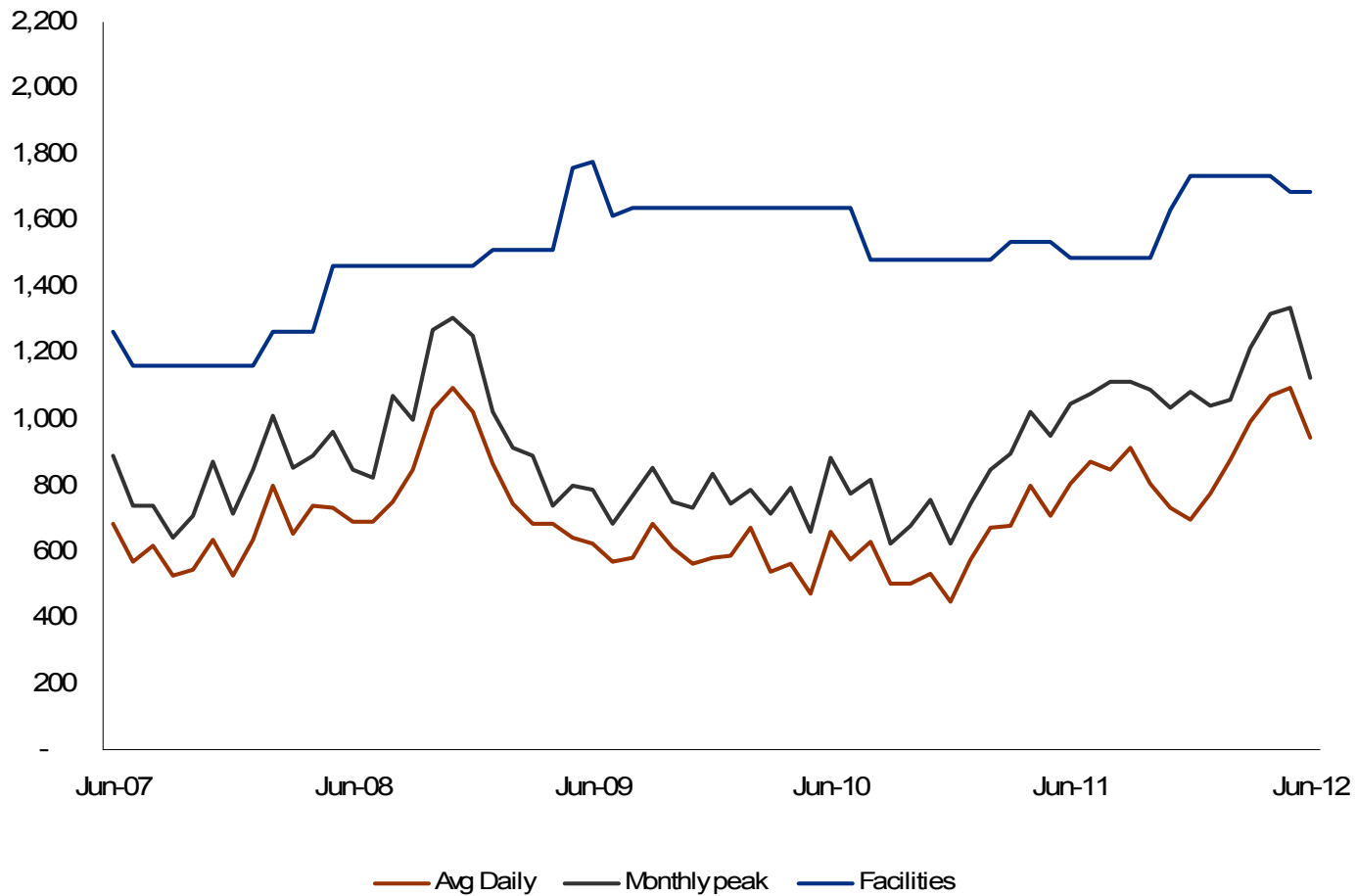
CALTEX FINANCIAL PERFORMANCE (current segment reporting basis)



Our cash flows are large and volatile...



