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ASX ANNOUNCEMENT



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Company Announcements Office
Australian Securities Exchange

CALTEX AUSTRALIA LIMITED
CALTEX REFINER MARGIN UPDATE (SEPTEMBER 2012)

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



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Company Secretary

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Attach.



Caltex Australia

ASX Release

For immediate release

25 October 2012

Caltex Refiner Margin Update (September 2012)

Caltex advises its realised lagged¹ Caltex Refiner Margin (CRM²) in respect of CRM sales from production for the month of September 2012.

	September 2012	August 2012	September 2011
Unlagged CRM	US\$14.03/bbl	US\$17.35/bbl	US\$9.74/bbl
Impact of 7 day lag (negative)/positive	US\$0.80/bbl	(US\$2.80/bbl)	(US\$0.88/bbl)
Realised CRM	US\$14.83/bbl	US\$14.55/bbl	US\$8.86/bbl
CRM Sales from production	846ML	927ML	869ML

The September 2012 realised lagged Caltex Refiner Margin of US\$14.83/bbl compares favourably with both the previous month (August US\$14.55/bbl) and prior year equivalent (US\$8.86/bbl).

Regionally, on-going regional refinery outages (both planned and unplanned) and underlying strong regional demand contributed to a reduction in regional inventory levels, resulting in the September unlagged Singapore Weighted Average Margin of US\$16.91/bbl (August US\$15.98/bbl).

September's unlagged CRM was lower than the prior month (US\$14.03/bbl versus August US\$17.35/bbl). This was due to the September unlagged CRM being affected by higher crude premia (due to a number of August cargoes being priced off lower July crude markers resulting in a crude discount in August). This impact was offset by a favourable US\$0.80/bbl 7 day timing lag (versus US\$2.80/bbl unfavourable lag in August) as a result of the decrease in the Dated Brent crude price during the month to US\$112.9/bbl (September 2012 average), compared with US\$113.40/bbl in August.

September 2012 CRM sales from production were lower than both prior month (August) and prior year (September 2011) comparables due to scheduled maintenance being undertaken at Kurnell during the month.

On a 2012 year to date (YTD) basis, Caltex's average realised CRM is US\$10.84/bl. This compares favourably to the 2011 equivalent of US\$7.80/bbl. On a volume basis, YTD sales from production total 7,946 ML, 6.3% above the prior year (7,478 ML).

Recent strength in regional refining margins is expected to continue in the short term.

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 (from 1 January 2011 the Caltex reference crude marker is 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.

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