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ASX ANNOUNCEMENT



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10 February 2015

Company Announcements Office
Australian Securities Exchange

CALTEX AUSTRALIA LIMITED
CALTEX REFINER MARGIN UPDATE (DECEMBER 2014)

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

10 February 2015

Caltex Refiner Margin Update (December 2014)

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

	December 2014	November 2014	December 2013
Unlagged CRM	US\$13.43/bbl	US\$15.33/bbl	US\$7.81/bbl
Impact of 7 day lag positive/(negative)	US\$11.68/bbl	US\$2.67/bbl	US(\$1.63)/bbl
Realised CRM	US\$25.10/bbl	US\$17.99/bbl	US\$6.18/bbl
CRM Sales from current production	499ML	471ML	771ML

The December unlagged CRM was US\$13.43/bbl. This is below the prior month (November 2014: US\$15.33/bbl), but higher than the prior year equivalent (US\$7.81/bbl). Regionally, the unlagged Caltex Singapore Weighted Average Margin was US\$12.73/bbl, lower than the prior month (November 2014: US\$14.26/bbl), but higher than the prior year (December 2013: US\$12.33/bbl).

Lower US\$ Brent crude oil prices (partially offset by a lower exchange rate), and stronger petrol and diesel product prices in the last week of December, drove a favourable US\$11.68/bbl seven day timing lag (November favourable: US\$2.67/bbl).

December 2014 realised CRM (including the favourable seven day timing lag) was US\$25.10/bbl. This is above the prior month (November 2014: US\$17.99/bbl) and the prior year equivalent (December 2013: US\$6.18/bbl).

Sales from current production in December 2014 (499ML) were below the prior year (December 2013: 771ML), reflecting the second full month of terminal operations following the closure of the Kurnell refinery.

For the twelve months from 1 January 2014 to 31 December 2014, the average realised CRM was US\$12.42/bbl (2013: US\$9.34/bbl) with CRM sales from production lower than prior year at 10,067ML (2013: 10,638ML), a function of the closure of the Kurnell refinery.

Period end 31 December	YTD 2014	YTD 2013
Realised CRM	US\$12.42/bbl	US\$9.34/bbl
Unlagged CRM	US\$11.03/bbl	US\$9.79/bbl
CRM Sales from production	10,067ML	10,638ML

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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