BY ELECTRONIC LODGEMENT **ASX ANNOUNCEMENT**

CALTEX AUSTRALIA LIMITED
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19 December 2013

Company Announcements Office

Australian Securities Exchange

CALTEX AUSTRALIA LIMITED

2013 FULL YEAR PROFIT OUTLOOK

An *ASX Release* titled "2013 full year profit outlook" is attached for immediate release to the market.

Peter Lim

Company Secretary

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

Attach.

CALTEX

Caltex Australia

ASX Release

For immediate release

19 December 2013

2013 full year profit outlook

Key points:

- **Full year historic cost profit (HCOP) outlook $540 million - $560 million including significant items**
- **Full year RCOP[1] NPAT outlook $320 million - $340 million excluding significant items**
- **Another record Marketing result, with Marketing EBIT forecast to increase approximately 4% to $765 million**
- **Refining & Supply result significantly impacted by externalities - lower Caltex Refiner Margin (CRM)[2] and fall in Australian dollar**
- **Net significant items of approximately $25 million (profit after tax), dominated by profit on the previously announced sale of Sydney bitumen business**

Results guidance	**Full Year ended 31 December**	
	2013 outlook	**2012**
Historic Cost result after tax	**$M**	**$M**
Including significant items	**$540-560**	**$57**
Excluding significant items	**$515-535**	**$366**
RCOP result:		
After tax		
Excluding significant items	**$320-340**	**$458**
Before interest and tax		
Excluding significant items	$520-550	$756

Historic cost profit

On an historic cost profit basis, Caltex expects an after tax profit in the range of $540 million to $560 million for the 2013 full year, including significant items of approximately $25 million (profit after tax). This compares to the 2012 full year profit of $57 million, which included significant items of $309 million after tax in respect of future costs relating to the closure of the Kurnell refinery. The 2013 outlook includes a forecast product and crude oil inventory gain of approximately $200 million after tax, compared with an inventory loss of $92 million after tax in 2012.

Replacement Cost Operating Profit (RCOP)

On an RCOP[1] basis, Caltex forecasts an after tax profit for the 2013 full year of $320 million to $340 million, excluding significant items. This outlook compares with $458 million for the 2012 full year, excluding significant items. Whilst Marketing has delivered another record result, Refining & Supply losses have been driven by the negative impact of key externalities, including the significant

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[1] The replacement cost of sales operating profit (RCOP) excludes the impact of the fall or rise in oil prices (a key external factor) and presents a clearer picture of the company's underlying business performance. It is calculated by restating the cost of sales using the replacement cost of goods sold rather than the historic cost, including the effect of contract based revenue lags.

[2] The Caltex Refiner Margin (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 calculation represents: average Singapore refiner margin + product quality premium + crude discount/(premium) + product freight - crude freight - yield loss.

deterioration in the Caltex Refiner Margin (CRM) [2] during the second half and a continuing fall in the Australian dollar. This has led to the lower forecast full year result.

Improved refinery reliability during the second half has resulted in near record production of petrol, diesel and jet fuel. This broadly offsets the cost of incidents recorded in the first half which were outlined in our 26 August 2013 release. Lytton refinery is forecast to be EBIT positive for the full year, as its advantaged configuration over Kurnell refinery has enabled it to withstand an extended period of low refiner margins.

Marketing Performance

Marketing is expected to deliver another record EBIT result of approximately $765 million (2012: $736 million). This includes the adverse $10 million impact of the Sydney premium gasoline supply interruption and the sudden and significant fall in the Australian dollar during May and June.

Marketing continues to focus on its core strategy of driving sales of premium fuels (including Vortex diesel) and commercial diesel with record volumes achieved to date. Continued growth in premium fuels sales more than offsets the impact of declining unleaded petrol sales. The increased penetration of our premium products has been underpinned by on-going growth initiatives, including new Caltex service stations and diesel stops, and service station refurbishments.

Refining & Supply

Refining & Supply is expected to make an EBIT loss of approximately $175 million for the full year. This result has been materially impacted by externalities. The fall in the Australian dollar during the year will result in a net loss on US dollar payables of approximately $80 million. The forecast realised current year loss has been mitigated by the company’s policy of hedging 50% of the outstanding US dollar payables. Additionally, crude price fluctuations are forecast to result in an unfavourable timing lag of approximately $30 million.

The realised Caltex Refiner Margin (CRM) on a November year to date basis has averaged US$9.58/bbl (including a second half average of US$7.37/bbl). This compares unfavourably to the first half (H1 2013 average: US$11.76/bbl) and prior year (2012: US$11.73/bbl). The Refining & Supply loss includes a higher depreciation charge (reflecting the now finite life of the Kurnell refinery) and costs related to the closure of Kurnell refinery.

The Kurnell conversion to a terminal is progressing to plan and the refinery remains on track to cease final operations in the fourth quarter of 2014.

Debt position

Net debt at 31 December 2013 is forecast to be largely unchanged at around $750 million, compared with 30 June 2013 ($729 million) and prior year ($740 million at 31 December 2012).

Caltex is committed to maintaining a BBB+ credit rating.

Notes

The forecast results for the 2013 full year are unaudited.

The forecast results assume a December year end AUD/USD exchange rate of 89 cents, a December average CRM of US$6.15/bbl and an average Dated Brent crude benchmark price of US$110/bbl for the remainder of December. Small changes in these key externalities during the balance of the month of December 2013 can materially affect both the RCOP and historic cost results for the full year.

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