CALTEX AUSTRALIA LIMITED
ACN 004 201 307

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SYDNEY NSW 2000 AUSTRALIA

25 August 2014

Company Announcements Office

Australian Securities Exchange

CALTEX AUSTRALIA LIMITED

2014 HALF YEAR MEDIA RELEASE AND RESULTS PRESENTATION

Caltex Australia Limited (Caltex) will make a presentation to analysts and investors at 10:00 am today (Sydney time) in relation to Caltex's 2014 half year results. The presentation will be made by Mr Julian Segal (Managing Director & CEO) and Mr Simon Hepworth (Chief Financial Officer). The *ASX / Media Release* and presentation slides are attached for immediate release to the market.

The presentation to analysts and investors is being webcast. The webcast can be viewed from our website (www.caltex.com.au). An archive copy of the webcast will also be available from the website.

Over the period through to October 2014, Caltex will make a number of presentations to investors and analysts. These presentations will be based on the material provided in the *2014 Half Year Report* and the *2014 Half Year Financial Report* (which were lodged earlier today) and the attached *ASX / Media Release* and presentation slides.

Peter Lim

Company Secretary

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

Attach.

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Caltex Australia

ASX/Media Release

For immediate release
Monday 25 August 2014

Marketing & Distribution growth continues; Kurnell refinery to commence shut down in October

Key points:

- First half HCOP NPAT of $163 million (includes a $10 million after tax inventory loss)
- First half RCOP[1] NPAT of $173 million at upper end of half year profit guidance
- Marketing & Distribution growth continues, first half RCOP EBIT up 8% to $393 million (normalised growth ~5%)
- Refining & Supply result (RCOP EBIT loss $65 million) impacted by lower Caltex Refiner Margin (CRM[2]) and anticipated operating inefficiencies during the Kurnell refinery conversion. Strong Lytton refinery operational performance drives record first half production
- Conversion of Kurnell refinery to a major import terminal on time and on budget. Closure sequence to commence in October 2014
- Company-wide cost and efficiency review underway (includes headcount reduction of approximately 350 people)
- Interim dividend (20 cents per share fully franked) declared
- Balance sheet remains strong; BBB+/Stable credit rating

Caltex Australia Managing Director & Chief Executive Officer Julian Segal said,

"This result is at the upper end of our recent half year profit guidance. Our balance sheet remains strong and, despite operating within a competitive and ever changing environment, the outlook for our business continues to be positive. We are well progressed in restructuring our supply chain, with the conversion of our Kurnell refinery to a leading import terminal on schedule and the refinery closure sequence to commence in October this year. This has enabled us to commence a company-wide cost and efficiency review, which will establish a stronger platform for the business going forward. We also continue to invest to support growth in our Marketing & Distribution operations."

Results summary	**Half year ended 30 June**	
	2014 $M	**2013 $M**
Historic Cost result after tax	**163**	**195**
Adjust for: inventory loss / (gain)	**10**	**(24)**
RCOP result:		
After tax	**173**	**171**
Before interest and tax	**290**	**284**

[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.

Historic Cost Profit
On an historic cost profit basis, Caltex's after tax profit was $163 million for the first half of 2014. This compares unfavourably to the $195 million after tax profit for the first half of 2013. The 2014 half year includes crude and product inventory losses of $10 million after tax, compared with a crude and product inventory gain of $24 million after tax for the previous half year to 30 June 2013.

Replacement Cost Operating Profit
On a replacement cost of sales operating profit (RCOP) basis, Caltex's after tax profit was $173 million for the first half of 2014. This compares with $171 million for the first half of 2013.

Marketing & Distribution earnings growth continues
Marketing & Distribution achieved an EBIT of $393 million for the first half of 2014. This exceeded both the prior year equivalent (1H 2013: $365 million) and the previous first half record set in 2012 ($367 million). The first half 2013 Marketing & Distribution result included two one-off impacts (the significant fall in the Australian dollar and the Sydney premium petrol supply interruption) of approximately $11 million. After normalising for these events, Marketing & Distribution continues to deliver strong underlying earnings growth of approximately 5%. The first half result excludes any earnings impact of the Scott's Fuel Divisions acquisition, which was completed on 4 June 2014, and the Sydney bitumen business, which was sold in December 2013.

Total sales volumes of high value transport fuels were 8.1 billion litres, an increase of 4% on the prior corresponding period (7.8 billion litres). After normalising for the Sydney premium petrol interruption in 2013, volume growth was approximately 3.5%. Higher sales of premium grades of petrol and diesel, and jet fuel have offset the long term decline in demand for unleaded petrol, including E10. Total petrol volumes fell 2.2% to 3.1 billion litres, in line with industry trends.

Total diesel volumes grew 7.5% to 3.7 billion litres. This was driven by strong commercial diesel volumes (led by mining and marine sectors) and the retail substitution of petrol sales. The strong growth in the premium Vortex diesel product occurred across both commercial and retail segments.

Jet volumes grew strongly with volumes up 11% versus the prior corresponding period.

Caltex continues to invest in its retail site and terminal network, including the recent opening of its new 85 million litre Adelaide terminal. This demonstrates our commitment to the Australian market at a time when our traditional global competitors are scaling back their presence.

Refining & Supply performance
Refining & Supply delivered an RCOP EBIT loss of $65 million in the first half. This compares unfavourably to a RCOP EBIT loss of $43 million in the first half of 2013. The 2014 half year result includes the impact of a lower CRM and a number of one-off Kurnell refinery production impacts as Kurnell makes the transition from refining operations to a leading import terminal. These impacts to Kurnell's production mix and yield were anticipated and are the natural result of operational constraints during the shutdown and conversion process.

The Singapore Weighted Average Margin was US$12.87/bbl for the first half of 2014, compared with US$14.52/bbl in the prior corresponding period. The average CRM for the six months to 30 June 2014 was US$9.20/bbl, below the prior year equivalent of US$11.76/bbl.

Operationally, production volumes of high value transport fuels increased 4% to 5.4 billion litres (1H 2013: 5.1 billion litres). A strong Lytton refinery operational performance delivered record transport fuel production, mechanical availability and yield recovery rates. The improved Lytton refinery production has been offset by lower planned production from the Kurnell refinery due to the conversion process.

The conversion of Kurnell refinery to a leading import terminal continues to progress to plan. Caltex has made its final crude purchase for Kurnell and has now commissioned both jet and diesel systems. The Kurnell refinery closure sequence is scheduled to commence in October this year.

Strong balance sheet
Net debt at 30 June 2014 was $827 million, compared with $742 million at 31 December 2013. This equates to a gearing ratio of 23% (net debt / net debt plus equity). On a lease adjusted basis, gearing was 33%. Caltex's strong balance sheet has provided the financial flexibility to enable Caltex to successfully convert Kurnell to a leading import terminal and continue to invest in growth opportunities, including the recent Scott's Fuel Divisions acquisition.

Company-wide Cost and Efficiency Review

Following the supply chain restructure, which includes the conversion of Kurnell refinery and the procurement of Caltex's refined product requirements through Ampol Singapore, the business will evolve into one value chain from product sourcing to customer. As part of this transition, Caltex is undertaking a company-wide cost and efficiency review to give it the financial strength to maintain its market leadership position and to enable Caltex to capture future growth opportunities.

As a result of the review, headcount will reduce by approximately 350 people across operational and support functions. The reduction is in addition to the previously announced reductions relating to the closure of the Kurnell refinery. The reduction will take place over time with the majority expected to occur within the next 12 months.

"As we have done previously, we are committed to supporting our people with the highest level of care and respect. We are discussing with our employees redeployment opportunities and their redundancy entitlements. We are also providing them with outplacement support," Mr Segal said.

The review will result in restructuring costs of between $130 million to $155 million before tax (including redundancy costs, other cash and non-cash costs), being recognised in the second half of 2014. The restructuring is expected to deliver associated benefits of approximately $100 million (before tax) per annum, with the full annual run rate expected to be achieved in 2016.

Another element of the review is a focus on the efficiency of capital expenditure and working capital management in the new supply chain. This includes a planned reduction in working capital, with the company expecting to realise an inventory reduction of approximately one million barrels in the second half of 2015 following the Lytton major turnaround and inspection (T&I) maintenance program. This is in addition to the previously announced two million barrel reduction targeted following the Kurnell refinery closure.

Given the advanced stage of the supply chain restructure, management has now commenced a capital management strategy review.

Interim dividend

The Board has declared an interim fully franked dividend of 20cps for the first half of 2014, in line with the revised dividend pay-out ratio of 20% to 40%. This compares to Caltex's 2013 interim dividend of 17cps, fully franked. The record and payment dates for the interim dividend are 9 September 2014 and 1 October 2014, respectively.

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2014 Half Year Results Announcement

Caltex Australia Limited

ACN 004 201 307

AGENDA

Safety

Half Year 2014: Key Highlights

Strategy Update

Financial Highlights

Marketing & Distribution Highlights

Refining & Supply Highlights

Financial Discipline

Result Summary & Outlook

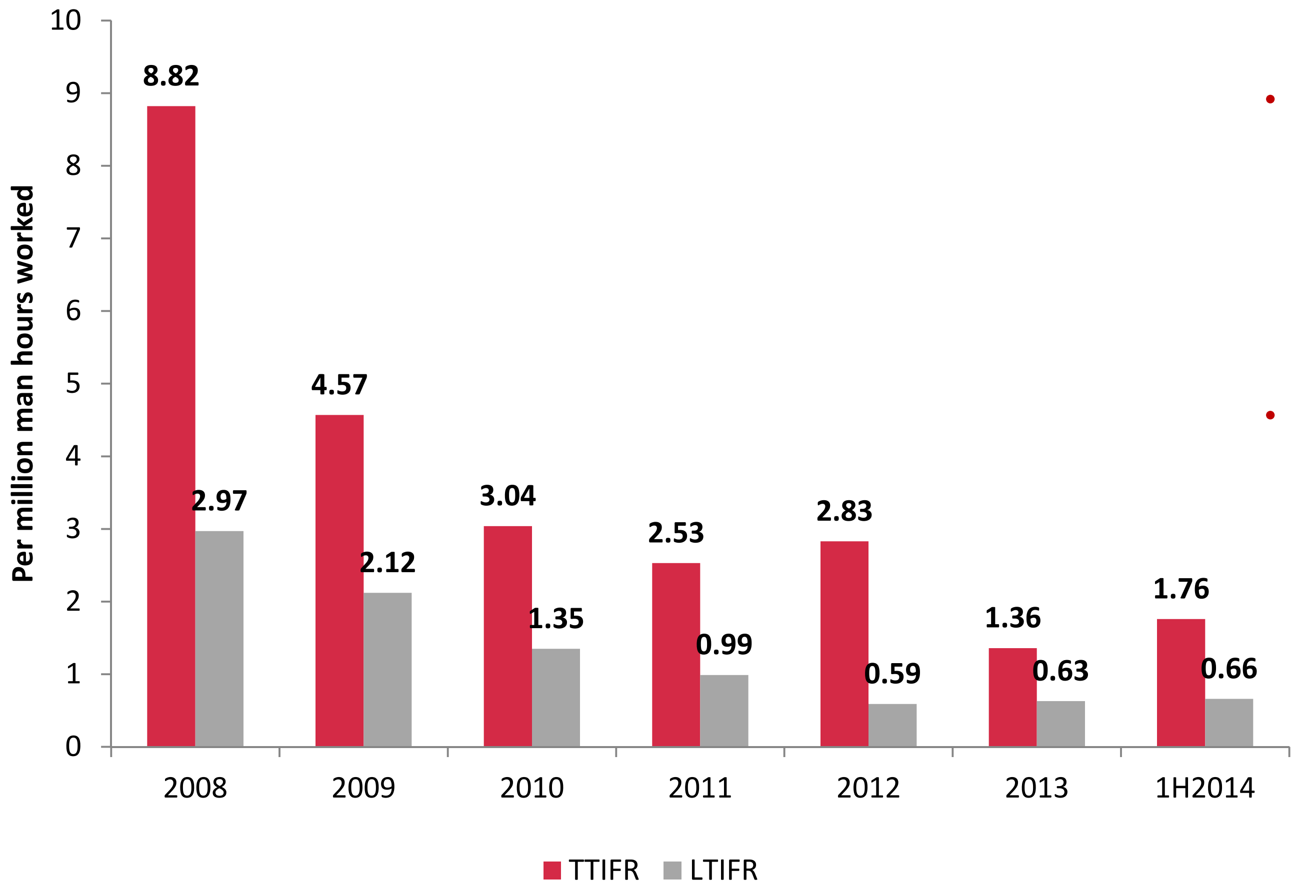
Q&A

Appendices

OPERATIONAL EXCELLENCE MOMENT

Operational Excellence (OE) Moment

Safety performance levels maintained throughout Kurnell conversion



- Strong process and personal safety focus continues, with significant improvements largely being maintained through 2014
- During the conversion of Kurnell refinery to a leading import terminal, there have been nearly 700,000 man hours worked with only one medically treated injury

Note: From 2010 frequency rates have included contractors.

AGENDA

- Safety
- **Half Year 2014: Key Highlights**
- Strategy Update
- Financial Highlights
- Marketing & Distribution Highlights
- Refining & Supply Highlights
- Financial Discipline
- Result Summary & Summary
- Q&A
- Appendices

Key Highlights

Half Year 2014 Results Summary

Consolidated Group Result	✓ $173m RCOP NPAT, at upper end of recent profit guidance ✓ Interim dividend 20cps declared (2013: 17cps) fully franked, representing 31% payout ✓ Balance sheet remains strong, BBB+ / Stable Credit rating reaffirmed
Marketing growth continues RCOP EBIT $393 million (up $28 million)	✓ Another record Marketing & Distribution earnings result ✓ Sales volume growth continues for Vortex 98 petrol, diesel and jet, offset by market decline in base unleaded petrols ✓ Favourable product mix shift within both petrol and diesel (in both commercial and retail) ✓ Continued investment in retail network and infrastructure ✘ Lower lubricants and non-fuel income performances
Refining & Supply impacted by lower CRM and Kurnell conversion **Strong Lytton operational performance drives record first half production**	✘ Refining & Supply $65m RCOP EBIT loss (1H 2013: $43m RCOP EBIT loss) ✘ Lower USD refiner margins in 1H14 (US$9.20/bbl; 1H2013 US$11.76/bbl) ✓ Record transport fuel production, despite impact of conversion on Kurnell performance ✓ Lytton delivers record availability, utilisation and yield recovery ✓ Kurnell conversion remains on-time, on-budget. Closure sequence to commence October 2014 ✓ Ampol Singapore established, now ramping up

Key Highlights

Outlook

Short Term (Next 12 months)	• Marketing & Distribution growth expected to continue, despite competitive environment • Prioritise the optimisation of the entire supply chain - Conversion of Kurnell refinery to a leading import terminal remains on schedule and on budget - Ampol Singapore product sourcing now operational - On-going focus on capturing further operational and margin improvements at Lytton • Closure of Kurnell and supply chain restructure enables company wide cost and efficiency review ("Tabula Rasa") • Capital management strategy review in progress
Medium to Longer Term (Beyond 12 months)	• Continue to be the outright transport fuels leader in Australia • Continued focus on optimising the entire supply chain from product sourcing to customer • Lower volatility in earnings and cash flow through reduced exposure to refining • Maintain cost and capital discipline • Focus on growth

