CALTEX AUSTRALIA LIMITED
ACN 004 201 307

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4 October 2012

Company Announcements Office
Australian Securities Exchange

CALTEX AUSTRALIA LIMITED
2012 HALF YEAR REVIEW – SHAREHOLDER REPORT

The *2012 Half Year Review* for Caltex Australia Limited (Caltex) is a summary report to shareholders for the half year ended 30 June 2012. The shareholder report is attached for release under ASX Listing Rule 3.17 and follows the release of Caltex's 2012 half year results to the ASX on 27 August 2012.

The *2012 Half Year Review* is being mailed to shareholders who have elected to receive a printed copy of annual reports. The shareholder report will also be available from our website (www.caltex.com.au).

Caltex's announcements, including the 2012 half year results announcement, are also available from the Caltex website (www.caltex.com.au).

Peter Lim
Company Secretary

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

Attach.

OUTLOOK FOR THE SECOND HALF OF 2012

Caltex's national distribution network of refineries, terminals, pipelines and depots supplies around one in every three litres of petrol, diesel and jet fuel consumed in Australia, with a leading market share by volume sold. Caltex is well positioned to capture growth in the resources, transportation, aviation and other commercial sectors with good underlying demand across premium fuels, diesel, jet fuel and lubricants. Diesel demand is underpinned by commercial and underlying Gross Domestic Product (GDP) growth and the increased prevalence of new diesel cars. We expect increased airline passenger travel and the influx of new carriers to contribute to steady growth in jet fuel. The shift towards higher octane premium gasoline is also expected to continue.

Looking forward, we are focused on our key priorities: improving safety and reliability performance, continuing to grow our Marketing operations, and investing in infrastructure to reliably supply transport fuels to our customers across Australia.

INTERIM DIVIDEND

The Board has declared an interim fully franked dividend of 17 cents per share for the first half of 2012. The dividend has been realigned to the recently revised dividend pay-out ratio of 20% to 40%. The record and payment dates for the interim dividend are 11 September 2012 and 3 October 2012, respectively.

ELIZABETH BRYAN
Chairman

JULIAN SEGAL
Managing Director & CEO

This 2012 Half Year Review has been prepared as at 27 August 2012.

Highlights

- First half Historical Cost Profit (HCOP) net profit after tax of $167 million
- First half Replacement Cost of Sales Operating Profit (RCOP) net profit after tax of $197 million, up 74% compared to first half 2011
- Strong Marketing growth continues
- Break-even Refining result driven by improved externalities and lower depreciation charge
- Announcement of a supply chain restructure as a result of the proposed conversion of the Kurnell refinery to a major import terminal
- Strong balance sheet, supported by recently completed subordinated notes raising
- Interim dividend of 17 cents per share (fully franked)

CALTEX AUSTRALIA LIMITED

Financial Calendar*

YEAR ENDED 31 DECEMBER 2012	
25 FEBRUARY 2013	Full year results and final dividend announcement
12 MARCH 2013	Record date for any final dividend entitlement
4 APRIL 2013	Final dividend payable
9 MAY 2013	Annual General Meeting

*These dates are subject to change.

Corporate Directory

CORPORATE OFFICES

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ACN 004 201 307

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CALTEX
Caltex Australia

2012 Half Year Review

Results Summary

Half Year Ended 30 June	2012	2011
Profit after interest and tax ($m)		
Historical cost basis	**167**	270
Replacement cost basis	**197**	113
Profit before interest and tax ($m)		
Historical cost basis	**285**	416
Inventory (losses)/gains before tax ($m)	**(44)**	224
Replacement cost basis	**329**	193
Basic earnings per share (cents)		
Historical cost basis (including significant items)	**61.8**	99.9
Replacement cost basis (excluding significant items)	**73.1**	41.9
Return on equity attributable to members of the parent entity after tax, annualised		
Historical cost basis (including significant items)	**15%**	17%
Replacement cost basis (excluding significant items)	**17%**	7%
Net tangible asset backing per share ($)	**8.13**	11.73
Net debt ($m)	**780**	675
Gearing (net debt to net debt plus equity) (%)	**25**	17

Caltex Australia Limited ACN 004 201 307

Report from our Chairman and Managing Director & CEO

ELIZABETH BRYAN
Chairman

JULIAN SEGAL
Managing Director & CEO

Caltex is the leading supplier and distributor of transport fuels in Australia, supplying more than one third of Australia's demand.

