

ASX Release

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CRM UPDATE AND CONVENIENCE RETAIL UPDATE

Caltex Australia (ASX: CTX) today provides, in light of the tender period for Caltex's off market buy back opening on Monday, 18 March 2019, a Caltex Refiner Margin (CRM¹) update and an update on Convenience Retail trading performance. Caltex confirms that it will provide a Q1 trading update at its Annual General Meeting on 9 May 2019.

CRM update

Caltex advises its CRM in respect of CRM sales from production for the period February 2019.

	Feb 2019	YTD 2019	Prior Year 2018
CRM	US\$7.34/bbl	US\$7.00/bbl	US\$9.99/bbl
CRM Sales from production	549 ML	1,014 ML	6,038 ML

The February 2019 CRM was US\$7.34/bbl. This is higher than January 2019 CRM of US\$6.61/bbl but below the prior year comparative (February 2018: US\$9.95/bbl). Sales from production in February 2019 of 549 ML are above January 2019 of 466 ML and above the prior year comparative (February 2018: 475 ML).

Year to date, the average CRM was US\$7.00/bbl (January to February 2018: US\$9.32/bbl) with CRM sales from production totalling 1,014 ML (January to February 2018: 1,032 ML). As previously flagged in February, Caltex confirms that the FCCU unit at its Lytton refinery will undergo a shutdown to rectify performance issues caused by the external electricity interruption during January. The FCCU expected impact on production is between 200 ML and 250 ML. Caltex reaffirms 2019 production guidance of around 5.8BL as a result of this shutdown.

Convenience Retail update

Retail Fuel Margins in Q1 have softened due to the rapid rebound in the crude oil price and competitor activity. This has resulted in a forecast Total Fuel and Shop Margin range of ~\$160-170 million in Q1 2019, ~\$35-45 million less than that achieved in Q1 2018. The variance is driven by Fuel Margin with Shop Margin being broadly in line with Q1 2018, adjusted for Easter timing.

While Q1 looks challenging, Caltex notes that short term trading conditions are not necessarily a reliable indicator of the full year result. External drivers such as movements in underlying crude and product prices, and changes in competitor pricing strategies can result in material variances between periods.

As stated above, Caltex will provide a Q1 trading update at the Annual General Meeting on 9 May 2019.

Notes

1. 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 EBIT earnings (excluding significant items) of the Lytton refinery, which is part of the Fuels and Infrastructure. Additionally, pricing lag are now excluded from RCOP earnings, and are instead included in movement in inventory as a component of inventory gain/loss, as communicated to the market on the 28 August 2018.

2. 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

Dale Koenders

Head of Investor Relations

+61 2 9250 5626

+61 457 559 036

dale.koenders@caltex.com.au

MEDIA CONTACT

Richard Baker

Head of Corporate Communications

+61 2 9250 5369

+61 417 375 667

richard.baker@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