AGENDA

Strategy Update

Caltex's strategy is very clear

CALTEX'S VISION

Outright leader in transport fuels across Australia

MEASURE OF SUCCESS

Safely and reliably deliver top quartile total shareholder returns

KEY STRATEGY PILLARS

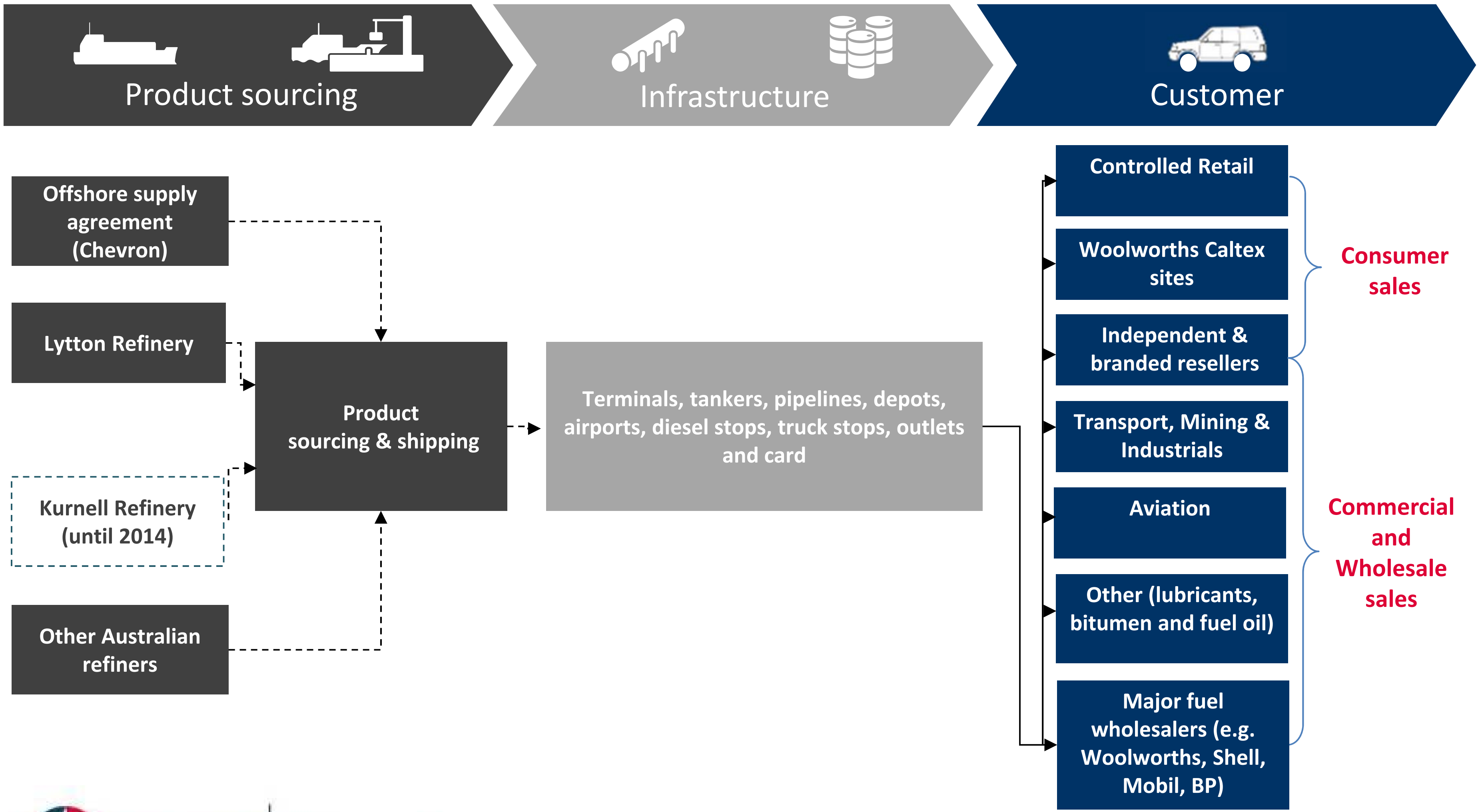
Superior supply chain		Comprehensive targeted offer to customers across products, channels and geographies			Organisational Competitiveness			Corporate Growth
Enhance competitive product sourcing	Enhance competitive infrastructure	Grow retail sales	Grow commercial and wholesale sales	Seed future growth options	Cost efficient and effective	Capital efficient and effective	VCO	Long-term growth options

Understanding and management of risk; relentless pursuit of Operational Excellence	Highly capable people	Competitive and reliable supply of product into each key geography	Large scale, cost – competitive terminal, pipeline, depot and fleet infrastructure in each geography	Scale across the value chain, anchored by key customer portfolio	Comprehensive network of outlets, profitable franchise network, leading fuel card offer and Brand	Cost and capital efficient

Modifications since 2013

Caltex Value Chain

Our Competitive Position: To optimise the entire value chain



Strategy Update

Growing close to our core (with lower earnings volatility; lower cash flow volatility)

GROW	IMPROVE	TRANSFORM
• Target high growth channels / geographies / products • Continue to build, leverage import infrastructure • Infrastructure services to the sector (e.g. Kurnell terminal) • Continue network expansion and refurbishment (e.g. New to Industry sites, knock down rebuilds) • Targeted M&A (fill network gaps, adjacent businesses, under-represented geographies e.g. Scott's Fuel Divisions) • New Advertising / Brand campaign	• Lytton (Brisbane) Refinery • Operational Improvements targeted • ISOM upgrade investment to increase production of premium petrols (slated 1Q 2015) • Lytton to supply 20%-25% of future needs • Maintains contestability versus imported product, buy-sell arrangements	• Last crude purchased July 2014 • Jet and Diesel systems commissioned • Kurnell closure sequence to commence 1 October 2014 • Conversion to Australia's leading import terminal – on time, on budget

OPTIMISE VALUE CHAIN	
	• Ampol Singapore product sourcing now operational • Establishment of Value Chain Optimisation (VCO) function to optimise entire value chain from product sourcing to customer • Company wide Cost & Efficiency Review under way ("Tabula Rasa")

Strategy Update

Kurnell Conversion – key milestones, On time, On Budget

Time	Proposed Work	Status
1H 2013	• Marine EIS submission / Public Exhibition Feb-Mar 2013 • Land EIS submission / Public Exhibition May-Jun 2013 • Demolition of Kurnell Propane De-asphalting Unit (PDU) • Draft Kurnell refinery shutdown and decommissioning schedule developed • Terminal operating model and organisational structure finalised	• Complete • Complete • Complete • Complete • Complete
2H 2013	• Approval for Kurnell marine works expected Q3 2013 • Approval for Kurnell land works expected late Q3 2013 • Refinery conversion works including tanks, piping and infrastructure • Dredging at Kurnell wharf and sub berth to commence in Q4 2013 • Shutdown of Kurnell's #1 FCCU	• Complete • Complete • Complete • Complete • Complete
1H 2014	• Conclude de-inventory sequence planning • Product supply enterprise established in Singapore	• Complete • Complete
4Q 2014	• Commence shutdown of Kurnell refinery process units • Kurnell refinery ceases operations • Commence Kurnell terminal operations	
2015	• Kurnell refinery demolition commences • Investigation and planning of Kurnell site remediation • Assessment of long term terminal optimisation (incl. ongoing tank upgrades)	
2016	• Commence Kurnell site remediation • Terminal optimisation projects (e.g. ongoing tank upgrades)	

AGENDA

Financial Highlights

Half Year Ending 30 June

	1H2014	1H2013	% Change
HISTORIC COST			
EBIT ($m)	275	319	(14)
NPAT ($m)	163	195	(17)
EPS (cps)	60	72	(17)
REPLACEMENT COST			
EBIT ($m)	290	284	2
NPAT ($m)	173	171	1
EPS (cps)	64	63	1
Dividend (cps) [1]	20	17	18
Debt ($m)	827	729	13
Gearing (%)	23	24	(3)
Gearing (Lease adjusted %)	33	34	(3)
Working Capital ($M)	1,055	1,116	(6)
Capital Expenditure ($M)	251	173	46
Depreciation & Amortisation ($M)	97	85	14

1. Dividend reflects the temporary dividend policy change to 20% to 40% payout (from 40% to 60%)

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Financial Highlights

Reconciliation to underlying profit metric

	1H 2014 $m (After Tax)	1H 2013 $m (After Tax)
HCOP NPAT	163	195
Add: Inventory loss/(gain)	10	(24)
RCOP NPAT	**173**	**171**

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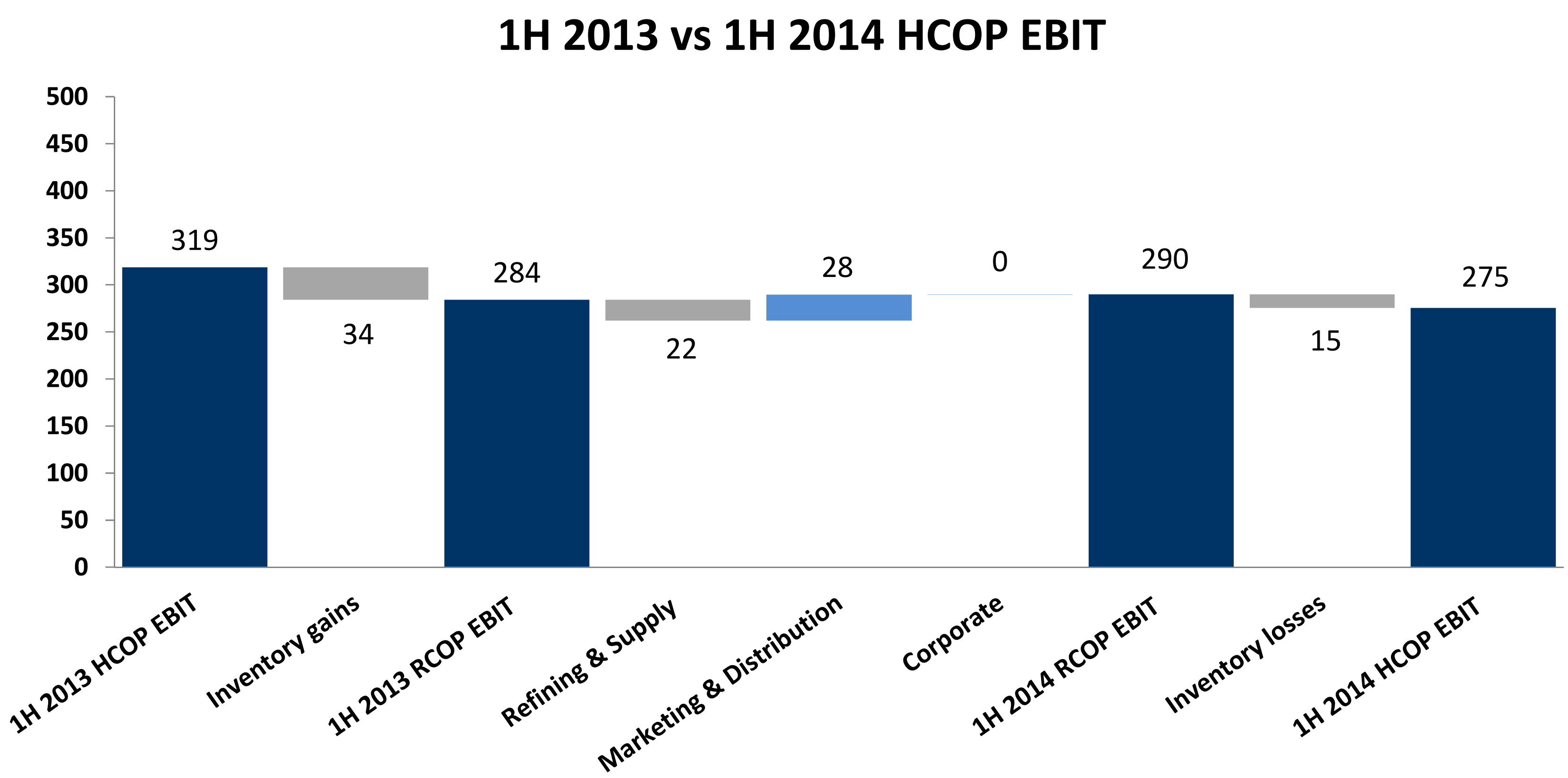
Financial Highlights

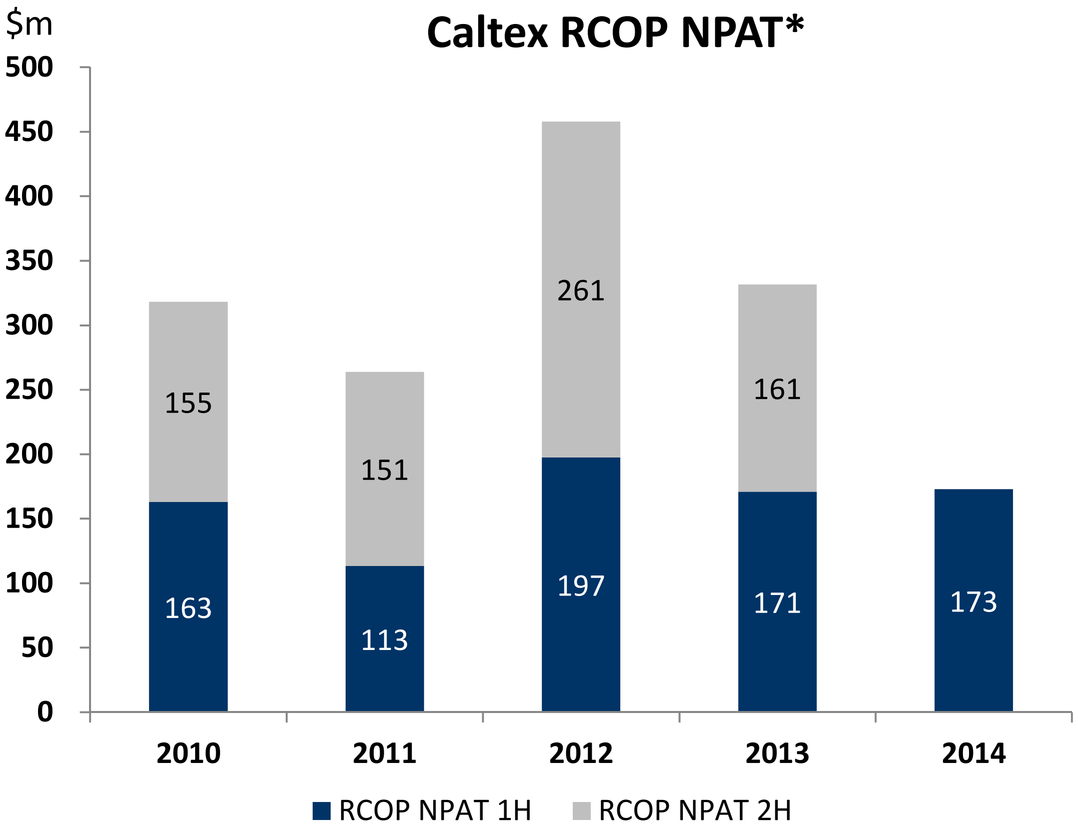
Segmented# Reporting



#Segment results are based on a transfer price between Refining & Supply and Marketing & Distribution determined by reference to relevant import parity prices for petrol, diesel and jet, and other products including specialties and lubricants. Such import parity prices are referenced to benchmarks quoted in Singapore, and may not fully reflect the actual costs incurred in importing product of the appropriate quality for sale in Australia.

