



CALTEX

Caltex Australia Limited ACN 004 201 307



50 YEARS

OF REFINING FUEL FOR AUSTRALIA

Notice

of annual general meeting

The 2006 Annual General Meeting (AGM) for Caltex Australia Limited will be held at **10.00am** on **Thursday, 27 April 2006** at the Wesley Conference Centre, 220 Pitt Street Sydney, New South Wales, Australia.

Business of the AGM

1. INCIDENT-FREE OPERATIONS TOPIC

The Chairman will present an incident-free operations topic to the AGM.

2. ADDRESSES

The Chairman and the Managing Director and Chief Executive Officer will make presentations to shareholders.

3. KEY SHAREHOLDER ISSUES

The Chairman will discuss key issues raised by shareholders prior to the AGM and, during the discussion, will invite questions from shareholders regarding these key issues.

4. FINANCIAL REPORTS

The financial report, the directors' report and the auditor's report for Caltex Australia Limited (and the Caltex Australia Group) for the year ended 31 December 2005 will be laid before the meeting.

5. REMUNERATION REPORT

Shareholders will be asked to consider and, if thought fit, pass an ordinary resolution adopting the remuneration report (which forms part of the directors' report) for the year ended 31 December 2005. The Chairman will invite questions from shareholders on this resolution.

Note: The vote on this resolution is advisory only and does not bind the directors or Caltex Australia Limited.

6. BOARD REMUNERATION POOL FOR NON-EXECUTIVE DIRECTORS

Shareholders will be asked to consider and, if thought fit, pass an ordinary resolution to approve an increase of \$250,000 in the total annual remuneration pool available for Board fees paid to non-executive directors of Caltex Australia Limited from \$1,150,000 (inclusive of statutory entitlements) to \$1,400,000 (inclusive of statutory entitlements), with effect from 1 January 2007.

The Chairman will invite questions from shareholders on this resolution.

Voting Exclusion Statement

Caltex Australia Limited will disregard any votes cast on this resolution by:

- a **director***; and
- an **associate of a director***.

However, Caltex Australia Limited will not disregard a vote if:

- it is cast by a director* (including the Chairman of the meeting) as a proxy for a shareholder who/that is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the Chairman of the meeting as a proxy for a shareholder who/that is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Note: * The reference to a director in the voting exclusion statement includes directors who are up for election or re-election at the AGM.

7. ELECTION OF DIRECTORS

7.1 Election of Peter Wissel

Shareholders will be asked to consider and, if thought fit, pass an ordinary resolution to elect Peter Wissel as a director of Caltex Australia Limited in accordance with, and on the terms set out in, the company's Constitution.

Peter will address shareholders before the resolution for his election as a director is put to the meeting and the Chairman will invite questions from shareholders in relation to Peter's election.

7.2 Election of Trevor Bourne

Shareholders will be asked to consider and, if thought fit, pass an ordinary resolution to elect Trevor Bourne as a director of Caltex Australia Limited in accordance with, and on the terms set out in, the company's Constitution.

Trevor will address shareholders before the resolution for his election as a director is put to the meeting and the Chairman will invite questions from shareholders in relation to Trevor's election.

7.3 Re-Election of Elizabeth Bryan

Shareholders will be asked to consider and, if thought fit, pass an ordinary resolution to re-elect Elizabeth Bryan as a director of Caltex Australia Limited in accordance with, and on the terms set out in, the company's Constitution.

Elizabeth will address shareholders before the resolution for her re-election as a director is put to the meeting and questions will be invited from shareholders in relation to Elizabeth's re-election.

8. FORUM FOR SHAREHOLDER QUESTIONS AND COMMENTS

The Chairman will open the AGM to shareholders to ask questions and make comments on the management of Caltex Australia and to ask questions of KPMG, Caltex Australia Limited's external auditor; in relation to:

- the conduct of the audit;
- the preparation and content of the auditor's report;
- the accounting policies adopted by Caltex Australia Limited in relation to the preparation of its financial statements; and
- the independence of the auditor in relation to the conduct of the audit.

