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ASX ANNOUNCEMENT



CALTEX AUSTRALIA LIMITED
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19 March 2014

Company Announcements Office
Australian Securities Exchange

CALTEX AUSTRALIA LIMITED
CALTEX REFINER MARGIN UPDATE (FEBRUARY 2014)

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

A handwritten signature in black ink, appearing to be "Peter Lim", written in a cursive style.

Peter Lim
Company Secretary

Phone: (02) 9250 5562 / 0414 815 732

Attach.

ASX Release

For immediate release

19 March 2014

Caltex Refiner Margin Update (February 2014)

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

| | February 2014 | January 2014 | February 2013 |
|---|---------------|--------------|----------------|
| Unlagged CRM | US\$7.92/bbl | US\$7.03/bbl | US\$15.78/bbl |
| Impact of 7 day lag positive/(negative) | US\$0.21/bbl | US\$0.50/bbl | US\$(2.81)/bbl |
| Realised CRM | US\$8.13/bbl | US\$7.53/bbl | US\$12.97/bbl |
| CRM Sales from production | 789ML | 953ML | 821ML |

The February unlagged CRM was US\$7.92/bbl. This is above the prior month (January 2014: US\$7.03/bbl), but below the prior year equivalent (US\$15.78/bbl). Regionally, the unlagged Caltex Singapore Weighted Average Margin was US\$12.88/bbl, broadly in line with the prior month (January 2014: US\$12.22/bbl) and lower than the prior year (February 2013: US\$17.37/bbl).

The higher AUD/USD exchange rate (partly offset by stronger gasoline and diesel prices) in the last week of February, drove a favourable US\$0.21/bbl seven day timing lag (January favourable: US\$0.50/bbl). As a result, February 2014 realised CRM was US\$8.13/bbl, above January 2014 of US\$7.53/bbl, but below the prior year comparative (February 2013: US\$12.97/bbl).

Sales from production in February 2014 (789ML) were marginally below the prior year equivalent (February 2013: 821ML) and lower than the preceding month (January 2014: 953ML).

For the two months from 1 January 2014 to 28 February 2014, the average realised CRM was US\$7.80/bbl (2013: US\$12.05/bbl) with CRM sales from production totalling 1,742ML (2013:1,654ML).

| Period end 28 February | YTD 2014 | YTD 2013 |
|---------------------------|--------------|---------------|
| Realised CRM | US\$7.80/bbl | US\$12.05/bbl |
| Unlagged CRM | US\$7.43/bbl | US\$13.74/bbl |
| CRM Sales from production | 1,742ML | 1,654ML |

Notes

- 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).
- 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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