



**CALTEX AUSTRALIA LIMITED**  
ACN 004 201 307

LEVEL 24, 2 MARKET STREET  
SYDNEY NSW 2000 AUSTRALIA

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9 May 2013

Company Announcements Office  
Australian Securities Exchange

**CALTEX AUSTRALIA LIMITED**  
**2013 ANNUAL GENERAL MEETING – FORMAL ADDRESSES**

The 2013 Annual General Meeting (AGM) of Caltex Australia Limited is being held at 10 am today (Thursday, 9 May 2013).

The formal addresses to shareholders by Ms Elizabeth Bryan (Chairman) and Mr Julian Segal (Managing Director & CEO) at the AGM and related presentation slides are attached for release to the market.



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

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

**Attach.**



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

**ANNUAL GENERAL MEETING – 9 MAY 2013**

**2013 AGM ADDRESSES**

**WELCOME & OPENING**

**(SLIDE 1 – CALTEX AUSTRALIA LIMITED)**

Good morning everyone, and welcome to the 2013 Annual General Meeting of Caltex Australia Limited.

We have a quorum of shareholders in attendance, so I declare this meeting open.

**(SLIDE 2 – ELIZABETH BRYAN)**

Let me introduce myself. My name is Elizabeth Bryan and I have the honour of being the Chairman of the Caltex Board.

**INTRODUCTORY MATTERS**

**(SLIDE 3 – 2013 ANNUAL GENERAL MEETING)**

The AGM is an important forum for all of us. It gives you the opportunity to ask questions about Caltex's performance and management over the last year.

There will be several opportunities today for your questions. I will open the meeting to general questions after Julian and I have both reported to you. Then, after that, you will be able to ask questions about each item of business as we move on to those matters on the agenda.

**(SLIDE 4 – AGENDA)**

Before the formal business of the meeting begins, I would like to cover some introductory matters for you:

- If we need to evacuate, you can exit through the main door at the back – or at the exit points on each side of the stage.
- Today's meeting is being webcast and recorded, so your presence may be transmitted or recorded as part of the meeting.
- And, lastly, as a courtesy to other shareholders, please check that your mobile phone has been turned off.

**INTRODUCTIONS**

Now, I would like to introduce the people seated on the stage.

**(SLIDE 5 – JULIAN SEGAL)**

**Julian Segal**

On my immediate left is Julian Segal, Managing Director & CEO.

Julian has served as your Managing Director & CEO since July 2009.

**(SLIDE 6 – GREIG GAILEY)**

**Greig Gailey**

Greig Gailey is seated next to Julian.

Greig joined the Board in December 2007. He is the Chairman of the Board's Human Resources Committee.

**(SLIDE 7 – BARBARA BURGER)**

**Barbara Burger**

Next to Greig is Barbara Burger.

Barbara joined the Board in June last year.

**(SLIDE 8 – TREVOR BOURNE)**

**Trevor Bourne**

Trevor Bourne is seated next to Barbara.

Trevor joined the Board in March 2006. He is the Chairman of the OHS and Environmental Risk Committee.

**(SLIDE 9 – RICHARD BROWN)**

**Richard Brown**

Next to Trevor is Richard Brown.

Richard joined the Board in June last year.

**(SLIDE 10 – PETER LIM)**

**Peter Lim**

Peter Lim, Company Secretary and General Counsel, is seated on my right. Peter was appointed to his role in January last year.

**(SLIDE 11 – RYAN KROGMEIER)**

**Ryan Krogmeier**

Ryan Krogmeier is seated next to Peter.

Ryan joined the Caltex Board in March 2012.

**(SLIDE 12 – JOHN THORN)**

**John Thorn**

John Thorn is seated next to Ryan.

John joined the Board in June 2004. He is the Chairman of the Board's Audit Committee.

Today will be John's last Caltex AGM as he is retiring from the Board at the end of this meeting.

**(SLIDE 13 – CALTEX SENIOR MANAGEMENT)**

**Senior management team**

I would also like to introduce members of the Caltex senior management team who are here today:

- Simon Hepworth: Chief Financial Officer
  - Andy Walz: General Manager – Marketing
  - Mike McMenamin: General Manager – Strategy, Planning and Development
  - Simon Willshire: General Manager – Human Resources
  - Ray Hayward: Group Manager – Operational Excellence and Risk
  - Ian Ross, Manager Supply Operations and,
  - Andrew Brewer, the Manager of the Kurnell Refinery.
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Ian and Andrew are here today as they are key members of the project team who are responsible for the conversion of the Kurnell Refinery to a major import terminal.

**(SLIDE 14 – EXTERNAL AUDITOR (KPMG))**

**KPMG**

In addition to the management team, we also have here today representatives of our external auditor, KPMG. Anthony Jones, the lead engagement partner in 2012, is here to answer any questions you may have on audit related matters.

This will be Anthony's last AGM for Caltex as he is rotating off the Caltex account in accordance with the Corporations Act and our external auditor policy. I would like to take this opportunity to thank Anthony, who has acted as Caltex's lead audit partner since 2009. I would also like to welcome Greg Boydell, as he will be taking over as the new lead audit partner.

**VOTING PROCESS**

**(SLIDE 15 – VOTING PROCESS)**

This year, we will again be conducting the voting process using electronic handsets. I will briefly outline how this process works.

When you registered on your way in, you should have been provided with a handset with a plastic card inserted in the top. This is shown on the screen behind me.

The handsets will be used to submit and count your votes later in the meeting. The voting system will calculate the result from the votes received, including all votes cast by proxies, and we will announce the result and display the provisional votes immediately after each item of business is completed.

The data on the card identifies the shares you are voting. No other personal information is stored on the card, and the data on the cards is erased after the meeting.

**(SLIDE 16 – HOW TO CAST YOUR VOTE)**

When I ask you to vote on a resolution, press either of the buttons numbered one or two on your handset. To vote "for" the resolution, press button one. To vote "against" the resolution, press button two. If you wish to abstain from voting, you do not need to make any selection on the handset. Proxyholders should also cast their votes at this time.

If the card is dislodged at any time, a prompt to insert it will appear on the screen of your handset.

After you have submitted your vote, your handset will briefly confirm that it's been received and then display your selection.

**(SLIDE 17 – HOW TO CANCEL OR CHANGE YOUR VOTE)**

Two more things...

If you wish to change your vote while the item is still open, you can submit a new vote by pressing button one to vote "for" or button two to vote "against" the resolution. Your original vote will be cancelled and your new selection will be counted.

If you decide to abstain after you've voted, you can withdraw your vote completely, by pressing the button marked with a red triangle on your handset while that item of business is still open.

We have also given you a card showing how to use the handsets. If we have any unexpected issues with the technology, these cards will also be used as a back-up process for us to vote today.

If you do not have a handset or a card and believe you are eligible to vote, please visit the registration desk in the foyer of the auditorium. A member of Computershare's staff will assist you.

**(SLIDE 18 – “PRACTICE” RESOLUTION – POLL OPEN)**

I would now like to do a “practice run” with a sample resolution, just to make sure that everybody is comfortable with the voting process. The resolution we will consider is that: ‘Sydney should host the 2020 Olympic Games’.

The poll on this resolution is now open. Please press “one” on your handset to vote “for” the resolution, or “two” to vote “against”.

If you have any questions about how to use your handset, please raise your hand and a member of Computershare's staff will come and assist you.

*(Allow around 30 seconds for the vote)*

**(SLIDE 19 – “PRACTICE” RESOLUTION – POLL CLOSED)**

I now declare the poll for our practice resolution closed. The results will be displayed on the screen behind me.

*(Allow a moment for the vote to be finalised)*

**(SWITCH TO SLIDE – “PRACTICE” RESOLUTION RESULTS – IML FEED)**

I think I can say that the resolution has been passed.

**NOTICE OF ANNUAL GENERAL MEETING**

**(SWITCH TO SLIDE 20 – NOTICE OF ANNUAL GENERAL MEETING)**

It is now time to move to the formal business of the meeting.

I will take the Notice of the Annual General Meeting as read.

**ITEM 1: OPERATIONAL EXCELLENCE MOMENT**

**(SLIDE 21– AGENDA – ITEM 1: OPERATIONAL EXCELLENCE MOMENT)**

At Caltex, we open meetings of five or more people with a story or example to remind us of how important safety is to our business and to our people.

**(SLIDE 22 – ITEM 1: OPERATIONAL EXCELLENCE MOMENT)**

This year, I thought it would be good to hear directly from one of our people who live and breathe operational excellence at Caltex. And, for something different, we are presenting it in a video format.

The video features Chris Perkins who is a tanker driver in Brisbane.

Now, I will hand over to Chris for him to tell you his story.

**[VIDEO – DELIVERING THE GOODS]**

**ITEM 2: ADDRESSES**

**(SLIDE 23 – AGENDA – ITEM 2: ADDRESSES)**

**Chairman's address**

**(SLIDE 24 – ITEM 2: ADDRESSES)**

I will now turn to my formal Chairman's message.

**(SLIDE 25 – CHAIRMAN'S ADDRESS)**

Caltex is a company that not only has longevity, with a history spanning over 100 years, but that has also shown great adaptability. We have changed and evolved in response to changing market conditions.

And 2012 was no exception.

As a company, and as your Board, we made some important decisions. They were important in the sense that once again, we were making a shift in our business. This shift has been necessary to secure a sustainable future for Caltex.

**(SLIDE 26 – OPTIMISING OUR VALUE CHAIN)**

Before I take you through the pleasing results that the company achieved in 2012, I would like to walk you through the key decisions that we made in 2012 that will enable us to optimise our entire value chain.

As you, as shareholders know, over the last 10 years, the Caltex refineries have had inconsistent earnings and returns. In their current configuration, our refineries are disadvantaged and relatively small when compared with the modern, larger scale and more efficient refineries in the Asian region.

Unfortunately this disadvantage has been exacerbated by the impact of the ongoing strength of the Australian dollar and increasing costs of refining in Australia.

In addition, in the short to medium term we are expecting to see growth in regional refining capacity in Asia and the Middle East exceed underlying demand. This is likely to result in further pressure on refiner margins.

In light of all this, and after extensive evaluation of our business, we announced plans in July 2012 to rebalance our supply chain.

There are three main parts of our strategy.

- One, is the closure of our Kurnell refinery in Sydney in the second half of 2014. We will convert this facility into a major transport fuels import terminal;
- Two, the continued operation of the Lytton refinery in Brisbane. The focus at Lytton will be delivering necessary operational and financial performance improvements; and
- Thirdly, growing our Marketing and Distribution business. We will be doing this through targeting high growth channels, geographies and products.

