

## ASX RELEASE

24 August 2017

### CALTEX REFINER MARGIN UPDATE (JULY 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 July 2017.

	July 2017	June 2017	July 2016
Unlagged CRM	US\$15.20/bbl	US\$12.67/bbl	US\$9.37/bbl
Impact of pricing lag positive/(negative)	US(\$0.53)/bbl	US\$0.88/bbl	US\$0.93/bbl
Realised CRM	US\$14.67/bbl	US\$13.55/bbl	US\$10.30/bbl
CRM Sales from production	481 ML	504 ML	579ML

The July unlagged CRM was US\$15.20/bbl. This is above both the prior month (June 2017: US\$12.67/bbl) and prior year monthly comparative (US\$9.37/bbl).

The July unlagged Caltex Singapore Weighted Average Margin was US\$12.91/bbl, which is also above both the prior month (June 2017: US\$12.36/bbl) and prior year (July 2016: US\$8.49/bbl).

Higher Brent crude oil prices in the last week of July drove an unfavourable US(\$0.53)/bbl pricing lag (June 2017: a favourable US\$0.88/bbl pricing lag).

The July 2017 realised CRM was US\$14.67/bbl. This is above the June 2017 CRM of US\$13.55/bbl and prior year comparative (July 2016: US\$10.30/bbl).

Sales from production in July 2017 of 481 ML were below the prior month (June 2017: 504 ML) and the prior year comparative (July 2016: 579 ML), following a drawdown on inventories after completion of the Benzene Hydrogenation Unit (BHU) turnaround. July production volumes were 535 ML.

For the seven months to 31 July 2017, the average realised CRM was US\$12.87/bbl (2016 US\$10.13/bbl) with CRM sales from production totalling 3,499 ML (2016: 3,504 ML).

Period ended 31 July	2017	2016
Realised CRM	US\$12.87/bbl	US\$10.13/bbl
Unlagged CRM	US\$12.75/bbl	US\$10.10/bbl
CRM Sales from production	3,499 ML	3,504 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 [ASX:CTX]

A proud and iconic Australian company, Caltex is the nation's leading transport fuel supplier with end-to-end operations in refining, importing and marketing our premium fuels and lubricants. 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. Caltex aspires to be the market leader in complex supply chains and to execute our 'Freedom of Convenience' strategy for customers through our network of around 1,900 company-owned, franchised or affiliated sites. Follow us on LinkedIn, Facebook and Twitter @CaltexAustralia.

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