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ASX ANNOUNCEMENT



**CALTEX AUSTRALIA LIMITED**  
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3 August 2016

Company Announcements Office  
Australian Securities Exchange

**CALTEX AUSTRALIA LIMITED**  
**CALTEX REFINER MARGIN UPDATE (JUNE 2016)**

An ASX release titled "Caltex Refiner Margin Update (June 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<sup>rd</sup> August 2016

## Caltex Refiner Margin Update (June 2016)

Caltex advises its realised lagged<sup>1</sup> Caltex Refiner Margin (CRM<sup>2</sup>), in respect of CRM sales from production for the month of June 2016.

	June 2016	May 2016
Unlagged CRM	US\$11.08/bbl	US\$9.88/bbl
Impact of pricing lag positive/(negative)	US\$0.52/bbl	US(\$1.03)/bbl
Realised CRM	US\$11.60/bbl	US\$8.84/bbl
CRM Sales from production	484ML	444ML

The June unlagged CRM was US\$11.08/bbl. This is above the prior month (May 2016: US\$9.88/bbl). Regionally, the unlagged Caltex Singapore Weighted Average Margin was US\$10.88/bbl, above the prior month (May 2016: US\$10.84/bbl).

Lower Brent crude oil prices and a higher AUD/USD exchange rate in the last week of June drove a favourable US\$0.52/bbl pricing lag (May unfavourable pricing lag: US(\$1.03)/bbl).

The June 2016 realised CRM was US\$11.60/bbl, comparing favourably to the May 2016 CRM of US\$8.84/bbl and half year 2016 profit guidance assumptions of US\$11.00/bbl for June.

Sales from production in June 2016 of 484ML were above the prior month (May 2016: 444ML).

For the six months from 1 January 2016 to 30 June 2016, the average realised CRM was US\$10.10/bbl with CRM sales from production totalling 2,925ML.

Period end 30 June	1H2016	1H2015
Realised CRM	US\$10.10/bbl	US\$16.00/bbl
Unlagged CRM	US\$10.25/bbl	US\$16.27/bbl
CRM Sales from production	2,925ML	2,416ML

### 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**

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