The successful negotiation of a long term product supply and shipping agreement with Chevron was a fundamental element of this strategy. The agreement that we reached is for the ongoing procurement and supply of transport fuels to supplement our domestic supply sources, including refined product from Lytton.

All these initiatives reflect our response to changing market requirements. From a financial perspective, it should minimise risk in our business, lead to more sustainable returns, and increase our free cash flow generation capability. This all bodes well in securing our future.

While a great number of resources were allocated to evaluating our business in 2012, pleasingly, we still delivered strong results. I would like to share some of these highlights with you.

**(SLIDE 27 – KEY SAFETY MEASURES)**

Firstly, I would like to talk about our safety results. It was very pleasing that we had a decrease in our more serious injuries, measured by the lost time injury frequency rate. Our lost time injury frequency rate continues to decline. In 2012, this measure decreased by 40% to 0.59 per million hours worked. This compares with 0.99 in 2011, which is a great improvement.

That said, I am disappointed to report that we saw an increase in reported incidents, known as the total treated injury frequency rate, from 2.53 per million hours worked in 2011 to 2.83 in 2012. While the frequency of recorded incidents disappointingly increased, the seriousness of injuries recorded fell.

**(SLIDE 28 – MARKETING & DISTRIBUTION)**

Now I would like to turn to some high level business highlights.

Our Marketing and Distribution business had another record year with operational earnings up 6% to \$736 million. I am pleased to report that our Marketing and Distribution business has now averaged 11% per annum growth over the last five years.

**(SLIDE 29 – REFINING & SUPPLY)**

Our Supply and Refining business also had a good year and produced solid results. This was driven by stronger refiner margins, plant reliability gains, a more favourable product mix and a lower depreciation charge, following the 2011 impairment of the refineries. Improved refinery reliability resulted in the highest production volumes recorded since 2007. This allowed the business to take advantage of more favourable externalities, including a stronger Caltex Refiner Margin.

Julian will expand on these business results in his address.

**(SLIDE 30 – RESULTS)**

I would like now to take you through our financial results.

Our statutory after tax profit, or historic cost of profit measure, was \$57 million for the 2012 full year, including inventory gains. This includes significant items of approximately \$309 million (after tax), which primarily relates to provisions associated with the closure of the Kurnell refinery.

This result compares favourably to the 2011 after tax loss of \$714 million, which included significant items of \$1.1 billion (after tax) relating to the refinery impairment. The 2012 result also includes product and crude oil inventory losses of \$92 million after tax. This compared with an inventory gain of \$138 million after tax in 2011.

As you know, our preferred profit measure is replacement cost of sales operating profit. This is because it excludes net inventory gains and losses and therefore better represents underlying operating cash flows. On this measure, Caltex recorded an after tax profit for the 2012 full year of \$458 million, excluding significant items.

This result compares favourably with \$264 million for the 2011 full year, excluding significant items.

During the year we also completed a \$550 million subordinated notes (or hybrid) capital raising. This was to further strengthen our already robust balance sheet. It also gives us the financial flexibility to continue to invest in growth opportunities while implementing our supply chain restructure. We remain committed to maintaining our BBB+ credit rating.

**(SLIDE 31 – SHAREHOLDER RETURNS)**

Our measure of success continues to be to safely and reliably deliver top quartile total shareholder returns.

For the second half of the year, the Board declared a final dividend of 23 cents per share. When combined with the interim dividend of 17 cents per share for the first half, this is a total dividend of 40 cents per share for 2012.

This compares with a total dividend payout of 45 cents per share for 2011, and reflects the reduction in the payout ratio during the Kurnell transition period. All these dividends were fully franked.

Pleasingly, Caltex's share price increased by \$7.44 in 2012, starting the year at \$11.77 and closing the year at \$19.21. This is a 63% increase in the share price during 2012 and I am pleased to say this positive movement has continued in 2013.

I would now like to turn to the people of Caltex.

At Caltex, we view the capability of our people as a key source of competitive advantage. As a result, we want to ensure that that Caltex is a great place to work.

**(SLIDE 32 – OUR PEOPLE – BABYCARE)**

I am personally very proud that Caltex broke new ground for Australian workplaces when we introduced the Caltex BabyCare Package. This package, the first of its kind, is for primary carers returning to work after caring for a newborn baby. In addition, we also delivered more flexible work solutions and new technology for our employees to promote a more flexible work culture.

**(SLIDE 33 – OUR PEOPLE)**

At the beginning of 2012, we also signed the Australian Employment Covenant. This is a national industry-led initiative that aims to close the gap between indigenous and non-indigenous Australian employment. Caltex is committed to increasing the number of indigenous Australians employed throughout its workforce.

Post our announcement in July of the closure of the Kurnell Refinery, we have supported our people at Kurnell with the highest level of care, attention and respect. In line with our value of Care, Caltex has sought to be upfront and to do the right thing. We will continue to engage with our employees at the Kurnell Refinery to listen to their individual needs, and discuss retention, redeployment and retraining opportunities. Their response and dedication during these uncertain times is a credit to them, both as individuals and as a team.

**(SLIDE 34 – JOHN THORN)**

Before closing my address, I would like to acknowledge the contribution that has been made by John Thorn who is retiring from the Caltex Board. John has been a valued member of the Caltex Board since 2004 and I would like to acknowledge his contribution, dedication and commitment to Caltex over the past 9 years. I know that he will be missed. The Board and I thank him and wish him all the best for the future.

As John's retirement will be effective from the end of this AGM, we hope to be in a position to announce his replacement in the near future. I am pleased to say we are well progressed on finding a suitable replacement.

**(SLIDE 35 – OUR PEOPLE – OUR ENERGY FUELS A BRIGHTER FUTURE)**

On behalf of the Board, I would also like to acknowledge the outstanding contribution and commitment of all Caltex employees, contractors, franchisees and resellers during 2012. You have achieved a great deal.

The Caltex Values of Care, Own, Move, Serve, Trailblaze and Win have been the basis for many tangible and sustainable business successes throughout the year.

I would now like to hand over to Julian to present the Managing Director & CEO's address.



**(SLIDE 36 – MANAGING DIRECTOR & CEO'S ADDRESS)**

**Managing Director and CEO's address**

Thank you Elizabeth.

**(SLIDE 37 – PROCESS SAFETY / PERSONAL SAFETY)**

As usual at Caltex, I would like to start by reflecting on our safety performance. I am pleased that on the whole, we continued to make good progress in 2012, with safety at the forefront of each and every employee's mind.

We focus on safety from both a process and personal perspective. Process safety is about maintaining the integrity of our equipment and operating it in a safe manner, to prevent harm to ourselves, those around us, as well as the environment. In 2012, we saw a reduction in our measure for more significant incidents, which are known as tier one incidents. In 2012, our tier one incidents reduced to three, from four in 2011. We also saw a pleasing reduction in major spills from eight in 2011 to two in 2012.

**(SLIDE 38 – SAFETY MEASURES)**

In terms of personal safety, while our Total Treated Injury Frequency Rate – TTIFR - marginally increased, our Lost Time Injury Frequency Rate – LTIFR - continues to decline. The LTIFR was down 40% to a historic low of 0.59 per million hours worked for both employees and contractors. While the TTIFR measure indicates a slight increase from the 2011 low, we are very pleased that the continued fall in the LTIFR measure demonstrates a reduction in the severity of incidents. This is very encouraging and a credit to all Caltex employees and contractors.

At Caltex, we take safety very seriously and we are continuing to work to further improve our process and personal safety performance.

As Elizabeth outlined, 2012 was a significant year for Caltex.

It was a year in which we made an important decision to close the Kurnell refinery and convert it into the largest and most modern import terminal in Australia. This significant rebalancing of our supply chain is part of the strategy that underpins our corporate vision to be the outright leader in transport fuels across Australia. This strategy will provide a solid platform for a sustainable future for Caltex and strong results for our shareholders.

I would now like to focus on our financial results.

**(SLIDE 39 – 2012 MARKETING & DISTRIBUTION HIGHLIGHTS)**

As Elizabeth outlined, our Marketing and Distribution business had another record year with earnings before interest and tax up 6% to \$736 million. Over the last five years, our Marketing and Distribution business has averaged 11% per annum growth.

In 2012, our gross transport fuel margins increased by 6.5% to 4.36 cents per litre. This reflects our strategy of driving sales of premium Vortex petrol and diesel, and also jet fuel. Premium petrol sales volumes increased by 10% and now accounts for 26% of all Caltex's petrol sales. Retail diesel volumes grew 6% year on year. This follows the increasing growth of diesel passenger cars which now represent one in three new cars sold. The growth in Marketing and Distribution earnings was achieved despite the more aggressive competition and a generally sluggish retail environment.

Our willingness to invest alongside our customers underpins our position as Australia's outright leader in transport fuels.

We demonstrated this with the growth in our storage and distribution capacity across Western Australia, Queensland and New South Wales.

During 2012 we doubled the Sydney jet fuel pipeline capacity, completed the bitumen import terminal at Sydney's Port Botany and successfully integrated new acquisitions, including the Bailey's Marine refuelling business.

Turning now to Refining and Supply.

**(SLIDE 40 – 2012 REFINING & SUPPLY HIGHLIGHTS)**

As outlined by Elizabeth, Refining delivered a solid result in 2012. This was driven by stronger refiner margins, plant reliability gains and a lower depreciation charge, which follows the 2011 impairment of the refineries.

We achieved the highest production volumes recorded, post the changes in our refineries to comply with the Clean Fuels legislation, which occurred in 2007. The 2012 record result was a direct outcome of improved refinery reliability. The higher production allowed us to take advantage of more favourable externalities. A key favourable externality was the stronger average Caltex Refiner Margin of US \$11.83 per barrel, compared with US \$7.98 per barrel in 2011.

In 2012, our Lytton refinery focused on improving plant reliability. This effort will continue as we seek to further improve the operational and financial performance of the refinery. Lytton remains an important part of Caltex's supply chain.

Kurnell refinery delivered a consistent and credible operational performance in 2012. We have every confidence in our people at Kurnell to continue to operate safely and reliably through the significant transition that is occurring over the next two years. I will focus on this transition a little later in my address.

Overall, our refineries produce approximately 60% of the transport fuels supplied by Caltex to the market. This is expected to reduce towards 20-25% post the Kurnell refinery closure.

Securing reliable supply of refined product to replace Kurnell production and meet future demand growth, was a critical component of our supply chain restructure. A key milestone for this in 2012 was the successful negotiation of a long term product supply agreement with Chevron. This was for the procurement and supply of transport fuels - petrol, diesel and jet fuel at market based prices. Together with our domestic supply, which includes Lytton production, this contract will enable us to continue to reliably supply our customers.