Debt levels – daily, monthly peak and facilities



Kurnell closure potentially adds cash-flow volatility and risk in the short term



Item	Description	Indicative amount	Timing
Closure costs (pre-tax)	Mainly redundancy (\$80m) and decommissioning expenditure (\$80m)	\$(160)m	<ul style="list-style-type: none"> Majority of redundancy and decommissioning expenditure will be paid within 12-24 months of closure
Environmental remediation (pre-tax)	Removal or treatment of waste materials and site and land rehabilitation	\$(270)m (discounted)	<ul style="list-style-type: none"> Expenditure will be paid over a long-term period, with majority expected to be paid after 2016
Terminal conversion costs	Conversion and expansion of current import facilities	\$(250)m	<ul style="list-style-type: none"> Work has commenced in 2012, and will be completed by 2017
Working capital release	Working capital requirements of operating a refined product import facility are lower than operating an oil refinery	~\$200m	<ul style="list-style-type: none"> Working capital release expected to be realised within 12 months of closure
Tax credit	Benefit from tax writedown of assets	~\$120m	<ul style="list-style-type: none"> Tax benefit expected to be realised within 12 month period of closure Tax write-down of c.\$400m in assets

Capital management structure underpinned by BBB+ credit rating



Fund investments to maintain competitive advantage	<ul style="list-style-type: none">• Management proposes undertaking increased capital investment to ensure it enhances Caltex's competitive advantage• The key focus of these investments is critical infrastructure within Caltex's core operations
Strong balance sheet through Kurnell transition period	<ul style="list-style-type: none">• The critical Kurnell closure and transition period will extend from 2013 to 2015• Over this period, Caltex will incur ~\$425m of capex and costs (net of tax), which will be largely offset by ~\$350m of tax (relating to tax write-off) and working capital benefits• While the costs and benefits largely offset over the closure period, there is some risk of potential overruns and delays
Withstand any financial market volatility	<ul style="list-style-type: none">• The BBB+ rating underpinned Caltex's access to funding during the global economic crisis when many capital markets were totally closed, or at least closed to lower rated borrowers• There is a heightened level of uncertainty globally, driven by the European debt crisis. In addition, weak economic data is emerging from China and recent poor employment data has emerged from the United States• Although fundamentally strong, the Australian economy is facing a weak property and construction market, low retail sentiment and a slowdown in the resources sector (driven by China)

\$550m subordinated notes (“Hybrid”) features



50% equity credit	<ul style="list-style-type: none">• Provides equity support to Caltex’s BBB+ rating, until year 5
Flexible funding	<ul style="list-style-type: none">• Permanent funding (25 years) but can be repaid after year 5 at Caltex’s option• Mitigates against Caltex not being able to raise capital, pending any unforeseen external shocks
Non-dilutive for shareholders	<ul style="list-style-type: none">• No mechanism for conversion to ordinary shares and no voting rights• Temporary form of capital versus alternatives
Diversifies funding sources and extends maturity	<ul style="list-style-type: none">• Diversified source of funds – USPP, AMTN, bank debt and hybrid
Cost effective funding	<ul style="list-style-type: none">• Interest at ~8%, tax deductible (5.6% after tax)

Caltex has diversified sources of funding, with an extended maturity profile, which has improved following the \$550m hybrid notes issue

