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Company Announcements Office

Australian Securities Exchange

CALTEX AUSTRALIA LIMITED

2013 HALF YEAR REVIEW – SHAREHOLDER REPORT

The *2013 Half Year Review* for Caltex Australia Limited (Caltex) is a summary report to shareholders for the half year ended 30 June 2013. The shareholder report is attached for release under ASX Listing Rule 3.17 and follows the release of Caltex's 2013 half year results to the ASX on 26 August 2013.

The 2013 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 2013 half year results announcement, are also available from the Caltex website (www.caltex.com.au).

Peter Lim

Company Secretary

Phone: **(02) 9250 5562 / 0414 815 732**

Attach.

Results Summary

HALF YEAR ENDED 30 JUNE	2013	2012
Profit after interest and tax ($m)		
Historical cost basis	**195**	167
Replacement cost basis	**171**	197
Profit before interest and tax ($m)		
Historical cost basis	**319**	285
Inventory gains/(losses) before tax ($m)	**34**	(44)
Replacement cost basis	**284**	329
Basic earnings per share (cents)		
Historical cost basis (including significant items)	**72.2**	61.8
Replacement cost basis (excluding significant items)	**63.3**	73.1
Return on equity attributable to members of the parent entity after tax, annualised		
Historical cost basis (including significant items)	**17%**	15%
Replacement cost basis (excluding significant items)	**15%**	17%
Net tangible asset backing per share ($)	**8.06**	8.13
Net debt ($m)	**729**	780
Gearing (net debt to net debt plus equity) (%)	**24**	25

Report from our Chairman and Managing Director & CEO

For over one hundred years, Caltex in all its forms has been a leading supplier of transport fuels in Australia. Given Australia's great land mass, providing security and reliability of competitive supply requires a complex and flexible supply chain. As Australia's leading transport fuel company, with around 30% market share, our supply chain plays a critical role in keeping Australia moving by road, rail and air.

Caltex delivered on a Replacement Cost Operating Profit basis, which is our preferred results metric, a net profit after tax of $171 million for the first half of 2013. This compares with $197 million for the first half of 2012. On a Historical Cost Operating Profit basis the result was $195 million, which includes a $24 million after tax inventory gain. This compares with $167 million for the first half of 2012 which was net of a $30 million after tax inventory loss.

This result is underpinned by a resilient Marketing & Distribution performance amidst an increasingly competitive environment while Refining & Supply faced a number of challenges.

Safety performance

We continue to make significant progress in both process and personal safety. With regard to process safety, we are continuing to work to reduce process safety risk. From a personal safety point of view, the first half lost time injury frequency rate, or LTIFR, is broadly in line with last year. We also continue to improve our total treatable injury frequency rate, or TTIFR. Our TTIFR is 1.75 per million hours worked year to date, compared with 2.83 for 2012. This indicates that we are continuing to reduce the number of injury-related incidents.

Elizabeth Bryan
Chairman

Julian Segal
Managing Director & CEO

Marketing & Distribution results remain resilient

The Marketing & Distribution Earnings Before Interest and Tax (EBIT) of $365 million for the first half of 2013 was in line with the record result of $367 million achieved in the same period in 2012. The 2013 result was adversely impacted by the sudden and significant fall in the Australian dollar during May and June (approximately $5 million), as well as the loss of premium petrol sales into the Sydney market following the pipeline outage from the Kurnell refinery during June (approximately $6 million). Adjusting for the two one-off impacts above, the underlying Marketing & Distribution business continues to perform well in an increasingly competitive market.

Sales of Vortex premium petrol grew by approximately 4% compared to the same period last year. Total diesel sales also grew by 4%, driven by a 19% increase in sales of premium Vortex retail diesel. Commercial diesel sales volumes were in line with last year despite a softening environment in the industrial, transport and small and medium enterprise sectors.

Refining & Supply challenged

The Refining & Supply result includes a number of one-off impacts. These totalled approximately $60 million before tax.

The sudden and significant fall in the Australian dollar resulted in a net loss (after hedging) on US dollar payables of approximately $39 million in the first half of 2013. Without the benefit of the company's policy of hedging 50% of the outstanding US dollar payables, the exchange loss would have been $85 million. A lower Australian dollar will have a favourable impact on the Australian dollar refiner margin.

