

BY ELECTRONIC LODGEMENT

ASX ANNOUNCEMENT



CALTEX AUSTRALIA LIMITED
ACN 004 201 307

LEVEL 24, 2 MARKET STREET
SYDNEY NSW 2000 AUSTRALIA

26 November 2015

Company Announcements Office
Australian Securities Exchange

CALTEX AUSTRALIA LIMITED

CALTEX REFINER MARGIN UPDATE (OCTOBER 2015)

An ASX release titled "Caltex Refiner Margin Update (October 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
26 November 2015

Caltex Refiner Margin Update (October 2015)

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

	October 2015	September 2015	October 2014
Unlagged CRM	US\$16.23/bbl	US\$18.05/bbl	US\$16.48/bbl
Impact of pricing lag positive/(negative)	US(\$0.57)/bbl	US(\$0.77)/bbl	US\$4.17/bbl
Realised CRM	US\$15.66/bbl	US\$17.28/bbl	US\$20.65/bbl
CRM Sales from current production	580ML	514ML	719ML

The October unlagged CRM was US\$16.23/bbl. This is below the prior month (September 2015: US\$18.05/bbl) and prior year equivalent (US\$16.48/bbl). Regionally, the unlagged Caltex Singapore Weighted Average Margin was US\$13.46/bbl, below the prior month (September 2015: US\$14.48/bbl) and prior year (September 2014: US\$13.89/bbl).

The higher AUD/USD exchange rate and higher petrol and diesel refiner margins in the last week of October drove an unfavourable (US\$ 0.57)/bbl pricing lag (September unfavourable: (US \$0.77)/bbl).

The October 2015 realised CRM was US\$15.66/bbl, below the September 2015 CRM of US\$17.28/bbl and prior year comparative (October 2014: US\$20.65/bbl).

Sales from production in October 2015 (580ML) were below the prior year equivalent (October 2014: 719ML) when both Lytton and Kurnell refineries were operating, but above the strong Lytton production performance in the preceding month (September 2015: 514ML).

For the ten months from 1 January 2015 to 31 October 2015, the average realised CRM was US\$16.66/bbl (2014: US\$11.27/bbl) with CRM sales from production totalling 4,448ML (2014: 8,795ML). Year to date (YTD) sales from production in 2015 were impacted by the major Lytton planned maintenance program undertaken in May and June.

Period end 31 October	YTD 2015	YTD 2014
Realised CRM	US\$16.66/bbl	US\$11.27/bbl
Unlagged CRM	US\$16.72/bbl	US\$10.48/bbl
CRM Sales from production	4,448ML	8,795ML

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.

Analyst contact

Rohan Gallagher
Head of Investor Relations
Phone: 02 9250 5247
Email: rohan.gallagher@caltex.com.au