Financial Highlights

RCOP Earnings – Marketing up, Refining down, Corporate flat

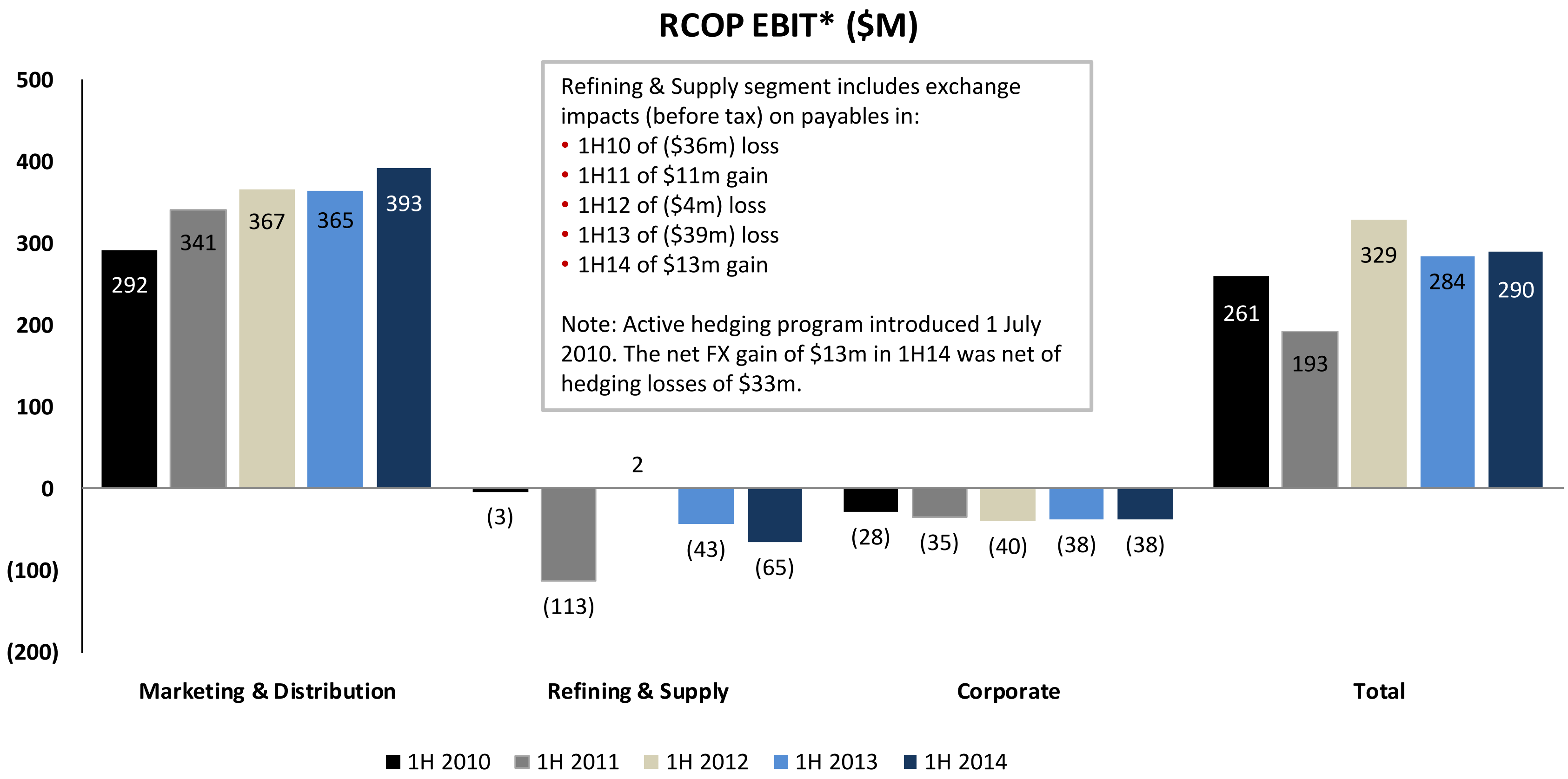


*RCOP Net profit after tax, excluding significant items

- Marketing & Distribution growth continues
- Refining & Supply losses impacted by lower CRM and Kurnell conversion
- Strong Lytton operational performance drives record first half production
- Corporate costs flat ($38m)
- Net financing costs down $10m

Financial Highlights

Segmented# Reporting



* RCOP EBIT excluding significant items

#Segment results are based on a transfer price between Refining & Supply and Marketing determined by reference to relevant import parity prices for petrol, diesel and jet, and other products including specialties and lubricants. Such import parity prices are referenced to benchmarks quoted in Singapore, and may not reflect actual costs incurred in importing product of the appropriate quality for sale in Australia.

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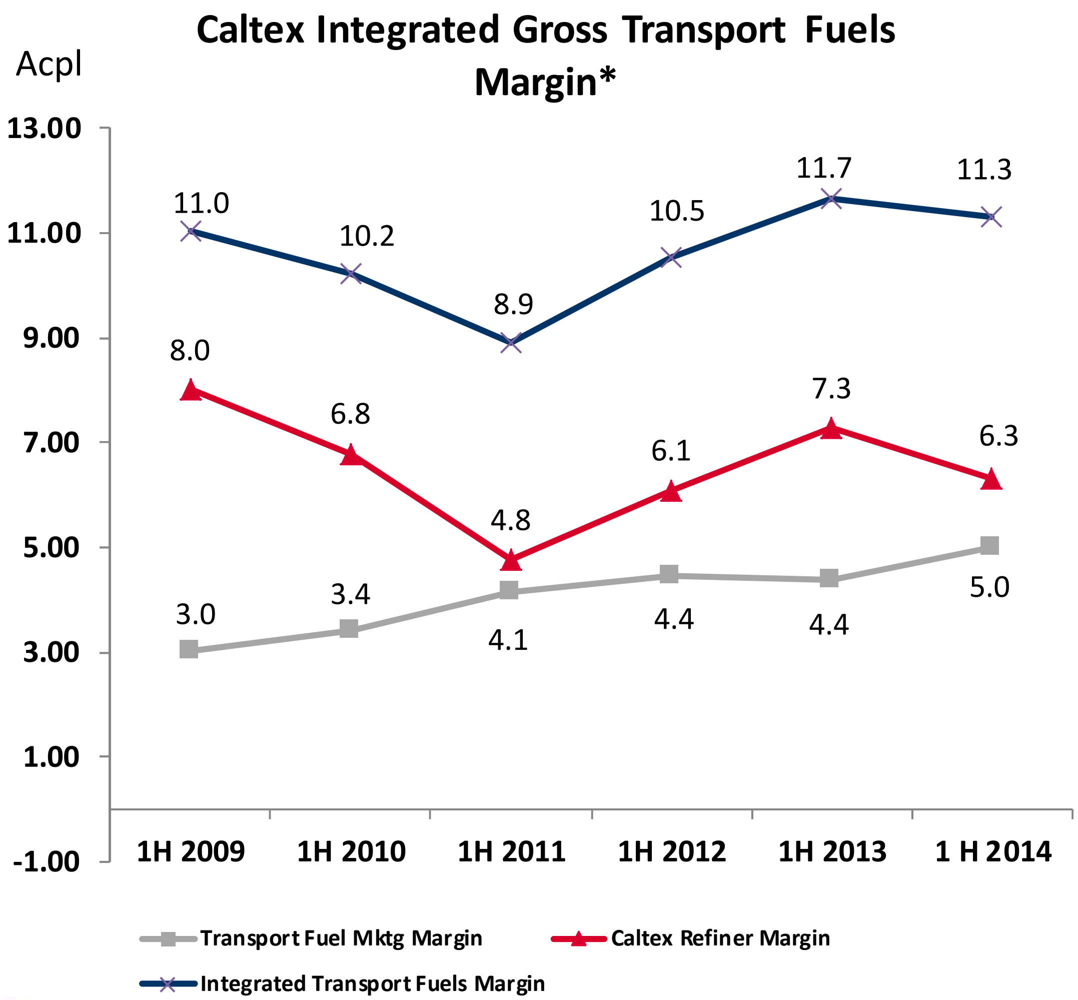
Integrated Transport Fuels Margin

Integrated margin down on lower CRM, despite fuel Marketing margin expansion



- Transport fuels margin expansion (5.00 cpl from 4.38 cpl) due to favourable premium product mix shift
- Weaker average Caltex Refiner Margin (US$9.20/bbl versus US$11.76/bbl) driven by lower Singapore WAM, tightening quality premium and freight differential

*Gross transport fuels margin, before expenses. Note that Transport fuels marketing margin applies to total transport fuel sales (8.1BL for 1H 2014) whereas the Caltex Refiner Margin applies to sales from production (5.5BL for 1H 2014).

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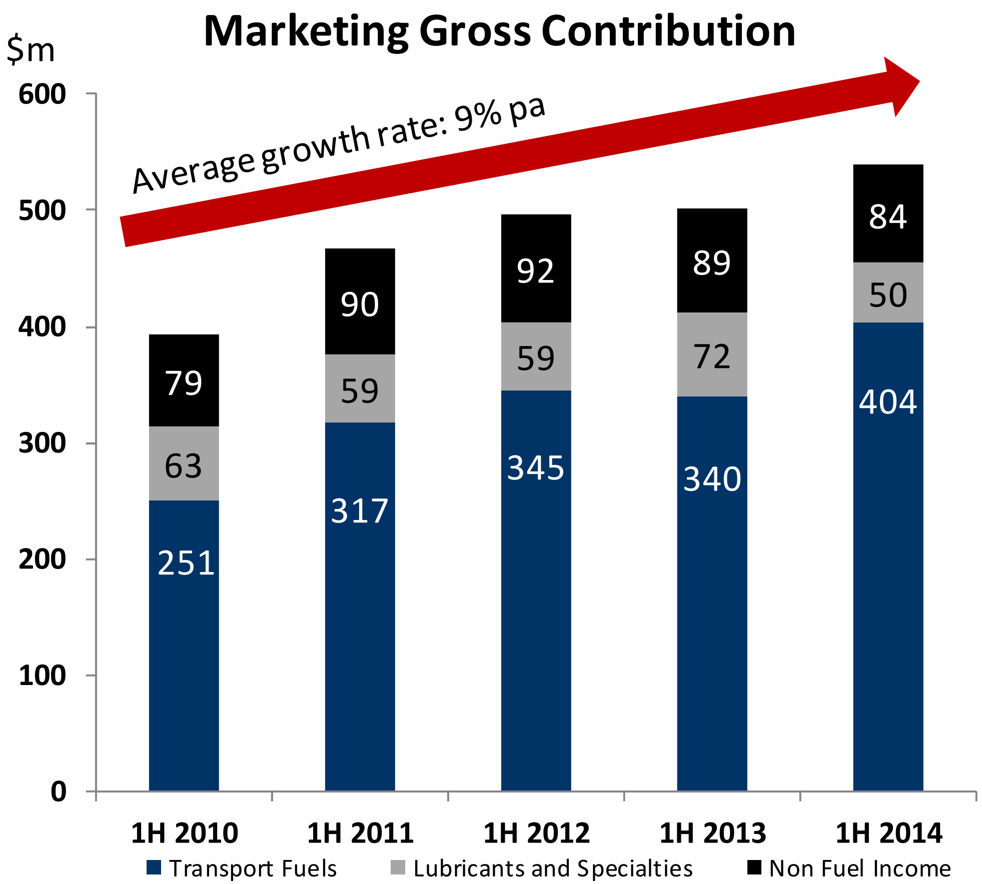
AGENDA

Marketing & Distribution Highlights

Growth continues on stronger fuel volumes, favourable product mix shift, despite divestment of bitumen business



Note: Gross Contribution is earned margin before operating expenses

EARNINGS GROWTH CONTINUES

- Record first half result
- Stronger volume growth for diesel and jet, favourable product mix shift towards premium petrols and diesel, enabled by network development initiatives
- Volume and margin growth across both commercial and retail segments
- Convenience store growth across core network
- The strong result includes impact of:

(1) Lost earnings from Bitumen business (following its 2013 divestment, 1H 2013 contribution, $12m EBIT); and

(2) lower earnings from Lubricants (margin slippage) and non-fuel income

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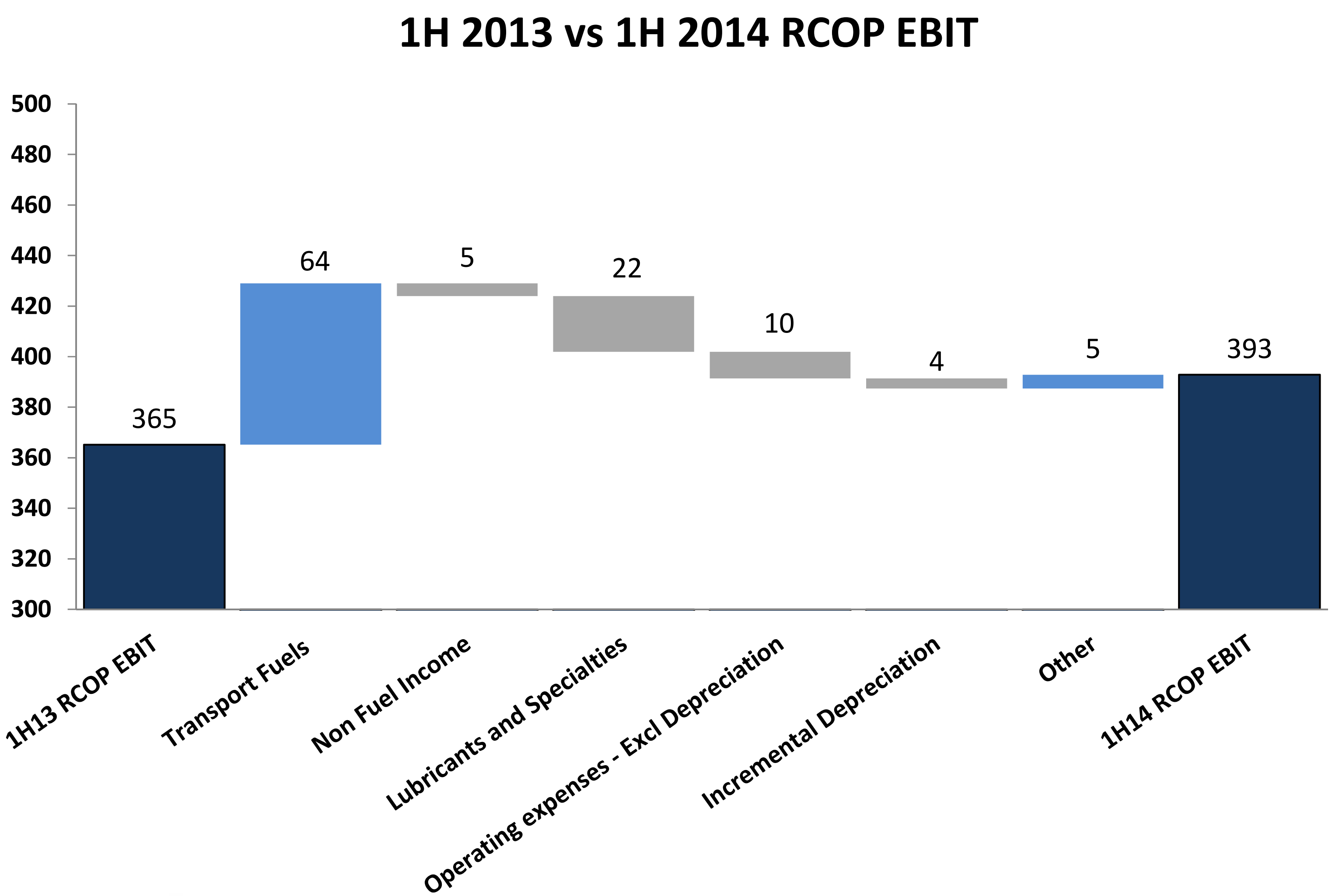
Marketing & Distribution Growth

