2018 Full Year Results

26 February 2019

Caltex Australia Limited

ACN 004 201 307

Introduction and overview

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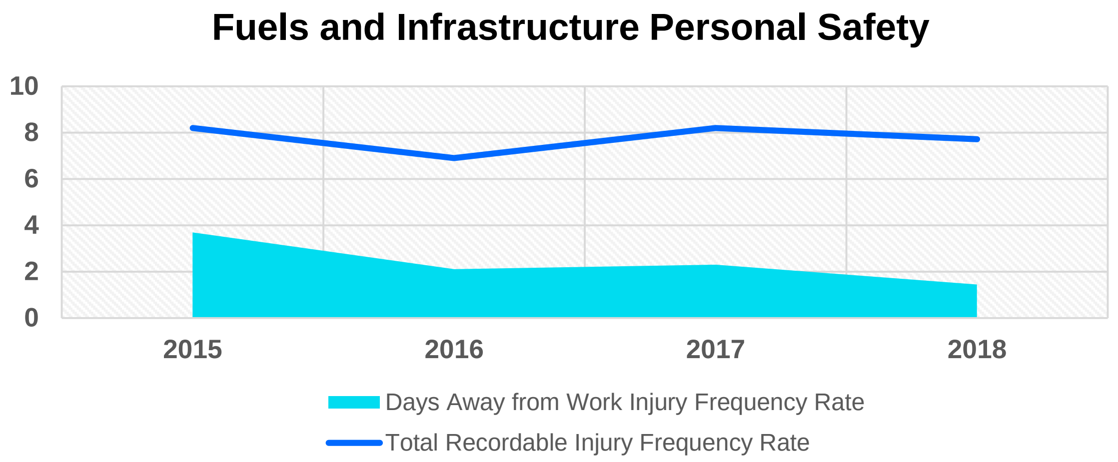
Julian Segal

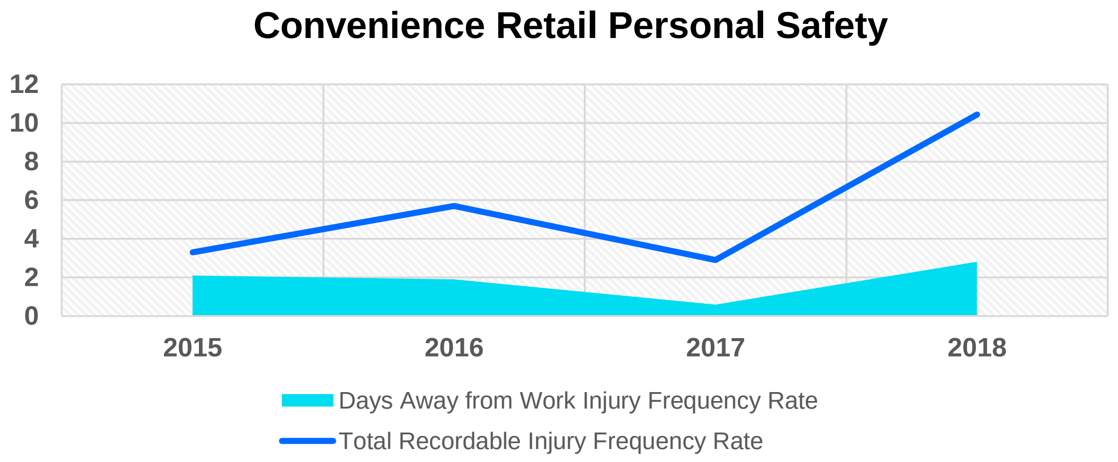
MD and CEO

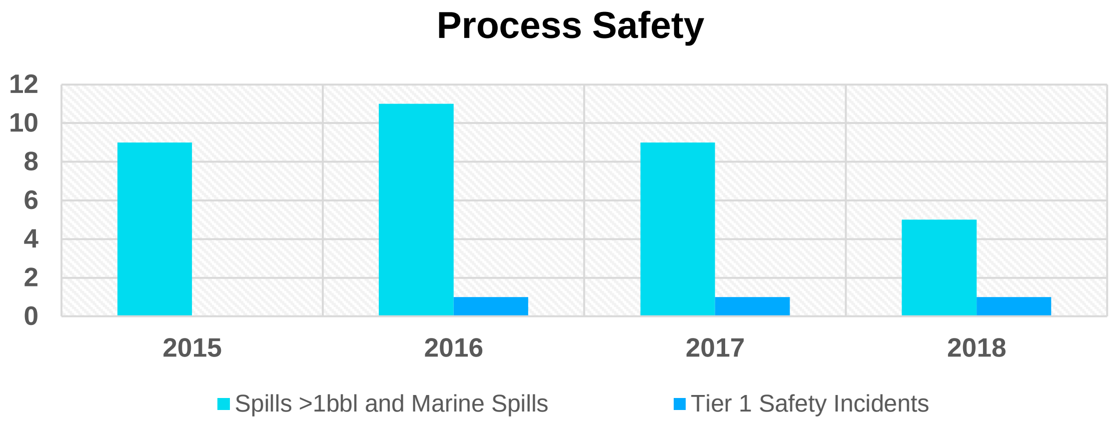
CALTEX

The safety of our people and customers is our priority

Fuels & Infrastructure safety performance continues to improve, with more vigilance as Convenience Retail grows







- The F&I personal safety performance represents improvements of 6% and 36% on 2017 TRIFR and DAFWIFR performance respectively.
- 2018 spill trend is the best on record, with a year-on-year improvement in spill performance over the past three years. Tier 1 incident in 2018 relates to Lytton incident in October.
- Convenience Retail TRIFR and DAFWIFR increased during a period of transformation. With the transition of 182 stores to Company operations over the last 12 months, and employment of over 1,700 new store employees, our focus is on consistency of processes, training as well as safety and operational equipment. Post-transition audits to ensure appropriate safety standards are in place across our network.

For definition of Tier 1 process safety incidents, refer to API Recommended Practice 754

Significant progress on the key strategic deliverables over the last three years

	What were our objectives	What have we achieved*
Fuels & Infrastructure	Leverage integrated supply chain scale and efficiency	Australian Wholesale vols ↑ 4% in 2018 and Australian (excl Lytton) EBITDA ↑ 5%
	Defend and grow volumes	Secured Woolworths volumes for 15 yrs Total vols ↑ 21% from 2015
	Establish and grow sourcing via Ampol	Ampol supplies product and crude of 21 BL to Caltex's Australian and International customers
	Leverage F&I strengths for International growth	International sales now 3.5BL pa, generating $75m EBITDA in 2018
Convenience Retail	Control and operate own network	Now Company operates >65% of sites, with >99% agreed to be under Company operations by 2020
	Develop capability and formats to capture convenience opportunity	55 Foodarys operating at end 2018, with shop sales on mature sites ↑ 40%+
	Leverage partnerships to strengthen and accelerate Convenience Retail strategy	WOW partnership (loyalty and fuel redemption), 23 QSRs (Guzman y Gomez, Boost), and fuel partnerships (i.e. NRMA, Uber, Toyota).
Group	Maintain disciplined capital allocation process with focus on capital efficiency	~$1.6bn of total capital returns to shareholders since 2016, including buy-backs in 2016 and 2019, with ROCE around 20% over last 3 years.

Note*: shown as comparison of 2015 to 2018 unless otherwise stated

2018 was a critical year in delivering strategy

Delivering Growth

- F&I ex-Lytton EBIT +21% (Lytton EBIT -51% YoY, impacted by external margin)
- International EBITDA +172%
- Total sales volumes increased by 7% YoY
- Australian Wholesale sales volumes +4% in 2018 (ex-WOW increased by 10% YoY)
- Secured Woolworths volumes for 15 years
- Seaoil partnership commenced, extending regional footprint
- Gull continuing to exceed acquisition case

Primed for Growth

- Convenience Retail EBIT down 8% (or $26m), including ~$20m transition impacts
- Fuel earnings up slightly despite macro conditions. StarCard and network continued to underpin customer retention
- Significant progress on future growth enablers
  - 65% of retail network now Company operated, on schedule and on budget
  - 55 Foodarys operating at 31 Dec. 2018
  - WOW partnership in place, loyalty program introduced, fuel redemption offer expanded, Metro co-creation in progress
  - Progress in Foodary operating model – mature site sales up 40+%, operating costs improving

Effective Capital Management

- Clarity over site transition, Retail capex, and Woolworths transaction has delivered greater visibility in cashflow outlook
- Increased dividend payout ratio to 50-70%, from 2H18
- Off-market buy-back announced of approximately $260m
- Asset optimisation review concluded that a passive sale and leaseback transaction was not financially compelling. Caltex will continue to explore opportunities to maximise the value created from these assets.

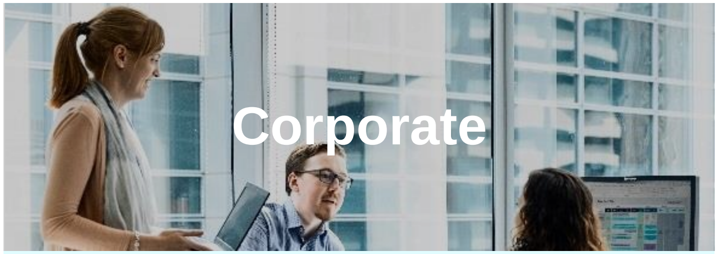
2019 – Continue growth in F&I, ongoing execution to deliver long-term sustainable growth in Convenience Retail

Continue Growth

- Large & resilient cash flows in Australian business.
  - Grow Australian volumes above market
  - Optimise fuel earnings by integration of fuel supply chain from source to customer
- Deliver reliable refining operations
  - Lytton production >5.8BL, reflecting potential proactive maintenance resulting from 1H19 external power outage
  - Includes second annual T&I
- Continue growth in International earnings
  - Continue to deliver growth from Seaoil and Gull acquisitions
  - Accelerate growth when presented with compelling opportunities

Continuing the journey towards growth

- Continue planned transition to Company operations
- Deliver benefits of integrated fuel supply chain by leveraging StarCard, Loyalty and redemption, FuelPay and Format innovation
- Optimise The Foodary performance, and leverage operating model improvements across the entire network
- Roll out Metro pilots in 2H19
- Expand loyalty offer to include points “burn” in addition to “earn”
- Improve safety performance



Maintain capital discipline

- Maintain cost and capital discipline
- Maintain strong investment grade credit rating
- Deliver growth initiatives where returns are compelling
- Continue to focus on shareholder returns

The Caltex investment proposition, a focus on shareholder returns

Large and resilient cash flow from Core Business

- ✓ Transport fuels focused
- ✓ Strong competitive advantages
- ✓ Predictable demand growth profile
- ✓ Cash generative business

Disciplined Capital allocation framework

- ✓ Maintain strong capital structure
- ✓ Distribute excess capital where available
- ✓ Invest further in growth opportunities

Commitment to maintaining 50-70% dividend payout ratio

Capital efficiency to potentially release incremental capital for additional growth and/or returns

Growth to continue in 2020 and beyond

CR Strategy to deliver $120-150m pa EBIT uplift, F&I volume growth anticipated to continue through 2019 and beyond.

