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ASX ANNOUNCEMENT



CALTEX AUSTRALIA LIMITED
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SYDNEY NSW 2000 AUSTRALIA

25 March 2015

Company Announcements Office
Australian Securities Exchange

CALTEX AUSTRALIA LIMITED
CALTEX REFINER MARGIN UPDATE (FEBRUARY 2015)

An *ASX Release* titled "Caltex Refiner Margin Update (February 2015)" 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
25 March 2015

Caltex Refiner Margin Update (February 2015)

Caltex advises its realised lagged¹ Caltex Refiner Margin (CRM²), in respect of CRM sales from production for the month of February 2015.

	February 2015	January 2015	February 2014
Unlagged CRM	US\$13.18/bbl	US\$15.14/bbl	US\$7.92/bbl
Impact of 7 day lag positive/(negative)	US(\$7.87)/bbl	US\$5.22/bbl	US\$0.21/bbl
Realised CRM	US\$5.31/bbl	US\$20.36/bbl	US\$8.13/bbl
CRM Sales from current production	479ML	534ML	789ML

The February unlagged CRM was US\$13.18/bbl. This is below the prior month (January 2015: US\$15.14/bbl) but above the prior year equivalent (US\$7.92/bbl).

Regionally, the unlagged Caltex Singapore Weighted Average Margin was US\$13.62/bbl, higher than both the prior month (January 2015: US\$12.95/bbl) and prior year (February 2014: US\$12.88/bbl).

An unfavourable US(\$7.87)/bbl seven day timing lag was recorded (January 2015 favourable: US\$5.22/bbl), due to higher Brent prices in the last week of February compared to the last week of January.

The unfavourable seven day timing lag contributed to a February 2015 realised CRM of US\$5.31/bbl, which is below January 2015 of US\$20.36/bbl and the prior year comparative (February 2014: US\$8.13/bbl).

Sales from production in February 2015 (479ML) were below the prior year equivalent (February 2014: 789ML) when both Lytton and Kurnell refineries were operating, and lower than the preceding month (January 2015: 534ML), reflecting the shorter operating month.

For the two months from 1 January 2015 to 28 February 2015, the average realised CRM was US\$13.24/bbl (2014: US\$7.80/bbl) with CRM sales from production totalling 1,014ML (2014:1,742ML).

Period end 28 February	YTD 2015	YTD 2014
Realised CRM	US\$13.24/bbl	US\$7.80/bbl
Unlagged CRM	US\$14.21/bbl	US\$7.43/bbl
CRM Sales from production	1,014ML	1,742ML

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.

Analyst contact

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