**(SLIDE 41 – Q1 2013 UNAUDITED PROFIT RESULTS)**

Caltex's unaudited 2013 first quarter profit after tax is \$146 million on a replacement cost of sales operating profit basis, compared to \$69 million for the same quarter in 2012. On a statutory, or historical cost basis, the first quarter profit after tax is \$190 million including an inventory gain of \$46 million after tax, compared to \$106 million in the same quarter of 2012, which included an inventory gain of \$37 million.

In the first quarter of 2013, our Marketing and Distribution business continued to grow, with EBIT of \$190 million up 2% compared to the same period last year.

Total Marketing and Distribution volumes for the first quarter were 4.1 billion litres, with sales of our premium grades of petrol and diesel offsetting the long term decline in demand for unleaded petrol, including E10.

Sales of our premium Vortex 95 and 98 petrol grades have grown 4% on the first quarter of 2012, and now represent around 27% of our total petrol sales, up from an average of 26% in 2012. Our total retail diesel sales are up 6% on the first quarter of 2012, underpinned by a 19% increase in sales of our premium Vortex diesel product. We expect this trend to continue. Pleasingly, we have also seen our convenience shop sales rebound from a tough 2012 retail market, with sales up 3.5% compared to the same time last year.

Our total commercial sales volumes are in line with the first quarter of last year, with new sales growth more than offsetting the loss of a single supply contract in the second quarter of 2012. Excluding the loss of this single contract, our mining diesel sales are up 10% on the same period last year. Sales to other sectors, such as transport, industrial, and agriculture are broadly in line with last year, reflecting the tougher economic environment.

The favourable externalities which benefitted Refining and Supply in the second half of 2012 have continued into 2013, resulting in an EBIT of \$43 million before tax for the first quarter of 2013. This compares favourably to a \$60 million loss before tax for the same quarter in 2012. Refining & Supply has continued to benefit from improved mechanical availability which has allowed our refineries to take advantage of strong Singapore Weighted Average Margins during the quarter. Production of transport fuels is 9% higher than the same period last year at 2.59 billion litres. An average first quarter Caltex Refiner Margin of US\$13.60 per barrel compares favourably to the prior corresponding period average of US\$6.10 per barrel. The vast majority of refining earnings continues to come from the Lytton refinery in Brisbane.

This represents a good start to the year. While we expect the Caltex Refiner Margin to moderate over the remainder of the year from first quarter levels, the full year outlook for the Marketing and Distribution business remains positive. The outlook for sales volumes to the mining sector is strong, and sales of our premium grades of petrol and diesel should continue to grow as our program of retail site upgrades rolls out over the remainder of the year.

### **(SLIDE 42 – SECURING OUR FUTURE)**

The successful conversion of the Kurnell refinery to Australia's largest transport fuels import terminal is a significant part of our supply chain restructure.

The conversion project, while centrally coordinated, has been split into 27 separately managed sub-projects, with no single project exceeding \$50 million, and the majority ranging in value of between \$3 million and \$10 million each. This aerial photograph of the Kurnell refinery site provides an overview of the key components of the conversion project, which includes:

- The dredging of the shipping berths and upgrade of the Kurnell wharf to provide flexibility to import a broader range of ship sizes. We refer to these components collectively as the "marine works".
- Conversion of crude oil and other storage tanks into tanks suitable for storing refined petrol, diesel and jet fuel, together with associated automation and infrastructure, which we refer to as the "Land works".
- And finally, the demolition of the refinery process units, and land remediation, following closure of the refinery at the end of 2014.

While we are still at an early stage of the conversion, a number of key milestones have already been achieved. They include:

- the successful negotiation of a new Enterprise Agreement with our Kurnell refinery employees;
- lodgement of the Environmental Impact Statement in relation to the Marine works with the Department of Planning and Infrastructure, which is an important step in their approvals process. Public exhibition of this EIS is now closed;
- the contract for the dredging works in Port Botany has been tendered and awarded; and
- the completion of the Environmental Impact Statement for the Land works. This will be submitted to the Department of Planning and Infrastructure shortly and is expected to go on public display later this month. This is another important step in the approvals process.

We are now approximately 30% of the way through our planned timeframe, and we remain on track to close the refinery by the end of 2014.

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**(SLIDE 43 – OUTLOOK)**

This leads me to the outlook for Caltex.

Our core business continues its solid performance and we are well positioned to take advantage of the rich pipeline of growth opportunities across Australia, including those in the mining, agriculture, aviation, transportation and retail sectors.

We will continue to focus on expanding our infrastructure to support our strong supply, distribution, sales and marketing capability, along with modest acquisitions as opportunities are identified.

**(SLIDE 44 – OUR PEOPLE)**

Finally I would like to echo the thoughts of Elizabeth about the people of Caltex.

I am pleased to say that Caltex's values of care, own, trailblaze, move, serve and win are evident and in action throughout the business on all levels. Continuing to ensure that Caltex is a great place to work is a key part of our high performance culture. We view the capability of our people as a key source of competitive advantage. To this end, I am proud of the people that we continue to attract and retain at Caltex and I am grateful for their continued efforts, skills and passion that are so evident.

I know that together we will continue to achieve our vision of being the outright leader in transport fuels across Australia. And I firmly believe that Caltex is well placed for the future.

On that note, I will now hand back to Elizabeth.

**ITEM 3: SHAREHOLDER ISSUES**

**(SLIDE 45 – AGENDA – ITEM 3: SHAREHOLDER ISSUES)**

**(SLIDE 46 – ITEM 3: SHAREHOLDER ISSUES)**

Thank you Julian.

We always set aside time at each AGM to talk about the major themes from the questions you have sent to us. This year, we did not receive any questions before the meeting, so I wanted to take this opportunity to talk to you a little more about the franking credit balance and Caltex's dividend policy, as the two issues are linked. I know from past AGMs that these items are of ongoing importance to you.

It is useful to revisit why our franking account balance has grown to about \$1 billion as at the end of 2012. Historically, Caltex has paid out between 40%-60% of its profits as dividends. We operate in a capital intensive industry, and the capital investments which we have made to stay in business and grow have reduced the proportion of profits available to be paid to our shareholders. For example, in order to comply with the Australian Federal government's clean fuels legislation, we spent a total of \$800 million between 2004 and 2008 over and above our normal level of investment, which reduced our dividend payout levels. That has led to a build-up of these franking credits over the years.

At last year's AGM, you again requested that we review our franking account balance with the view to releasing franking credits to our shareholders. After some detailed work by management, and further consideration by the Board of the options available to us, we decided that this was not the right time to make additional shareholder payments to release franking credits. This decision was made in light of the significant transformation that the company is undertaking as we close the Kurnell refinery and convert it into a major import terminal.

Once the closure and conversion is completed, we are anticipating that our earnings and cash flows are likely to be less volatile, refinery maintenance capital expenditure will be lower, and working capital will be reduced as long haul crudes are replaced with regional product imports. The successful transition will also enable us to pursue additional growth opportunities in our Marketing and Distribution business.

In the meantime, in order to provide financial certainty during this transition, we made a decision to temporarily reduce our dividend payout ratio to 20%-40% and raise \$550 million of hybrid capital. We know that the reduced dividend payout ratio is not pleasing to most of you. However, the Board has agreed that this was in the best long term interests of our shareholders. We believe that our current approach to capital management will afford us flexibility and optionality and will provide a buffer for Caltex from external economic impacts, and also enable us to retain our BBB+ credit rating.

This strategy has been strongly endorsed by the investment community as shown in the significant share price appreciation in 2012, and particularly since July last year. Our total shareholder return over the course of the year was nearly 70%.

We will continue to keep both the franking credit balance and the dividend policy on the agenda in 2013 and beyond. However, our commitment remains to review and reassess our capital management strategy, including our franking account balance, once the closure and conversion of the Kurnell refinery is completed.

# 2013 ANNUAL GENERAL MEETING

CALTEX AUSTRALIA LIMITED  
ACN 004 201 307

10am (AEST), Thursday 9 May 2013



CALTEX

Morley  
Premium Fuel

star mart

# Board of Directors

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**ELIZABETH BRYAN**  
Chairman



# 2013 ANNUAL GENERAL MEETING





# Agenda

Item 1 – Operational Excellence Moment

Item 2 – Addresses

Item 3 – Shareholder Issues

Item 4 – Financial Reports

Item 5 – Remuneration Report

Item 6 – Election of Directors



# Board of Directors

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**JULIAN SEGAL**  
Managing Director & CEO



## Board of Directors

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**GREIG GAILEY**  
Independent,  
Non-Executive Director



## Board of Directors

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**BARBARA BURGER**  
Non-Executive Director



## Board of Directors

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**TREVOR BOURNE**  
Independent,  
Non-Executive Director



## Board of Directors

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**RICHARD BROWN**  
Non-Executive Director



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**PETER LIM**  
Company Secretary



## Board of Directors

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**RYAN KROGMEIER**  
Non-Executive Director





## Board of Directors

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**JOHN THORN**  
Independent,  
Non-Executive Director



# Caltex Senior Management

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Simon Hepworth	Chief Financial Officer
Andy Walz	General Manager – Marketing
Mike McMenamin	General Manager – Strategy, Planning & Development
Simon Willshire	General Manager – Human Resources
Ray Hayward	Group Manager – Operational Excellence & Risk
Ian Ross	Manager – Supply Operations
Andrew Brewer	Manager – Kurnell Refinery

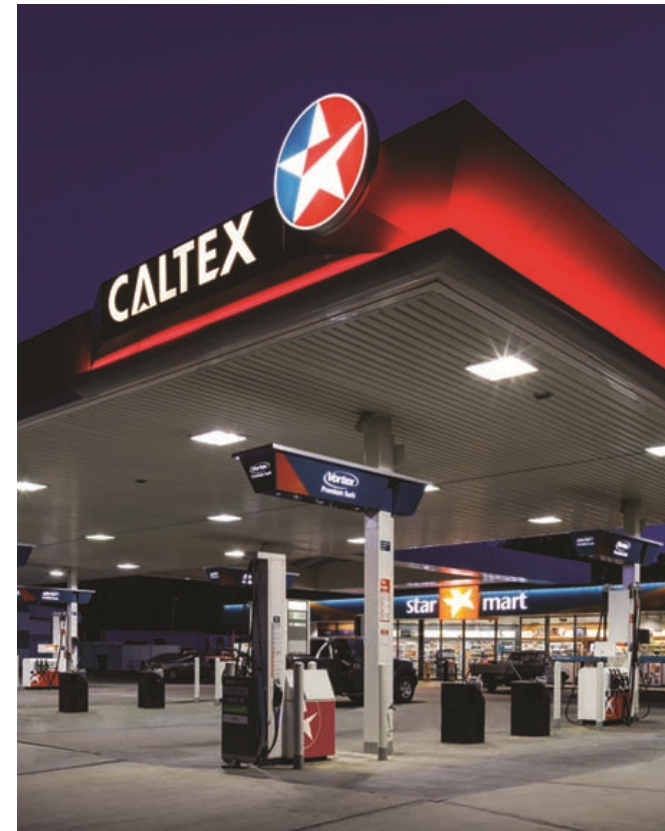
# External Auditor

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**ANTHONY JONES**  
KPMG Partner

**SHANE O'CONNOR**  
KPMG Partner

**GREG BOYDELL**  
KPMG Partner



# Voting process

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Electronic voting process using handsets.

