

# ASX Release

## For immediate release

### 6 March 2015

## Caltex Refiner Margin Update (January 2015)

Caltex advises its realised lagged<sup>1</sup> Caltex Refiner Margin (CRM<sup>2</sup>), in respect of CRM sales from production for the month of January 2015.

	January 2015	December 2014	January 2014
Unlagged CRM	US\$15.14/bbl	US\$13.43/bbl	US\$7.03/bbl
Impact of 7 day lag positive/(negative)	US\$5.22/bbl	US\$11.68/bbl	US\$0.50/bbl
Realised CRM	US\$20.36/bbl	US\$25.10/bbl	US\$7.53/bbl
CRM Sales from current production	534ML	499ML	953ML

The January unlagged CRM was US\$15.14/bbl. This is above the prior month (December 2014: US\$13.43/bbl) and prior year equivalent (US\$7.03/bbl).

Regionally, the unlagged Caltex Singapore Weighted Average Margin was US\$12.95/bbl, higher than both the prior month (December 2014: US\$12.73/bbl) and prior year (January 2014: US\$12.22/bbl).

A favourable US\$5.22/bbl seven day timing lag was recorded (December favourable: US\$11.68/bbl), due to lower Brent prices in the last week of January compared to the last week of December.

January 2015 realised CRM was US\$20.36/bbl, below December 2014 of US\$25.10/bbl, but above the prior year comparative (January 2014: US\$7.53/bbl).

Sales from production in January 2015 (534ML) were below the prior year equivalent (January 2014: 953ML) when both Lytton and Kurnell refineries were operating, and higher than the preceding month (December 2014: 499ML), when only Lytton refinery was operating (following the closure of Kurnell refinery).

### 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 (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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