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ASX ANNOUNCEMENT



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21 February 2014

Company Announcements Office
Australian Securities Exchange

CALTEX AUSTRALIA LIMITED

CALTEX REFINER MARGIN UPDATE (JANUARY 2014)

An *ASX Release* titled "Caltex Refiner Margin Update (January 2014)" is attached for immediate release to the market.

Peter Lim

Company Secretary

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Attach.

ASX Release

For immediate release
21 February 2014

Caltex Refiner Margin Update (January 2014)

Caltex advises its realised lagged¹ Caltex Refiner Margin (CRM²) in respect of CRM sales from production for the month of January 2014.

	January 2014	December 2013	January 2013
Unlagged CRM	US\$7.03/bbl	US\$7.81/bbl	US\$11.74/bbl
Impact of 7 day lag positive/(negative)	US\$0.50/bbl	US\$(-1.63)/bbl	US\$(-0.60)/bbl
Realised CRM	US\$7.53/bbl	US\$6.18/bbl	US\$11.14/bbl
CRM Sales from production	953ML	771ML	833ML

The January unlagged CRM was US\$7.03/bbl. This is below the prior month (December 2013: US\$7.81/bbl) and below the prior year equivalent (US\$11.74/bbl). Regionally, the unlagged Caltex Singapore Weighted Average Margin was US\$12.22/bbl, broadly in line with the prior month (December 2013: US\$12.33/bbl) and the prior year (January 2013: US\$12.61/bbl).

A favourable US\$0.50/bbl seven day timing lag was recorded (December unfavourable: US\$1.63/bbl), due to lower Brent prices in the last week of January compared to the last week of December. January 2014 realised CRM was US\$7.53/bbl, above December 2013 of US\$6.18/bbl, but below the prior year comparative (January 2013: US\$11.14/bbl). Sales from production in January 2014 (953ML) were above the prior year equivalent (January 2013: 833ML) and higher than the preceding month (December 2013: 771ML).

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

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