Marketing & Distribution – Key Drivers



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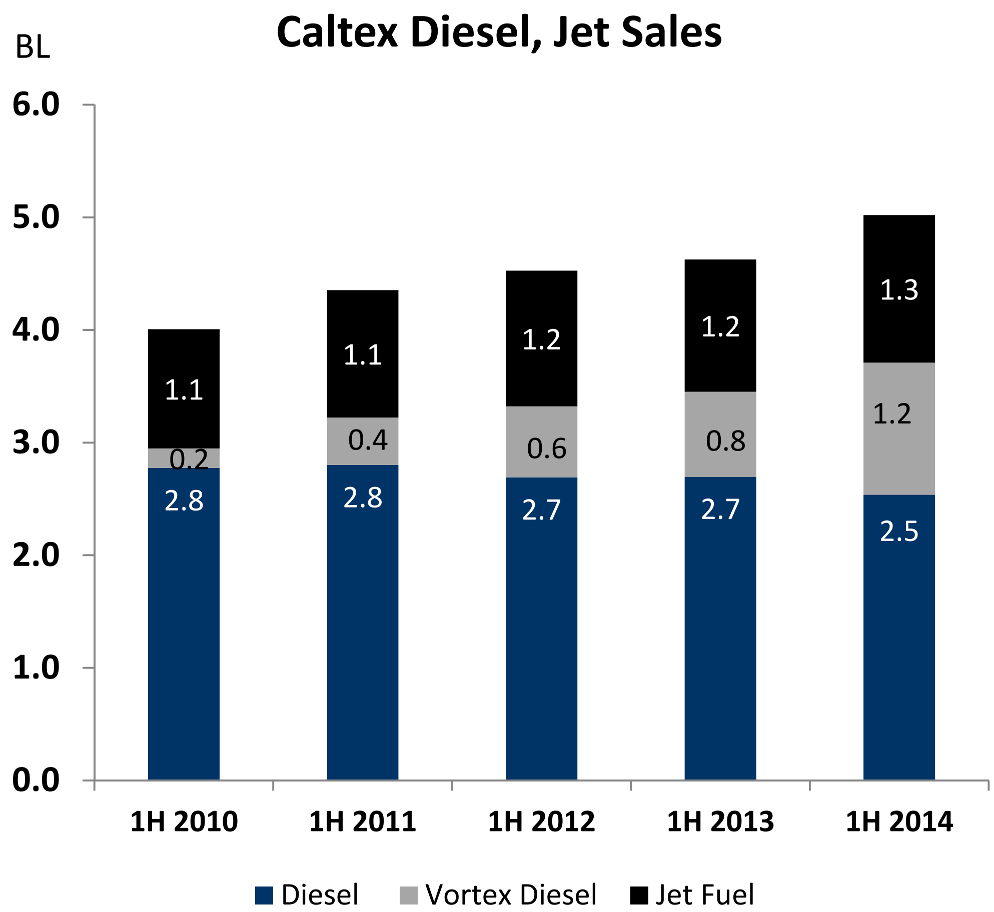
Marketing & Distribution Highlights

Diesel, Jet Fuel Sales – Market share gains, continuing growth in premium diesel



- Total diesel volumes up 7.5%
- Retail diesel volume growth of 8.6%
- Premium diesel sales volumes up 55% (includes Vortex retail diesel, TecDiesel), now represents 32% of total diesel sales
  - Premium substitution across both commercial and retail (Vortex diesel up 16%) segments
- Commercial diesel sales volumes up 7.0%
  - Robust Mining volumes continue as industry moves from investment to production
  - Strong growth in offshore marine supplies
  - Industrial, SME and transport sectors remain subdued
- Jet fuel sales up 11.3% on 1H2013 versus industry growth (~4%)

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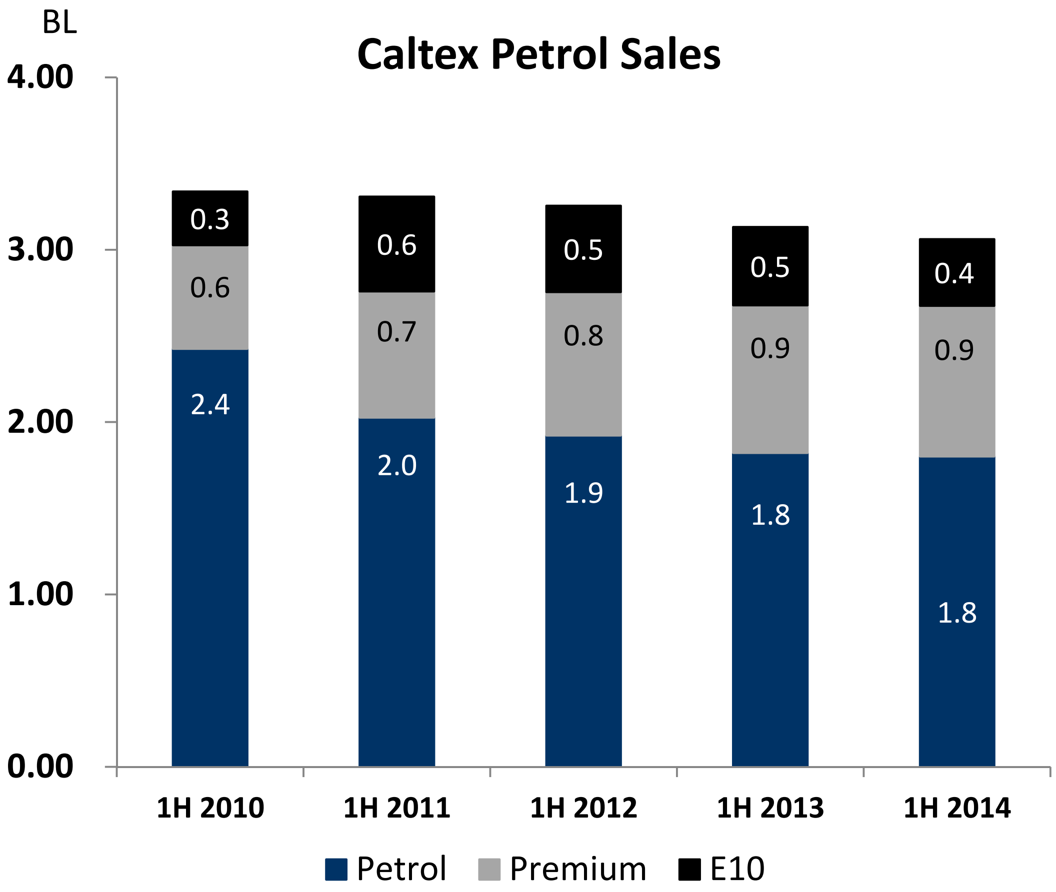
Marketing & Distribution Highlights

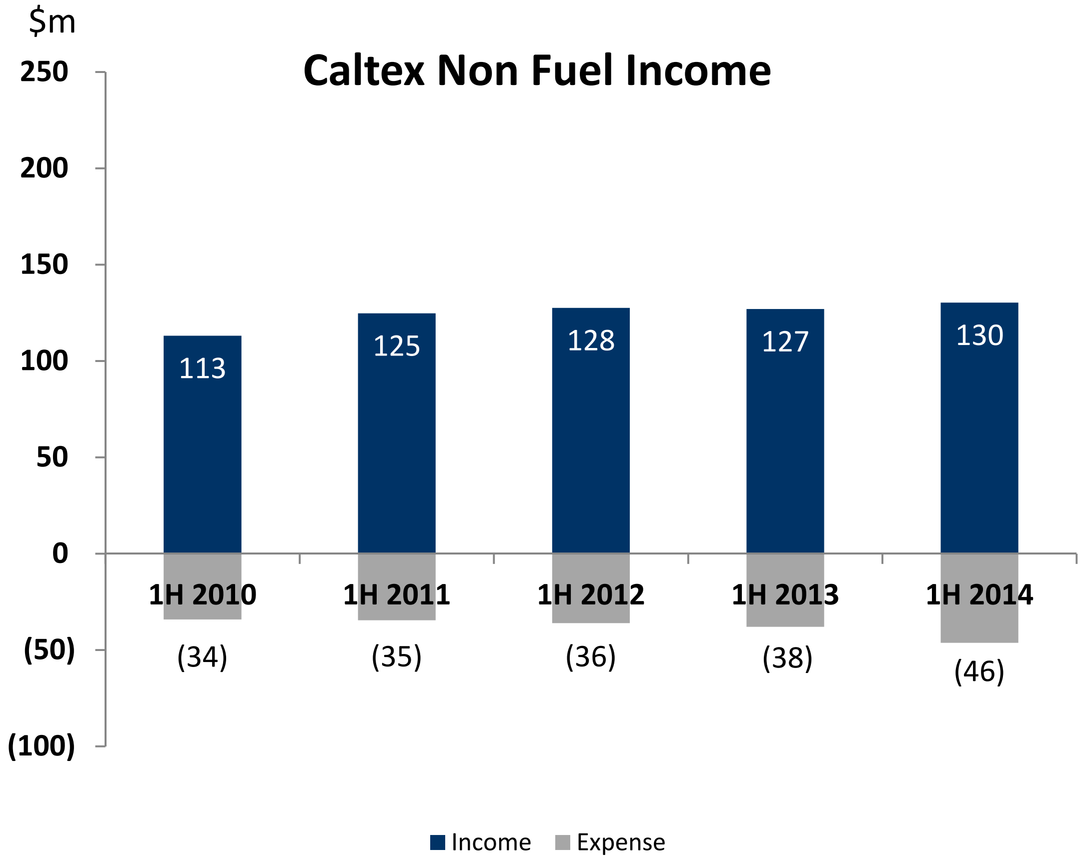
Petrol Sales – Premium Petrols Up; Total Market down



- Total petrol volumes down 2.2%, approximately in line with market
- Premium petrol sales up 2.2%. Premium now represents 28.6% of total petrol sales
- Modest market share gain across total premium petrol range with Vortex 98 petrol sales up 4.0%
- ULP sales volumes down 1.2%; E10 sales down 15% on 1H13 reflecting diesel and premium petrol substitution and general long term industry-wide decline

Marketing & Distribution Highlights

Non Fuel Income (NFI) – Accelerated store investment impacts near term NFI expenses, whilst enabling greater premium fuel sales.



- Non fuel income contribution down 5.6% on 1H13
- Card income and Retail shop sales up year on year - Average weekly shop sales +4.9% to $38.6k (1H13 $36.8k)
- Lag between higher lease costs and recovery via incremental rental income following accelerated network ramp-up and completion of upgrade work. This enables increased transport fuel volumes, favourable product mix and margin
- Franchise model delivers more resilient returns (less dependent on same store sales)

Marketing & Distribution

Other Developments

- Scott's Fuel Divisions acquisition (total outlay ~$95m) – 4 June 2014
- Network development continues
  - New to Industry / Caltex retail outlets (4 completed YTD; ~10-15 sites targeted p.a.)
  - Retail site rebuilds & refurbishments (including 21CC Retail fit-out) (6 completed YTD; ~10-15 sites targeted p.a.)
  - New diesel stops (1 completed YTD; ~5 sites targeted p.a.)
- Completion and commissioning of Pelican Point (Adelaide) Terminal (85ML capacity)
- Pay@Pump roll-out well advanced
- StarCard Debit program launch
- New convenience retail offerings - Meal Deals ($5 Breakfast; $7 lunch); other product trials
- New advertising/brand campaign "With You All The Way"

AGENDA

- Safety
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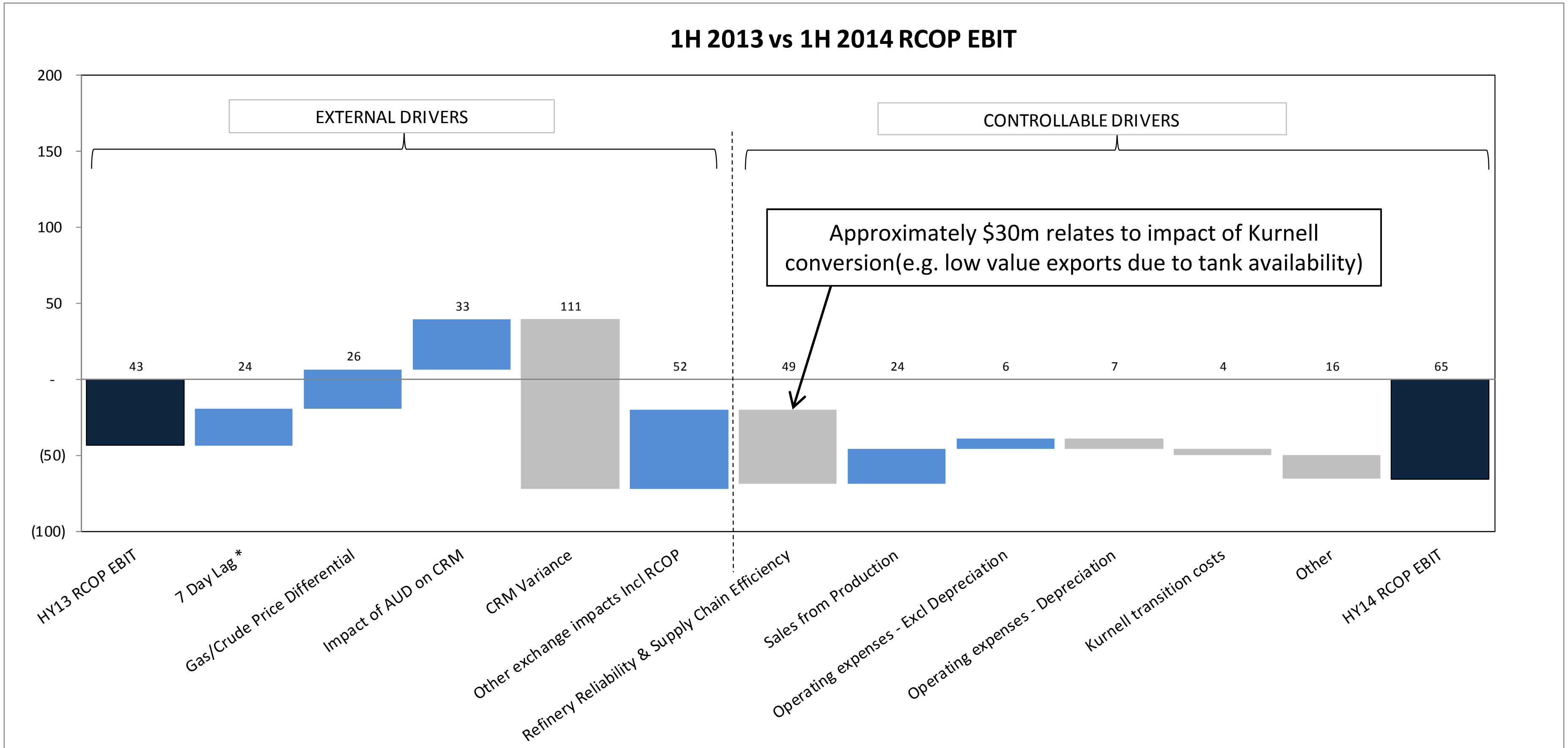
- Marketing & Distribution Highlights
- **Refining & Supply Highlights**
- Financial Discipline
- Outlook & Summary
- Q&A
- Appendices

Refining & Supply Highlights

Impacted by lower CRM and Kurnell conversion; Strong Lytton operational performance



*Lag effect due to exchange and crude/product price movements.