A plastic card should have been inserted into your handset when you registered this morning.



## How to cast your vote

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When the poll opens, the handset will display the voting options being:

1 to vote for

2 to vote against

Press the appropriate button on the handset to submit your vote.

The word “received” will appear briefly on your screen and an ‘X’ will display beside your selection.



## How to cancel or change your vote

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To change your vote, simply enter your new choice (1 or 2) while the poll is open.

If you wish to cancel your vote, press the red triangle button ▲ .



## Practice resolution

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Shareholders will be asked to consider and, if thought fit, pass an ordinary resolution that Sydney should host the 2020 Olympic Games.

**The poll on this resolution is open – please cast your vote**

1 to vote **FOR** the resolution

2 to vote **AGAINST** the resolution



## Practice resolution

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Shareholders will be asked to consider and, if thought fit, pass an ordinary resolution that Sydney should host the 2020 Olympic Games.

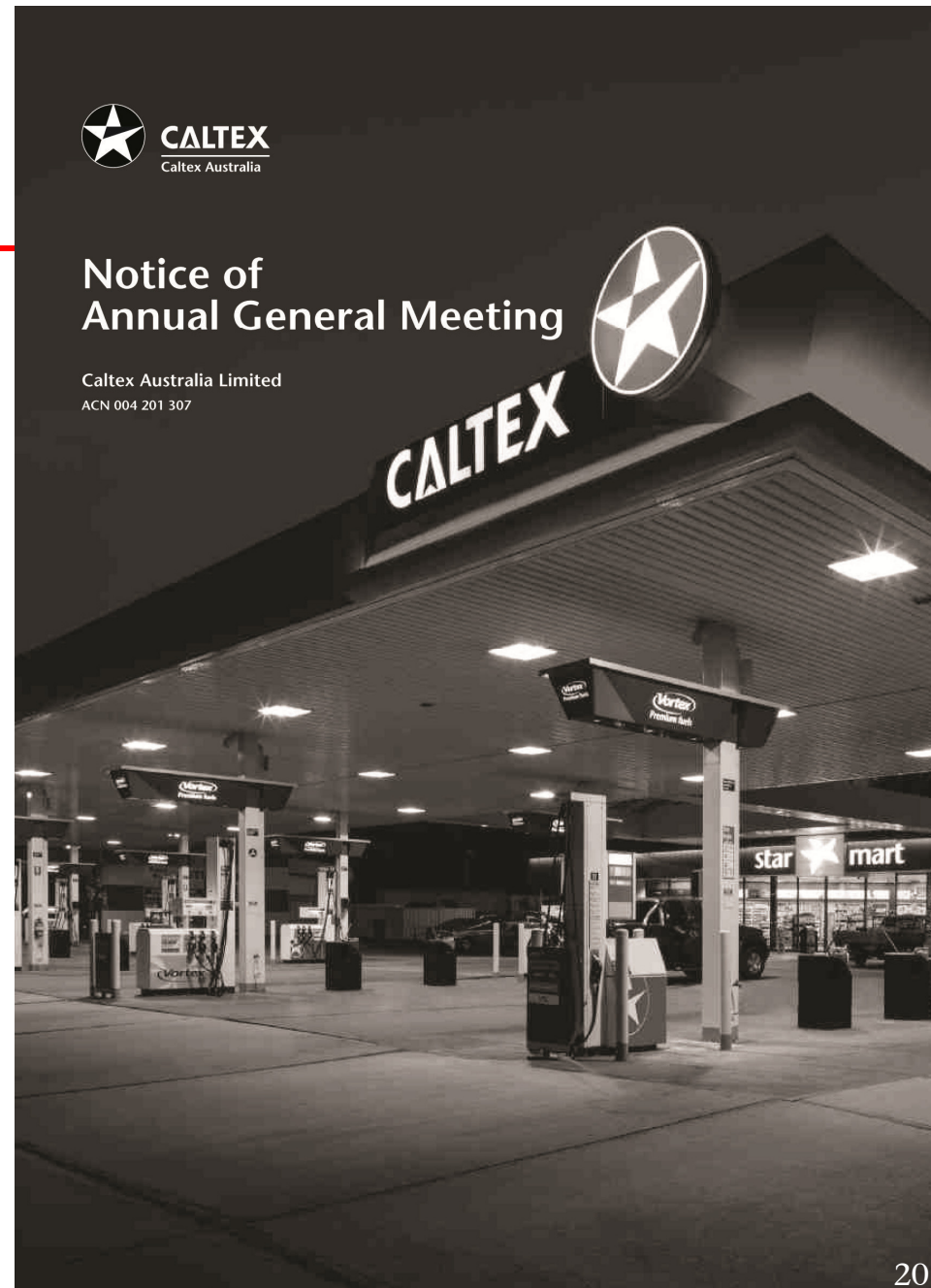
**The poll on this resolution is now closed.**





# Notice of Meeting

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# Agenda

Item 1 – Operational Excellence Moment

Item 2 – Addresses

Item 3 – Shareholder Issues

Item 4 – Financial Reports

Item 5 – Remuneration Report

Item 6 – Election of Directors





## Item 1 - Operational Excellence Moment



# Agenda

Item 1 – Operational Excellence Moment

Item 2 – Addresses

Item 3 – Shareholder Issues

Item 4 – Financial Reports

Item 5 – Remuneration Report

Item 6 – Election of Directors





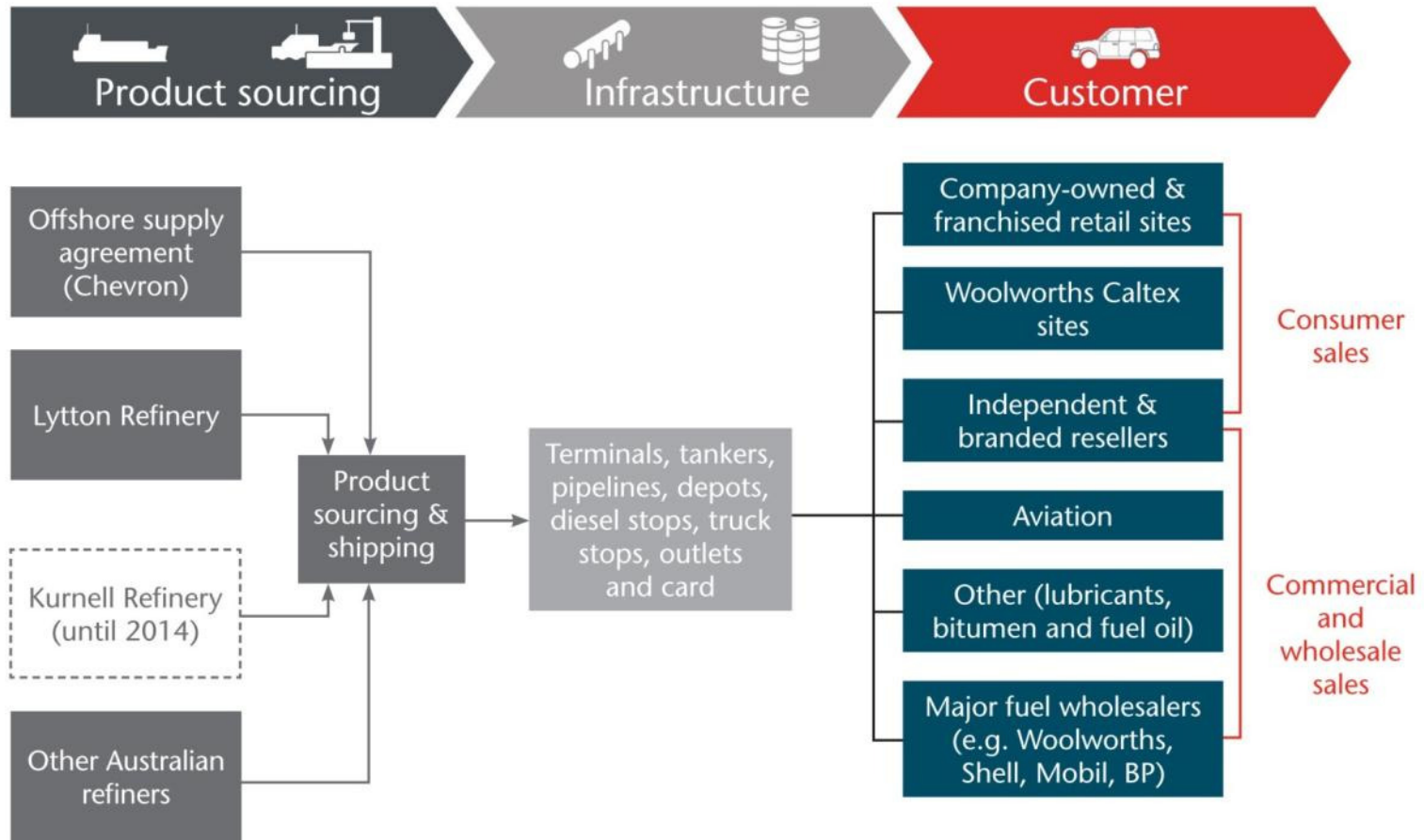
## Item 2 - Addresses





## Chairman's Address

# Optimising our value chain



## Key safety measures

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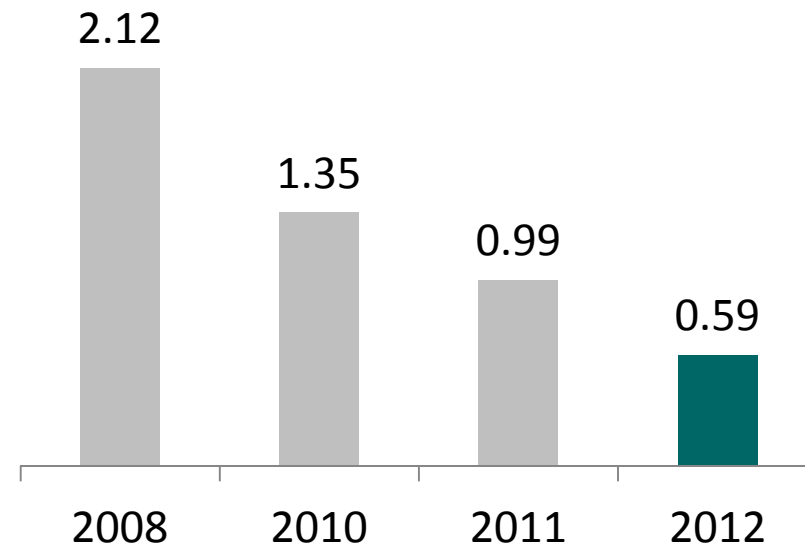
Lost time injury frequency rate dropped to 0.59 per million hours worked.

