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ASX ANNOUNCEMENT



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Company Announcements Office
Australian Securities Exchange

CALTEX AUSTRALIA LIMITED
CALTEX REFINER MARGIN UPDATE (DECEMBER 2013)

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

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Company Secretary

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Attach.

ASX Release

For immediate release

31 January 2014

Caltex Refiner Margin Update (December 2013)

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

	December 2013	November 2013	December 2012
Unlagged CRM	US\$7.81/bbl	US\$6.55/bbl	US\$12.49/bbl
Impact of 7 day lag (negative)/positive	US(\$1.63)/bbl	US(\$2.68)/bbl	US\$0.32/bbl
Realised CRM	US\$6.18/bbl	US\$3.87/bbl	US\$12.81/bbl
CRM Sales from production	771ML	1,045ML	951ML

The December unlagged CRM was US\$7.81/bbl. This is above the prior month (November 2013: US\$6.55/bbl) but significantly below the prior year equivalent (US\$12.49/bbl).

Regionally, the unlagged Caltex Singapore Weighted Average Margin was US\$12.33/bbl – higher than the prior month (November 2013: US\$11.93/bbl) but below prior year (December 2012: US\$12.93/bbl).

An unfavourable US\$1.63/bbl seven day timing lag (November unfavourable: US\$2.68/bbl) was recorded, due to lower exchange rates in the last week of December (compared to the last week of November) and a higher Brent price in the last week of December.

December 2013 realised CRM was US\$6.18/bbl, in line with the December CRM assumption of US\$6.15/bbl set out in the 2013 full year profit outlook issued on 19 December 2013. Whilst this is an improvement on the prior month (November 2013: US\$3.87/bbl), this is significantly below the prior year comparative (December 2012: US\$12.81/bbl).

Sales from production in December 2013 (771ML) were 19% below the prior year equivalent (December 2012: 951ML), and significantly below the preceding month (1,045ML).

For the twelve months from 1 January 2013 to 31 December 2013, the average realised CRM was US\$9.34/bbl (2012: US\$11.83/bbl) with CRM sales from production totalling 10,638ML (2012:10,913ML).

Caltex's full year RCOP NPAT outlook of \$320 million to \$340 million, issued on 19 December 2013, remains unchanged.

Period end 31 December	YTD 2013	YTD 2012
Realised CRM	US\$9.34/bbl	US\$11.83/bbl
Unlagged CRM	US\$9.79/bbl	US\$11.86/bbl
CRM Sales from production	10,638ML	10,913ML

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.

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