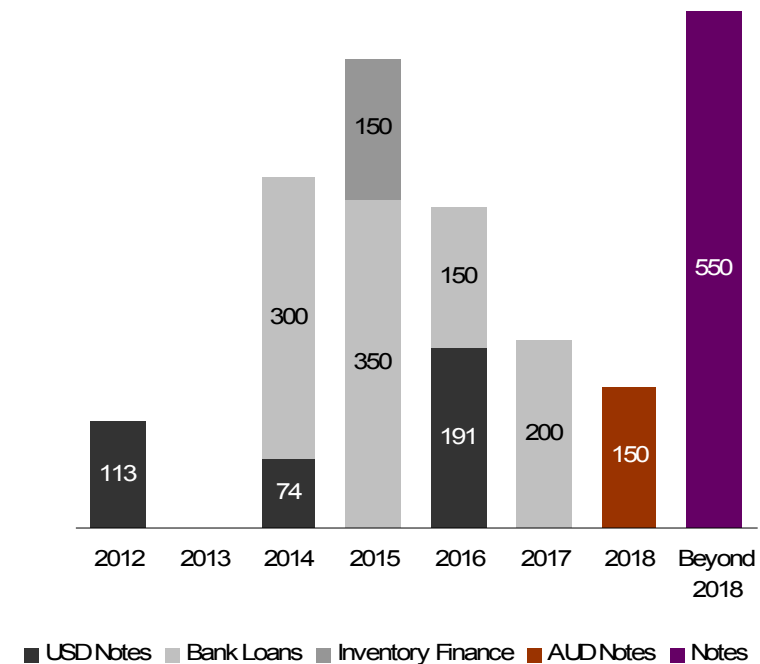


Current sources of funding

	A\$m	Source
US\$ notes	378	US institutional
A\$ notes	150	Australian and Asian institutional
Bank loans	1,000	Australian and global banks
Inventory finance	150	Australian bank
Hybrid	550	Australian and Asian retail and institutional investors