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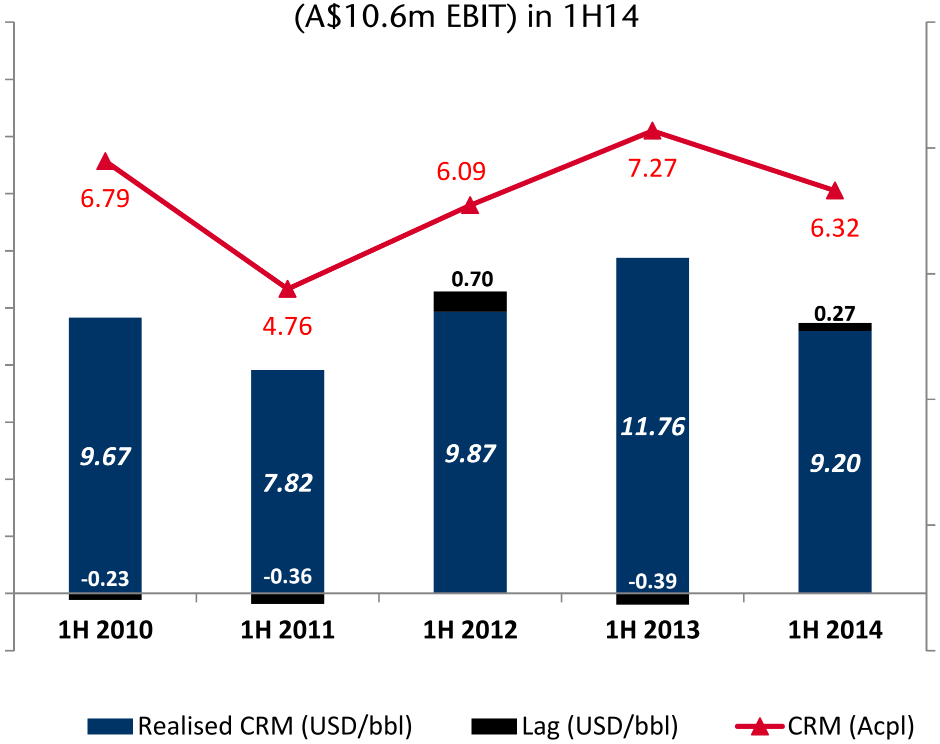
Refining & Supply Highlights

Caltex Refiner Margin (CRM) driven by lower Singapore WAM, tightening quality premium and freight differential

The CRM was supported by a favourable market price timing lag of US$0.27/bbl (A$10.6m EBIT) in 1H14



Caltex Refiner Margin Build-up (US$/bbl)	1H14	1H13
Singapore WAM	12.60	14.91
Product freight	4.89	5.41
Quality premium	1.69	2.21
Crude freight	(2.78)	(2.86)
Crude premium	(3.42)	(3.91)
Yield loss ♦	(4.05)	(3.61)
Lag	0.27	(0.39)
Realised CRM	9.20	11.76

♦ Yield loss (weighted average) comprises Kurnell (US$6.43/bbl) and Lytton (US$1.96/bbl, 1.7%), Kurnell impacted by conversion.

*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. Numbers used are volume weighted.

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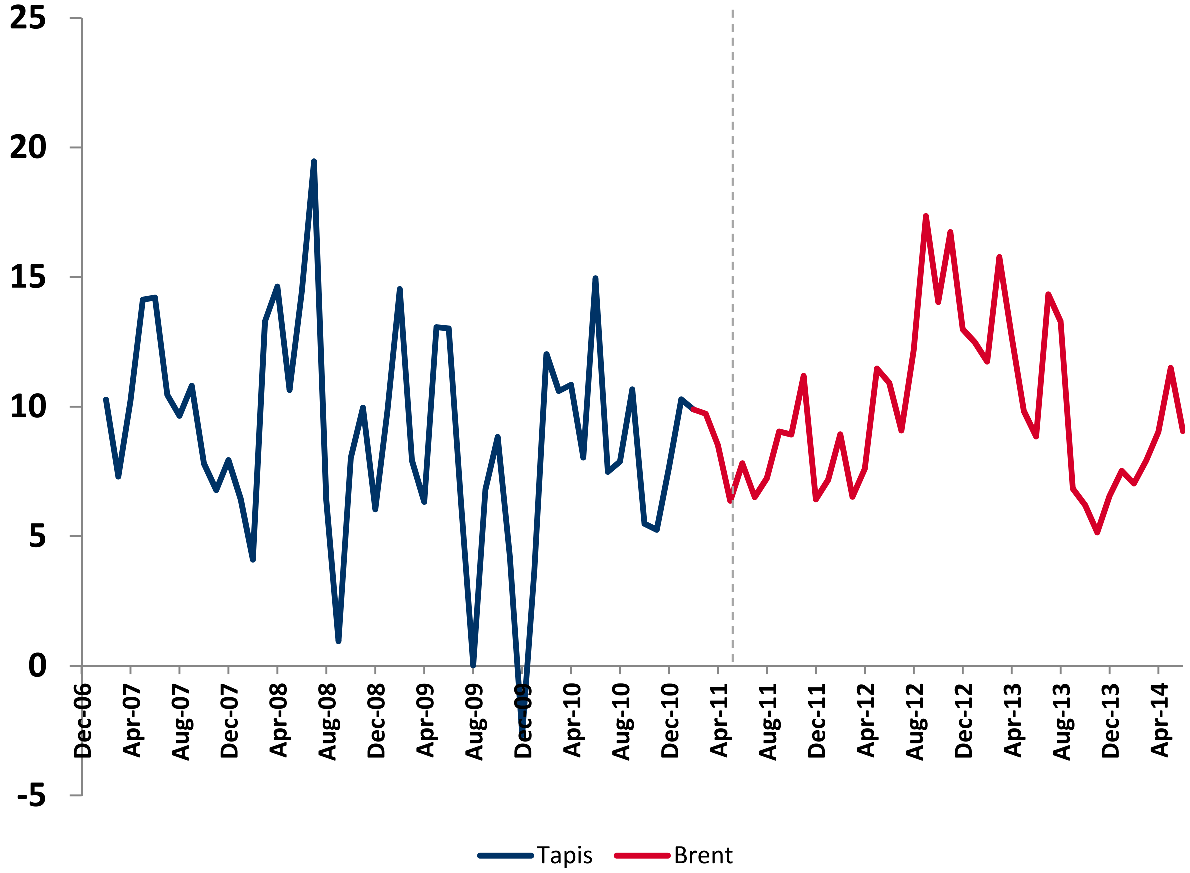
Supply Chain Highlights

Caltex Refiner Margin (CRM) driven by lower Singapore WAM, tightening quality premium and freight differential

2006-2014 Caltex Refiner Margin*[1] (US$/bbl)



- Softer Singapore Weighted Average Margin (SWAM) (US$12.60/bbl versus US$14.91/bbl)
- Lower SWAM exacerbated by tightening (adverse) freight differential and lower quality premium

Average realised CRM (Brent)	2014	2013
1H	US$9.20	US$11.76
2H		US$7.15

CRM unlagged	High	Low	Average
1 year	US$13.28	US$6.84	US$8.24
2 year	US$17.35	US$5.14	US$10.75

*Lagged Caltex Refiner Margin.
1. Price basis shifted from (APPI) Tapis to Platts Dated Brent in January 2011 (consistent with Caltex references)

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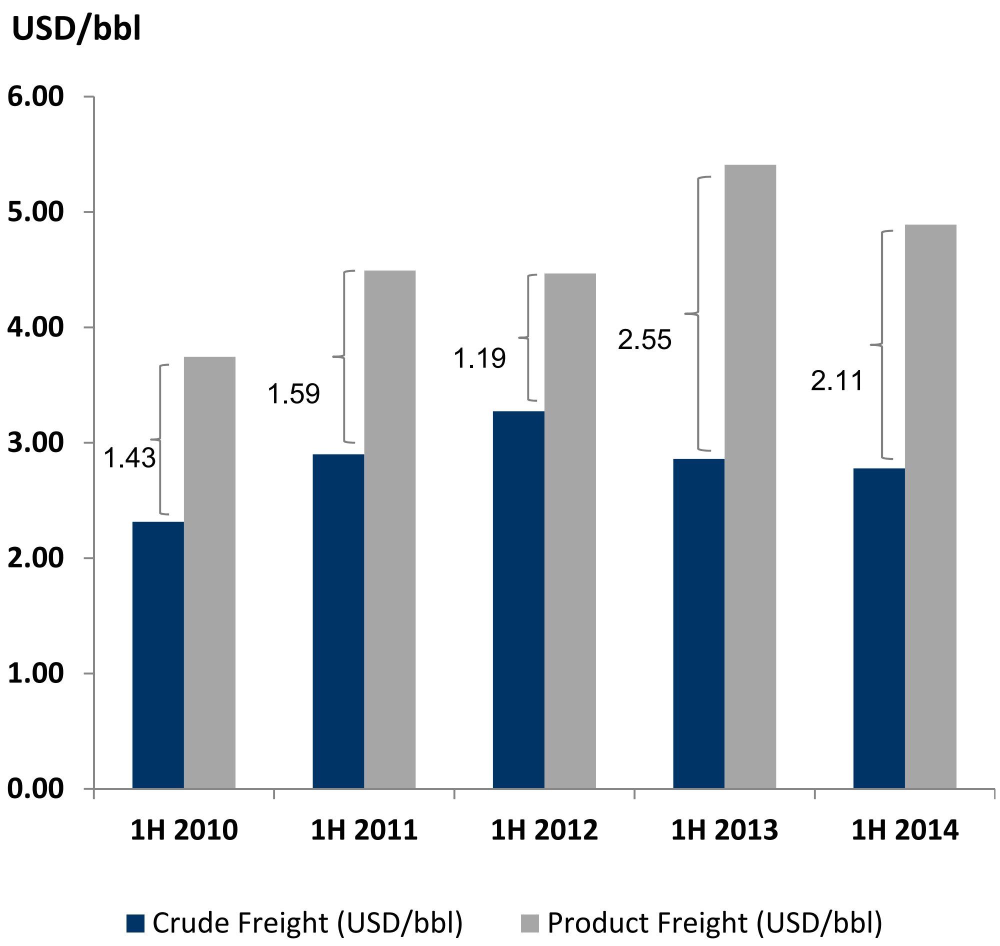
Refining & Supply Highlights

Lower freight differential driven by product freight rates

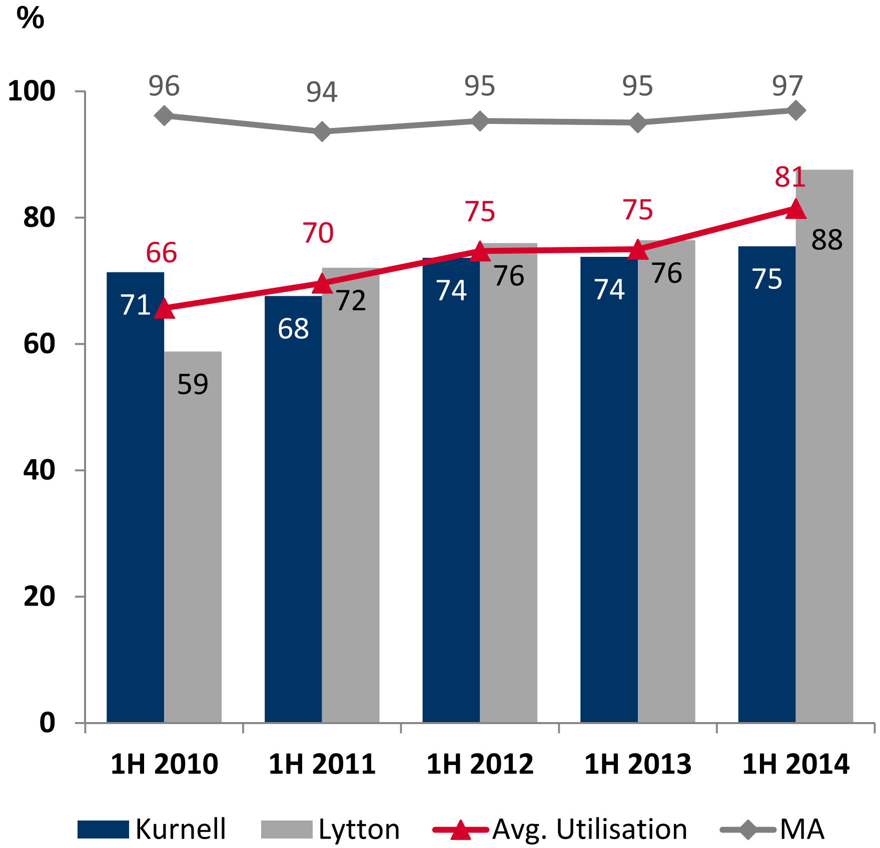


- Product freight rates fall on increased regional product shipping supply (down 9.6% to US$4.89/bbl, US$5.41/bbl pcp)
- Crude freight costs down 2.9% to average US$2.78/bbl (US$2.86/bbl pcp) due to a higher proportion of local and regional short haul crudes, despite higher market (world scale) rates
- West African (WAF) sourced crudes accounted for 33% of total sourced crude supplies (1H 2013: 41%)

Refining & Supply Highlights

Strong Lytton operational performance drives record first half production

Refinery utilisation (%) and Availability (%)



MA ≡ Mechanical Availability

Lytton delivers record 5 year (first half) performance for:

- Utilisation (88%);
- Mechanical Availability (97%);
- Yield (98.38%); and
- Production (2.8BL)

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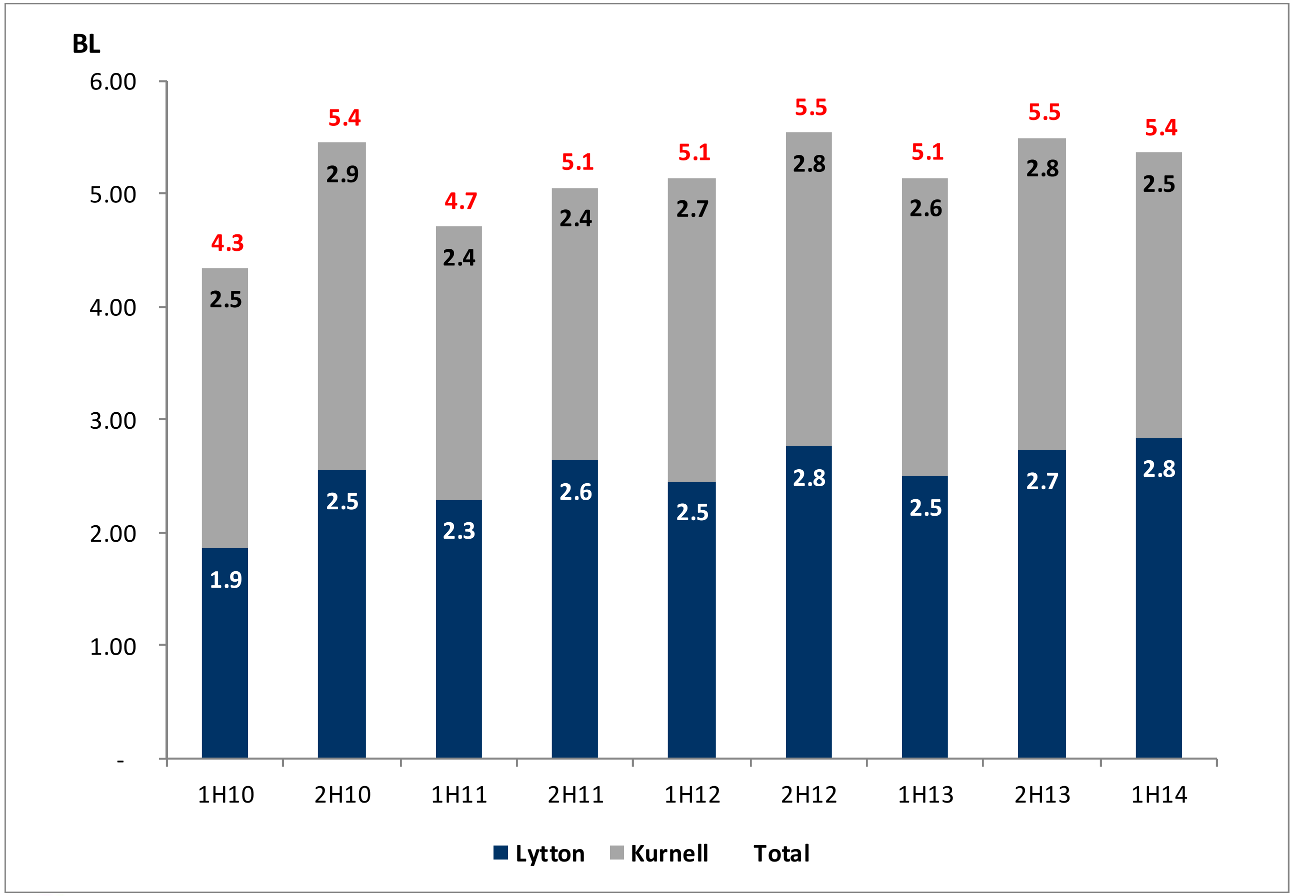
Refining & Supply Highlights