Top Quartile TSR is the overarching objective

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Group financial result

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Simon Hepworth

CFO

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2018 Key Highlights

Strong underlying business result impacted by lower refining margins, and transition to Company operations

Solid underlying business result

F&I (ex Lytton) EBIT	$409m	+21% YoY
Australian Wholesale vols (excl WOW)	8.7 BL	+10% YoY
Lytton EBIT, impacted by external margin	$161m	-51% YoY
RCOP NPAT	$558m	-12% YoY

Good progress on strategy

Total fuel sales volumes	20.4 BL	+7% YoY
International EBITDA	$75m	+172% YoY
Sites transitioned to Company operations	182 sites	Now operating 65% of network
Convenience Retail EBIT, includes ~$20m of site transition impacts	$307m	-8% YoY

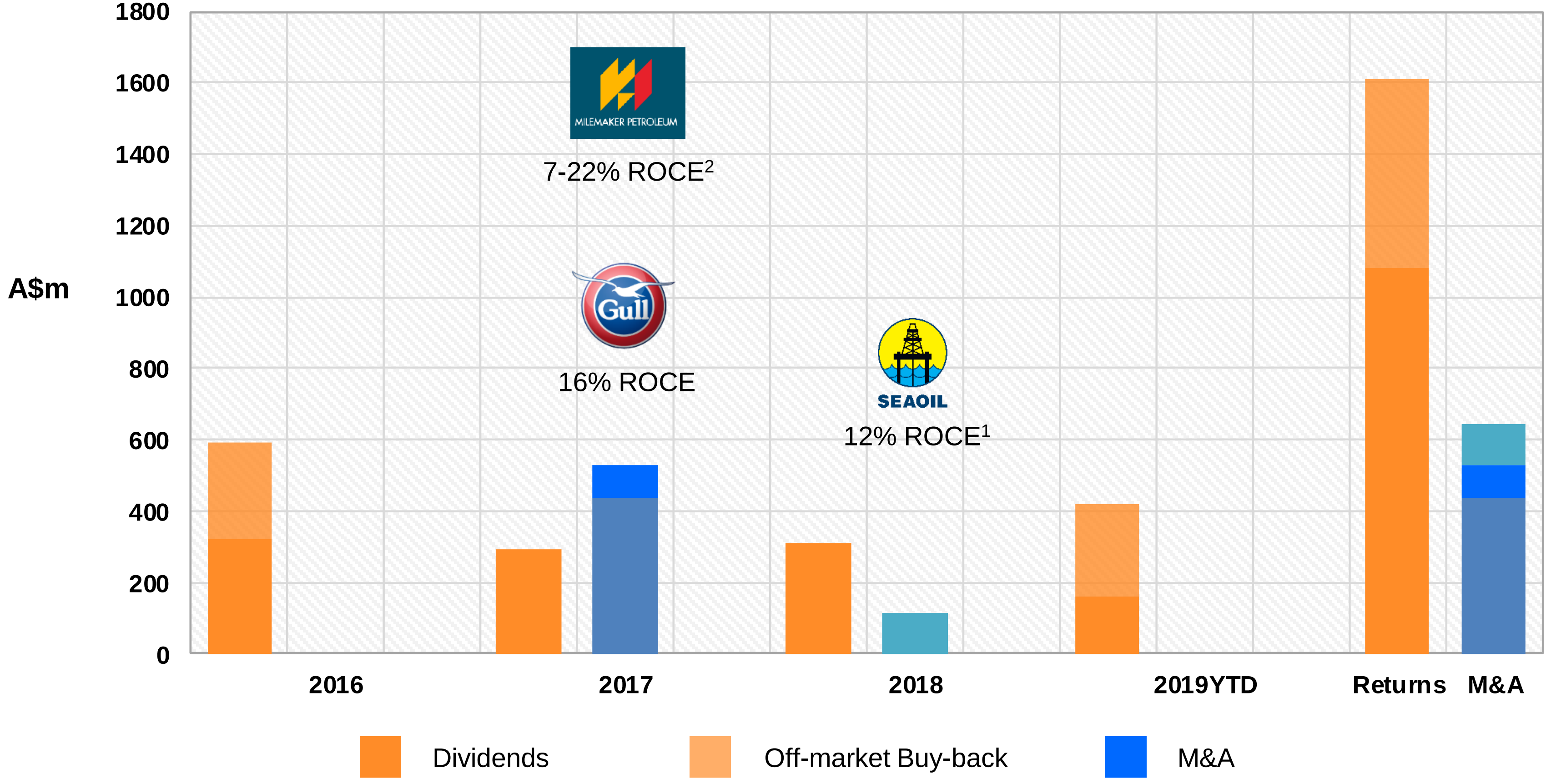
Delivering shareholder returns

EBIT ROCE	19.0%	-5% YoY
Full year dividends	118 cps	-5% YoY
Off-market Buy-back	~100 cps	N/A
10yr average TSR**	~14.4%	5yr TSR ~10%

NOTE** – 10yr TSR measured from 25 Feb 2009 to 25 Feb 2019, excluding announced OMBB due to conclude 2Q 2019.

Over the last 3 years, Caltex has allocated over $2.2bn[3] of capital to inorganic growth and shareholder returns, while maintaining EBIT ROCE of around 20%

Over $1.6 billion[3] has been returned to shareholders since 2016 including the 2019 Buy-back



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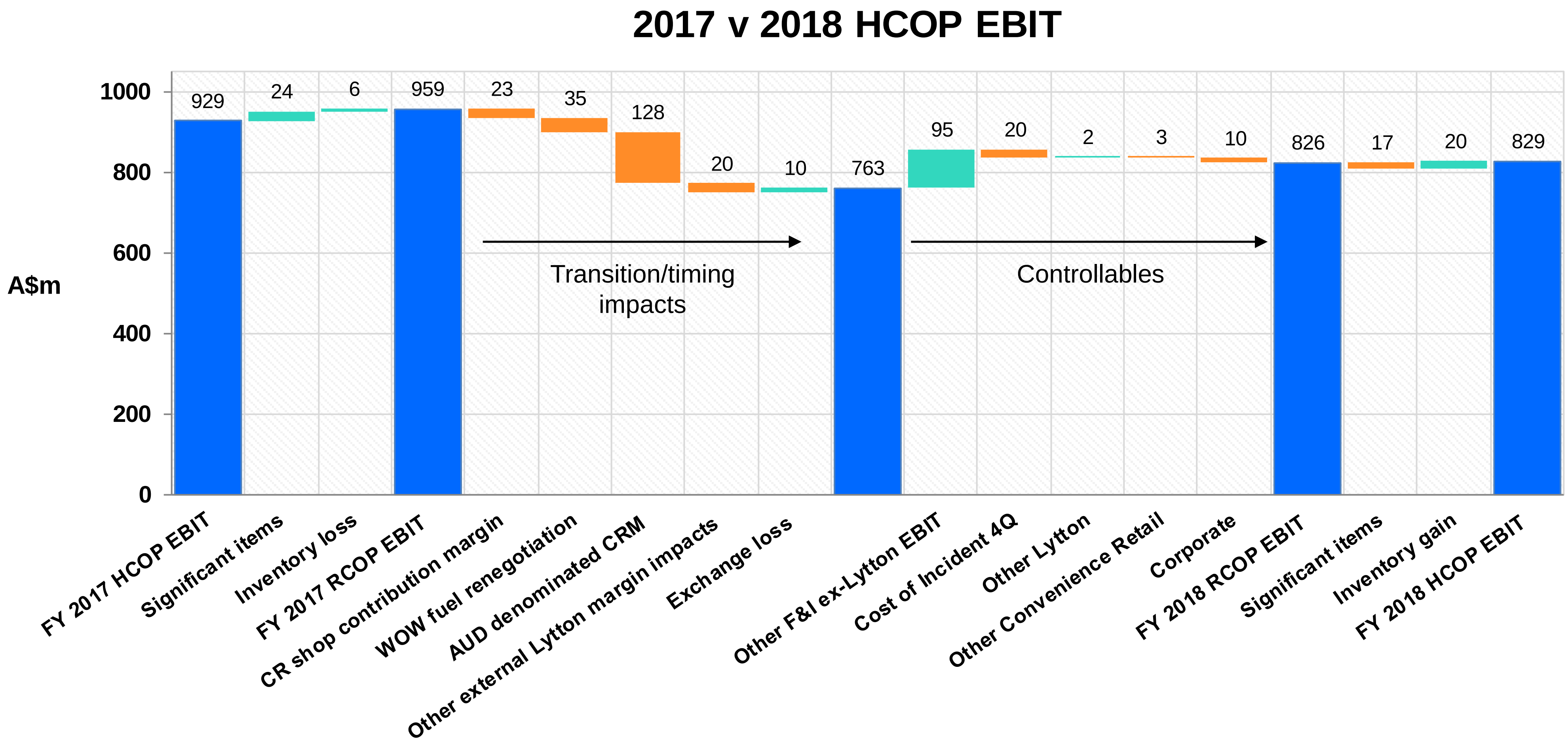
ROCE numbers are as of October 2018 Investor Day.
(1) Based on forecast 2018 earnings with addition of first full year synergies estimates, medium-term higher returns as Seaoil volumes increase
(2) Based on incremental EBIT, excluding F&I margin and infrastructure recovery. Actual annual contribution to Retail is >22%.
(3) Reported returns include 2019 Off-market Buy-back

2018 strong underlying business result impacted by lower refining margins

Normalising refining margins to 2017 levels, RCOP NPAT would have grown ~2% YoY



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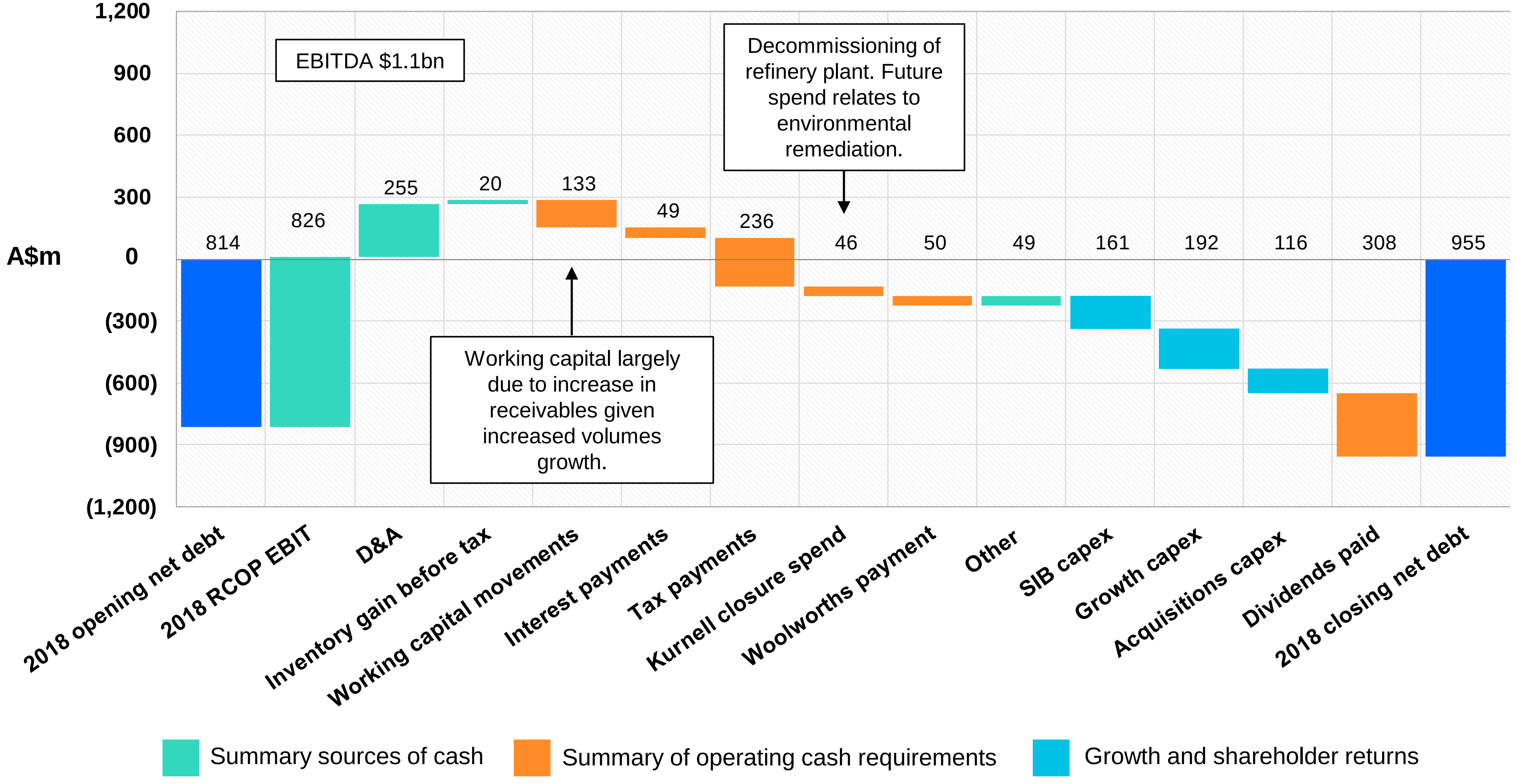
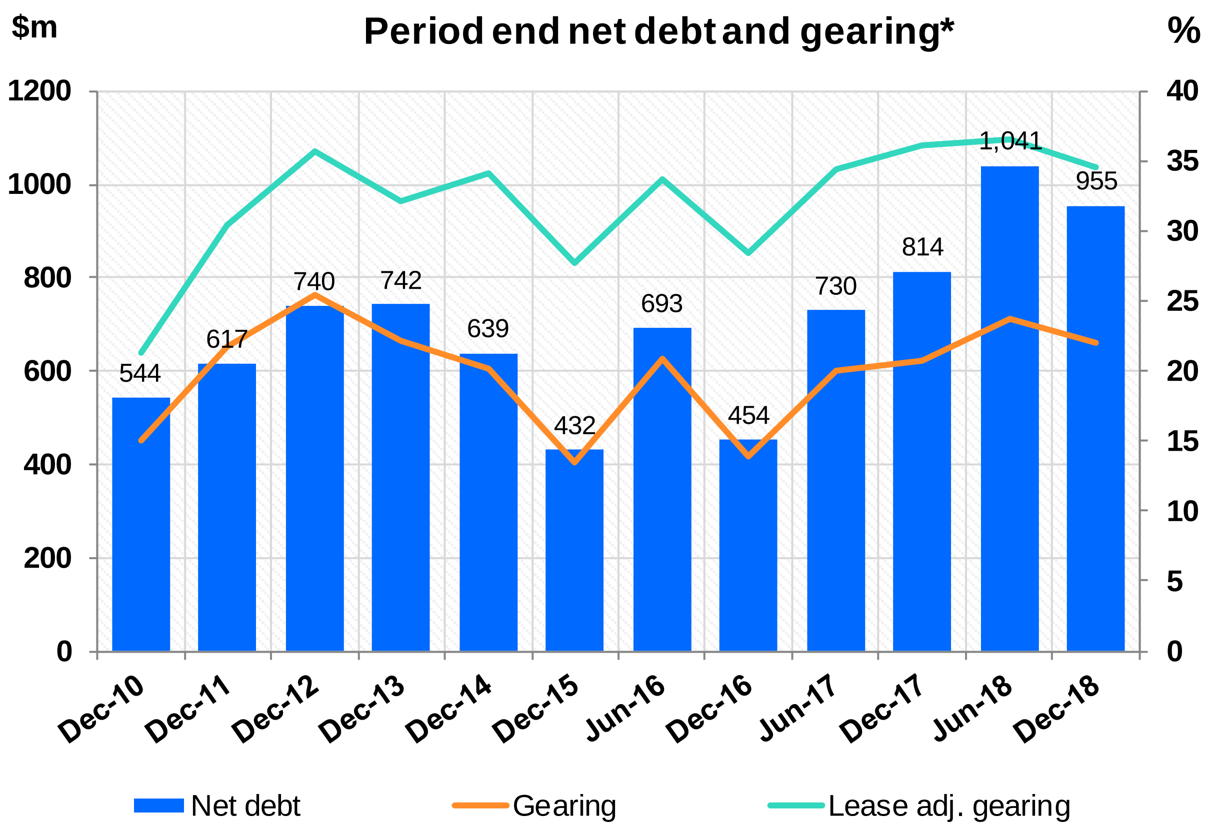
Disciplined approach to capital to support growth and shareholder returns

