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ASX ANNOUNCEMENT



CALTEX AUSTRALIA LIMITED
ACN 004 201 307

LEVEL 24, 2 MARKET STREET
SYDNEY NSW 2000 AUSTRALIA

3 May 2016

Company Announcements Office
Australian Securities Exchange

CALTEX AUSTRALIA LIMITED
CALTEX REFINER MARGIN UPDATE (MARCH 2016)

An ASX release titled "Caltex Refiner Margin Update (March 2016)" 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

3 May 2016

Caltex Refiner Margin Update (March 2016)

Caltex advises its realised lagged¹ Caltex Refiner Margin (CRM²), in respect of CRM sales from production for the month of March 2016.

	March 2016	February 2016	March 2015
Unlagged CRM	US\$10.58/bbl	US\$8.30/bbl	US\$20.03/bbl
Impact of pricing lag positive/(negative)	US(\$0.84)/bbl	US\$0.14/bbl	US\$0.63/bbl
Realised CRM	US\$9.74/bbl	US\$8.44/bbl	US\$20.66/bbl
CRM Sales from production	514ML	435ML	487ML

The March unlagged CRM was US\$10.58/bbl. This is above the prior month (February 2016: US\$8.30/bbl) but below the prior year equivalent (US\$20.03/bbl). Regionally, the unlagged Caltex Singapore Weighted Average Margin was US\$11.26/bbl, above the prior month (February 2016: US\$10.01/bbl) but below the prior year equivalent (March 2015: US\$17.09/bbl).

Higher Brent crude oil prices in the last week of March drove an unfavourable US\$0.84/bbl pricing lag (February favourable pricing lag: US\$0.14/bbl).

The March 2016 realised CRM was US\$9.74/bbl, above the February 2016 CRM of US\$8.44/bbl but below the prior year comparative (March 2015: US\$20.66/bbl).

Sales from production in March 2016 (514ML) were above the prior month (February 2016: 435ML) and the prior year equivalent (March 2015: 487ML).

For the three months from 1 January 2016 to 31 March 2016, the average realised CRM was US\$10.65/bbl (2015: US\$15.65/bbl) with CRM sales from production totalling 1,443ML (2015:1,500ML).

Period end 31 March	YTD 2016	YTD 2015
Realised CRM	US\$10.65/bbl	US\$15.65/bbl
Unlagged CRM	US\$10.65/bbl	US\$16.10/bbl
CRM Sales from production	1,443ML	1,500ML

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.

3. 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.

Analyst contact

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