Strong Lytton operational performance drives record first half production

Refinery transport fuel production



- Lytton delivering on operational improvement plan
- Despite impending closure, Kurnell continues to operate safely and reliably

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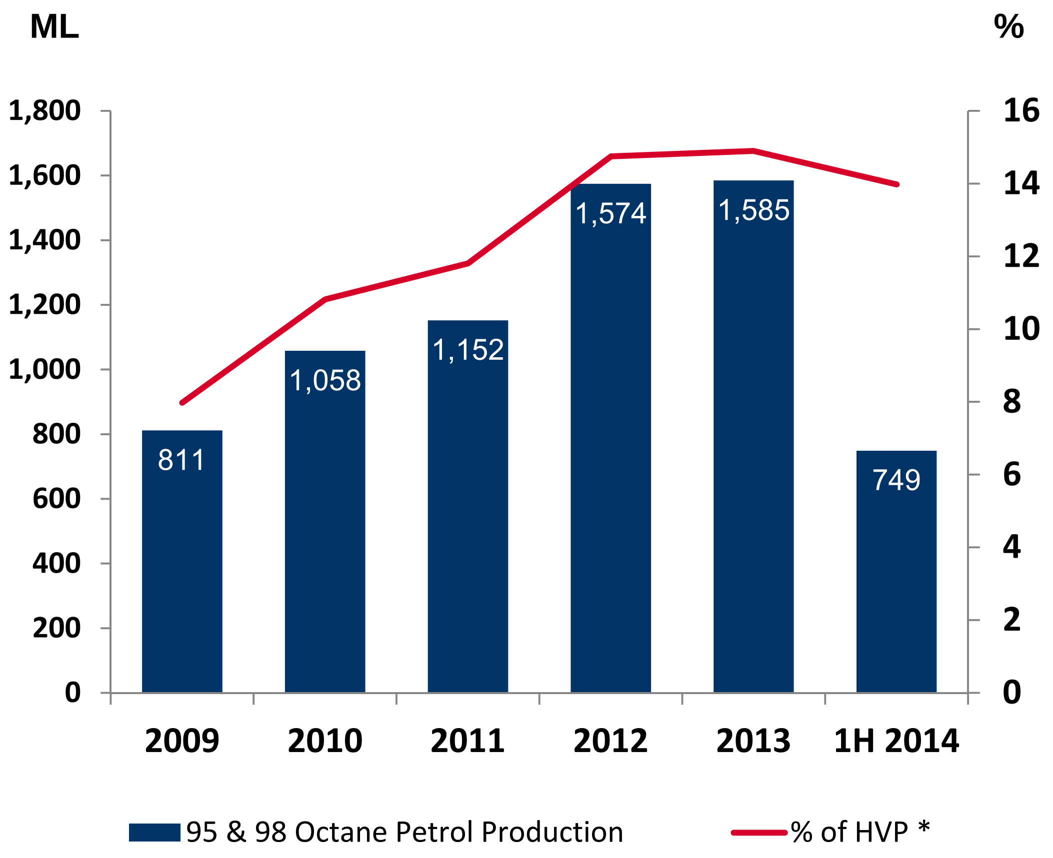
Enhanced Product Mix

Production of higher value products* increase at Lytton, Kurnell impacted by conversion



* Higher Value Products (HVP) include diesel, jet, premium and unleaded petrols.

- Lytton's HVP production up 14% compared to 1H 2013
- Overall decline in 1H 2014 due to impact of Kurnell conversion. Following planned FCCU shut down, premium petrol production fell 109ML (versus prior year)
- Modest Lytton HVP improvement post Lytton's ISOM upgrade (2015) anticipated

Refining & Supply Production Mix

Lytton's product slate (% of total volumes) assists earnings differential

	LYTTON			KURNELL		
	1H 2014	2013	2012	1H 2014	2013	2012
Diesel	38%	39%	40%	31%	29%	26%
Premium Petrols	13%	12%	13%	13%	16%	14%
Jet	12%	10%	10%	21%	20%	19%
	63%	**61%**	**63%**	**65%**	**65%**	**59%**
Unleaded Petrol	34%	35%	34%	26%	26%	29%
	97%	**96%**	**96%**	**91%**	**91%**	**87%**
Other	3%	4%	4%	9%	9%	13%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
Total production volume (BL)	**2.9**	**5.4**	**5.4**	**2.8**	**6.0**	**6.2**
High Value Production volume (BL)	**2.8**	**5.3**	**5.2**	**2.5**	**5.4**	**5.5**

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Refining & Supply

Profitable Lytton result, offset by sub-optimal Kurnell production; and conversion costs

Refining & Supply Result Composition			
EBIT ($ millions)		**1H14**	**1H13**
Lytton	- Underlying	47	68
	- Unplanned Outage/s	(7)	(22)
Lytton EBIT		**40**	**46**
Kurnell	- Underlying	(61)	19
	- Unplanned Outage/s	(10)	(7)
Kurnell EBIT		**(72)**	**12**
Supply	- Underlying	(44)	(39)
	- Kurnell closure and conversion	(13)	(9)
	- FX impact on USD payables and 7 day lag	24	(53)
Supply EBIT		**(33)**	**(101)**
Refining & Supply	- Underlying	(58)	48
	- Unplanned Outage/s	(17)	(29)
	- Kurnell closure and conversion	(13)	(9)
	- FX impact on USD payables and 7 day lag	24	(53)
Refining & Supply Total EBIT		**(65)**	**(43)**

- Lytton performed well, utilisation and high value product up – remains profitable, despite lower CRM
- Increased Kurnell losses due to lower CRM ($44m), lower yield ($20m) and more low value exports due to reduced tank availability ($21m)
- Kurnell closure and conversion costs include $6m relating to terminal set-up and Ampol Singapore costs
- Positive FX turnaround (FX volatility remains, despite 50% hedging policy)

AGENDA

Safety
Half Year 2014: Key Highlights
Strategy Update
Financial Highlights
Marketing & Distribution Highlights
Refining & Supply Highlights
Financial Discipline
Result Summary & Summary
Q&A
Appendices

Cost and Efficiency Review "Tabula Rasa"

Estimated restructuring costs (pre-tax) to be recognised in 2014

	$ million
Cash Costs	
- Redundancies	50-60
- Asset Rationalisation (primarily depot closures)	20-25
- Early repayment of final USPP tranche (net 2014 impact)	15
- Other Costs and Fees	20-25
Total Cash Costs	105-125
Non-Cash Costs	
- Asset Write-downs (primarily depots)	25-30
Total restructuring costs (pre-tax)	130-155

Timing of estimated cash out-flows:

- 2014: $60 million (including USPP early repayment)
- 2015: $45 million-$65 million

(indicative guidance only, subject to change)

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Strategy Update

Company-wide efficiency and organisation structure review – Benefits

	Expected Recurring Savings * ($m)
Head count reduction (approximately 350 FTEs)	40 - 50
Increased offshoring of IT services	10
Improved procurement of non-fuel goods and services via Singapore procurement function	10
Other cost and efficiency opportunities	20-30
Total Recurring Benefits	**80 - 100**

One off Benefits

- Expected one-off inventory reduction of around 1 million barrels in 2015 (incremental to original Kurnell inventory reduction of around 2 million barrels)
- Following early repayment of USPP, approximately $15m in interest savings over 16mth period from January 2015 to April 2016

* *Full annual run rate achieved in 2016*

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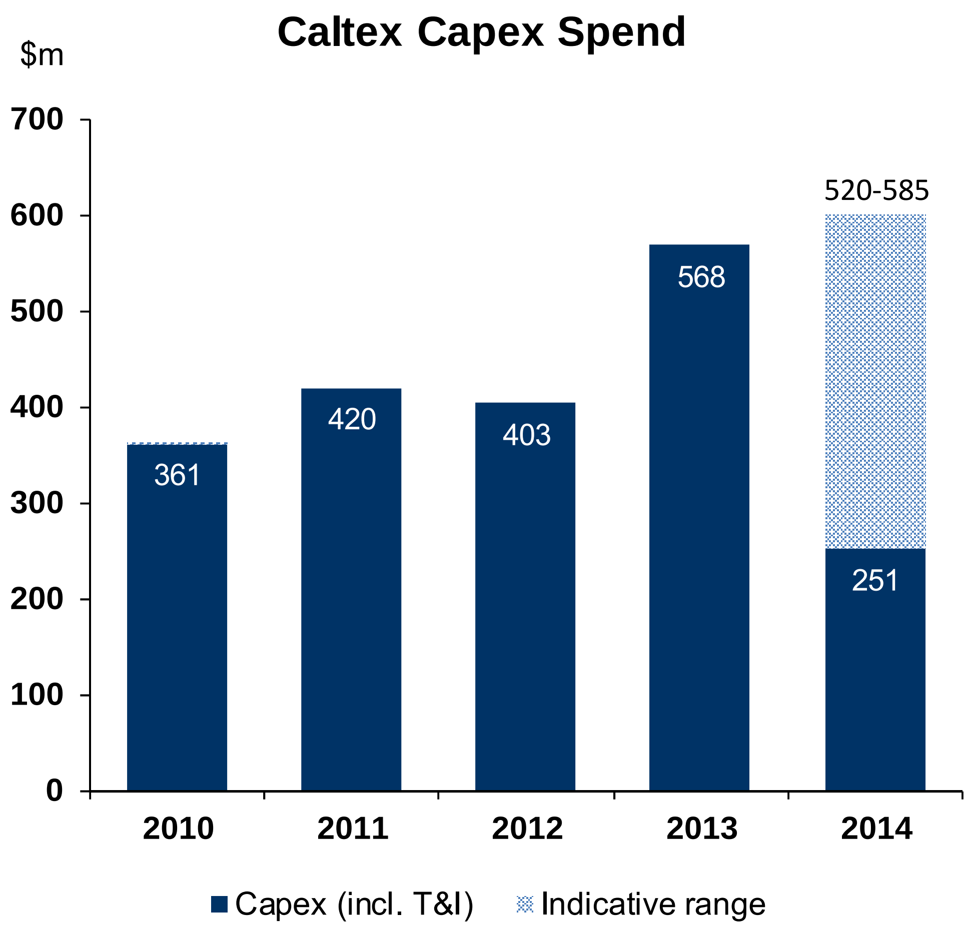
Capital Expenditure

Capital directed to grow Marketing & Distribution and ensure safe, efficient business



- 2014 total capex spend is forecast to be $520m - $585m (previously $580m - $670m)
- 1H 2014 actual total capex spend of $251m (includes Scott's Fuel Divisions acquisition capex, $77m within the total $95m outlay)
- Approximately $40 million of Kurnell conversion capex (wharf and tank conversions) deferred to 2015 (i.e. post refinery closure) for operational efficiency reasons

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Financial Discipline

Indicative Capital Expenditure, subject to change (includes T&I**)

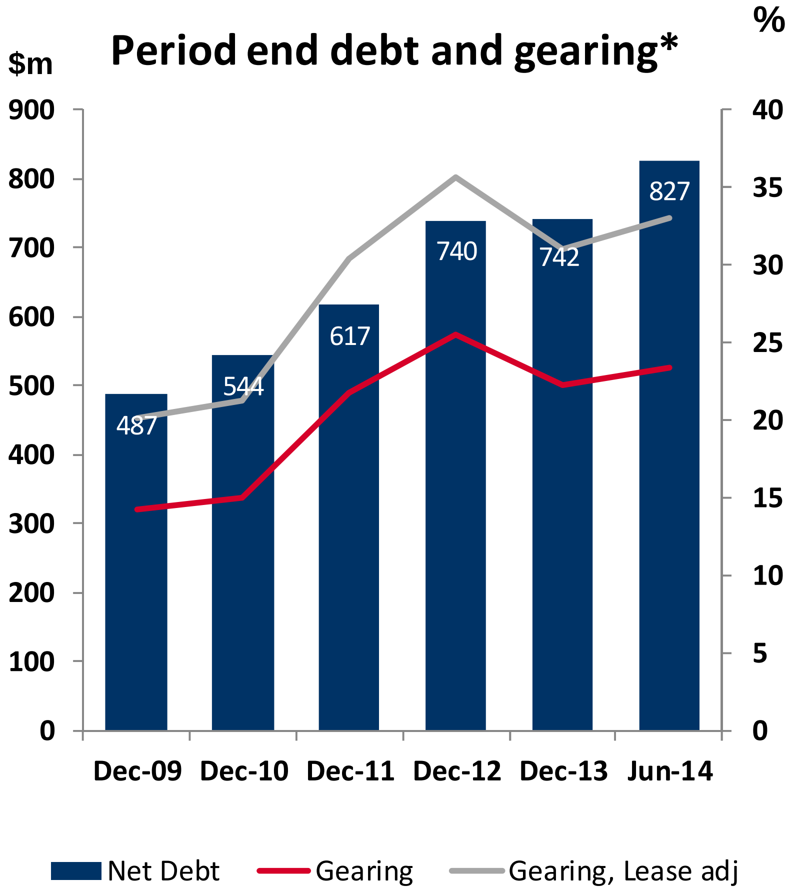
$ millions	Average (FY11-13 inclusive)	2013	1H 2014	2014 Forecast *
Marketing & Distribution				
- Stay in business	85	108	35	120-130
- Growth	148	173	125	215-225
	233	**281**	**160**	**335-355**
Refining & Supply (R&S) - Stay in business (including T&I **)				
i. Kurnell	71	39	15	25-35
ii. Lytton	64	93	20	40-50
iii. Supply	8	8	1	5-10
	143	140	37	70-95
Refining & Supply (R&S) - Other / Growth	**14**	**13**	**17**	**50-55**
Refining & Supply – Total	**157**	**153**	**54**	**120-150**
Kurnell Terminal Transition	64	127	36	60-70
Corporate – Other	7	7	2	5-10
Total	**462**	**568**	**251**	**520-585**

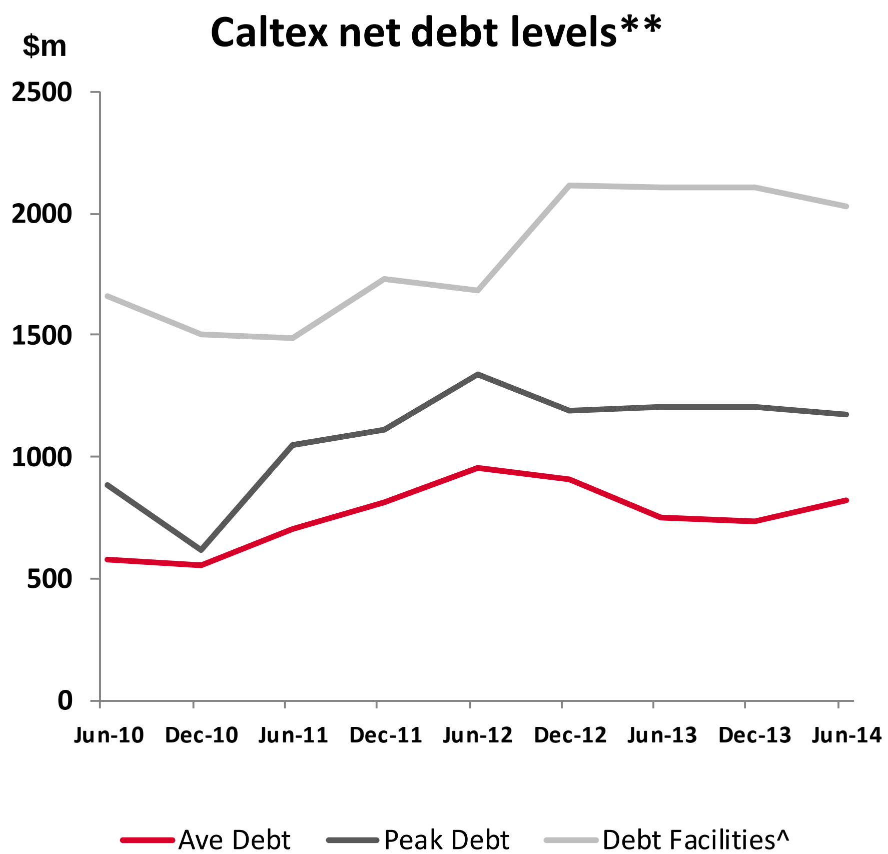
* Indicative ranges only. Includes Scott's Fuel Divisions acquisition in June 2014. Subject to change pending market conditions, opportunities, etc.

