

ASX RELEASE

27 October 2016

CALTEX REFINER MARGIN UPDATE (SEPTEMBER 2016)

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

| | September 2016 | August 2016 | September 2015 |
|---|----------------|-----------------|-----------------|
| Unlagged CRM | US\$ 10.82/bbl | US\$ 8.77/bbl | US\$ 18.05/bbl |
| Impact of pricing lag positive/(negative) | US\$ 0.12/bbl | US (\$0.69)/bbl | US (\$0.77)/bbl |
| Realised CRM | US\$ 10.94/bbl | US\$ 8.08/bbl | US\$ 17.28/bbl |
| CRM Sales from production | 532 ML | 580 ML | 514 ML |

The September unlagged CRM was US\$ 10.82/bbl. This is above the prior month (August 2016: US\$ 8.77/bbl) but below the prior year monthly comparative (US\$ 18.05/bbl).

Regionally, the unlagged Caltex Singapore Weighted Average Margin was US\$ 10.02/bbl, above the prior month (August 2016: US\$ 8.42/bbl) but below the prior year (August 2015: US\$ 14.48/bbl).

Lower Brent crude oil prices and higher petrol and diesel refiner margins in the last week of September drove a favourable US\$ 0.12/bbl pricing lag (August unfavourable pricing lag: US(\$0.69)/bbl).

The September 2016 realised CRM was US\$ 10.94/bbl, above August 2016 CRM of US\$ 8.08/bbl but below the prior year comparative (September 2015: US\$ 17.28/bbl).

Sales from production in September 2016 of 532ML were below the prior month (August 2016: 580ML), but above the prior year comparative (September 2015: 514ML).

For the nine months from 1 January 2016 to 30 September 2016, the average realised CRM was US\$ 9.94/bbl (2015: US\$ 16.81/bbl) with CRM sales from production totalling 4,616 ML (2015: 3,867 ML).

| Period ended 30 September | 2016 | 2015 |
|---------------------------|----------------|----------------|
| Realised CRM | US\$ 9.94/bbl | US\$ 16.81/bbl |
| Unlagged CRM | US\$ 10.02/bbl | US\$ 16.80/bbl |
| CRM Sales from production | 4,616ML | 3,867ML |

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 of sales 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.

Caltex Australia

A proud and iconic Australian company, Caltex has grown to become the nation's leading transport fuel supplier, with a vast network of approximately 1,900 company-owned, franchised or affiliated sites. Caltex aims to be the market leader in complex supply chains and the evolving convenience marketplace, by delivering the fuel and other everyday needs of its diverse customers through its networks. With a history tracing back to 1900, Caltex has safely and reliably fuelled the needs of Australian motorists and businesses for more than a century. It operates as a refiner, importer and marketer of fuels and lubricants. It is listed as CTX on the Australian Securities Exchange.

For more information visit www.caltex.com.au

INVESTOR CONTACT

Rohan Gallagher
Head of Investor Relations
61 2 9250 5247
0421 051 416
rohan.gallagher@caltex.com.au