Operating Cash Flow remains strong, with investment in Seaoil and working capital to support business growth



Financial Discipline – Balance Sheet

Higher debt levels reflect Seaoil investment and investment in working capital to support business growth



Caltex's target capital structure is Adj. net debt / EBITDA 1.5-2.0x

Net debt $955m
Discounted lease liabilities ~$900m**
Other adjustments (net) $201m
Adjusted Net debt ~$2.06bn

Adjusted Net debt to EBITDA at ~1.6x

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* Gearing = net debt / (net debt + equity); Lease Adj. gearing, adjusts net debt to include lease liabilities.
** Discounted lease liabilities are as of 1st January 2019

Focus on capital efficiency and disciplined capital allocation maintained

Caltex announces ~$260 million Off-market Buy-back.

Capital Allocation Priority Order

1 **Maintain strong capital structure to support Business Model**
Target 1.5-2.0x adj. net debt / EBITDA**

2 **Maintain safe and reliable operations**
Maintenance Capex

3 **Support dividend returns to shareholders**
50-70% of RCOP NPAT (fully franked)

4 Capital returns if headroom exists against target range* | Growth Capex where returns are compelling*

Where we are

~1.6x adj. net debt / EBITDA

$161m Stay in Business (SIB) capex in 2018

2H 2018 dividend 61% payout ratio

Undertaking Off-market Buy-back

Off-market Buy-back

- ~$260 million Off-market Buy-back, with tender discount up to 14%
- Capital component $2.01/shr, subject to ATO class ruling
- Anticipated to provide ~$3/shr of value for participants#
- Anticipated to provide 3-4% EPS accretion on a 2018 proforma basis# #
- Consistent with Caltex's Financial Framework
- The record date for the Buy-back is 4 March 2019. Buy-back tender period will open on Monday 18 March, and close on Friday 12 April 2019.

** Where adj. net debt >2.0x EBITDA, debt reduction plans become a focus.
* Compete for capital based on risk-adjusted return to shareholders.
# For a superfund with 15% marginal tax rate, see appendix slides for calculations.
# # Pro-forma calculations assume the Buy-back price is $24.08/shr (assuming a 14% Buy-back discount to an assumed market price of $28.00/shr), 10.8m shares bought back and $3.7million after-tax interest cost (assuming the Buy-back is funded entirely from existing committed credit facilities for illustrative purposes.

Commentary on 2019 earnings outlook

- Continue to generate strong cashflows
- Australian Wholesale and International to grow volumes ahead of Australian market growth^
- Minor Lytton interruption due to external power failure in January, potential ~250ML impact in 1H19 from proactive shutdown to address FCCU rate restriction
- Regional refining margins have had a soft start to 2019, but are expected to improve ahead of IMO2020
- F&I EBIT expected to be flat YoY on the basis of same margins/volumes. Lower Lytton volumes and CRM weakness represents risk to the downside.

- EBIT anticipated to be flat YoY*
- Key focus on execution of strategy, to deliver EBIT growth in 2020
- Maintain target of delivering $120-150 million p.a. EBIT uplift by 2023/24
- Continue to progress transition of franchise sites to Company operate >81% of network by end 2019

- Maintaining capital discipline; 2019 capex $320-385 million, Corporate costs ~$55m
- Dividend payout ratio 50-70%
- Off-market Buy-back is consistent with the capital allocation framework
- Adoption of AASB16 to result in ~$20m non-cash decrease to NPAT in 2019, see appendix
- Efficient capital structure provides financial strength to support growth strategy and deliver on-going returns to shareholders.

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NOTE*: CR premised on similar volumes and margins, F&I premised on similar regional refining margin conditions. Before impact of AASB16 which will increase EBIT all else equal.
NOTE^: Australian Wholesale Commercial market volume growth anticipated to be 3-4%.

Fuels & Infrastructure

Louise Warner

EGM Fuels & Infrastructure

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2018 strong underlying performance impacted by refining margins and Lytton incident

	FY 2018	FY 2017	Change (%)
Total Fuels Sales Volumes (BL)	**20.4**	**19.1**	7
Australian Volumes (BL)	16.9	16.6	2
International Volumes (BL)	3.5	2.5	39
Lytton CRM Sales from Production (BL)	6.0	6.1	(1)
Lytton Total Production (BL)	6.2	6.2	-
Australian F&I (ex Lytton) EBITDA (A$m)*	435	415	5
International EBITDA (A$m)**	75	27	172
Externalities – realised loss foreign exchange (A$m)	(16)	(26)	(38)
Other incomes and expenses ($m)	-	-	-
F&I (ex Lytton) EBITDA ($m)	**494**	**416**	**19**
Lytton CRM ($m)	507	648	(22)
Lytton CRM (US$/bbl)	*9.99*	*13.02*	*(23)*
Lytton opex and costs ($m)	(280)	(261)	8
Lytton EBITDA ($m)	**227**	**388**	**(41)**
F&I EBITDA ($m)	**721**	**804**	**(10)**
F&I D&A ($m)	(85)	(79)	8
Lytton D&A ($m)	(66)	(60)	11
F&I EBIT ($m)	**570**	**666**	**(14)**
F&I (ex Lytton) EBIT	*409*	*338*	*21*

* Australian F&I (ex Lytton) EBITDA includes all earnings and costs associated (directly or apportioned) for fuel supply to Caltex's Australian market operations and customers, excluding Lytton Refinery and Caltex Retail operations in Australia.

** The International EBITDA includes all earnings and costs associated (directly or apportioned) for fuel supply outside of Caltex's Australian market operations including (but not limited to) Ampol third party sales (e.g. not supply to Caltex's Australian market operations and customers), Seaoil earnings and Gull New Zealand.

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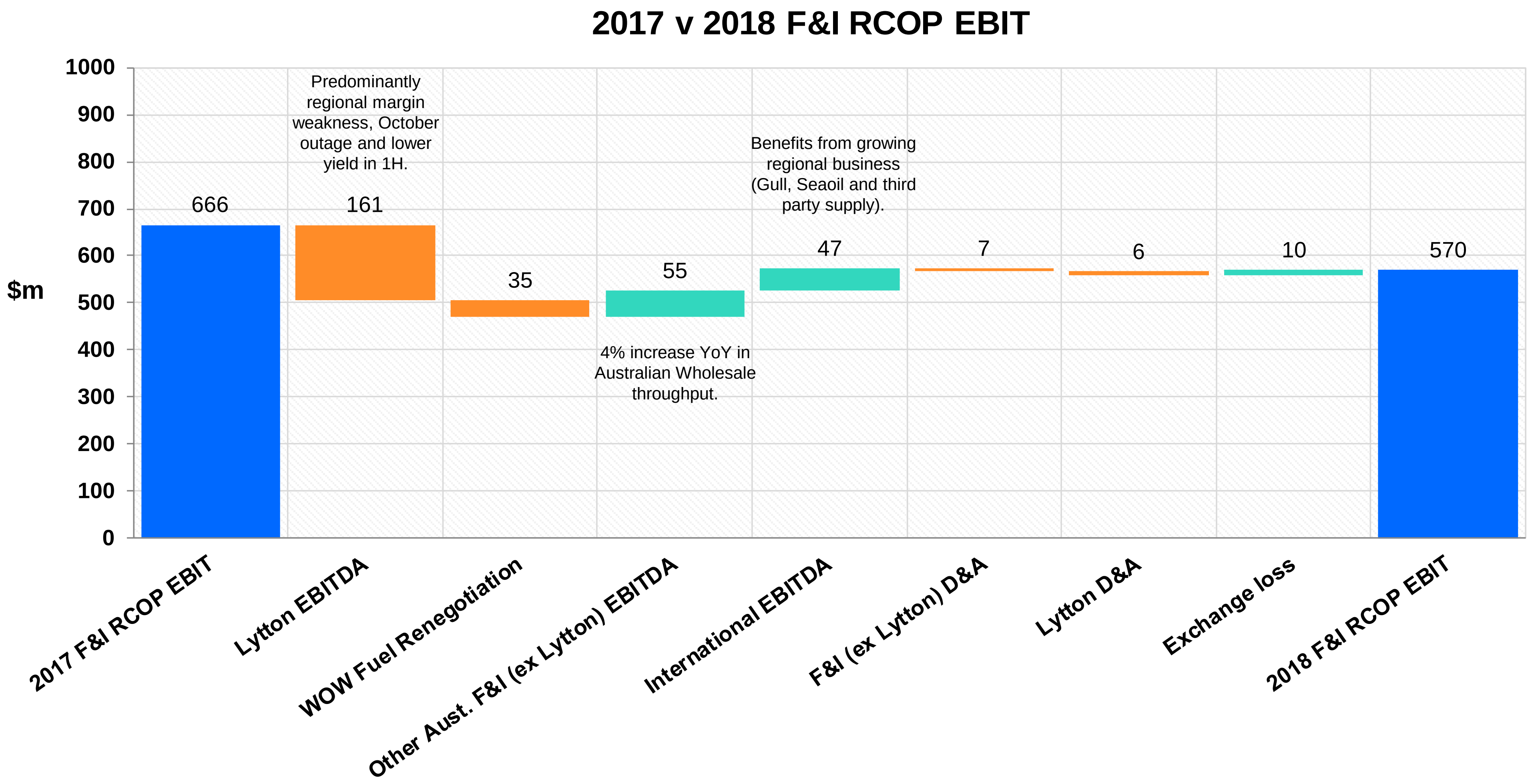
Fuels & Infrastructure Highlights – Key Drivers of Result