40% improvement year on year.

Total treated injury frequency rate increased to 2.83 from 2.53 per million hours worked.

Frequency of recorded incidents increased - significance of injuries fell.

Lost time injury frequency rate





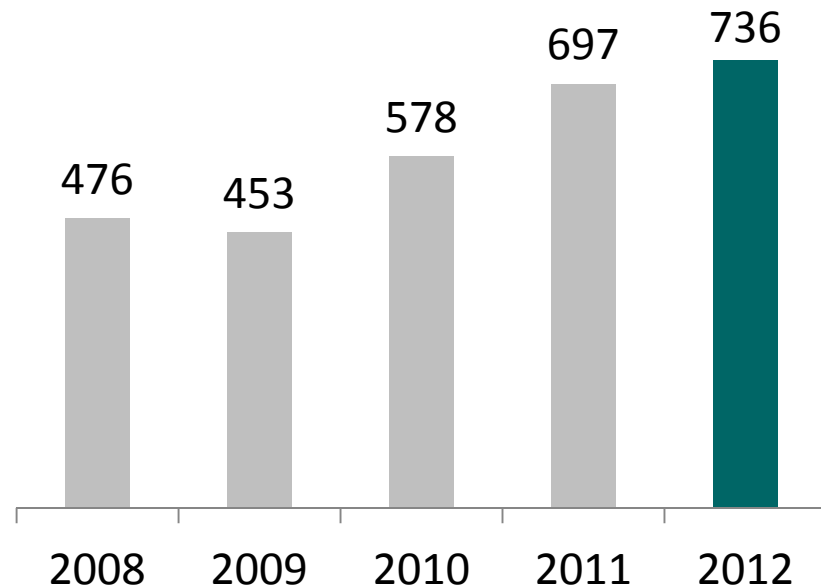
# Marketing and Distribution – another record year

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Operational earnings up 6% to \$736 million.

Average 11% per annum growth over last 5 years.

Marketing Segment EBIT  
(\$ million)



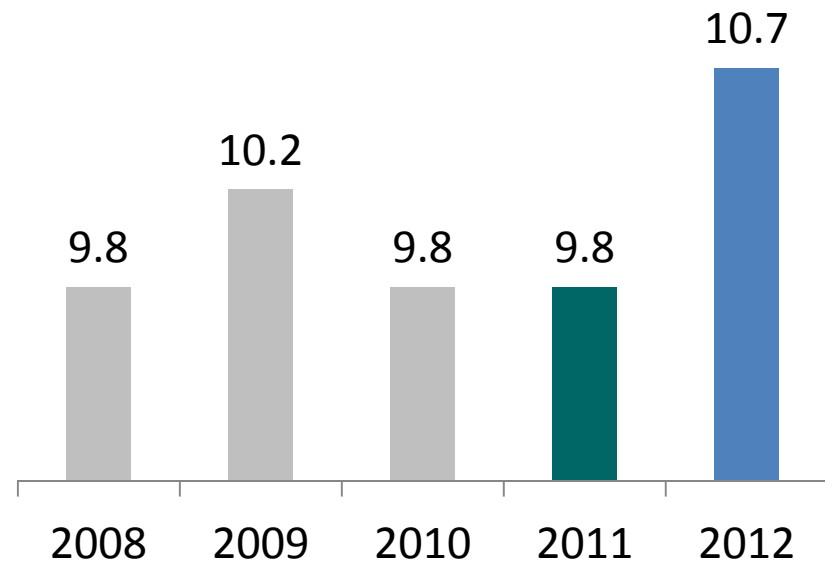
## Refining and Supply – produced solid results

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Improved refinery reliability, resulted in the highest production volumes recorded since 2007.

This allowed the business to take advantage of more favourable externalities, including a stronger Caltex Refiner Margin.

Refinery Transport Fuel Production (Billion Litres)



# Results

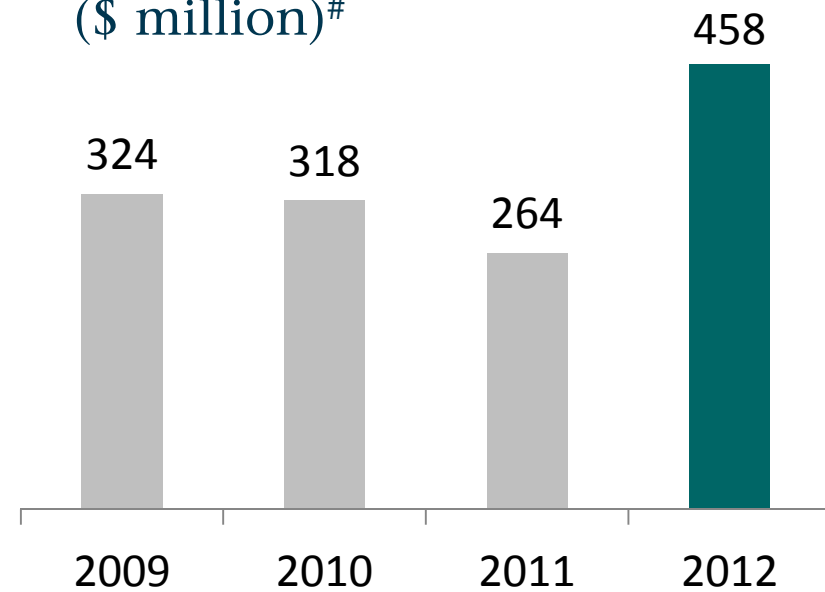
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Historic Cost Of Sales Operating Profit (HCOP) (\$ million)\*



\* Including significant items

Replacement Cost Of Sales Operating Profit (RCOP) (\$ million)#



# Excluding significant items



# Shareholder Returns

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# Our people

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# Our people

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## Our people

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**JOHN THORN**  
Independent,  
Non-Executive Director  
Caltex Australia Limited



# Our people

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**Our energy fuels a brighter future.**







## Managing Director & CEO's Address



# Key safety measures

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## Process safety



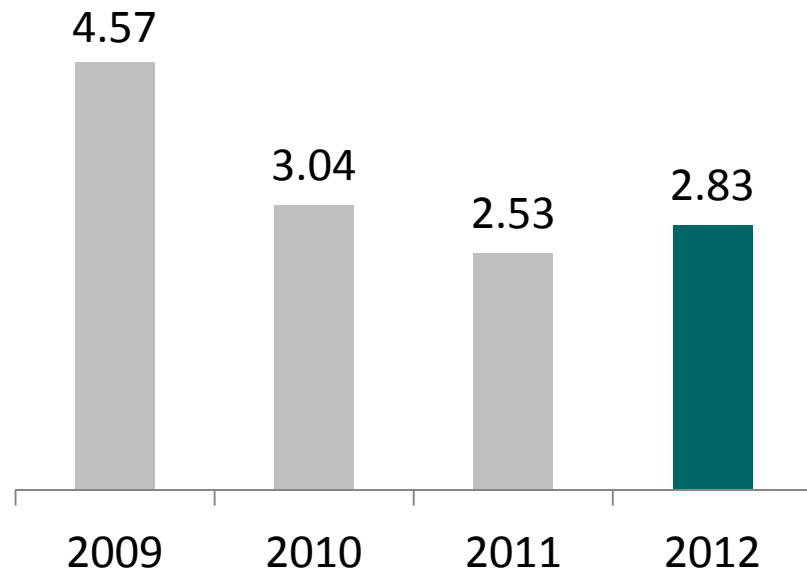
## Personal safety



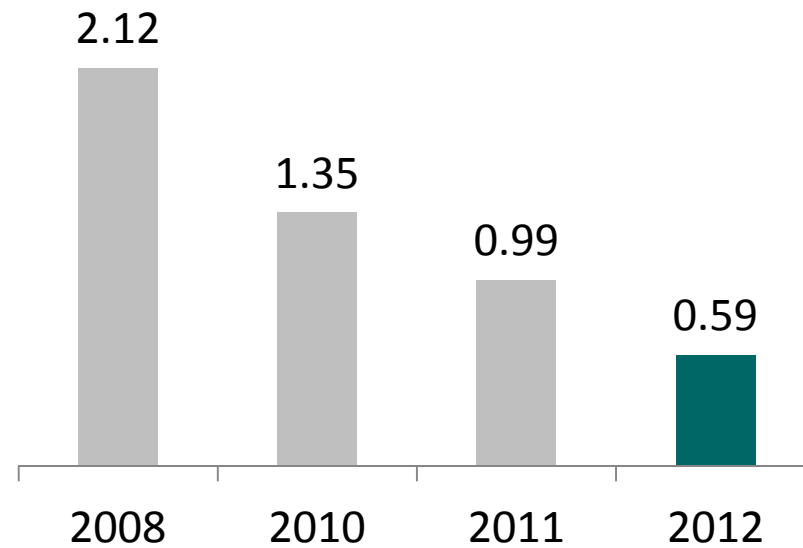
# Safety measures

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Total treated injury frequency rate



Lost time injury frequency rate



## 2012 Marketing and Distribution highlights

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Operational earnings up 6% to \$736 million.

