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ASX ANNOUNCEMENT



CALTEX AUSTRALIA LIMITED
ACN 004 201 307

LEVEL 24, 2 MARKET STREET
SYDNEY NSW 2000 AUSTRALIA

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Company Announcements Office
Australian Securities Exchange

CALTEX AUSTRALIA LIMITED
CALTEX REFINER MARGIN UPDATE (MAY 2013)

An *ASX Release* titled "Caltex Refiner Margin Update (May 2013)" is attached for immediate release to the market.



Peter Lim
Company Secretary

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

Attach.

ASX Release

For immediate release

19 June 2013

Caltex Refiner Margin Update (May 2013)

Caltex advises its realised lagged¹ Caltex Refiner Margin (CRM²) in respect of CRM sales from production for the month of May 2013.

	May 2013	April 2013	May 2012
Unlagged CRM	US\$8.85/bbl	US\$9.83/bbl	US\$10.93/bbl
Impact of 7 day lag (negative)/positive	US\$(3.10)/bbl	US\$1.80/bbl	US\$1.62/bbl
Realised CRM	US\$5.75/bbl	US\$11.63/bbl	US\$12.55/bbl
CRM Sales from production	829ML	892ML	1,055ML

The May unlagged CRM was US\$8.85/bbl. This was below both the prior year (US\$10.93/bbl) and prior month (April US\$9.83/bbl) equivalents.

Regionally, the unlagged Caltex Singapore Weighted Average Margin was US\$13.53/bbl, slightly lower than April (US\$14.27/bbl), but above the prior year (May 2012 US\$13.35/bbl).

Strengthening Brent prices in the last week of May and the sharp drop in the Australian dollar drove an unfavourable US\$3.10/bbl seven (7) day timing lag (versus a US\$1.80/bbl favourable lag in April).

May 2013 realised CRM was US\$5.75/bbl, below both April 2013 (US\$11.63/bbl) and the prior year (May 2012 US\$12.55/bbl) comparatives.

Sales from production in May 2013 (829ML) was below April 2013 (892ML) and prior year levels (May 2012 1,055ML). An unplanned plant shutdown of the fluidised catalytic cracking unit at Lytton during May had an estimated impact on production of transport fuels of approximately 100 ML. This issue has been resolved and the refinery is operating normally.

Despite a relatively tough May 2013, for the five months from 1 January 2013 to 31 May 2013, the average realised CRM is US\$11.66/bbl (2012: US\$8.91/bbl) with CRM sales from production totalling 4,273 ML (2012: 4,266ML). Both metrics are favourable versus their prior year equivalents.

Period end 30 May 2013	YTD 2013	YTD 2012
Realised CRM	US\$11.66/bbl	US\$8.91/bbl
Unlagged CRM	US\$11.76/bbl	US\$9.20/bbl
CRM Sales from production	4,273ML	4,266ML

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.

Analyst contact

Rohan Gallagher
GM, Investor & Corporate Affairs
Phone: 02 9250 5247
Email: rohan.gallagher@caltex.com.au