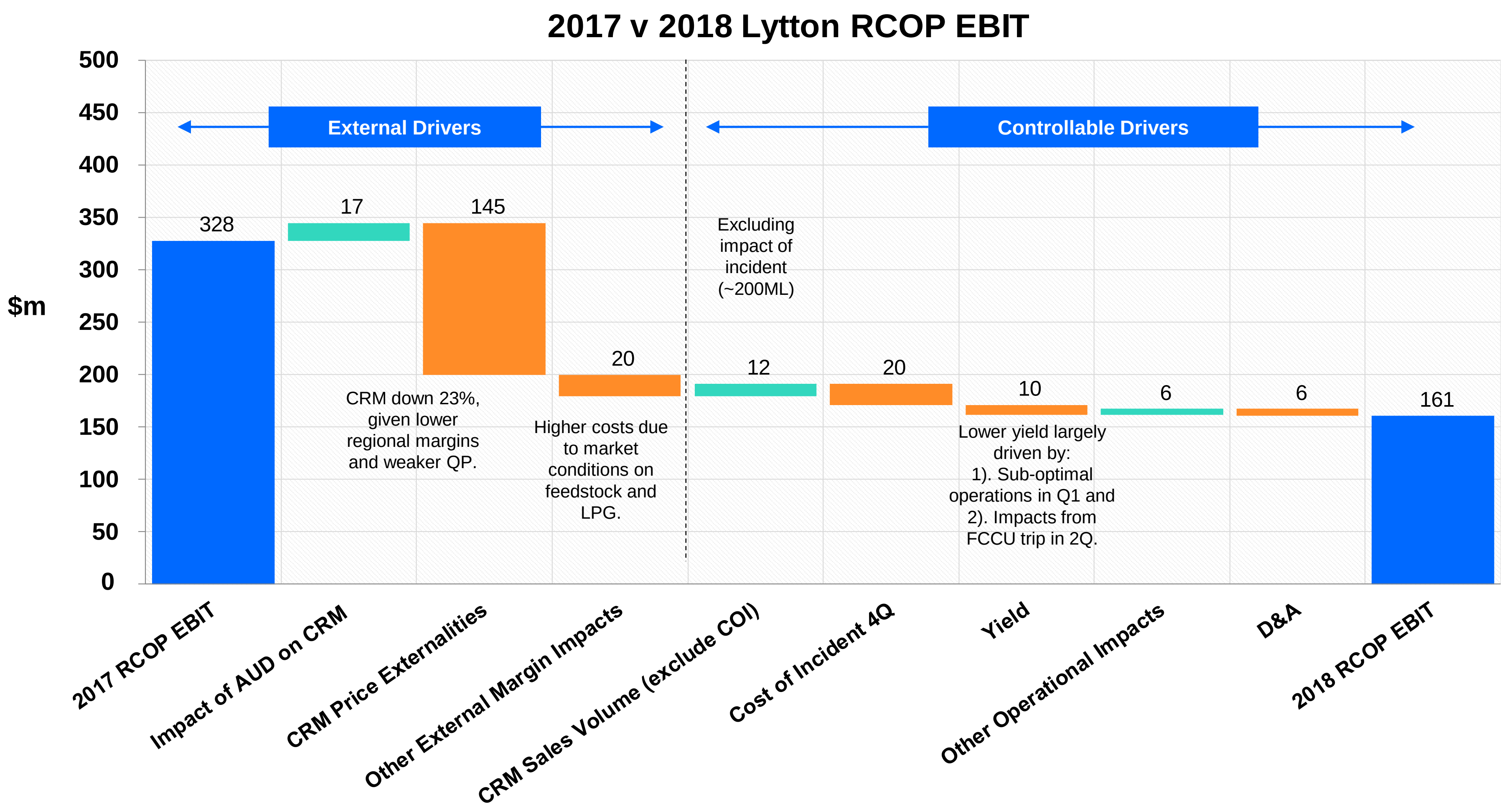
Solid International and Australian growth despite WOW reprice. Lower Lytton result driven by regional refining margins and impacts from Lytton operating issues



Fuels & Infrastructure Highlights – Lytton Result

Lower result driven by regional refining margins and Lytton operational impacts.
Focus in 2019 is on more reliable operations and responding to the expected range of refining market conditions.

2017 v 2018 Lytton RCOP EBIT



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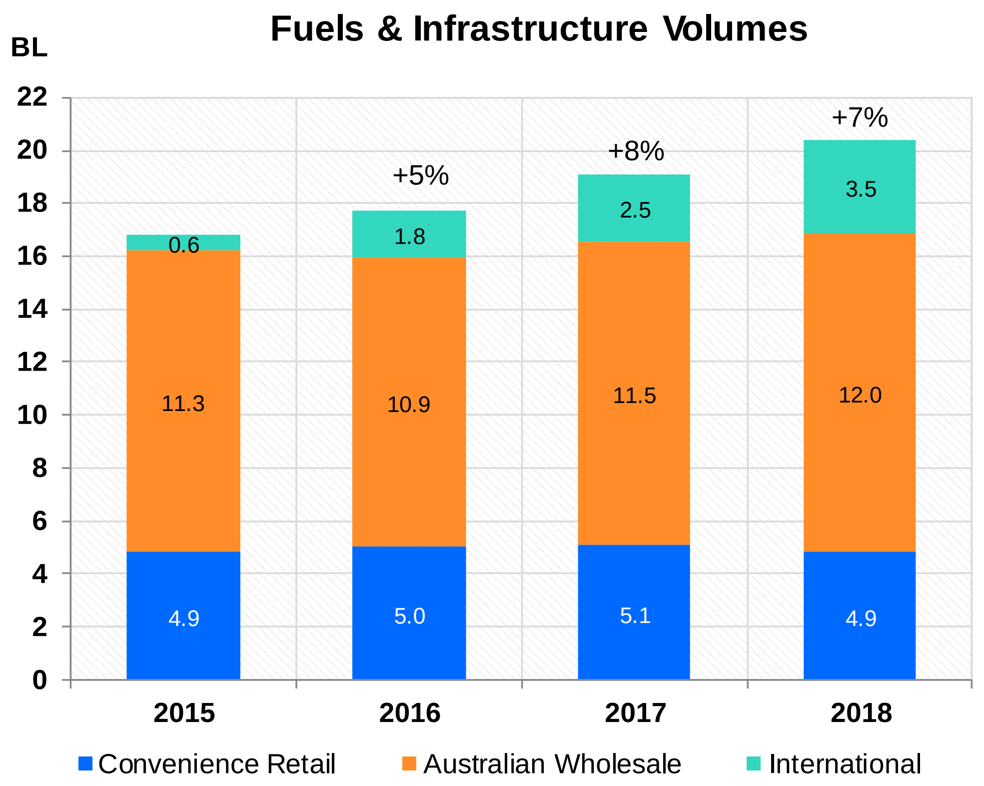
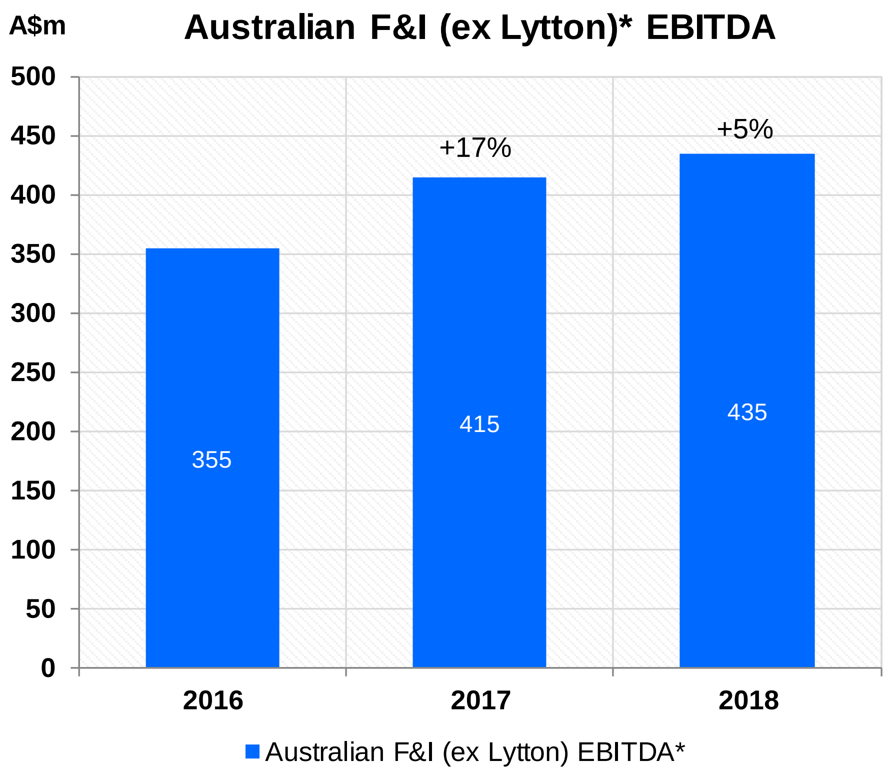
Continued success in growing and diversifying Australian volumes and earnings

Strength in supply chain supporting earnings across Australian Wholesale and Convenience Retail fuels





Achievements

Retained WOW fuel supply

+10% Wholesale fuels ex-WOW

Over 36 million StarCard transactions

Safe and reliable supply of fuels and lubricants to over 80,000 businesses

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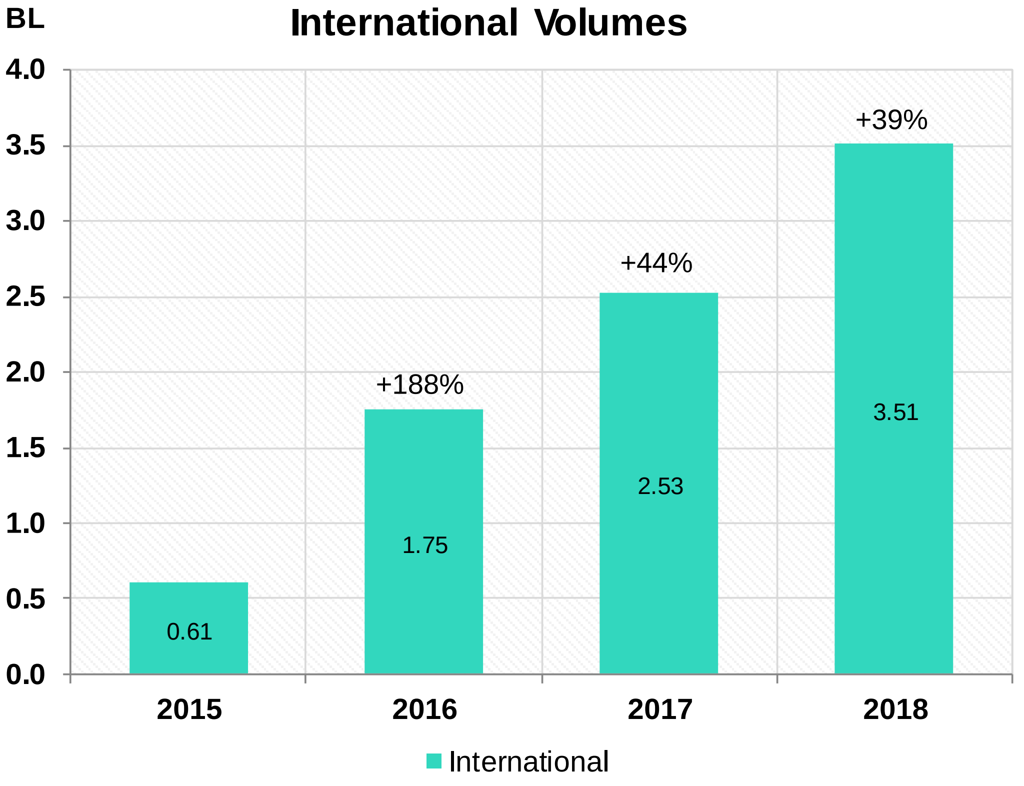
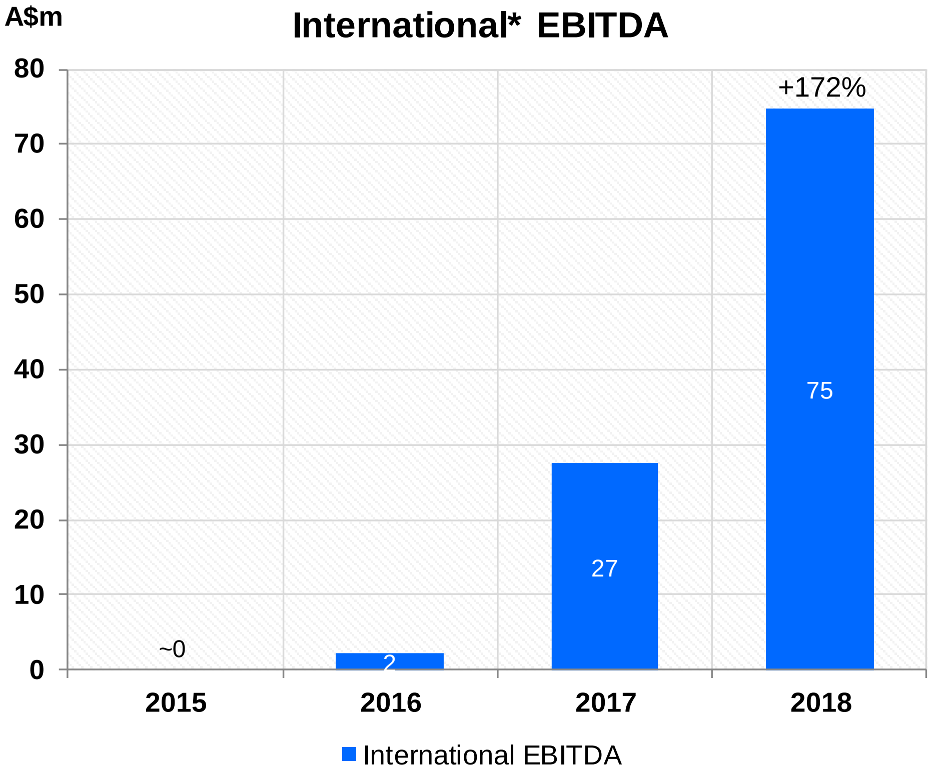
* Australian F&I (ex Lytton) EBITDA includes all earnings and costs associated (directly or apportioned) for fuel supply to Caltex's Australian market operations and customers, excluding Lytton Refinery and Caltex Retail operations in Australia.

