

## ASX/Media release

20 February 2018

### CALTEX REFINER MARGIN UPDATE (DECEMBER 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 December 2017.

	December 2017	November 2017	December 2016
Unlagged CRM	US\$11.52/bbl	US\$12.54/bbl	US\$11.77/bbl
Impact of pricing lag positive/(negative)	US(\$0.11)/bbl	US(\$0.96)/bbl	US(\$1.36)/bbl
Realised CRM	US\$11.42/bbl	US\$11.58/bbl	US\$10.41/bbl
CRM Sales from production	512 ML	517 ML	524 ML

The December unlagged CRM was US\$11.52/bbl. This is below the prior month (November 2017: US\$12.54/bbl) and below the prior year monthly comparative (US\$11.77/bbl).

The December unlagged Caltex Singapore Weighted Average Margin was US\$11.43/bbl, which is below the prior month (November 2017: US\$12.36/bbl) and prior year (December 2016: US\$11.98/bbl).

Higher Brent crude oil prices drove an unfavourable US(\$0.11)/bbl pricing lag (November: unfavourable US(\$0.96)/bbl pricing lag).

The December 2017 realised CRM was US\$11.42/bbl. This is in line with the November 2017 CRM of US\$11.58/bbl but above the prior year comparative (December 2016: US\$10.41/bbl).

Sales from production in December 2017 of 512 ML are broadly in line with the prior month (November 2017: 517 ML) and prior year comparative (December 2016: 524 ML).

For the twelve months to 31 December 2017, the average realised CRM was US\$12.87/bbl (2016 US\$10.29/bbl) with CRM sales from production totalling 6,074 ML (2016: 6,238 ML).

Period ended 31 December	2017	2016
Realised CRM	US\$12.87/bbl	US\$10.29/bbl
Unlagged CRM	US\$13.02/bbl	US\$10.50/bbl
CRM Sales from production	6,074 ML	6,238 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.

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### Caltex Australia

A proud and iconic Australian company, Caltex [ASX:CTX] has grown to become the nation's leading transport fuel supplier, with a network of approximately 1,900 company-owned 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. Caltex has safely and reliably fuelled the needs of Australian motorists and businesses since 1900. It operates as a refiner, importer and marketer of fuels and lubricants. Follow us on LinkedIn, Twitter and Facebook, and for more information visit [www.caltex.com.au](http://www.caltex.com.au)