

## ASX RELEASE

20 June 2017

### CALTEX REFINER MARGIN UPDATE (MAY 2017)

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 May 2017.

|   | May 2017     | April 2017     | May 2016       |
|---|--------------|----------------|----------------|
| Unlagged CRM                              | US\$9.94/bbl | US\$15.74/bbl  | US\$9.88/bbl   |
| Impact of pricing lag positive/(negative) | US\$0.00/bbl | US(\$0.41)/bbl | US(\$1.03)/bbl |
| Realised CRM                              | US\$9.94/bbl | US\$15.32/bbl  | US\$8.84/bbl   |
| CRM Sales from production                 | 529 ML       | 525 ML         | 444 ML         |

The May unlagged CRM was US\$9.94/bbl. This is below the prior month (April 2017: US\$15.74/bbl) but above the prior year monthly comparative (US\$9.88/bbl).

The unlagged Caltex Singapore Weighted Average Margin was US\$12.15/bbl, which is below the prior month (April 2017: US\$13.64/bbl) but above the prior year (May 2016: US\$10.84/bbl). In addition to lower Singapore refiner margins the average realised margin in May was lower due to the planned shutdown on the Benzene Hydrogenation Unit (BHU) which interrupted premium gasoline production, resulting in a higher portion of regular gasoline production. The BHU project, which should improve refinery yield, is complete.

Brent price movements offset refiner margin differences in the last week of May, resulting in a nil impact US(\$0.00)/bbl to pricing lag (April 2017 unfavourable: US(\$0.41)/bbl).

The May 2017 realised CRM was US\$9.94/bbl. This is below the April 2017 CRM of US\$15.32/bbl but above the prior year comparative (March 2016: US\$8.84/bbl).

Sales from production in May 2017 of 529 ML were above the prior month (April 2017: 525 ML) and prior year comparative (May 2016: 444 ML).

For the five months to 31 May 2017, the average realised CRM was US\$12.39/bbl (2016 US\$9.80/bbl) with CRM sales from production totalling 2,514 ML (2016: 2,441 ML).

| Period ended 31 May       | 2017          | 2016          |
|---------------------------|---------------|---------------|
| Realised CRM              | US\$12.39/bbl | US\$9.80/bbl  |
| Unlagged CRM              | US\$12.30/bbl | US\$10.08/bbl |
| CRM Sales from production | 2,514 ML      | 2,441 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](http://www.caltex.com.au)

### INVESTOR CONTACT

Rohan Gallagher  
Head of Investor Relations  
+61 2 9250 5247  
+61 421 051 416  
[rohan.gallagher@caltex.com.au](mailto:rohan.gallagher@caltex.com.au)

### MEDIA CONTACT

Elizabeth Rex  
GM Corporate Affairs  
+61 2 9250 5809  
+61 429 171 350  
[erex@caltex.com.au](mailto:erex@caltex.com.au)