* Australian F&I (ex Lytton) earnings, EBITDA was $188m in 1H 2017 and $222m in 1H 2018.

Fuels & Infrastructure is a proven platform for international growth

International Fuels EBITDA is up 172% in 2018 YoY, highlighting the success of recent acquisitions and other regional growth





Achievements

35 cargoes sourced outside of Asia

Seaoil partnership commenced

Supplied and sold volume to Caltex and customer operations in 13 countries

Gull continuing to exceed acquisition case

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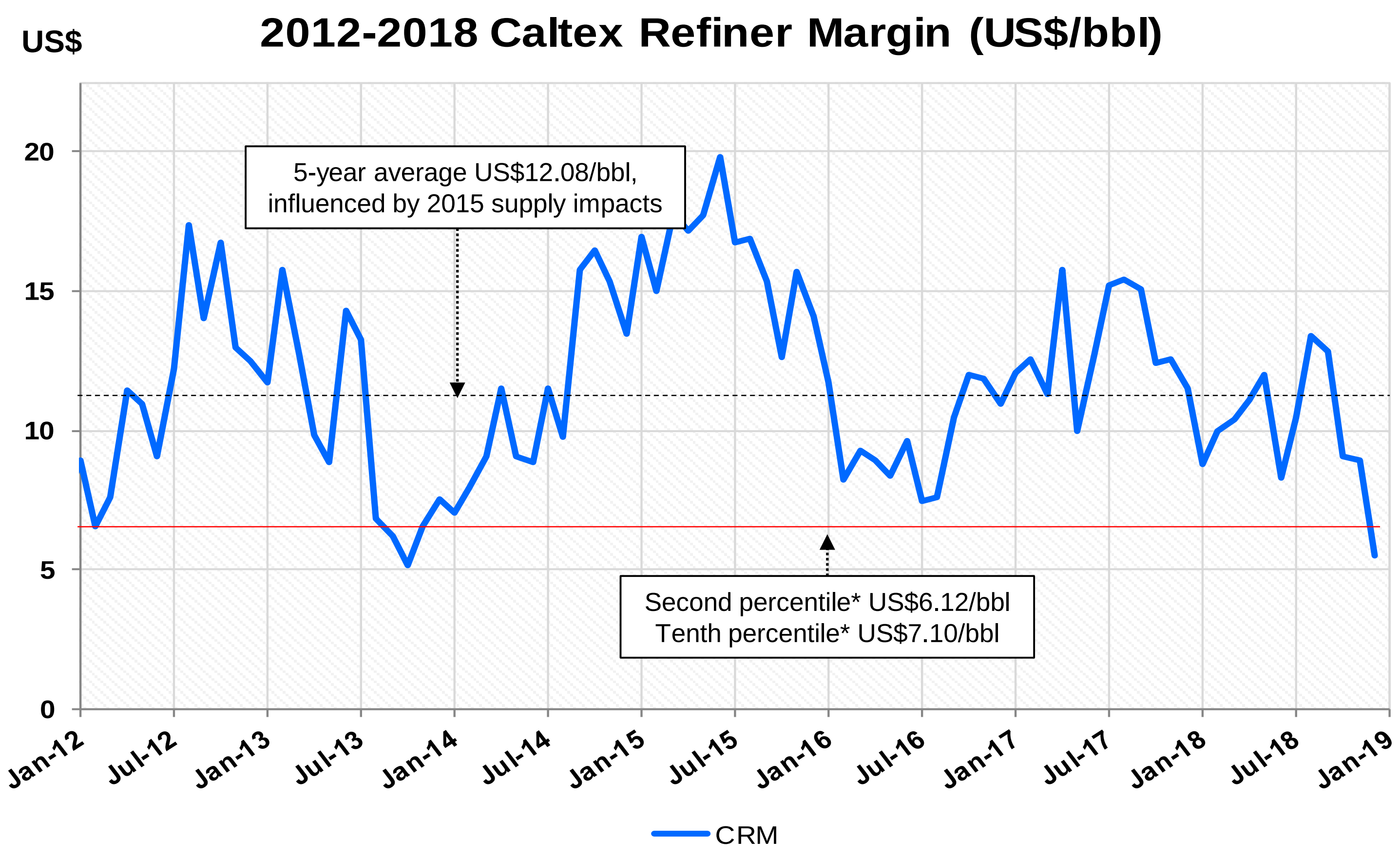
* The F&I International Fuels EBITDA includes all earnings and costs associated (directly or apportioned) for fuel supply outside of Caltex's Australian market operations including (but not limited to) Ampol third party sales (e.g. not supply to Caltex's Australian market operations and customers), Seaoil earnings and Gull New Zealand.
* International Fuels EBITDA was $3m in 1H 2017 and $36m in 1H 2018.

Refining margins are at historical lows

Refining margins have historically been above current levels 98% of the time.
2018 saw softer Caltex refining margins with lower regional margins, lower yield and minor reductions to Australian market quality premiums. Ability to optimise supply through Ampol helps to mitigate impacts.



- Freight protection and higher market premiums for Australian grade products continue to provide protection to Lytton's earnings, consistent with the trend seen historically.
- Caltex Refining Margin of US$9.99/bbl in 2018, down from US$13.02/bbl in 2017, on regional margin softness, lower yield and lower quality premiums. Freight rates were up in 4Q2018, crude more than products, with net effect reducing freight protection for Australian refiners.
- January 2019 CRM was US$6.61/bbl, on CRM sales from production of 466ML. February CRM remains soft and in line with January. Industry expectations are for margins to improve into 2H19 ahead of IMO2020.
- Caltex is proactively managing current lower margins by reoptimising our production mix, importing less intermediate feedstock, biasing crude purchases towards middle distillate rich crudes where economic, and optimising production vs import balances.
- Caltex will report CRM monthly during the OMBB process.

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* Second percentile means 98% of CRM has been above this level since the last phase of Australian refinery closures from Sept-12 onwards

F&I’s 2019 focus – operational excellence and continued international growth

Lytton

- Continue to run business safely, reliably and competitively
- Improve controllables
- Restore FCCU operations to full rate with potential proactive outage during current low margin period

Australia F&I (ex Lytton)

- Grow Australian wholesale fuels at or above market growth rates*

International

Grow international earnings

- Increase international volumes above Australian market rates*

Continue to deliver investment case from Gull and Seaoil

- Add 5-10 Gull NTIs
- Realise synergies from supplying Seaoil

Future Growth

- Consider further regional M&A, organic growth or partnerships when opportunities are compelling.

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NOTE*: Australian Commercial fuels market growth rate anticipated to average 3-4% over coming years.

Convenience Retail

Richard Pearson
EGM Retail

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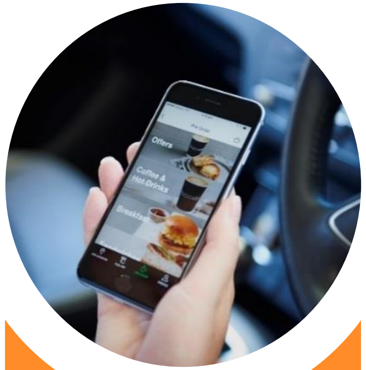
2018 saw key steps taken in shaping Retail offer and delivering enablers

Site Control

Caltex now operates 65% of Retail network



Capability Build

Good progress in Retail capability, IT, supply chain, and FuelPay

Format Development

55 *The Foodary* delivered by Dec-18. Customers responding positively

Woolworths Partnership

Loyalty and Redemption went live in Nov-18
Metro co-creation progressing

Fuel

Fuel earnings uplift despite challenging macro conditions

Entering 2019 with positive momentum

- Headline shop sales growth of 2.5% in 2H18
- Labour improved through year with 2H improvement on prior year of ~30bps

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Solid result given focus on shaping offer and delivering enablers, in a challenging fuel landscape

	FY 2018	FY 2017[1]	Change (%)
Period end COCO sites (#) [2]	516	316	63
Period end CORO sites (#)	277	482	(43)
Total Sales volumes (BL)	4.87	5.10	(4)
Premium Fuel Sales (%)	48.0%	47.2%	1
Total Fuel Revenue ($m) [3]	4,376	3,771	16
Network Shop Revenue ($m) [4]	*1,089*	*1,070*	*2*
Total Shop Revenue ($m) [3]	591	311	90
Total Fuel and Shop Margin, excl. Site Costs ($m)[5]	**1027**	**931**	**10**
Site Costs ($m) [6]	(210)	(108)	94
Total Fuel and Shop Margin ($m)	**817**	**823**	**(1)**
Cost of Doing Business ($m)	(412)	(404)	2
EBITDA ($m)	**405**	**419**	**(3)**
D&A ($m)	(97)	(85)	14
EBIT ($m)	**307**	**334**	**(8)**
Network Shop sales growth (%)	1.7%	0.6%	1
Shop Transactions growth (%)	2.0%	0.7%	1
Net Promoter Score (NPS) (%)[7]	69	N/A	

(1) 2017 fuel revenue and shop revenue include Milemaker contribution on full year basis. (2) Includes 55 unmanned diesel stops. (3) Excludes GST and excise (as applicable) - Total Fuel Revenue relates to all site within the Caltex Retail business including both Company controlled and franchise sites, Total Shop Revenue only includes revenue from Company controlled sites. (4) Includes revenue from both Company controlled and franchise sites – franchise revenue is not captured in Caltex statutory reporting, but is a driver of Total Fuel and Shop Margin. (5) Primarily comprised of fuel margin attributable to Caltex, COCO shop gross margin, CORO income and other shop related income. (6) Site operating costs which in a CORO site are covered by the franchisee are recorded above Fuel and Shop Margin in relation to COCO sites to maintain comparability as sites transition – primarily comprised of site labour costs, utilities and site consumables. This line will grow materially as CORO sites are transitioned to COCO operations. Site operating costs which are borne by Caltex regardless of the operating model of the site – e.g. lease costs, repairs and maintenance, are recorded in Cost of Doing Business, these do not change materially due to site transition. (7) NPS is from April to December.

