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CALTEX AUSTRALIA LIMITED ACN 004 201 307

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19 September 2013

Company Announcements Office

Australian Securities Exchange

CALTEX AUSTRALIA LIMITED

CALTEX REFINER MARGIN UPDATE (AUGUST 2013)

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

Peter Lim Company Secretary

Phone: (02) 9250 5562 / 0414 815 732 Attach.



Caltex Australia

ASX Release For immediate release 19 September 2013 Caltex Refiner Margin Update (August 2013)

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

	August 2013	July 2013	August 2012
Unlagged CRM	US\$6.84/bbl	US\$13.33/bbl	US\$17.35/bbl
Impact of 7 day lag (negative)/positive	US\$(1.22)/bbl	US\$(0.84)/bbl	US\$(2.80)/bbl
Realised CRM	US\$5.62/bbl	US\$12.48/bbl	US\$14.56/bbl
CRM Sales from production	947ML	984ML	927ML

The August unlagged CRM was US\$6.84/bbl, significantly below the prior year equivalent (US\$17.35/bbl) and prior month (July US\$13.33/bbl).

Regionally, the unlagged Caltex Singapore Weighted Average Margin was US\$10.51/bbl, below the prior month (July 2013, US\$14.79/bbl), and the prior year (August 2012, US\$15.98/bbl). Events in Syria, and concerns over the impact on Middle East crude oil supplies, resulted in a spike in international crude oil prices during August. In addition, lower crude oil production by Libya due to strikes and other disruptions has impacted the supply of light crude oil grades. This has resulted in substantial strength in Brent crude oil benchmark prices, and also in regional light crude oil premiums.

Strong refining rates globally, and higher refined product exports by countries experiencing currency devaluation, meant that product prices failed to rise in line with the rise in crude prices, resulting in a significant fall in margins.

Rising Brent crude oil prices in August, and the continued fall of the Australian dollar, drove an unfavourable US\$1.22/bbl seven day timing lag (versus a US\$0.84/bbl unfavourable lag in July).

August 2013 realised CRM was US\$5.62/bbl, well below both July 2013 (US\$12.48/bbl) and the prior year comparative (August 2012 US\$14.56/bbl).

Sales from production in August 2013 (947ML) exceeded the prior year equivalent (August 2012 927ML), but was modestly below the preceding month (984ML).

For the eight months from 1 January 2013 to 31 August 2013, the average realised CRM is US\$11.02/bbl (2012: US\$10.36/bbl) with CRM sales from production totalling 6,974 ML (2012: 7,100ML).

Period end 31 August	YTD 2013	YTD 2012
Realised CRM	US\$11.02/bbl	US\$10.36/bbl
Unlagged CRM	US\$11.59/bbl	US\$10.67/bbl
CRM Sales from production	6,974ML	7,100ML

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)

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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

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