

ASX RELEASE

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CALTEX REFINER MARGIN UPDATE (FEBRUARY 2017)

Caltex advises its realised lagged¹ Caltex Refiner Margin (CRM²), in respect of CRM sales from production for the month of February 2017.

	February 2017	January 2017	February 2016
Unlagged CRM	US\$12.54/bbl	US\$12.08/bbl	US\$8.30/bbl
Impact of pricing lag positive/(negative)	US\$0.17/bbl	US\$0.35/bbl	US\$0.14/bbl
Realised CRM	US\$12.71/bbl	US\$12.43/bbl	US\$8.44/bbl
CRM Sales from production	425 ML	501 ML	435ML

The February unlagged CRM was US\$12.54/bbl. This is above the prior month (January 2017: US\$12.08/bbl) and prior year monthly comparative (US\$8.30/bbl).

The unlagged Caltex Singapore Weighted Average Margin was US\$13.40/bbl, which is above the prior month (January 2017: US\$12.82/bbl) and prior year (February 2016: US\$10.01/bbl).

The higher AUD/USD exchange rate in the last week of February drove a favourable US\$0.17/bbl pricing lag (January favourable pricing lag: US\$0.35/bbl).

Including the pricing lag, the February 2017 realised CRM was US\$12.71/bbl, which is above January 2017 CRM of US\$12.43/bbl and prior year comparative (February 2016: US\$8.44/bbl).

Sales from production in February 2017 of 425 ML were below the prior month (January 2017: 501 ML) and prior year comparative (February 2016: 435 ML).

For the two months from 1 January 2017 to 28 February 2017, the average realised CRM was US\$12.56/bbl 2016 US\$11.14/bbl) with CRM sales from production totalling 926 ML (2016: 928 ML).

Period ended 28 February	2017	2016
Realised CRM	US\$12.56/bbl	US\$11.14/bbl
Unlagged CRM	US\$12.29/bbl	US\$10.67/bbl
CRM Sales from production	926 ML	928 ML

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. RCOP excludes the unintended 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

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