By order of the Board of Caltex Australia Limited

Helen Conway
COMPANY SECRETARY

6 March 2006

Important notes

VOTING

Individual shareholders may vote in person or by proxy. A corporate shareholder may vote by proxy or through an individual who has been appointed as the company's body corporate representative.

The Board has determined that, for the purposes of the meeting, shares in Caltex Australia Limited are deemed to be held by those shareholders who held shares at **7.00pm (Sydney time) on Tuesday, 25 April 2006** (and in the same proportions), as recorded in the company's share register.

PROXIES

A shareholder entitled to attend and vote at the AGM may appoint a proxy to attend and vote for the shareholder at the meeting.

Shareholders should note that:

- all shareholders have the right to appoint a proxy;
- a proxy does not have to be a shareholder of Caltex Australia Limited;
- a proxy may be an individual or a body corporate; and
- shareholders with two or more shares may appoint up to two proxies and may specify the proportion or number of votes that each proxy is appointed to exercise.

A proxy form, as approved by the Board, has been included in the material mailed to you for the AGM.

If you are appointing a body corporate as a proxy, you or that body corporate will need to provide satisfactory evidence of the appointment of the representative for that body corporate. Please refer to the section entitled "Body Corporate Representatives" below.

If you are appointing a second proxy:

- you will need to complete a second proxy form; and
- if the appointments do not specify the proportion or number of votes that each proxy may exercise, each proxy may exercise half of your votes (with fractions of votes to be disregarded).

Lodging Your Proxy Form

If you wish to appoint a proxy, you should:

- complete a proxy form;
- sign and date the proxy form; and
- return the proxy form to Caltex Australia Limited.

Please note that a proxy appointment is only effective if your proxy form has been received by Caltex Australia Limited by no later than **10.00am (Sydney time) on Tuesday, 25 April 2006**.

Your proxy form can be returned in the reply paid envelope (which is included in the AGM material) or sent:

by mail or delivery to:

Caltex Australia Limited, C/- Computershare Investor Services Pty Limited, Level 2, 60 Carrington Street, Sydney NSW 2000, Australia

or

The Company Secretary, Caltex Australia Limited, Level 12, MLC Centre, 19 Martin Place, Sydney NSW 2000, Australia

by facsimile to:

(03) 9473 2118 or (02) 9250 5018 (within Australia)

or

61 3 9473 2118 or 61 2 9250 5018 (outside Australia)

If your proxy form has been signed under power of attorney or other authority, the original or a certified copy of the power of attorney or other authority must also be provided by no later than 10.00am (Sydney time) on Tuesday, 25 April 2006, unless you have previously lodged one of these documents with the share registry (Computershare).

BODY CORPORATE REPRESENTATIVES

Satisfactory evidence of the appointment of a body corporate representative will need to be provided where:

- a corporate shareholder has appointed a body corporate representative to attend and vote at the meeting; or
- a shareholder has appointed a body corporate as a proxy.

The original appointment, a certified copy of the appointment or a certificate from the company giving notice of the appointment, will constitute satisfactory evidence.

The document evidencing the appointment of a body corporate representative can be sent in the reply paid envelope (which is included in the AGM material) or lodged in the same way as your proxy form. Details for lodging your proxy form are given above.

Please note that a document evidencing the appointment of a body corporate representative may also be presented at the registration desk at the AGM.

Explanatory statement

1. INCIDENT-FREE OPERATIONS TOPIC

All meetings at Caltex Australia with five or more people present commence with an incident-free operations topic. Dick Warburton (Chairman) will present an incident-free operations topic to the AGM.

2. ADDRESSES

Dick Warburton (Chairman) and Dave Reeves (Managing Director and Chief Executive Officer) will make presentations to shareholders.

3. KEY SHAREHOLDER ISSUES

Dick Warburton (Chairman) will discuss key issues raised by shareholders prior to the AGM. During the discussion, Dick will invite questions from shareholders regarding these key issues.

