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ASX ANNOUNCEMENT



CALTEX AUSTRALIA LIMITED
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21 July 2014

Company Announcements Office
Australian Securities Exchange

CALTEX AUSTRALIA LIMITED
CALTEX REFINER MARGIN UPDATE (JUNE 2014)

An *ASX Release* titled "Caltex Refiner Margin Update (June 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

21 July 2014

Caltex Refiner Margin Update (June 2014)

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

	June 2014	May 2014	June 2013
Unlagged CRM	US\$8.87/bbl	US\$9.41/bbl	US\$14.33/bbl
Impact of 7 day lag positive/(negative)	US(\$0.20)/bbl	US\$0.29/bbl	US(\$2.01)/bbl
Realised CRM	US\$8.67/bbl	US\$9.70/bbl	US\$12.32/bbl
CRM Sales from production	992ML	862ML	771ML

The June unlagged CRM was US\$8.87/bbl. This is below the prior month (May 2014: US\$9.41/bbl) and lower than the prior year equivalent (US\$14.33/bbl). Regionally, the unlagged Caltex Singapore Weighted Average Margin was US\$10.94/bbl, lower than the prior month (May 2014: US\$12.12/bbl) and prior year (June 2013: US\$15.47/bbl).

Higher Brent prices in the last week of June more than offset the increase in the Australian dollar, resulting in an unfavourable US\$0.20/bbl 7 day timing lag (May favourable: US\$0.29/bbl).

June 2014 realised CRM was US\$8.67/bbl. Whilst this compares favourably to Caltex's first half profit outlook assumption of US\$7.80/bbl, it is below both May 2014 of US\$9.70/bbl, and the prior year comparative (June 2013: US\$12.32/bbl).

Sales from production in June 2014 (992ML) were higher than prior year (June 2013: 771ML), and 15% higher than the preceding month (862ML).

For the six months from 1 January 2014 to 30 June 2014, the average realised CRM was US\$9.20/bbl (2013: US\$11.76/bbl) with CRM sales from production totalling 5,548ML (2013: 5,044ML).

Period end 30 June	YTD 2014	YTD 2013
Realised CRM	US\$9.20/bbl	US\$11.76/bbl
Unlagged CRM	US\$8.93/bbl	US\$12.15/bbl
CRM Sales from production	5,548ML	5,044ML

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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