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ASX ANNOUNCEMENT



CALTEX AUSTRALIA LIMITED
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28 November 2014

Company Announcements Office
Australian Securities Exchange

CALTEX AUSTRALIA LIMITED
CALTEX REFINER MARGIN UPDATE (OCTOBER 2014)

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

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Company Secretary

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Attach.

ASX Release

For immediate release

28 November 2014

Caltex Refiner Margin Update (October 2014)

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

	October 2014	September 2014	October 2013
Unlagged CRM	US\$16.48/bbl	US\$15.80/bbl	US\$5.14/bbl
Impact of 7 day lag positive/(negative)	US\$4.17/bbl	US(\$0.29)/bbl	US\$1.31/bbl
Realised CRM	US\$20.65/bbl	US\$15.51/bbl	US\$6.45/bbl
CRM Sales from production	719ML	740ML	922ML

The October unlagged CRM was US\$16.48/bbl. This is above the prior month (September 2014: US\$15.80/bbl) and prior year comparative (US\$5.14/bbl). Regionally, the unlagged Caltex Singapore Weighted Average Margin was US\$13.89/bbl, lower than the prior month (September 2014: US\$14.42/bbl) but higher than the prior year (October 2013: US\$10.72/bbl).

Lower Brent crude oil prices and lower petrol product prices in the last week of October drove a favourable US\$4.17/bbl seven day timing lag (September unfavourable: US (\$0.29)/bbl).

October 2014 realised CRM was US\$20.65/bbl. This is above the prior month (September 2014: US\$15.51/bbl) and prior year comparative (October 2013: US\$6.45/bbl).

Sales from production in October 2014 (719ML) were below the prior year (October 2013: 922ML), reflecting the Kurnell closure process during the month, with all Kurnell refinery processing units now shut down, as disclosed in our ASX announcement on 14 October 2014.

For the ten months from 1 January 2014 to 31 October 2014, the average realised CRM was US\$11.27/bbl (2013: US\$10.35/bbl) with CRM sales from production broadly in line with prior year at 8,795ML (2013: 8,823ML).

Period end 31 October	YTD 2014	YTD 2013
Unlagged CRM	US\$10.48/bbl	US\$10.26/bbl
Realised CRM	US\$11.27/bbl	US\$10.35/bbl
CRM Sales from production	8,795ML	8,823ML

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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