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ASX ANNOUNCEMENT



CALTEX AUSTRALIA LIMITED
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1 September 2015

Company Announcements Office
Australian Securities Exchange

CALTEX AUSTRALIA LIMITED
CALTEX REFINER MARGIN UPDATE (JULY 2015)

An ASX release titled "Caltex Refiner Margin Update (July 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

ASX Release

For immediate release
1 September 2015

Caltex Refiner Margin Update (July 2015)

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

	July 2015	1H2015	July 2014
Unlagged CRM	US\$16.50/bbl	US\$16.27/bbl	US\$11.49/bbl
Impact of pricing lag positive/(negative)	US\$1.04bbl	US(\$0.27)/bbl	US\$2.09/bbl
Realised CRM	US\$17.54/bbl	US\$16.00/bbl	US\$13.58/bbl
CRM Sales from current production	434ML	2,416ML	951ML

The July unlagged CRM was US\$16.50/bbl. This is above the first half average (1H2015: US\$16.27/bbl) and prior year monthly comparative (US\$11.49/bbl). Regionally, the unlagged Caltex Singapore Weighted Average Margin was US\$15.42/bbl, higher than the first half (1H2015: US\$15.13/bbl) and prior year (July 2014: US\$14.14/bbl).

Lower Brent prices, partially offset by higher petrol and diesel refiner margins in the last week of July, drove a favourable US\$1.04/bbl pricing lag (1H2015 unfavourable: US(\$0.27)/bbl). The July 2015 realised CRM was US\$17.54/bbl, above 1H2015 of US\$16.00/bbl and the prior year comparative (July 2014: US\$13.58/bbl).

Sales from production in July 2015 (434ML) were below the prior year equivalent (July 2014: 951ML) when both Lytton and Kurnell refineries were operating. The July sales from production was impacted by the mix of sales from production and imported product, sourced during the refinery planned Turnaround and Inspection (T&I) during May and June.

For the seven months from 1 January 2015 to 31 July 2015, the average realised CRM was US\$16.24/bbl (2014: US\$9.84/bbl) with CRM sales from production totalling 2,850ML (2014: 6,500ML).

Period end 31 July	YTD 2015	YTD 2014
Realised CRM	US\$16.24/bbl	US\$9.84/bbl
Unlagged CRM	US\$16.31/bbl	US\$9.30/bbl
CRM Sales from production	2,850ML	6,500ML

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 volume and margin, Lubricants and Specialties volume and margin, Non-Fuel Income and Other Margin less Operating Expenses.

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