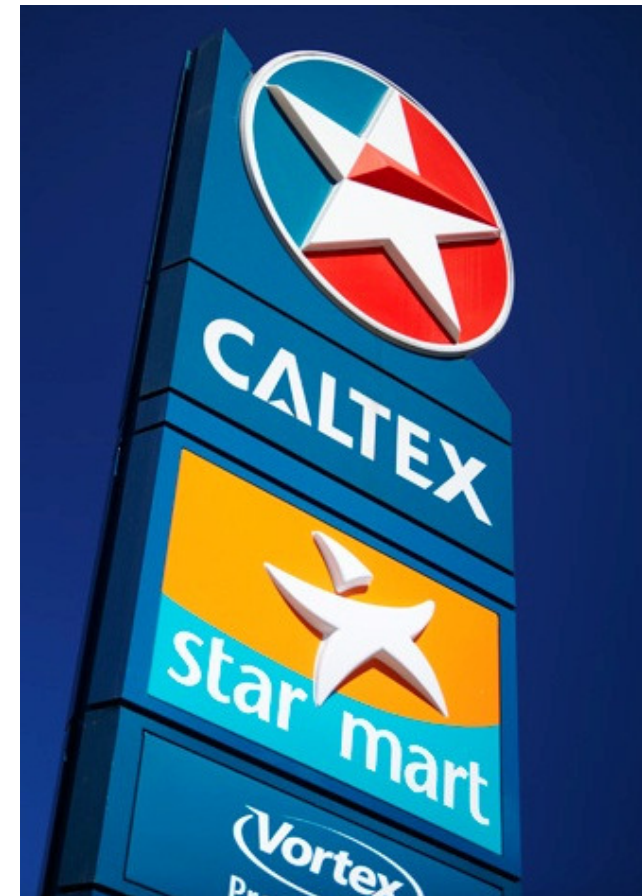
Average 11% per annum growth over last 5 years.

Gross transport fuel margins increased 6.5% to 4.36 cents per litre.

Premium petrol sales increased by 10%.

Premium petrol now accounts for 26% of all petrol sales.

Retail diesel sales grew 6% year on year.



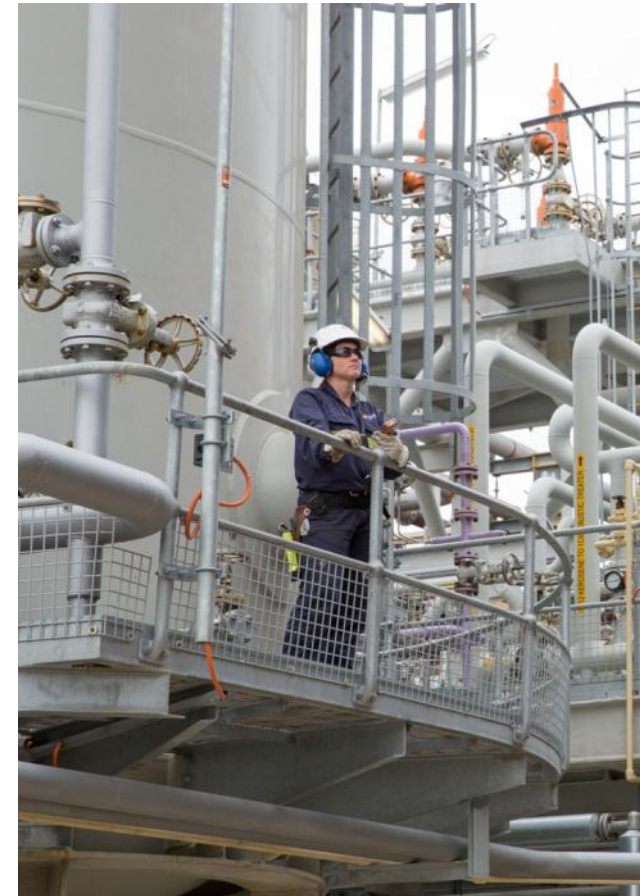
## 2012 Refining and Supply highlights

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Improved refinery reliability led to increased production volumes.

Caltex Refiner Margin of US\$11.83 per barrel, compared with US\$7.98 per barrel in 2011 – a key favourable externality.

Negotiated a long term product supply agreement with Chevron for the procurement and supply of transport fuels - petrol, diesel and jet fuel.



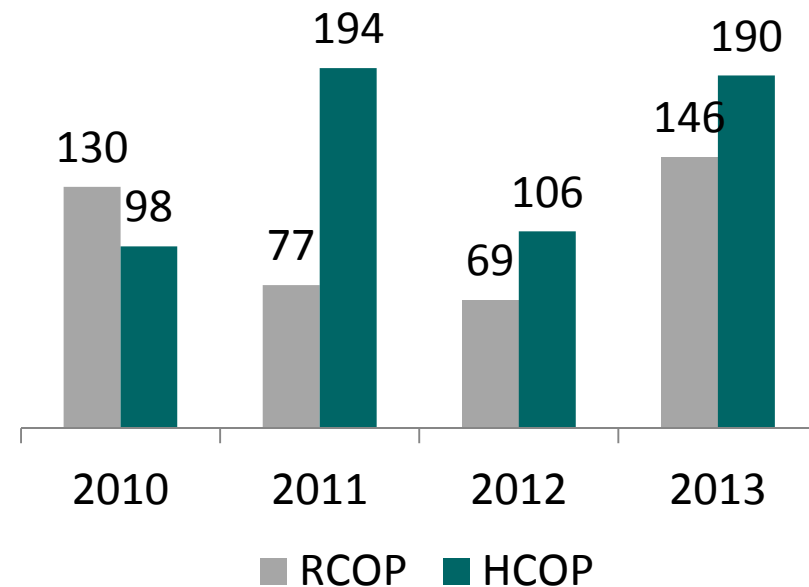
## Q1 2013 unaudited profit results

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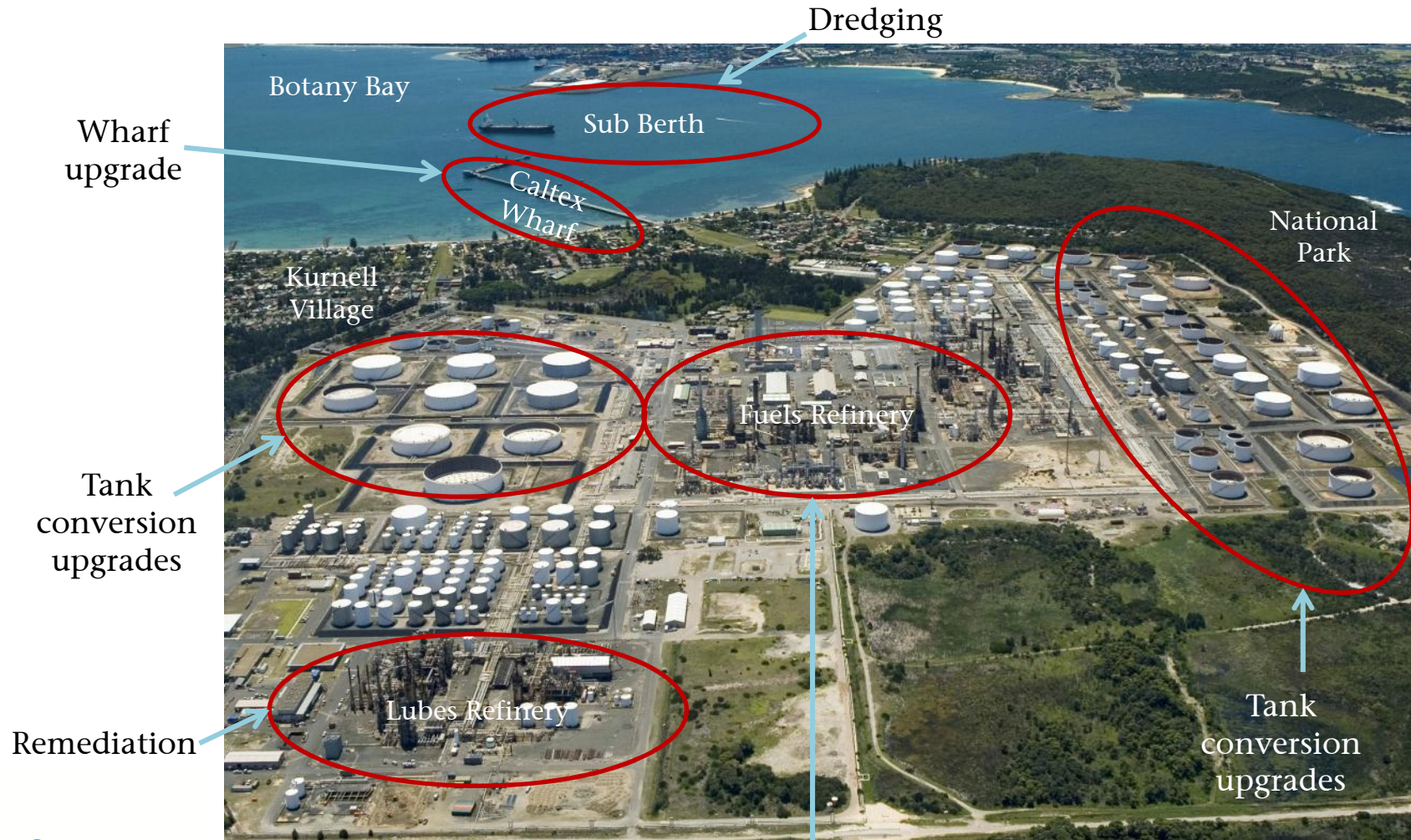
\$146 million RCOP NPAT.

\$190 million HCOP NPAT  
including \$46 million  
inventory gain.

Q1 Results, After Tax (\$ million)



# Securing our future



Dismantling/remediation

# Outlook

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# Our people

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# Agenda

Item 1 – Operational Excellence Moment

Item 2 – Addresses

Item 3 – Shareholder Issues

Item 4 – Financial Reports

Item 5 – Remuneration Report

Item 6 – Election of Directors





## Item 3 – Shareholder Issues



# Shareholder questions

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If you would like to ask a question or make a comment, please press the green square button to enter the queue.



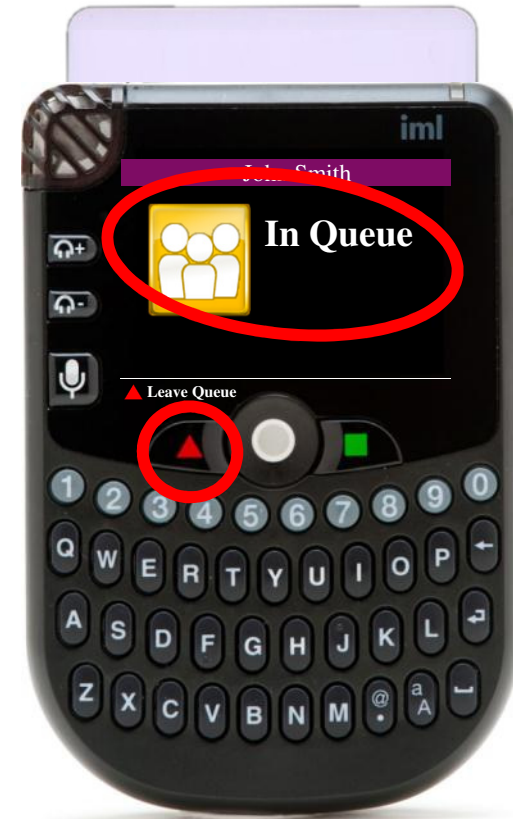
## Shareholder questions

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If you are in the queue, an orange icon will appear on the display screen.