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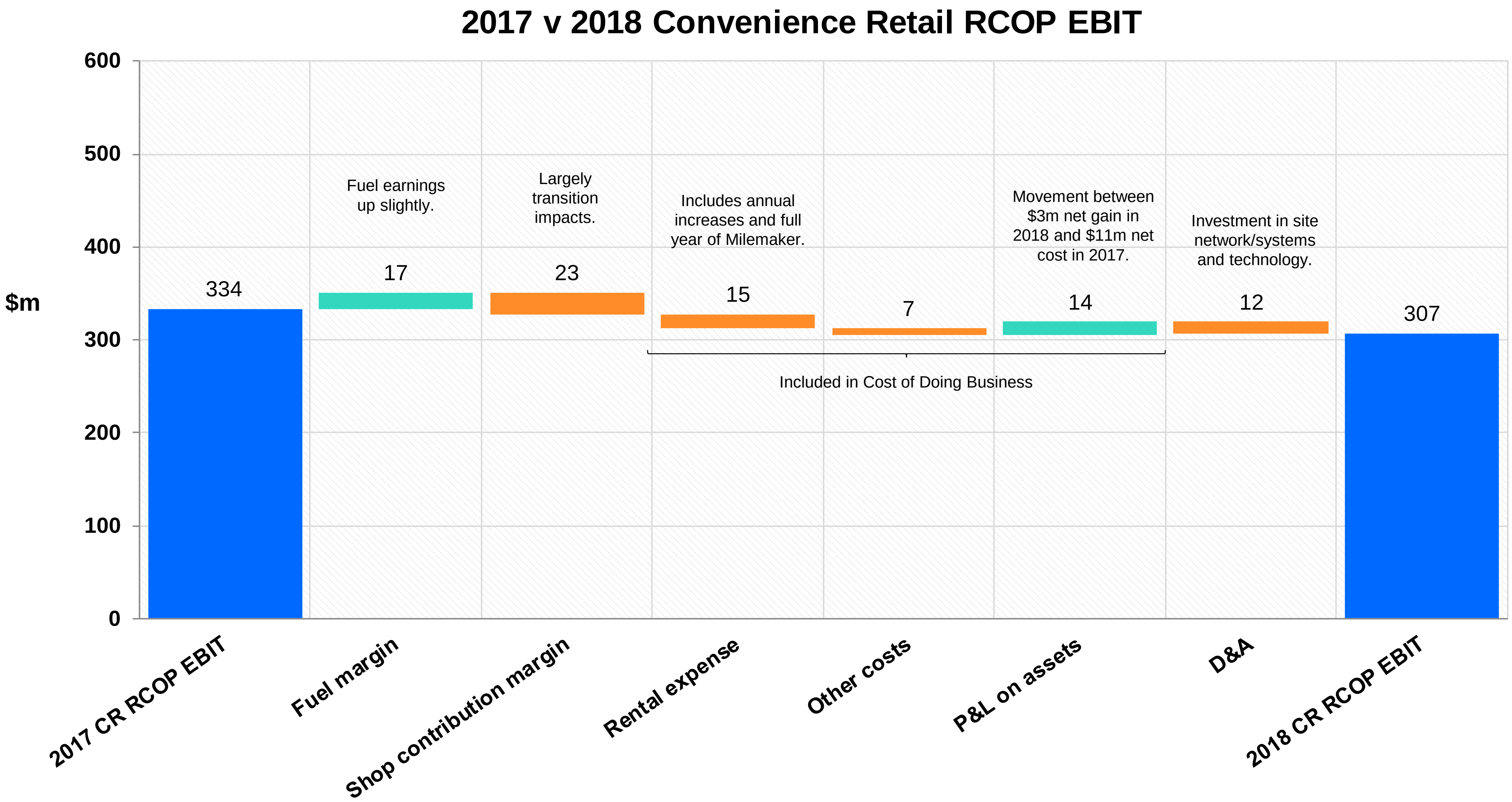
Convenience Retail Highlights – Key Drivers



Drivers of future shop financial performance

	2017*	2018*	2019 Target	5-6yr Target
Network Control	40%	65%	80%	100% Company operated
Cumulative Foodary/Metro stores	23	55	65-70	~500
Shop sales growth	0.6%	1.7%	~4%	5-7% CAGR
Shop gross margin expansion	(1.0)%	(0.3)%	~1%	+5% pre QSR
Labour/sales margin improvement	(3.5)%	0.2%	~1%	5% improvement as % of sales
Other CODB increase	16.1%	2.0%	~2%	<3% CAGR

NOTE*: KPIs for 2017 and 2018 are shown for the Convenience Retail business in its entirety, to minimise noise created by the transition to Company operations.

2019 is a key year of driving enablers for Retail earnings growth

- Continue to progress transition to Company operation
- Improve safety performance

Deliver benefits of integrated fuel supply chain by leveraging:

- StarCard
- Loyalty and redemption
- FuelPay
- Format innovation

- Optimise The Foodary performance, and leverage operating model improvements across the entire network.

- Roll-out of initial Metro pilot stores in 2H19

Closing Remarks

Julian Segal

CEO

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Q&A

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Appendix

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Financial Highlights

Reconciliation to underlying (RCOP) profit metric

	FY 2018 (After Tax)	FY 2017 (After Tax)
HCOP NPAT	560	619
Add: Inventory loss/(gain)	(14)	4
Add: Significant items loss (gain)	12	14
RCOP NPAT	**558**	**638**

Significant Items

Year Ending December	FY 2018 $ M	FY 2017 $ M
Sale of interest in Kitchen Food Co	(27)	
Sale of fuel oil business		19
Franchisee Employee Assistance Fund	10	(20)
Restructuring costs		(23)
Total Significant Items (Before Tax)	(17)	(24)
Tax	5	10
Total Significant Items (After Tax)	(12)	(14)

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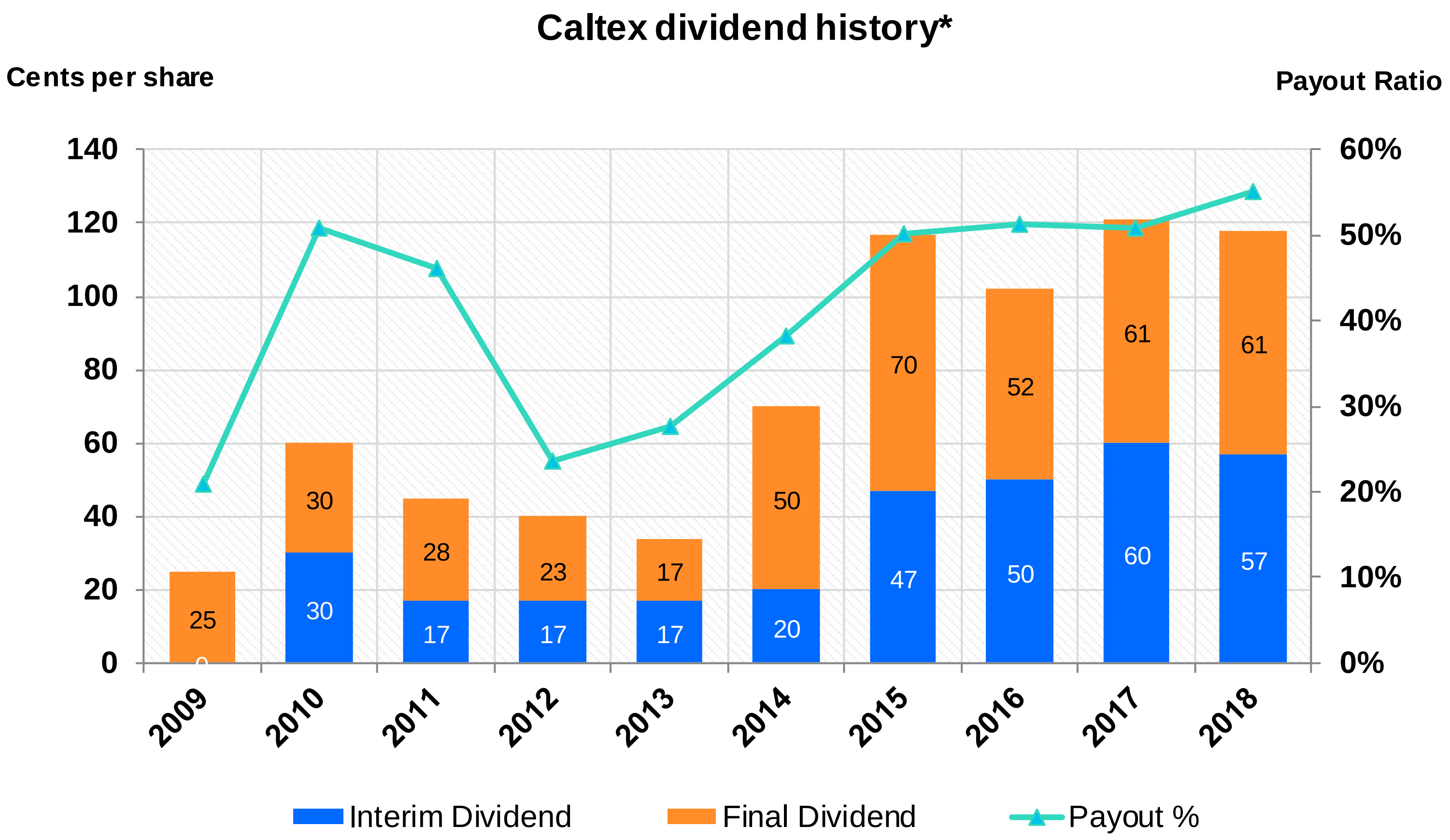
Pricing lags on product sales, previously included in reported externalities in RCOP earnings, has now been excluded from RCOP earnings, and is instead included in movement in inventory as a component of inventory gain/loss. While historical HCOP profits remain unchanged, there has been a minor change in 2017 RCOP profits. As previously announced with 1H18 guidance.

Financial Discipline – Dividend

Final dividend of 61 cents per share (2017 : 61cps) fully franked; final dividend pay-out ratio 60.5%



* Dividends declared relating to the operating financial year period; all dividends fully franked.
Caltex dividend pay-out ratio increased from 2H 2018 (to 50% to 70% of RCOP NPAT, excluding significant items).

Financial Discipline – Balance Sheet

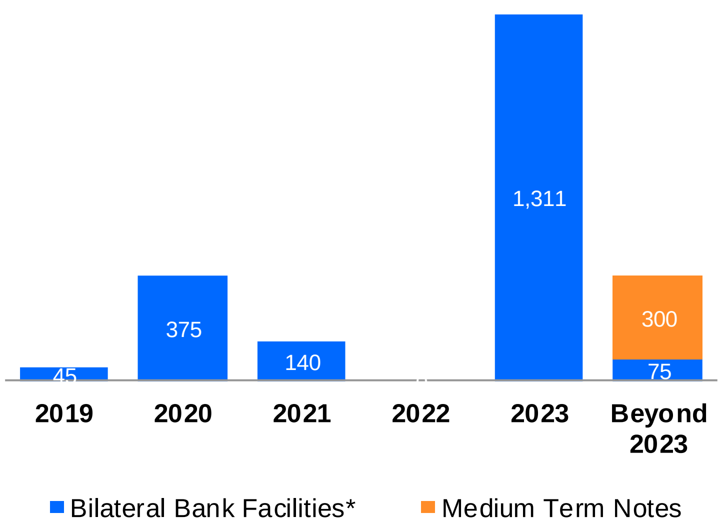
Funding Sources and Debt Maturity Profile at 31 December 2018

- Successful execution of Caltex's first debt capital markets issuance since 2012
  - 7 year $300m medium term notes (fixed @ 4% p.a.)