If you have a question that you would like to raise for discussion by Dick at the AGM, please send your question to Caltex by **5.00pm (Sydney time) on Wednesday 19 April 2006** in the reply paid envelope (which is included in the AGM material) or:

by mail or delivery to:

Caltex Australia Limited, C/- Computershare Investor Services Pty Limited, Level 2, 60 Carrington Street, Sydney NSW 2000, Australia

or

The Company Secretary, Caltex Australia Limited, Level 12, MLC Centre, 19 Martin Place, Sydney NSW 2000, Australia

by facsimile to:

(03) 9473 2118 or (02) 9250 5018 (within Australia)

or

61 3 9473 2118 or 61 2 9250 5018 (outside Australia)

by email to:

secretariat@caltex.com.au

Caltex will prepare a list of issues and questions submitted and this list will be made available to shareholders attending the AGM.

Please note that shareholders attending the AGM will also be able to raise other issues under Item 8 – Forum for Shareholder Questions and Comments at the AGM.

4. FINANCIAL REPORTS

Under the Corporations Act 2001 (Cth), the directors of Caltex Australia Limited must lay the financial report, the directors' report and the auditor's report for Caltex Australia Limited (and the Caltex Australia Group) for the year ended 31 December 2005 before the AGM.

5. REMUNERATION REPORT

Due to recent amendments to the Corporations Act 2001 (Cth), Caltex Australia Limited is now required to include, in the directors' report, a detailed remuneration report setting out prescribed information relating to directors' and executives' remuneration. The remuneration report is required to be submitted for adoption by resolution of shareholders at the AGM.

The remuneration report for the year ended 31 December 2005 is set out in the directors' report on pages 53 to 73 of the 2005 Annual Report. The Annual Report is included with this Notice of Annual General Meeting or available from the Caltex Australia Limited web site (www.caltex.com.au).

The vote on this resolution is advisory only and does not bind the directors or Caltex Australia Limited.

Board Recommendation

The Board recommends that shareholders vote in favour of this resolution.

6. BOARD REMUNERATION POOL FOR NON-EXECUTIVE DIRECTORS

The Board seeks approval for an increase of \$250,000 in the total annual remuneration pool for non-executive directors to \$1,400,000 (inclusive of statutory entitlements) with effect from 1 January 2007. In accordance with ASX Listing Rules and Caltex Australia Limited's Constitution, a proposed increase in the total remuneration pool for non-executive directors requires shareholder approval.

Fees paid to non-executive directors are currently subject to a maximum pool of \$1,150,000 per annum (inclusive of statutory entitlements). The Board's current remuneration pool was approved by shareholders of Caltex Australia Limited at the AGM held in April 2005.

In accordance with Caltex Australia Limited's Constitution, the allocation of fees to non-executive directors within the total remuneration pool is a matter for the Board. The Board's policy is to remunerate non-executive directors at market rates for comparable companies for the time commitment and responsibilities involved. In setting fees, the Board has regard to such factors as external data on fees, the time commitment of directors, the size and scale of Caltex's operations and the market capitalisation of Caltex Australia Limited. In accordance with its policy, the Board reviews fees paid to non-executive directors on an annual basis and also periodically reviews the total remuneration pool available to non-executive directors.

To assist the Board in its review of directors' fees in 2005, an independent external consultant was engaged to benchmark the remuneration practice for non-executive directors at Caltex Australia Limited against market practice. The independent external consultant recommended that the Board increase the total remuneration pool given the growth in the size of Caltex's business and the market movement in non-executive director remuneration. The current total remuneration pool is below the median of comparator companies and does not have sufficient headroom for appropriate increases in directors' fees over the medium term.

Based on current levels of remuneration set for non-executive directors, the total aggregate remuneration paid to directors per annum is approximately \$1,040,000 (inclusive of statutory entitlements). The increase being sought in the total remuneration pool will permit reasonable increases in directors' fees over the foreseeable future in line with the market rates and the growth in the demands placed on non-executive directors, and will also allow increases in the size of the Board if appropriate.