When the Chairman calls your name, please make your way to the nearest microphone.

If you decide not to ask a question, press the red triangle button ▲ to leave the queue.





## Item 3 – Shareholder Issues



# Agenda

Item 1 – Operational Excellence Moment

Item 2 – Addresses

Item 3 – Shareholder Issues

Item 4 – Financial Reports

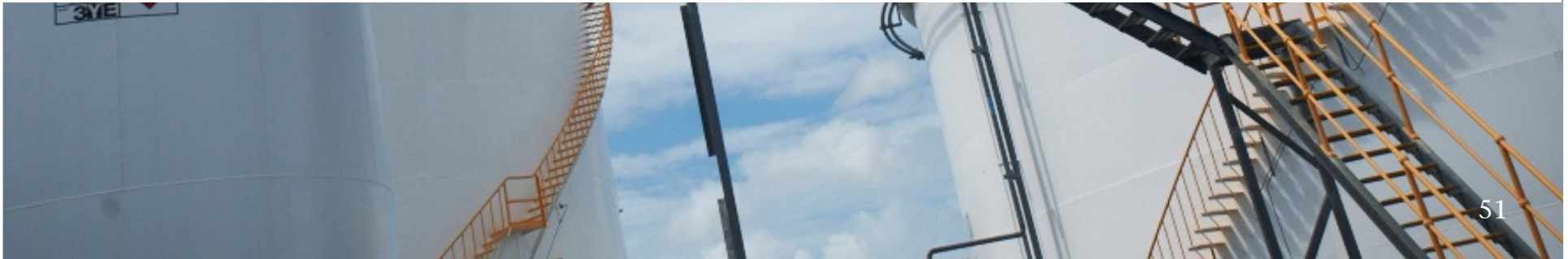
Item 5 – Remuneration Report

Item 6 – Election of Directors





# Financial Reports





# Voting matters

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Items of business to be put to a vote of shareholders

- Item 5 - Remuneration report
- Item 6
  - a. Election of Richard Brown
  - b. Election of Barbara Burger



# Agenda

Item 1 – Operational Excellence Moment

Item 2 – Addresses

Item 3 – Shareholder Issues

Item 4 – Financial Reports

Item 5 – Remuneration Report

Item 6 – Election of Directors

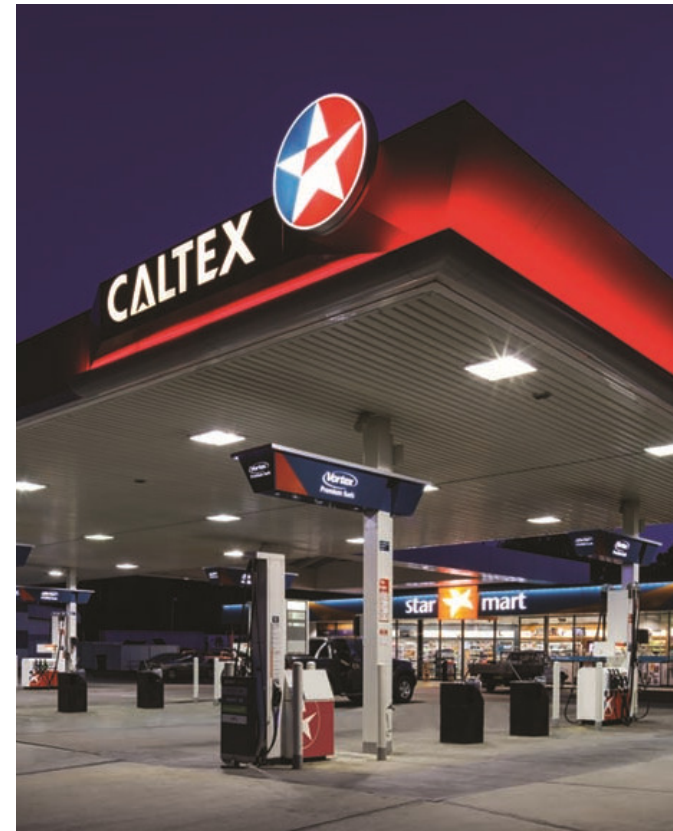


## Item 5 – Remuneration Report

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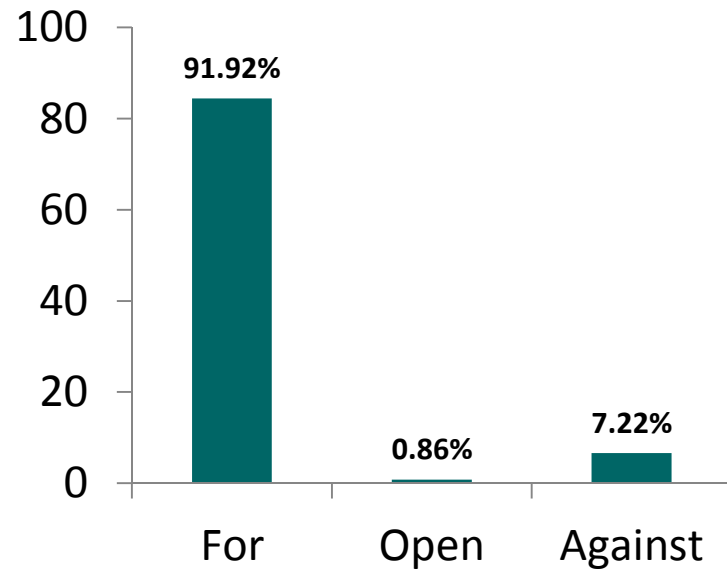
Shareholders will be asked to consider and, if thought fit, pass an ordinary resolution adopting the Remuneration Report (which forms part of the Directors' Report) for Caltex (and the Caltex Australia Group) for the year ended 31 December 2012.

Note: The vote on this resolution is advisory only and does not bind the directors or Caltex.

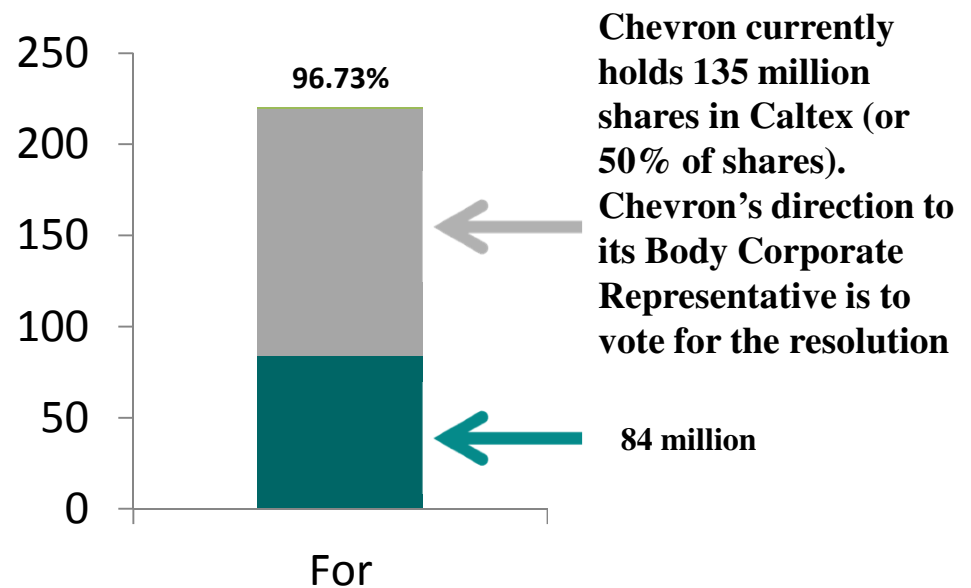


# Item 5 – Remuneration Report

Millions - Proxy voting directions



Millions – Voting directions (incl Chevron)



## Item 5 – Remuneration Report

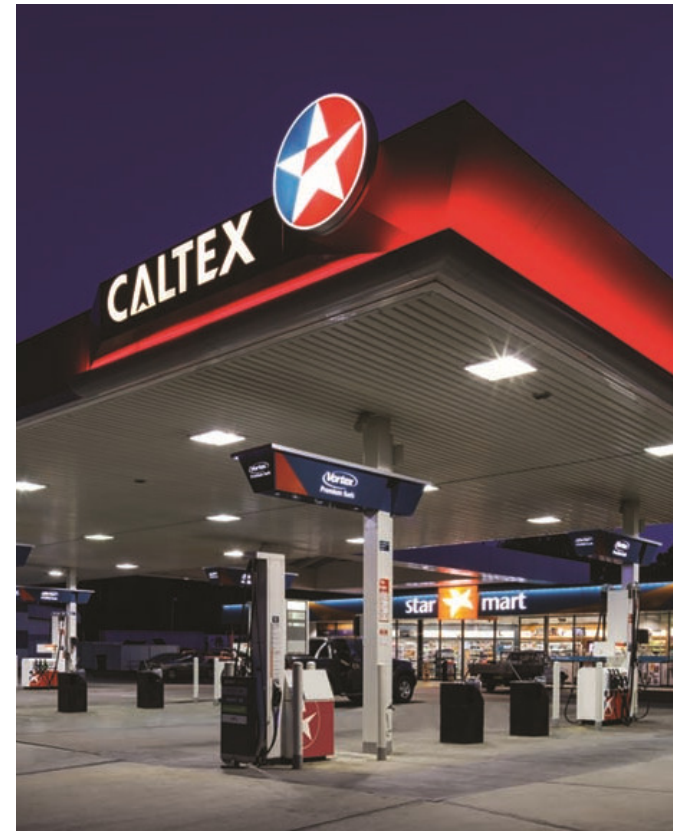
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Note: The vote on this resolution is advisory only and does not bind the directors or Caltex.