\$2,228m

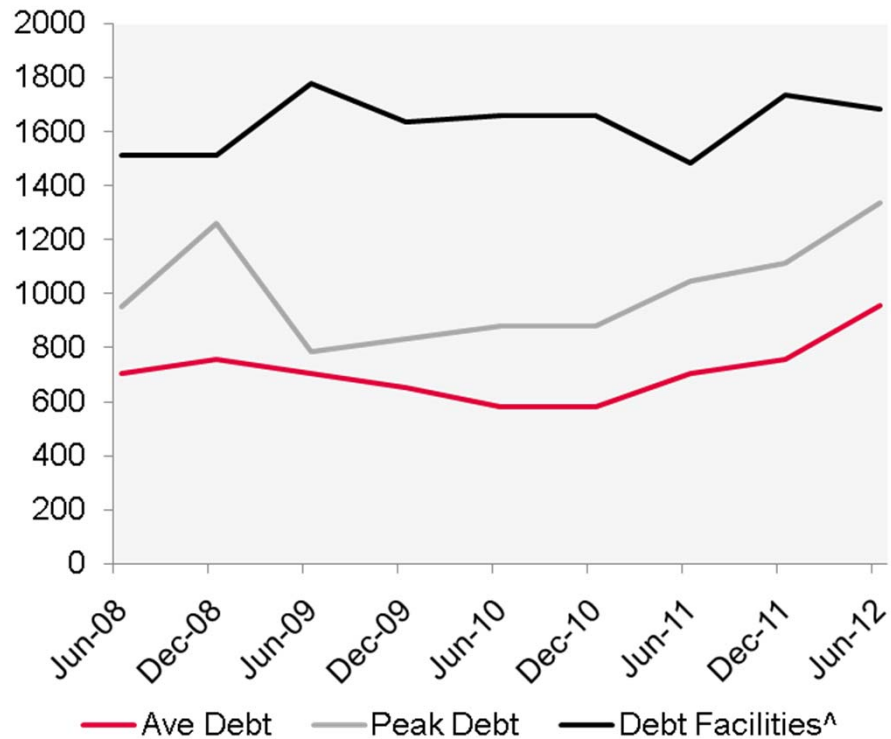
Debt maturity profile



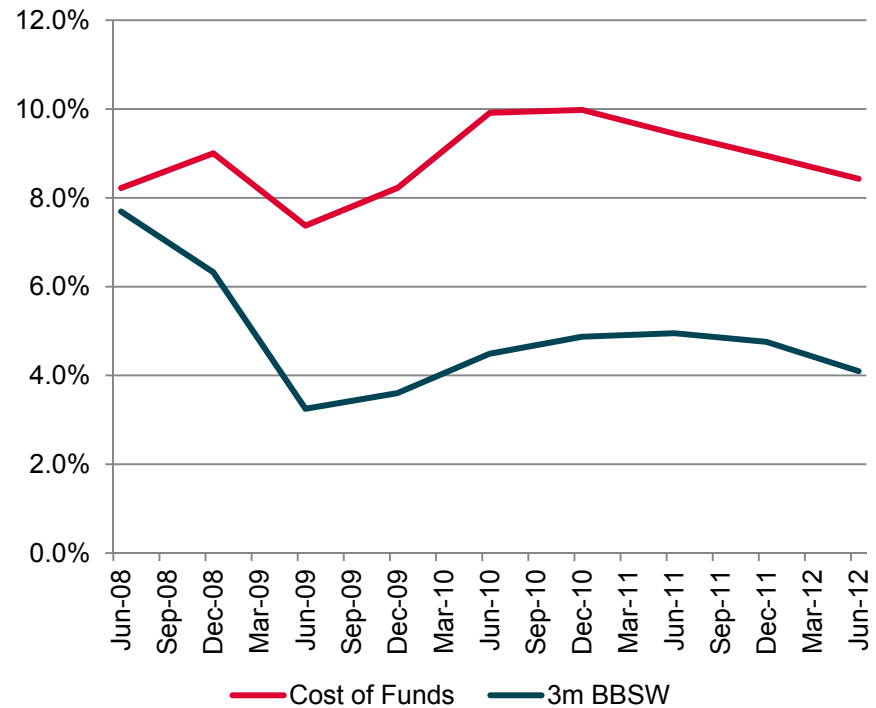
Weighted average cost of funds



Caltex net debt levels**



Caltex weighted average cost of funds*



* Caltex's weighted average cost of funds is calculated as interest expense (excluding provisioning and capitalisation) divided by average debt.

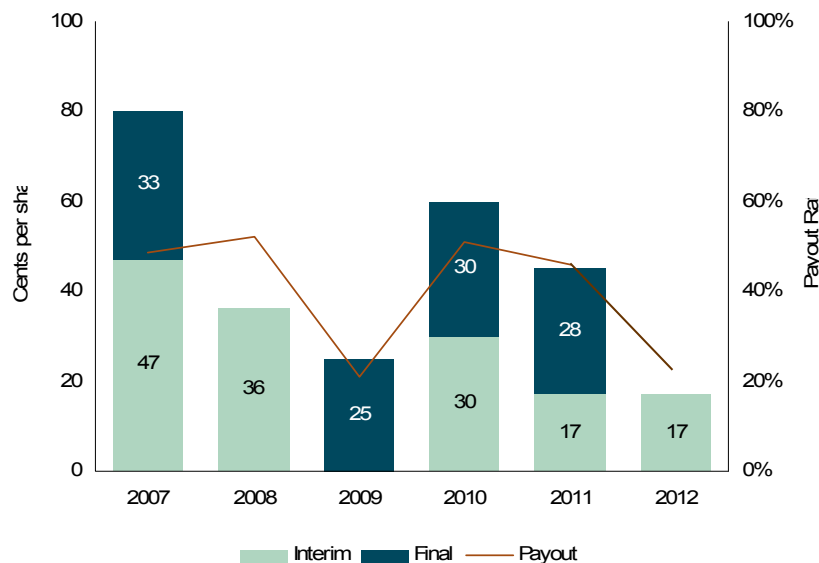
** Average debt is the average level of debt through the year; Peak debt is the maximum daily debt through the year.

^ Debt facilities includes committed facilities as at June 2012. Excludes recently announced Hybrid.

Caltex maintains a prudent dividend policy. This includes a temporary change in its dividend policy



Caltex dividend history



Franking credit balance (\$m)	737	865	897	948	1,009	1,031
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Dividend policy considerations

- A consistent dividend yield is important to investors and Total Shareholder Return (TSR)
- Caltex has historically adopted a dividend policy of paying out 40-60% of RCOP NPAT, appropriate given constraints on Caltex's business and capital structure:
 - Capital intensive business
 - Volatile earnings
- As part of managing the transition, Caltex's dividend policy will change to a payout ratio of 20% to 40% of RCOP NPAT for the short term
- The intention is to revert to a 40% to 60% payout ratio following the successful closure of Kurnell refinery (2H2014)

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CALTEX

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CALTEX



Summary



-
- Caltex is
 - One integrated transport fuels company
 - Underpinned by comprehensive infrastructure
 - With a diverse set of customers spanning consumer, commercial and wholesale
 - And with significant growth opportunities close to its core

 - High confidence in the company's ability to continue to execute and deliver

 - Financially in control of Caltex's destiny

 - Key takeaways
 - Leading position in an attractive industry
 - Lower earnings and cash-flow volatility through reduced exposure to refining
 - Re-allocation of capital to growth
 - Clear growth pathway across products, infrastructure, channels, geographies
 - Over time, increasing balance sheet flexibility

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