Current Sources of Funding

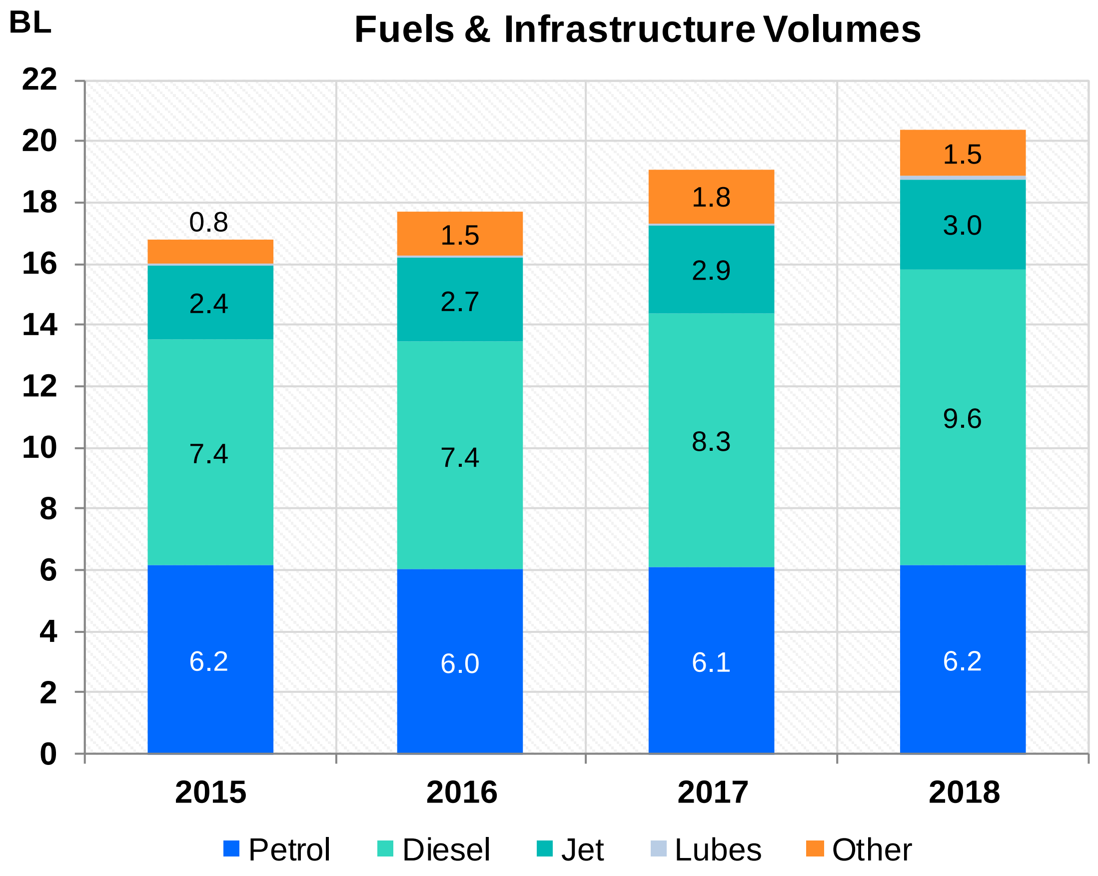
	A$m	Source
Medium Term Notes	300	Australian and Asian institutional
Bilateral Bank Facilities*	1,946	Australian and Global banks
	$2,246m	

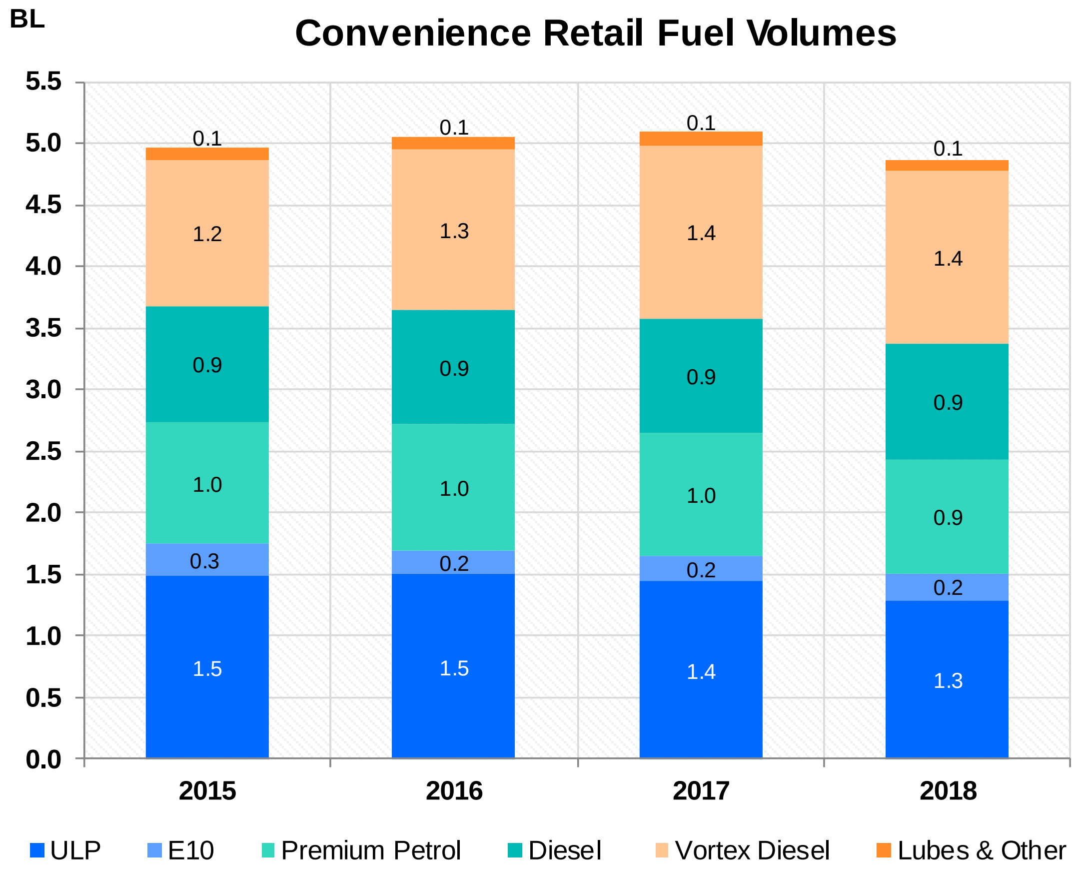
Debt Maturity Profile (A$m)



*AUD equivalent. Contain an "evergreen provision" to facilitate extensions to tenor subject to agreeing pricing.

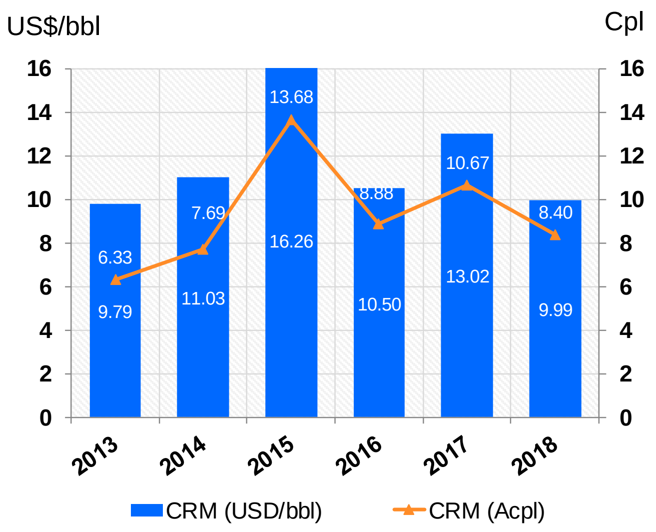
Fuels Highlights – by product





Lytton Refinery Highlights

A return to historical margins, higher yield losses and reduced quality premiums saw CRM reduce.

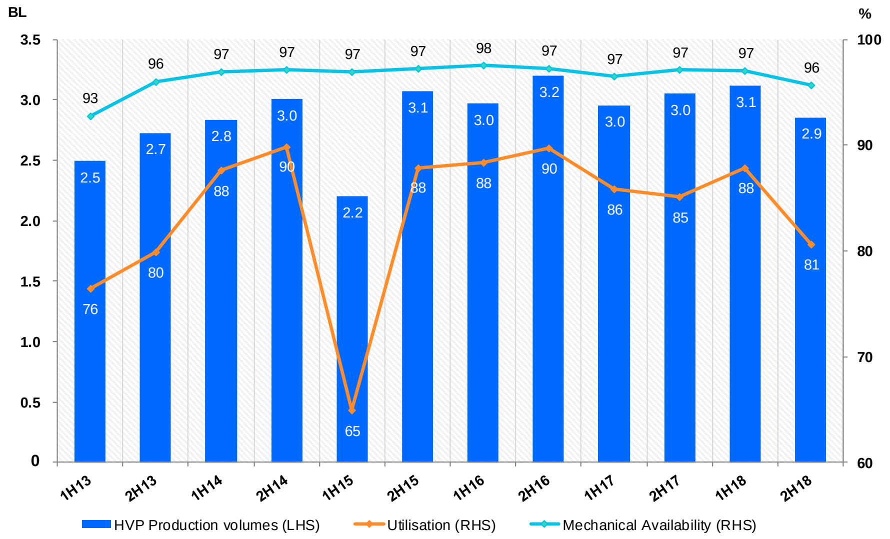


Caltex Refiner Margin Build-up (US$bbl)	FY18	FY17
Singapore WAM*	11.27	12.82
Product freight	3.84	3.51
Quality premium	0.49	1.35
Crude freight	(2.22)	(1.93)
Crude premium	(2.58)	(2.13)
Yield loss	(0.80)	(0.60)
CRM	9.99	13.02

*The Caltex Refiner Margin (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 calculation represents: average Singapore refiner margin (WAM) + product quality premium + crude discount/(premium) + product freight - crude freight - yield loss. Numbers used are volume weighted.

Strong controllable operational performance continues

High Value Transport Fuels Production Volumes, Production Utilisation (%) and Availability (%)



- History of strong controllable operating performance, impacted by outage in October:
  - Mechanical Availability (96.3%);
  - Operational Availability (95.9%);
  - 98.9% Yield; and
  - Utilisation (84.2%).
- HVP refinery production 6.0BL versus 6.0BL in 2017
- CRM Sales from production 6.0BL versus 6.1BL in 2017

Balanced product slate petrols (48%) and middle distillates (diesel, jet; 49%) provides flexibility.

	LYTTON					
	2013	2014	2015	2016	2017	2018
Diesel	39%	38%	39%	39%	38%	38%
Premium Petrols	12%	13%	12%	14%	12%	13%
Jet	10%	12%	12%	11%	11%	11%
	61%	**63%**	**63%**	**64%**	**62%**	**62%**
Unleaded Petrol	35%	33%	32%	33%	35%	35%
Other	4%	4%	5%	3%	3%	3%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

The increase in unleaded petrol mix during 2017 was due to maintenance on the Benzene Hydrogenation Unit (BHU).

- Caltex produces ~1% fuel oil components (in Other), which means Caltex is well positioned for anticipated changes in refining margins after the introduction of IMO2020 Fuel standards.

Financial Guidance

Indicative Capital Expenditure*, subject to change (includes T&I**)

$ millions	2017	2018	2019 Forecast*
Lytton			
Stay in business (includes T&I)**	41	38	65-75
Growth	11	12	20-25
	52	**50**	**85-100**
Fuels & Infrastructure (ex Lytton)			
Stay in business	95	51	30-40
Growth	339	148	45-55
	433	**199**	**75-95**
Convenience Retail			
Stay in business	84	65	60-70
Growth	227	129	85-95
	310	**194**	**145-165**
Corporate – Other	13	27	15-25
Total	**809**	**469**	**320-385**

Depreciation and Amortisation

$ millions	2017	2018	2019 Forecast*
Convenience Retail	85	97	105-115
Fuels and Infrastructure	138	151	145-155
Corporate	6	8	15-20
Total	**229**	**255**	**265-290**

Increased D&A in 2018 vs 2017 a function of:

1. M&A acquisitions (Gull)
2. Capital expenditure on Convenience Retail new formats and digital initiatives

Note: above D&A guidance is before impact of AASB16

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* Indicative ranges only, and are before considering AASB16. Subject to change pending market conditions, opportunities, etc. Excludes M&A. Latest capex forecasts for Convenience Retail now include its proportionate share of technology capex.

** Turnaround and Inspection (T&I) – Caltex has moved to annual T&I maintenance program.

^ Prior 2018 capex guidance was provided with Technology capex separate to business unit capex. Historical guidance has been adjusted to provide a like for like comparison.