**The poll on this resolution is open – please cast your vote**

- 1 to vote **FOR** the resolution
- 2 to vote **AGAINST** the resolution



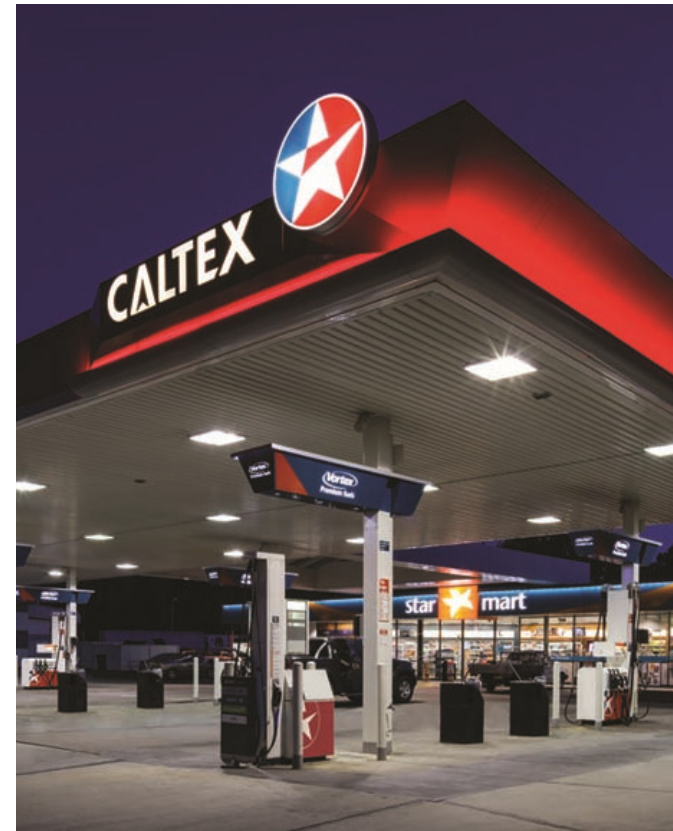
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Note: The vote on this resolution is advisory only and does not bind the directors or Caltex.

**The poll on this resolution is now closed.**



# Agenda

Item 1 – Operational Excellence Moment

Item 2 – Addresses

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Item 5 – Remuneration Report

Item 6 – Election of Directors



## Item 6 – Election of Directors

---

Shareholders will be asked to consider and, if thought fit, pass ordinary resolutions to:

- a. elect Mr Richard Brown as a director, and
- b. elect Ms Barbara Burger as a director

in accordance with, and on the terms set out in, Caltex's Constitution.

Note: Each election will be open for discussion as a separate item of business and voted on as a separate ordinary resolution.





## Item 6a – Election of Richard Brown

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Richard joined the Board in June 2012.

Richard brings to the Board considerable oil industry experience and financial and management expertise.

He is an executive of Chevron.

The Board supports Richard's election.



## Item 6a – Election of Richard Brown

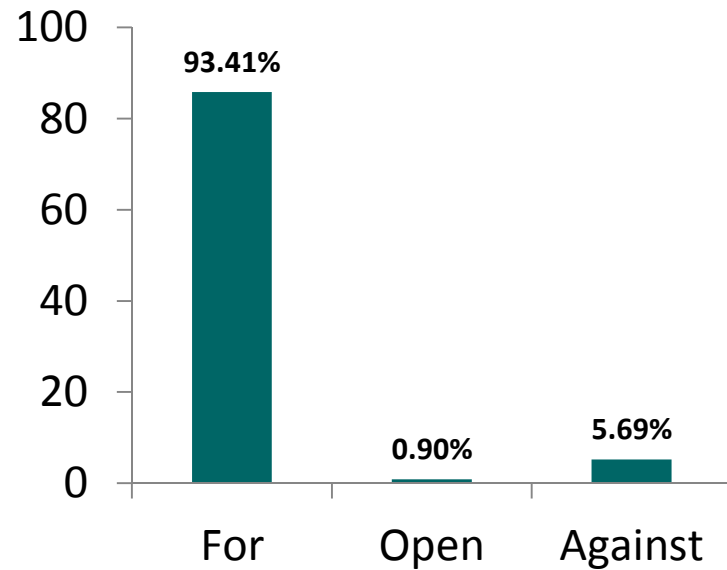
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Shareholders will be asked to consider and, if thought fit, pass an ordinary resolution to elect Richard Brown as a director, in accordance with and on the terms set out in Caltex's Constitution.

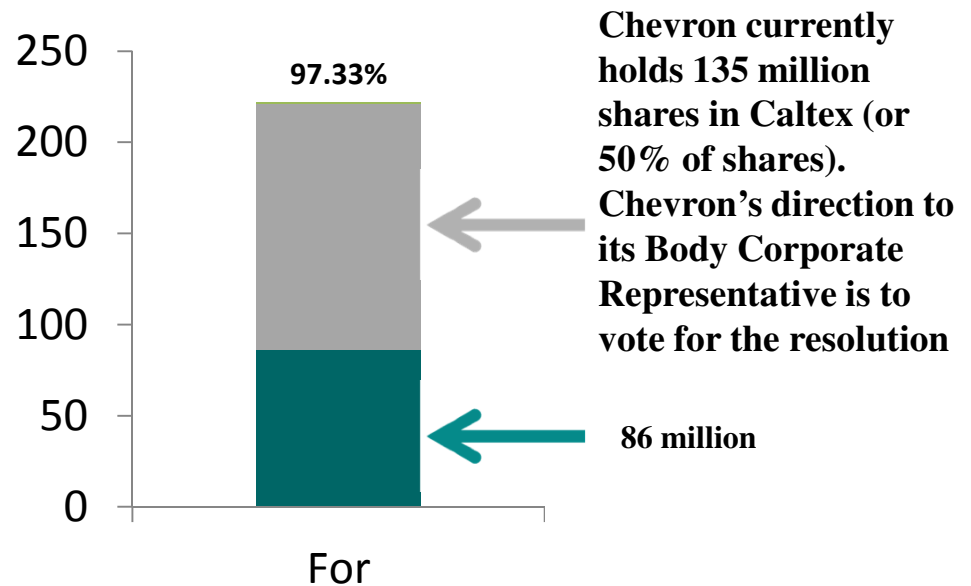


# Item 6a – Election of Richard Brown

Millions - Proxy voting directions



Millions – Voting directions (incl Chevron)



## Item 6a – Election of Richard Brown

---

Shareholders will be asked to consider and, if thought fit, pass an ordinary resolution to elect Richard Brown as a director, in accordance with and on the terms set out in Caltex's Constitution.

**The poll on this resolution is open – please cast your vote**

- 1 to vote **FOR** the resolution
- 2 to vote **AGAINST** the resolution



## Item 6a – Election of Richard Brown

---

Shareholders will be asked to consider and, if thought fit, pass an ordinary resolution to elect Richard Brown as a director, in accordance with and on the terms set out in Caltex's Constitution.

**The poll on this resolution is now closed.**



## Item 6b – Election of Barbara Burger

---

Barbara joined the Board in June 2012.

Barbara brings to the Board extensive experience in marketing, manufacturing and supply chain management.

She is an executive of Chevron.

The Board supports Barbara's election.



## Item 6b – Election of Barbara Burger

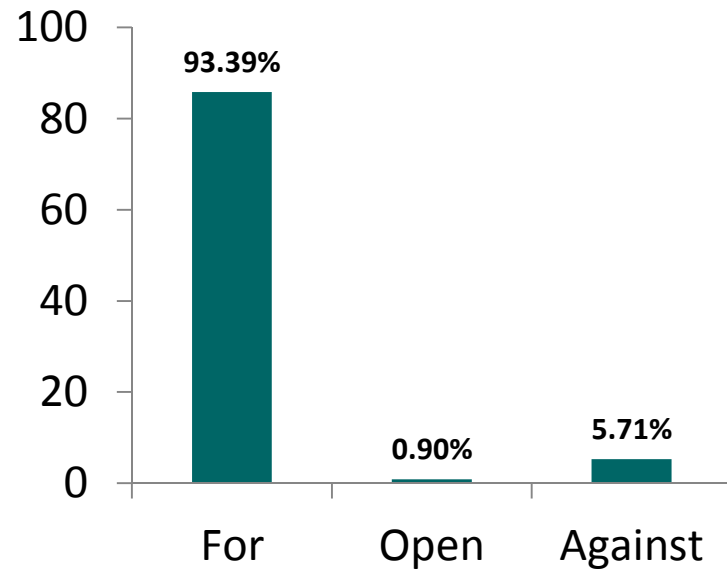
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Shareholders will be asked to consider and, if thought fit, pass an ordinary resolution to elect Barbara Burger as a director, in accordance with and on the terms set out in Caltex's Constitution.

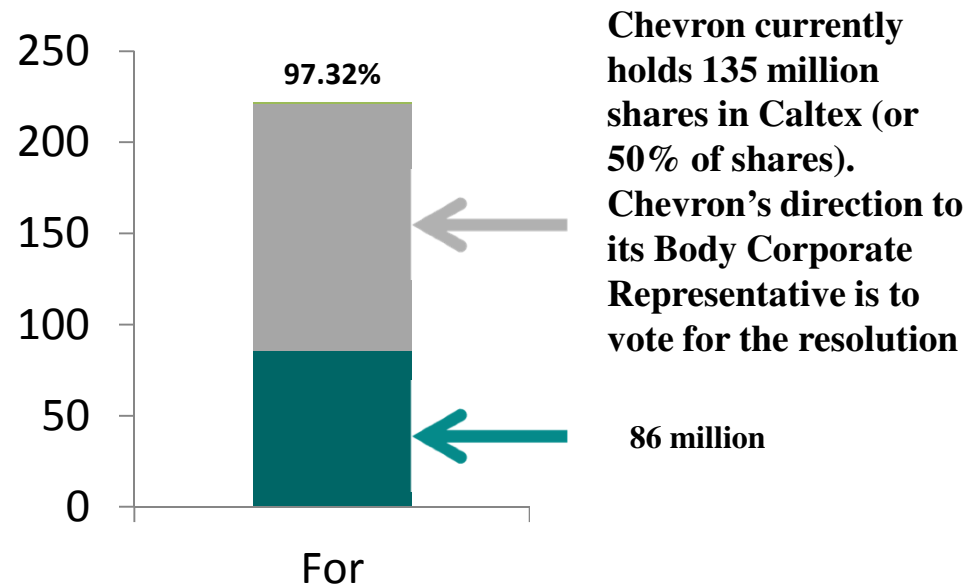


# Item 6b – Election of Barbara Burger

Millions - Proxy voting directions



Millions – Voting directions (incl Chevron)





## Item 6b – Election of Barbara Burger

---

Shareholders will be asked to consider and, if thought fit, pass an ordinary resolution to elect Barbara Burger as a director, in accordance with and on the terms set out in Caltex's Constitution.

**The poll on this resolution is open – please cast your vote**

- 1 to vote **FOR** the resolution
- 2 to vote **AGAINST** the resolution



## Item 6b – Election of Barbara Burger

---

Shareholders will be asked to consider and, if thought fit, pass an ordinary resolution to elect Barbara Burger as a director, in accordance with and on the terms set out in Caltex's Constitution.

**The poll on this resolution is now closed.**





**Our energy fuels a brighter future.**



**CALTEX**