** T & I ≡ Turnaround & Inspection Δ Lytton improvement project

Financial Discipline

June 2014 net debt includes Scott's Fuel Divisions acquisition (total outlay $95m)





* Gearing = net debt / (net debt + equity); Gearing – Lease adjusted, adjusts net debt to include lease liabilities

** Average debt is the average level of debt through the year; Peak debt is the maximum daily debt through the year

^ Debt facilities includes committed facilities as at 30 June 2014.

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FX Hedging Policy

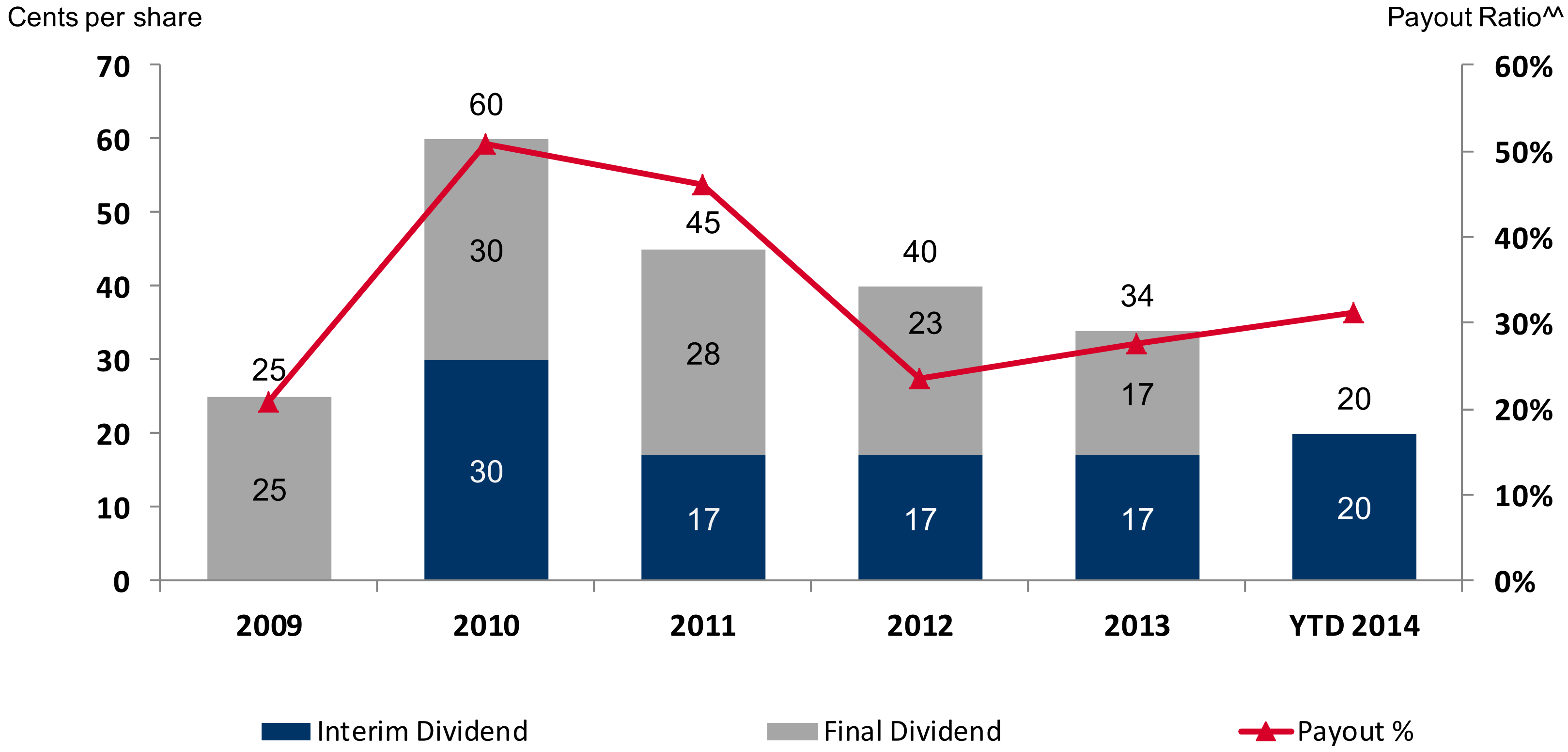
Review of FX Hedging policy (increasing hedging from 50% to 80% of net USD Payables)

- **Review of FX Hedging Strategy Completed**
  - Review undertaken following decision to close Kurnell refinery
- **Previous Policy:** 50% hedge of net USD exposure (using forward exchange contracts)
- **Policy Change:**
  - Transition to hedge 80% of net USD payables using a combination of forward exchange contracts and vanilla foreign exchange options
- **Objective:**
  - To further reduce earnings volatility associated with USD payables
  - Introduce the ability to participate in AUD strength through the use of foreign exchange options
- **Policy Implementation:** Effective 1 August 2014

Dividend

Interim dividend of 20 cents per share (2013: 17cps)

Caltex dividend history^



^ Dividends declared relating to the operating financial year period; all dividends fully franked

^^ Payout ratio of reported RCOP NPAT (20% - 40% payout, reflects the temporary reduction during the period leading to the successful closure of Kurnell refinery)

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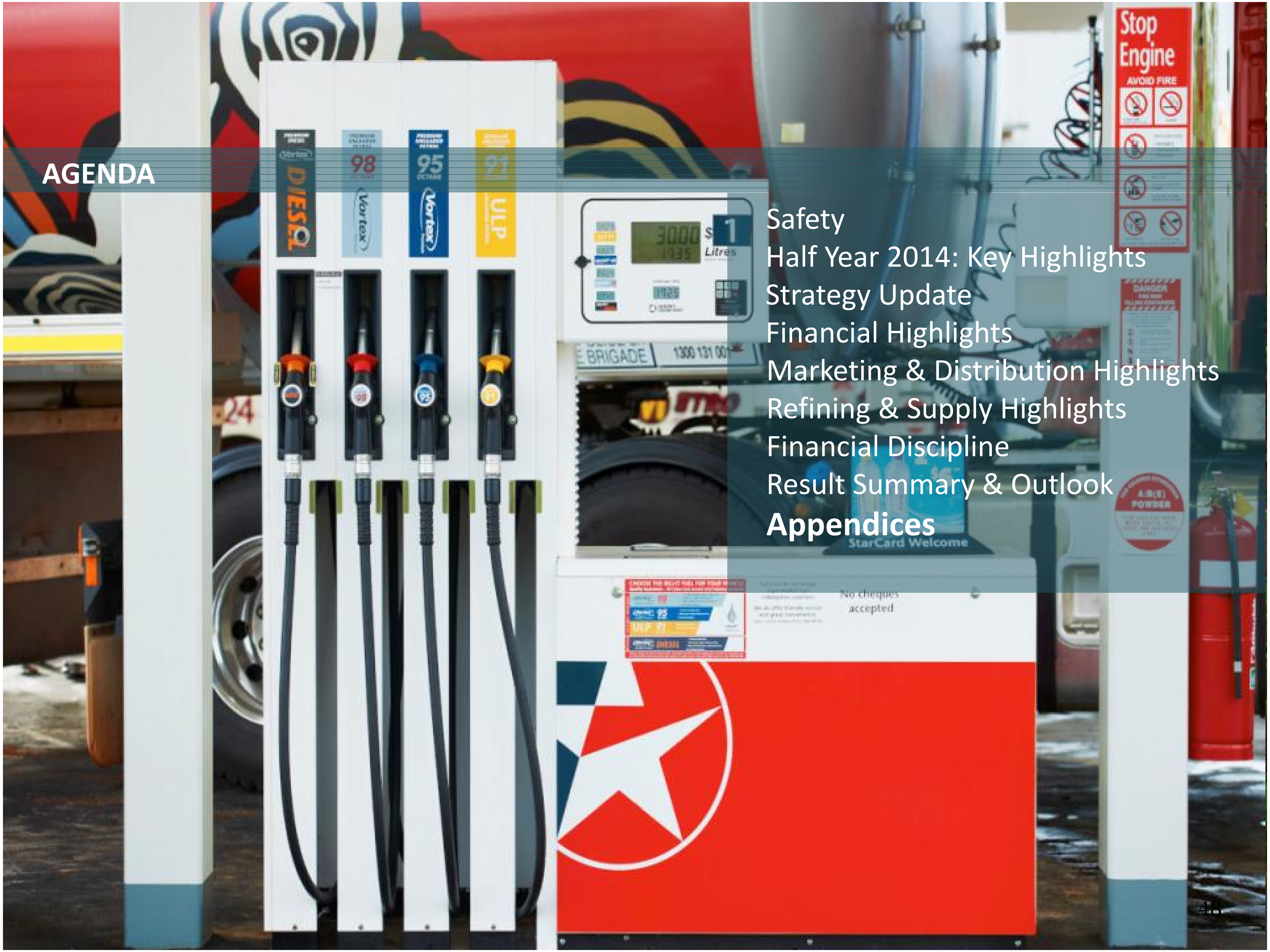
- Financial Discipline
- **Result Summary & Outlook**
- Q&A
- Appendices

RESULT SUMMARY & OUTLOOK

RESULT TAKE-AWAYS	• $173m RCOP NPAT, at upper end of recent profit guidance ($155m - $175m) • Marketing & Distribution earnings growth continues (another record half) • Refining & Supply impacted by lower CRM and anticipated operating inefficiencies during Kurnell conversion, despite record first half Lytton production • Supply chain restructure – Kurnell conversion to a major import terminal progressing on time, on budget – closure sequence to commence October 2014 • Fully franked interim dividend 20cps declared
SHORT-TERM OUTLOOK	• Marketing & Distribution growth expected to continue • Prioritise the optimisation of the entire supply chain - Conversion of Kurnell refinery to a leading import terminal remains on time, on budget. Closure sequence to commence October 2014 - Ampol Singapore product sourcing now operational - On-going focus on capturing further operational improvements and margin improvements at Lytton - Establishment of Value Chain Optimisation (VCO) function • Company-wide cost and efficiency review ("Tabula Rasa") under way (includes approximately 350 head count reduction) • Capital management strategy review in progress
SUMMARY	• Caltex is one integrated transport fuels company that is underpinned by comprehensive infrastructure with a diverse set of customers spanning consumer, commercial and wholesale • We have a clear strategy to grow earnings, reduce volatility of earnings and cash flow and increase balance sheet flexibility to maximise longer term shareholder returns

Q&A



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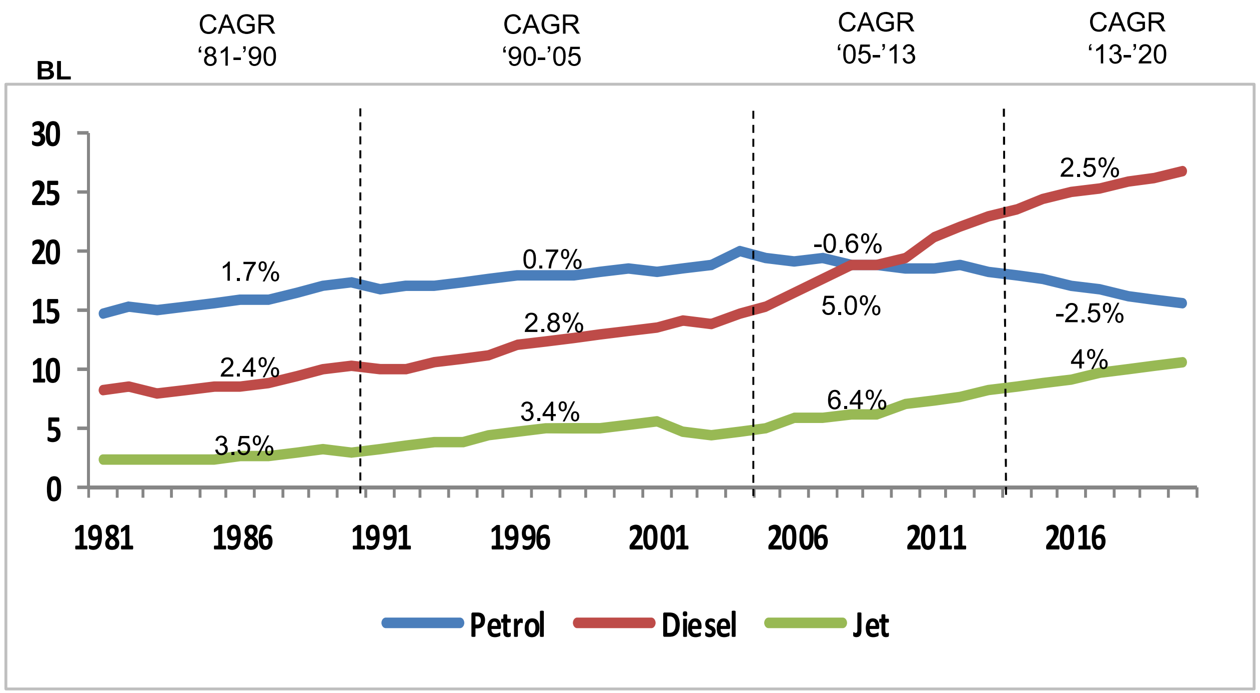
Appendix – Demand Growth

Transport Fuels demand growth (though moderating from previous estimates)



Source: ABARE, DRET & CTX Analysis

- Modest transport fuels demand growth forecast for Australia medium term
- Diesel demand underpinned by GDP growth, petrol substitution
- Petrol demand impacted by vehicle fuel efficiency improvements, diesel substitution
- Favourable petrol demand mix shift towards higher octane, premium petrol expected (new vehicle requirements, consumer preference)
- Continued jet fuel growth expected (increasing passenger travel)