On a replacement cost of sales operating profit (RCOP) basis, Caltex's first half 2012 profit after tax was $197 million, up 74% from $113 million in 2011.

Volumes grew across our premium petrol, diesel, jet fuel and lubricants, offset by a modest fall in unleaded petrol. Investments in our national distribution supply chain, including additional storage and distribution capacity in Western Australia, Queensland and New South Wales, underpinned the continued growth in Marketing. We continued to maintain our position as the market leading convenience retailer in Australia.

Over the past year we have been evaluating our supply chain structure in the light of long-term challenges, including projected surplus regional refining capacity. This review led to a clear strategy going forward.

Our supply chain strategy centres on:

- The proposed closure of the Kurnell refinery in the second half of 2014. The facility will be converted to a major transport fuels import terminal from which we will continue to reliably supply our customers;
- Continued operation of our Lytton refinery in Brisbane with a renewed focus on delivering necessary operational and financial performance improvements;
- An agreement with Chevron for the procurement and supply of transport fuels (such as petrol, diesel and jet fuel) to supplement domestic supply at market-based prices; and
- Continuing to explore additional supply and distribution infrastructure opportunities, to ensure an efficient and reliable supply chain.

This strategy rebalances our supply chain in terms of product sourcing optimisation and reduces Caltex's exposure to Refining earnings volatility and asset concentration. It also gives us the financial flexibility to allow us to accelerate investment in our supply and distribution operations.

Caltex's robust balance sheet was further strengthened following the successful $550 million subordinated notes capital raising. This gives us the financial flexibility to reinvest in growth opportunities in our core business and implement the proposed supply chain restructure.

HISTORICAL COST PROFIT

On a historical cost profit basis, Caltex's after tax profit was $167 million for the first half of 2012. This included the impact of a fall in oil prices over the first half, which created an inventory loss of $30 million after tax.

A lower depreciation charge of $55 million (pre-tax) following the 2011 impairment of Refining assets boosted the headline 2012 first half result.

REPLACEMENT COST OPERATING PROFIT

On an RCOP basis, Caltex's after tax profit was $197 million for the first half of 2012. This compares with $114 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 a strong Marketing and operating performance and better Refining and Marketing transport fuel margins.

MARKETING GROWTH

Caltex continued to enjoy good growth in our Marketing business with Earnings Before Interest and Tax (EBIT) up 8% compared to a year ago. This was largely due to a 14% improvement in premium gasoline sales and growth in retail diesel, driven by the increasing number of diesel passenger vehicles on Australian roads, and consumer preference for higher octane premium fuels. Commercial diesel overall was flat. However, there was further strong growth in jet fuel, lubricants and non-fuel income. The finished lubricants business continued the success of recent years with sales volumes up more than 6%. This includes market share gains from 13% two years ago to approximately 22% today.

SUPPLY CHAIN HIGHLIGHTS

On 26 July 2012, Caltex announced a restructuring of our supply chain. This included the proposed $250 million conversion of the Kurnell refinery (expected closure by the end of 2014) to a major import terminal, supported by a long-term product supply agreement with Chevron. Caltex expects to incur significant costs associated with the proposed conversion, including employee entitlements and site remediation. Caltex will raise provisions in 2012 of approximately $430 million (on a discounted basis) pre-tax, reflecting the expected costs of closure, including employee entitlements and remediation costs in the years post closure.

It is expected these costs will be largely offset by the net release of working capital and tax credit from plant write off and demolition.

The Lytton refinery in Brisbane will remain an important part of the company's supply chain. Work will continue with key stakeholders to improve Lytton's operational and financial performance. This may include related modest investments.

STRONGER CALTEX REFINER MARGIN

The average Caltex Refiner Margin (CRM) of US$9.87 in the first half 2012 (first half 2011: US$7.82) was supported by a stronger Singapore Weighted Average Margin (WAM) of US$14.73 (first half 2011: US$11.11), which was partially offset by higher crude premiums and higher freight costs due to a higher proportion of long haul crude shipments.

STRONG BALANCE SHEET

Caltex remains committed to maintaining our BBB+ credit rating and our balance sheet has been further strengthened following the recently completed subordinated notes capital raising. Proceeds will be used for general corporate purposes, including the repayment of existing financial debt. This will provide financial flexibility as we execute our growth plans and implement our recently announced supply chain restructure, including the proposed conversion of the Kurnell refinery to a major import terminal. Net debt at 30 June 2012 was $780 million. This equates to a gearing ratio of 25% (net debt/ net debt plus equity).