

ASX/Media release

26 March 2018

CALTEX REFINER MARGIN UPDATE (JANUARY AND FEBRUARY 2018)

Caltex Australia (ASX: CTX) advises its realised lagged¹ Caltex Refiner Margin (CRM²) in respect of CRM sales from production for the month of **January and February 2018**.

	February 2018	January 2018	February 2017	January 2017
Unlagged CRM	US\$9.95/bbl	US\$8.77/bbl	US\$12.54/bbl	US\$12.08/bbl
Impact of pricing lag positive/(negative)	US\$0.15/bbl	US(\$0.16)/bbl	US\$0.17/bbl	US\$0.35/bbl
Realised CRM	US\$10.10/bbl	US\$8.61/bbl	US\$12.71/bbl	US\$12.43/bbl
CRM Sales from production	475 ML	557 ML	425 ML	501 ML

The January unlagged CRM was US\$8.77/bbl. This is below the prior month (December 2017: US\$11.52/bbl) and below the prior year monthly comparative (US\$12.08/bbl). The February unlagged CRM was US\$9.95/bbl.

The January unlagged Caltex Singapore Weighted Average Margin was US\$10.95/bbl, which is below the prior month (December 2017: US\$11.43/bbl) and prior year (January 2017: US\$12.82/bbl). The February unlagged Caltex Singapore Weighted Average Margin was US\$12.36/bbl, which is above January (US\$10.95/bbl) but below the prior year comparative (February 2017: US\$13.40/bbl).

Higher Brent crude oil prices drove an unfavourable US(\$0.16)/bbl pricing lag in January (December 2017: unfavourable US(\$0.11)/bbl pricing lag) in January. This reversed in February, with lower Brent crude oil prices driving a favourable US\$0.15/bbl pricing lag (January 2018: unfavourable US(\$0.16)/bbl pricing lag).

The January realised CRM was US\$8.61/bbl. This is below the December 2017 CRM of US\$11.42/bbl and the prior year comparative (January 2017: US\$12.43/bbl). The February realised CRM was US\$10.10/bbl, above January but below the prior year comparative (February 2017: US\$12.71/bbl).

Sales from production in January of 557 ML are above the prior month (December 2017: 512 ML) and prior year comparative (January 2017: 501 ML). Sales from production in February of 475 ML was below January 2018 but above the prior year comparative (February 2017: 425 ML).

For the two months from 1 January 2018 to 28 February 2018, the average realised CRM was US\$9.30/bbl (2017: US\$12.56/bbl) with CRM sales from production totalling 1,032 ML (2017: 926 ML).

Two months ended 28 February	2018	2017
Realised CRM	US\$9.30/bbl	US\$12.56/bbl
Unlagged CRM	US\$9.32/bbl	US\$12.29/bbl
CRM Sales from production	1,032 ML	926 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.

Investor contact

Rohan Gallagher
 Head of Investor Relations
 +61 2 9250 5247
 +61 421 051 416
rohan.gallagher@caltex.com.au

Media contact

Elizabeth Rex
 GM Corporate Affairs
 +61 2 9250 5809
 +61 429 171 350
erex@caltex.com.au

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