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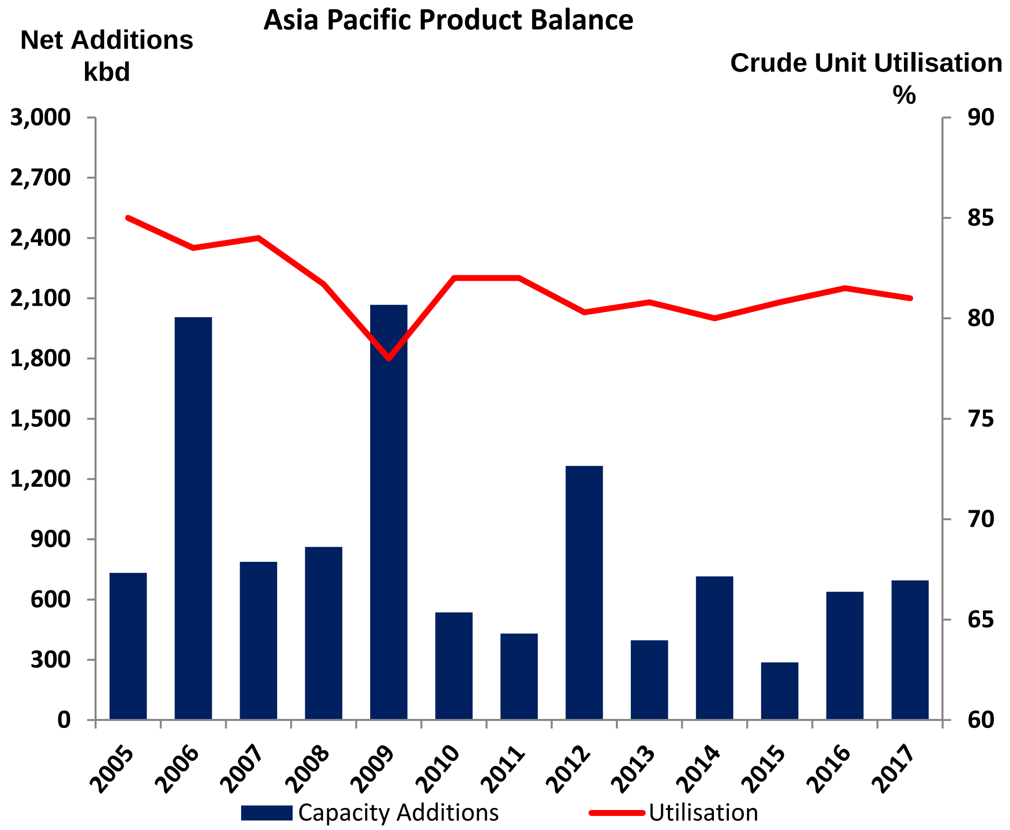
Appendix – Regional Supply Capacity

Regional refining utilisation anticipated to remain flat over medium term



Source: FACTS Global Energy April 2014 Forecast, Caltex estimates
Capacity additions are net of forecast closures

- New regional refining capacity additions should be partly offset by capacity closures in Japan (~400kbpd) and Caltex's Kurnell closure in 2014
- Meaningful capacity additions are expected from 2016 (China primarily)
- Asian product demand growth forecast +2.5% (2014), slightly below average growth over past decade (FACTS). Thereafter, demand growth expected to trend at ~2% out to 2020 (underpinned by steady growth in diesel and jet fuel)
- Refinery utilisation rates are expected to remain relatively flat over the next four years, as regional refining capacity additions match demand growth

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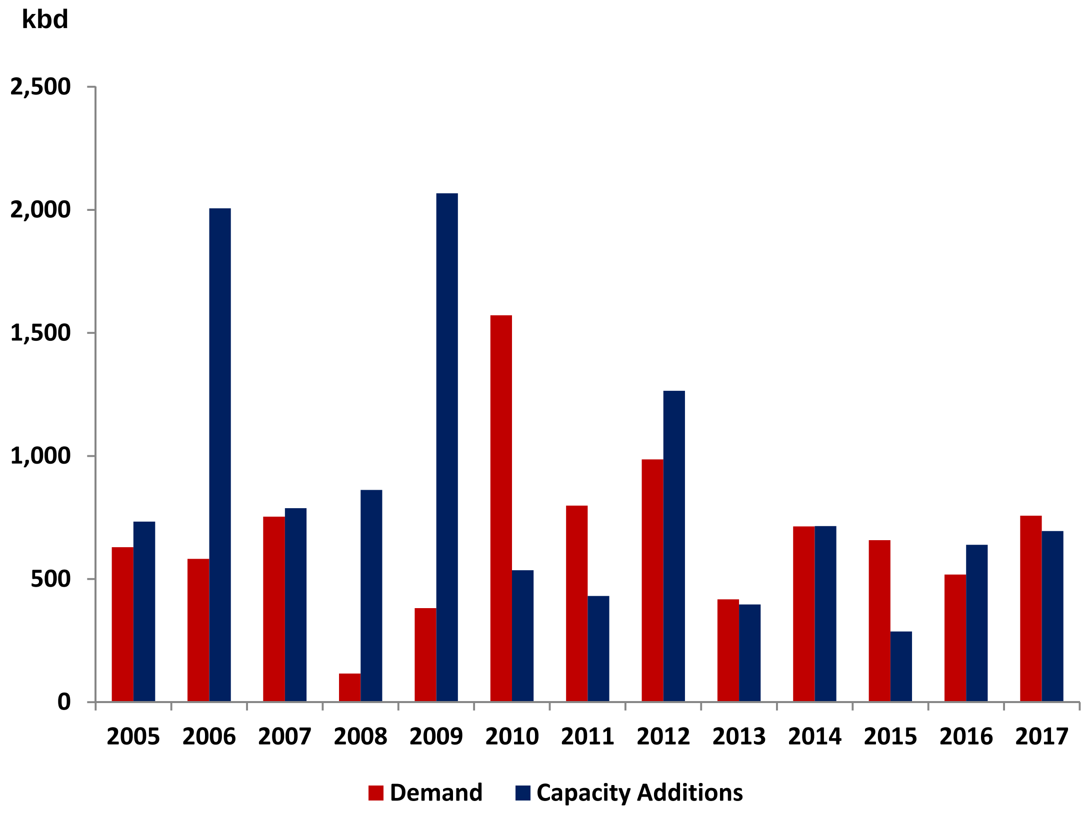
Appendix – Regional Supply and Demand

Asian and Middle East refining capacity additions will increase product supply out to 2017

Asia Pacific Product Demand Growth versus CDU Capacity Additions



Source: FACTS Global Energy April 2014 Forecast, Caltex estimates
Capacity additions are net of forecast closures

- 2014 regional product demand growth is projected to match net refining capacity additions (post closures in Australia and Japan)
- Post 2014, Asian capacity additions are projected to be matched by regional demand growth. However, significant refining capacity additions in the Middle East through 2015-16 should impact Asian product supplies
- The refining operating environment is therefore expected to remain challenging medium term (even allowing for possible commissioning delays)

Financial Discipline

Flexible Balance Sheet Supporting Growth and Company Transformation

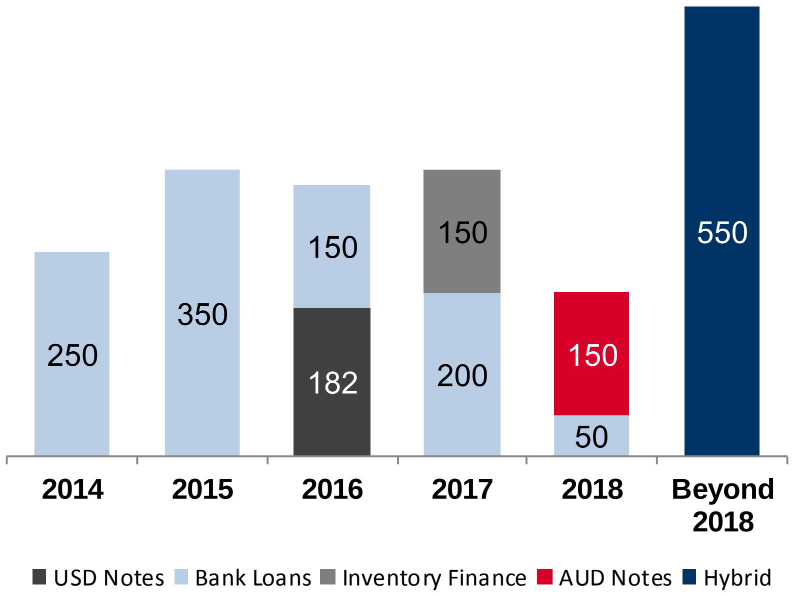
Diverse funding sources in excess of funding requirements

Current sources of funding

	A$m	Source
US$ notes*	182	US institutional
A$ notes	150	Australian and Asian institutional
Bank loans	1,000	Australian and global banks
Inventory finance	150	Australian bank
Hybrid	550	Australian and Asian retail and institutional investors
	$2,032m	

* Expected to be repaid in 2H 2014

Debt maturity profile



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Appendix

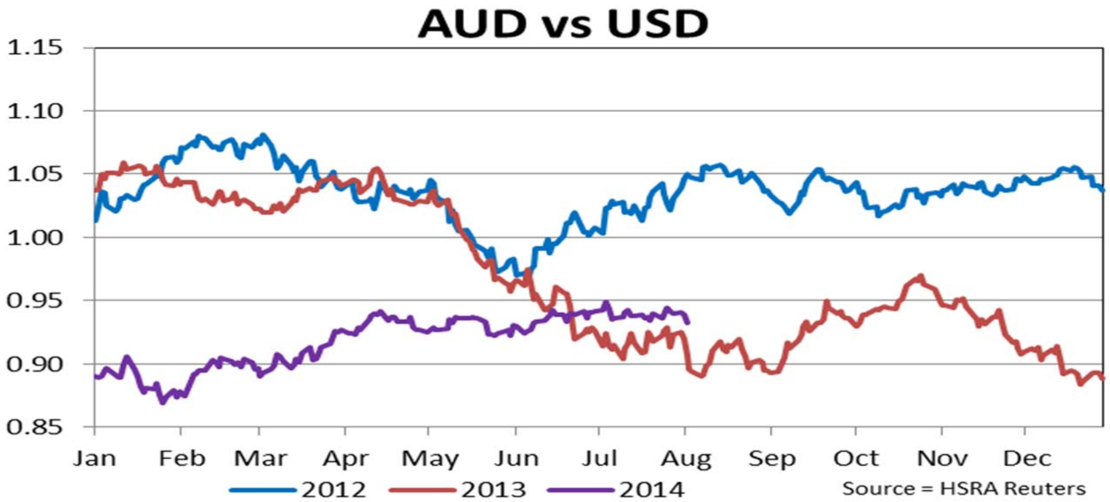
Kurnell Closure Cash-flow

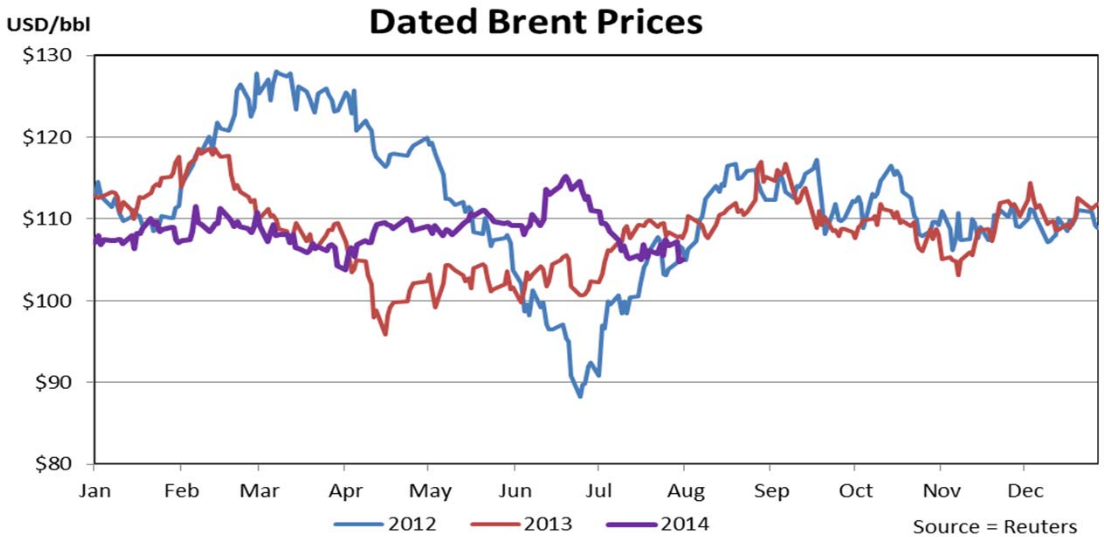
Item	Description	Indicative amount	Timing
Closure costs	Includes redundancy, decommissioning and remediation	$(430)m*	• Majority of redundancies to take place 4Q 2014 • Dismantling and removal 2015 • Remediation post removal
Terminal conversion costs	Conversion and expansion of current import facilities	$(270)m	• Work commenced 2012 • Refinery closure sequence to commence October 2014 • Residual wharf and tank upgrade work deferred to 2015 (post refinery closure)
Working capital release	Working capital (Requirements of operating a refined product import facility are lower than operating an oil refinery)	~$200m	• Estimated 2015 • Note: One off in nature • Estimated: 2m barrels @ US$100/BBL @ AUD USD1.00 • Ultimate benefit will depend on proportion amount of WAF sourced crude, crude prices, regional premiums, freight costs and currency at time of closure.
Tax credit	Benefit from tax write-down of assets	~$120m	• Tax benefit expected to be realised within 12 month period of closure (i.e. 2015) • Tax write-down of c.$400m in assets

* Pre-tax estimates

Appendix

AUD-USD Exchange Rate and Oil Prices





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Financials

Summary Financial Information

	1H 2014	2013	2012	2011	2010	2009
Dividends						
Dividends ($/share)	0.20	0.34	0.40	0.45	0.60	0.25
Dividend payout ratio - RCOP basis (excl. significant items)	31%	28%	24%	46%	51%	21%
Dividend franking percentage	100%	100%	100%	100%	100%	100%
Other data						
Total revenue ($m)	12,771	24,676	23,542	22,400	18,931	17,984
Earnings per share - HCOP basis (cents per share)	60	196	21	(264)	117	116
Earnings per share - RCOP basis (cents per share) (excl. significant items)	64	123	170	98	118	120
Earnings before interest and tax - RCOP basis ($m) (excl. significant items)	290	551	756	442	500	489
Operating cash flow per share ($/share)	0.76	2.25	1.48	1.65	1.59	2.50
Interest cover - RCOP basis (excl. significant items)	6.5	6.2	7.8	6.5	8.7	17.4
Return on capital employed - RCOP basis (excl. significant items)	5%	10%	16%	9%	9%	10%
Total equity ($m)	2,713	2,597	2,160	2,218	3,083	2,925
Return on equity (members of the parent entity) after tax - (HCOP basis)	6%	20%	3%	-32%	10%	11%
Total assets ($m)	6,141	6,021	5,386	4,861	5,291	4,952
Net tangible asset backing ($/share)	9.31	9.05	7.55	7.82	11.08	10.48
Net debt ($m)	827	742	740	617	544	487
Net debt to net debt plus equity	23%	22%	26%	22%	15%	14%

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This presentation for Caltex Australia Limited is designed to provide:

- an overview of the financial and operational highlights for the Caltex Australia Group for the 6 month period ended 30 June 2014; and
- a high level overview of aspects of the operations of the Caltex Australia Group, including comments about Caltex's expectations of the outlook for 2014 and future years, as at 25 August 2014.

This presentation contains forward-looking statements relating to operations of the Caltex Australia Group that are based on management's own current expectations, estimates and projections about matters relevant to Caltex's future financial performance. Words such as "likely", "aims", "looking forward", "potential", "anticipates", "expects", "predicts", "plans", "targets", "believes" and "estimates" and similar expressions are intended to identify forward-looking statements.

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