In addition, an unplanned outage at the Lytton refinery during May adversely impacted production volumes of transport fuels by around 100 million litres. The lower production and associated costs, combined with the Sydney premium petrol supply interruption, together negatively impacted the Refining & Supply result by approximately $20 million.

Operationally, production volumes of high value transport fuels were in line with prior year at 5.1 billion litres, despite the outage at Lytton.

Despite the unplanned outage in May, Lytton continues to make significant improvements in net cash margin, mechanical availability and utilisation. The Board has recently approved a $47 million upgrade of the isomerization unit which will enable the increased production of premium petrol.

Interim dividend

The Board has declared an interim dividend of 17 cents per share, fully franked, for the first half of 2013. This is consistent with last year's first half dividend.

Strategy update

Our clear, ongoing vision is to be the outright leader in transport fuels in Australia.

This is underpinned by a strong capability to optimise the entire value chain from product sourcing to our comprehensive distribution network, which results in continuing to reliably meet our customers' demand for fuel requirements.

To maintain this position, we need to constantly improve and adapt to the changing market conditions, just as we have done for the past one hundred years.

We will continue to focus on:

- Growing our Marketing & Distribution business;
- Successfully converting the Kurnell refinery into Australia's largest fuels import terminal;
- Delivering operational improvements at the Lytton refinery; and
- Optimising our whole supply chain from the sourcing of product all the way through to providing the best offer to our customers.

We also remain committed to maintaining our BBB+ credit rating. Our strong balance sheet provides the financial flexibility to enable Caltex to successfully convert Kurnell to a leading import terminal and continue to invest in profitable, value-creating growth opportunities.

The Kurnell import terminal conversion, which is a major piece of our strategy, is progressing on schedule and on budget, despite the challenges of undertaking the conversion within a live operating refinery environment.

Outlook

Caltex serves a broad cross-section of the Australian economy. While this diversity provides some resiliance of earnings, Caltex operates in an increasingly competitive price environment.

Our willingness to invest alongside our customers ensures Caltex is well positioned to serve our customers while capturing growth across Australia's major market segments, such as transportation, resources, aviation, marine, agriculture and other commercial sectors.

This is likely to be supported by good underlying industry demand across premium petrol, diesel and jet fuels. Diesel demand is underpinned by gross domestic product (GDP) growth and the increased prevalence of new diesel cars. In Australia, one in every three new cars sold is now diesel. We expect increased airline passenger travel to contribute to steady growth in jet fuel. The shift towards higher octane, premium petrol is also expected to continue.

The Lytton refinery remains an important part of the company's supply chain and our focus remains on further capturing operational improvements while enhancing reliability at the refinery.

While a lower Australian dollar will have a favourable impact on future Australian dollar refining margins, medium to longer term refining margins are likely to be challenged as a significant increase in regional capacity is forecast to outstrip demand.

Our vision is to continue to be the outright leader in transport fuels in Australia. As we reduce our exposure to refining post the conversion of our Kurnell refinery to a leading fuel import terminal, we anticipate lower volatility in our future earnings and resultant cash flows. Importantly, we remain focused on maintaining both our cost and capital discipline.

In conclusion, we would like to acknowledge the outstanding contribution and commitment of all Caltex employees, contractors, franchisees and resellers. Their combined effort has led to this solid first half result.

Elizabeth Bryan
Chairman

Julian Segal
Managing Director & CEO

Highlights

- **First half Historical Cost Profit (HCOP) net profit after tax of $195 million (including a $24 million after tax inventory gain)**
- **First half Replacement Cost of Sales Operating Profit (RCOP) net profit after tax of $171 million, down 13% compared to first half 2012**
- **Marketing & Distribution result in line with the record result in the same period last year**
- **Refining & Supply negatively impacted by the significant fall in Australian dollar, unplanned outages and higher depreciation**
- **Balance sheet remains strong with BBB+/ stable credit rating reaffirmed**
- **Interim dividend of 17 cents per share (fully franked)**

This 2013 Half Year Review has been prepared as at 26 August 2013.

Financial Calendar*

YEAR ENDED 31 DECEMBER 2013	
24 FEBRUARY 2014	Full year results and final dividend announcement
11 MARCH 2014	Record date for any final dividend entitlement
3 APRIL 2014	Final dividend payable
8 MAY 2014	Annual General Meeting

*These dates are subject to change.

Corporate Directory

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