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ASX ANNOUNCEMENT



CALTEX AUSTRALIA LIMITED
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15 December 2015

Company Announcements Office
Australian Securities Exchange

CALTEX AUSTRALIA LIMITED

CALTEX REFINER MARGIN UPDATE (NOVEMBER 2015)

An ASX release titled "Caltex Refiner Margin Update (November 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
15 December 2015

Caltex Refiner Margin Update (November 2015)

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

	November 2015	October 2015	November 2014
Unlagged CRM	US\$14.42/bbl	US\$16.23/bbl	US\$15.33/bbl
Impact of pricing lag positive/(negative)	US(\$0.71)bbl	US(\$0.57)bbl	US\$2.67/bbl
Realised CRM	US\$13.71/bbl	US\$15.66/bbl	US\$17.99/bbl
CRM Sales from production	462ML	580ML	471ML

The November unlagged CRM was US\$14.42/bbl. This is below the prior month (October 2015: US\$16.23/bbl) and prior year equivalent (US\$15.33/bbl). Regionally, the unlagged Caltex Singapore Weighted Average Margin was US\$14.67bbl, above the prior month (October 2015: US\$13.46/bbl) and prior year (November 2014: US\$14.26/bbl).

Lower Brent crude oil prices slightly offset by higher petrol and diesel refiner margins in the last week of November drove an unfavourable (US\$ 0.71)/bbl pricing lag (October unfavourable: (US \$0.57)/bbl).

The November 2015 realised CRM was US\$13.71/bbl, below the October 2015 CRM of US\$15.66/bbl and prior year comparative (November 2014: US\$17.99/bbl).

Sales from production in November 2015 (462ML) were below the prior month (October 2015: 580ML) and the prior year equivalent (November 2014: 471ML).

For the eleven months from 1 January 2015 to 30 November 2015, the average realised CRM was US\$16.38/bbl (2014: US\$10.73/bbl) with CRM sales from production totalling 4,910ML (2014: 9,266ML). 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 30 November	YTD 2015	YTD 2014
Realised CRM	US\$16.38/bbl	US\$10.73/bbl
Unlagged CRM	US\$16.51/bbl	US\$11.61/bbl
CRM Sales from production	4,910ML	9,266ML

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

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