BY ELECTRONIC LODGEMENT **ASX ANNOUNCEMENT**

CALTEX AUSTRALIA LIMITED
ACN 004 201 307

LEVEL 24, 2 MARKET STREET
SYDNEY NSW 2000 AUSTRALIA

17 December 2015

Company Announcements Office

Australian Securities Exchange

CALTEX AUSTRALIA LIMITED

2015 FULL YEAR PROFIT OUTLOOK

An ASX release titled “2015 Full Year Profit Outlook” is attached for immediate release to the market.

Peter Lim
Company Secretary

CALTEX

Caltex Australia

ASX Release

For immediate release
Thursday 17 December 2015
2015 full year profit outlook

Key points:

- **Full year historic cost profit after tax (HCOP) outlook $560 million - $580 million, including significant items**
- **Record full year RCOP[1] NPAT outlook $615 million - $635 million, excluding significant items**
- **Underlying Supply & Marketing result up 5% to approximately $675 million EBIT**
- **Excellent Lytton refinery operational performance, capitalising on strong refiner margins**
- **Significant items of approximately $29 million (gain after tax), relating to the previously announced first half sale of surplus land**
- **Net debt forecast to be approximately $420 million, reflecting higher earnings and the favourable impact of lower crude oil prices**

Results guidance	**Full Year ended 31 December**	
	2015 outlook	**2014**
Historic Cost result after tax	**$M**	**$M**
Including significant items	$560 - 580	$20
Excluding significant items	$530 - 550	$132
RCOP result:		
After tax		
Excluding significant items	**$615 - 635**	**$493**
Before interest and tax		
Excluding significant items	$955 - 985	$795

Historic cost profit

On an historic cost profit basis, Caltex expects an after tax profit in the range of $560 million to $580 million for the 2015 full year, including a profit relating to significant items of approximately $29 million after tax. This compares with the 2014 full year profit of $20 million, which included a loss relating to significant items of $112 million after tax. The 2015 outlook includes a forecast product and crude oil inventory loss of approximately $85 million after tax, reflecting the fall in Brent crude oil prices and the offsetting impact of the lower Australian dollar. This compares with an inventory loss of $361 million after tax in 2014.

Replacement Cost Operating Profit (RCOP)

On an RCOP basis, Caltex forecasts an after tax profit for the 2015 full year of $615 million to $635 million, excluding significant items. This outlook compares with an RCOP after tax profit of $493 million for the 2014 full year, excluding significant items. The overall result reflects an improved

[1] The replacement cost of sales operating profit (RCOP) excludes the impact of the fall or rise in oil and product prices (a key external factor) and presents a clearer picture of the company's underlying business performance. It is calculated by restating the cost of sales using the replacement cost of goods sold rather than the historic cost, including the effect of contract based revenue lags.

Supply & Marketing result incorporating the now established Ampol Singapore sourcing and supply operations and company-wide Tabula Rasa benefits (cost and capital efficiencies), offset by the ongoing competitiveness of wholesale and commercial markets and additional costs of operating the new Kurnell terminal. Favourable US dollar denominated refiner margins, supported by a lower Australian dollar, have underpinned a record Lytton refinery forecast financial result.

Supply & Marketing continues to focus on optimising the entire value chain from product sourcing to the customer. The recent change in our business model, including the establishment and ramp-up of our Ampol Singapore sourcing operations is enabling Caltex to capture opportunities as we optimise the integrated value chain.

Supply & Marketing is expected to deliver an EBIT result of approximately $670 million. This result includes a realised loss on US dollar denominated product payables of approximately $20 million (2014 loss of $26 million) less a price timing lag gain of approximately $15 million (versus a 2014 price timing lag gain of $102 million). Excluding these externalities, the underlying Supply & Marketing EBIT of around $675 million, is up approximately 5% on the comparable 2014 result.

Total sales volumes are 5% below last year, reflecting highly competitive commercial markets and the timing of some major supply contracts. From a product mix perspective, Caltex continues to drive premium fuels sales (including Vortex Diesel). Higher sales of premium grades of petrol and retail diesel continue to offset the long term decline in demand for unleaded petrol, including E10. The increased penetration of premium Vortex products has been underpinned by targeted investment in growth, including new retail service stations, the refurbishment of existing service stations and increased marketing spend.

The Lytton Refinery is expected to deliver a record EBIT contribution of approximately $400 million for the 2015 full year. This compares with an EBIT contribution of $218 million for 2014 and a 2015 first half EBIT of $134 million. The 2015 forecast result has benefitted from a strong operating performance following Lytton refinery's major first half Turnaround & Inspection (T&I) that has enabled the refinery to take advantage of these favourable conditions. This result also includes T&I related supply costs of approximately $23 million ($20 million previously allocated to Supply and Marketing, within the first half results).

The realised Caltex Refiner Margin (CRM)[2] is forecast to average approximately US$16.00/bbl for the 2015 full year. This reflects a November 2015 year to date average CRM of US$16.38/bbl compared with the 2015 first half (US$16.00/bbl) and the 2014 full year (US$12.42/bbl). A strong Singapore Weighted Average Margin has been boosted by lower crude premiums, net freight costs and yield loss, year on year.

Corporate costs are forecast to approximate $105 million. This is higher than 2014 ($81 million), reflecting higher bonuses accrued in relation to the strong 2015 financial performance and increased investment in technology and new capabilities, including business development.

Debt position

Net debt at 31 December 2015 is forecast to be approximately $420 million, compared with $715 million at 30 June 2015 and $639 million at 31 December 2014. The lower forecast debt has been driven by stronger second half earnings, Tabula Rasa related working capital reductions and the net impact of lower crude prices and a lower Australian dollar.

Notes

The forecast results for the 2015 full year are unaudited.

The forecast results assume a December year end AUD/USD exchange rate of 72 cents, a December average realised CRM of US$14.00/bbl and an average Dated Brent crude oil benchmark price of US$40/bbl for December.

Volatility in crude oil prices and the AUD/USD exchange rate can materially impact the forecast result and cashflow, and the company advises that even small changes in these key externalities during the

[2] The Caltex Refiner Margin (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 calculation represents: average Singapore refiner margin + product quality premium + crude discount/(premium) + product freight - crude freight - yield loss.

balance of the month of December 2015 can materially affect both the RCOP and historic results for the full year.

Analyst contact:
Rohan Gallagher
Investor Relations Manager
Phone: 02 9250 5247
Email: rohan.gallagher@caltex.com.au

Media contact:
Sarah Rose
Head of Corporate Communications and Media
Phone: 02 9250 5727
Email: srose@caltex.com.au