Our Assets – Retail Infrastructure

Caltex Australian Retail Service Station Network

	Owned	Leased	Dealer Owned	*Total*
Company operated (Calstore)^	247	212	0	**459**
Company operated (Diesel Stop)	24	31	0	**55**
Company operated (Depot Fronts)	12	4	0	**16**
Franchised	152	125	6	**283**
Other*	43	13	596	**652**
WOW	**0**	**0**	**540**	**540**
Total	**478**	**385**	**1,142**	**2,005**

- Regionally: In New Zealand, Caltex's Gull NZ has 87 retail sites. This includes 63 controlled retail sites (including 40 unmanned stations), and 24 supply sites.

Valuation

- The book value of Caltex retail network approximates $1.5 billion, comprising Freehold Land, Buildings, Leasehold Improvement, Plant & Equipment and related Work in Progress. This is below current indications for market value with recent independent valuations of >$2 billion.

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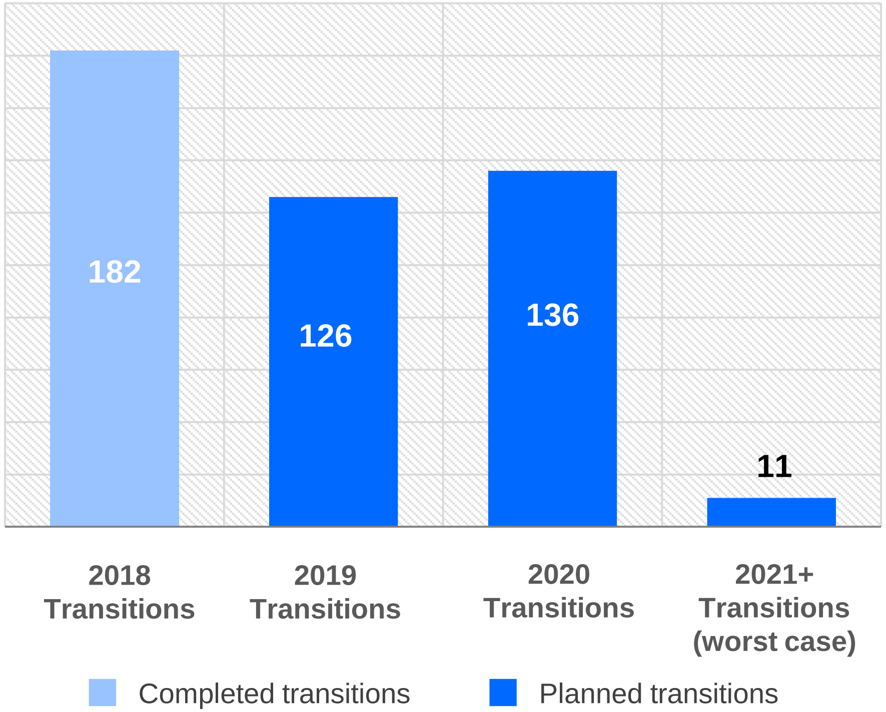
^ Excludes 2 Company operated The Foodary high street sites
* Other includes Supply Agreement sites and Agency StarCard sites.

Control our network – at least 99% of sites Company operated by 2020

Company operation is a key enabler of our Retail Strategy

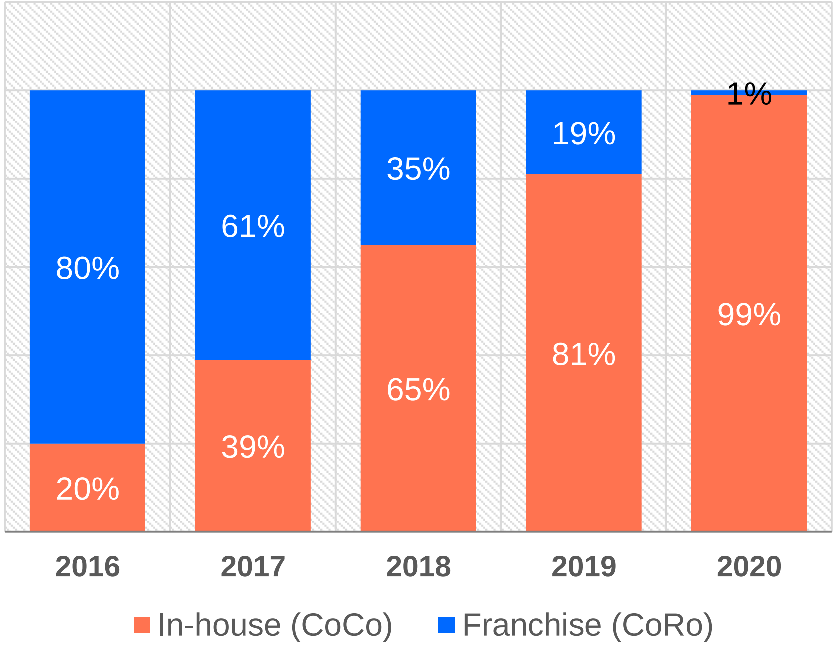
99% of sites have agreed transition dates

 # total sites (projected)



End 2020 >99% Caltex operated

 # total sites (projected) [1]



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1. Excludes diesel stops, Nashi sites.

Segmental Reconciliation

	2018					
	F&I	CR	Corporate	Consolidated P&L (RCOP basis)	Inventory gain/(loss) and significant items	Consolidated P&L (HCOP basis)
External Revenue	16,764	4,967		21,731		21,731
EBITDA	**721**	**404**	**(44)**	**1,082**	**3**	**1,085**
D&A	(151)	(97)	(8)	(255)		(255)
EBIT	**570**	**307**	**(51)**	**826**		**829**

	2017					
	F&I	CR	Corporate	Consolidated P&L (RCOP basis)	Inventory gain/(loss) and significant items	Consolidated P&L (HCOP basis)
Revenue	12,170	4,081		16,251		16,251
EBITDA	**805**	**419**	**(35)**	**1,188**	**(30)**	**1,158**
D&A	(138)	(85)	(6)	(229)		(229)
EBIT	**666**	**334**	**(41)**	**959**		**929**

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AASB16 updated guidance

Caltex anticipates the adoption of AASB16 will result in an unfavourable non-cash impact to NPAT in 2019 of approximately $20 million, which is slightly below guidance provided on 18 December 2018. This impact is anticipated to be the result of the following, all else equal:

- Approximately $160 million EBITDA benefit from removing lease expenses from operating costs
- Approximately $130 million higher D&A from amortisation of the associated leased asset
- Above splits are roughly ~25% F&I, ~75% Convenience Retail
- Approximately $60 million increased interest expense from leased asset expense

Total discounted lease liabilities at 1 January 2019 have been valued at ~$900 million.

Dividend payout ratio guidance (50-70%) will be applied to RCOP NPAT including impacts from AASB16 going forward.

*Caltex notes that this guidance is an estimate premised on current operations, and is subject to change with any changes to lease terms or business operating model. The guidance may be subject to change due to any unforeseen changes in the financial assumptions used in adoption of the standard for the first time.

Illustrative Buy-back Example

(for Australian Super Fund Investors)

Key Assumptions			**Comments**
Assumed Market Price*	$	28.00	
OMBB Price	$	24.08	Assumed Market Price less maximum tender discount of 14.0%
Assumed Capital Component	$	2.01	Subject to ATO class ruling
Original share purchase price (cost base)	$	22.80	Assume shares held for more than 12 months
Australian tax implications of sale of shares into the Buy-Back			
Income Tax Consequences			
Fully franked dividend component	$	22.07	Assumed Buy-back Price less capital component
Add: Gross up for franking credits	$	9.46	
Assessable income	$	31.53	Full franked component plus gross up for franking credits
Tax on assessable income	$	(4.73)	Superfund tax rate (15%) multiplied by assessible income
Add: Tax offset for franking credits	$	9.46	As per above
Net tax benefit/(cost)	$	4.73	Franking credit less tax on assessable income
After-tax dividend (Income) proceeds	**$**	**26.80**	Assessable income less net tax benefit/(cost)
Capital Gains Tax Consequences			
Sale consideration	$	5.93	Assumed Market Price less dividend component
Less: Assumed cost base	$	(22.80)	Assumption per above
Nominal loss on disposal	$	(16.87)	Sale consideration less assumed cost base
Discounted capital loss on disposal	$	(11.25)	33.33 % capital gains discount for shares held for more than 12 months
Tax impact of loss	$	1.69	15% tax on discounted loss on disposal
Add capital component	$	2.01	
After-tax capital proceeds	**$**	**3.70**	Capital component plus tax impact of loss
Total after-tax proceeds	**$**	**30.50**	After tax dividend plus after tax capital proceeds
Australian tax implications of sale of shares on the ASX			
Shares sold on market			
Sale proceeds (assumed)	$	28.00	Assumed Market Price
Less: Assumed cost base	$	(22.80)	
Nominal capital gain/(loss) on disposal	$	5.20	Sales proceeds less assumed cost base
Discounted capital gain/(loss)	$	3.47	Capital gains discount
Tax impact of loss/(gain)	$	(0.52)	Tax on discounted capital gain
Total after-tax proceeds	**$**	**27.48**	**Sale proceeds less tax impact of capital loss**
Net benefit/(cost) Buy-back vs on market sale	**$**	**3.02**	After tax proceeds under Buy-back less after tax proceeds on market

** Tax Market Value will be the VWAP of Caltex shares on the ASX over the last five trading days before the Buy-back announcement, adjusted for the final dividend and movement in the S&P/ASX200 index up until the Buy-back closing date.*

Proposed Off-market Buy-back Timetable

Feb-19	
• Announcement of Buy-back	Tuesday, 26 February
• Last day that Shares can be acquired on the ASX to be eligible to participate in the Buy-back and to qualify for franking credit entitlements in respect of the Buy-back consideration	Thursday, 28 February
Mar-19	
• Buy-back Ex-Entitlement Date: the date that Shares commence trading on an ex-Buy-back basis. Shares acquired on the ASX on or after this date will generally not confer an entitlement to participate in the Buy-back.	Friday, 1 March
• Buy-back Record Date: determination of shareholders entitled to participate in the Buy-back at 7.00pm (Sydney time)	Monday, 4 March
• Record date for determination of shareholders entitled to receive the Final Dividend at 7.00pm (Sydney time)	Monday, 4 March
• Mailing of Buy-back booklet to shareholders expected to be completed	Thursday, 7 March
• Tender Period opens	Monday, 18 March
Apr-19	
• Final Dividend payment date	Friday, 5 April
• Five trading days over which VWAP is calculated (for the purposes of determining the Market Price)	Monday, 8 April – Friday, 12 April
• Closing Date: Tenders must be received by the Registry no later than 7.00pm (Sydney time)	Friday, 12 April
• Buy-back Date: Announcement of Buy-back Price and scale-back (if any) to the ASX and entry into Buy-back Contracts	Monday, 15 April
• Dispatch/crediting of Buy-back proceeds to participating shareholders completed	Tuesday, 23 April

(1) While Caltex does not anticipate any changes to these dates and times, it reserves the right to vary them by announcement to the ASX. Such an announcement will be taken to amend this booklet (and the other Buy-back Documents) accordingly. Caltex may, in its absolute discretion, also decide to vary the size of the Buy-back (subject to any legal restrictions) or not to proceed with the Buy-back.

IMPORTANT NOTICE

This presentation for Caltex Australia Limited is designed to provide:

- an overview of the financial and operational highlights for the Caltex Australia Group for the 12-month period ended 31 December 2018; and
- a high level overview of aspects of the operations of the Caltex Australia Group, including comments about Caltex's expectations of the outlook for 2019 and future years, as at 26 February 2019.

This presentation contains forward-looking statements relating to operations of the Caltex Australia Group that are based on management's own current expectations, estimates and projections about matters relevant to Caltex's future financial performance. Words such as "likely", "aims", "looking forward", "potential", "anticipates", "expects", "predicts", "plans", "targets", "believes" and "estimates" and similar expressions are intended to identify forward-looking statements.

References in the presentation to assumptions, estimates and outcomes and forward-looking statements about assumptions, estimates and outcomes, which are based on internal business data and external sources, are uncertain given the nature of the industry, business risks, and other factors. Also, they may be affected by internal and external factors that may have a material effect on future business performance and results. No assurance or guarantee is, or should be taken to be, given in relation to the future business performance or results of the Caltex Australia Group or the likelihood that the assumptions, estimates or outcomes will be achieved.

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