The remuneration of the non-executive directors for the year ended 31 December 2005 and the fees applying in 2006 are detailed in the remuneration report in the Annual Report.

Board Recommendation

With the Board noting their interest in this resolution, the Board recommends that shareholders vote in favour of this resolution.

7. ELECTION OF DIRECTORS

In accordance with the ASX Listing Rules and Caltex Australia Limited's Constitution, any non-executive director who is appointed to the Board as a casual vacancy or as an addition to the Board during a year holds office until the end of the next AGM. The director is eligible for election by shareholders at that meeting.

Under the ASX Listing Rules and Caltex Australia Limited's Constitution, a non-executive director is elected for a period of up to three years or until the third Annual General Meeting after the director's election (whichever is longer). As Caltex must hold an election of non-executive directors each year, directors may be subject to re-election before the expiration of this term.

7.1 Election of Peter Wissel

On 23 August 2005, Peter Wissel was appointed as a director to fill a casual vacancy on the Board. In accordance with the ASX Listing Rules and Caltex Australia Limited's Constitution, Peter holds office until the end of the AGM.

Peter has offered himself for election by shareholders at the AGM and will address shareholders before the resolution for his election as a director is put to the meeting.

Director Profile:

Peter Wissel

Director (Non-executive)

Date of birth: 12 October 1949 (Age: 56 years)

Qualifications: Bachelor of Arts in Economics (Denison University, USA) and Master of Business Administration – Finance (New York University Graduate School of Business Administration, USA)

Peter was appointed a director of Caltex Australia Limited with effect from 23 August 2005 and is a member of the Audit Committee.

Peter is the Regional Finance Officer, Asia Pacific and Africa Pakistan for the downstream businesses of Chevron Corporation (Chevron). In this role, he is responsible for financial and management reporting, credit approval, local cash management, local tax matters and risk management in the 33 countries of Asia, Africa and the Middle East where Chevron conducts refining and marketing operations. Peter is based in Singapore.

Petroleum refining and marketing is a mature global business requiring specialist technical knowledge. The appointment of Chevron executives as directors allows Caltex to access industry experience that these directors have gained through involvement in the day-to-day operations of one of the world's leading global energy companies. The presence of Chevron executives on the Board of Caltex Australia Limited brings important knowledge and experience to bear on the Board's consideration of operational and business matters which is not available from directors without industry involvement and which is not generally available in Australia.

Peter has participated in an education session organised by Caltex Australia Limited which outlined the duties of a director under Australian law, including the management of any conflicts that may arise from his being an executive of Chevron.

Board Recommendation

The Board supports the election of Peter Wissel as a director and the other directors intend to vote in favour of Peter's election at the AGM.

7.2 Election of Trevor Bourne

On 2 March 2006, Trevor Bourne was appointed as a director as an addition to the Board. In accordance with the ASX Listing Rules and Caltex Australia Limited's Constitution, Trevor holds office until the end of the AGM.

Trevor has offered himself for election by shareholders at the AGM and will address shareholders before the resolution for his election as a director is put to the meeting.

Director Profile:

Trevor Bourne

Director (Non-executive/Independent)

Date of birth: 17 September 1946 (Age: 59 years)

Qualifications: Bachelor of Mechanical Engineering (University of New South Wales, Australia) and Master of Business Administration (University of Newcastle, Australia)

Trevor brings to the Board broad management experience acquired in industrial and capital intensive industries and engineering and supply chain skills and experience. From 1999 to 2003, Trevor served as CEO of Tenix Industries. Prior to Tenix Industries, he spent 15 years at Brambles Industries Limited, six as Managing Director of Brambles Australasia. Before that he worked for Incitec Ltd and BHP Limited.

Trevor is chairman of the ASX listed company Hastie Group Limited, and is a director of the ASX listed companies Origin Energy Limited, Coates Hire Limited and Lighting Corporation Limited.

Board Recommendation

The Board supports the election of Trevor Bourne as a director and the other directors intend to vote in favour of Trevor's election at the AGM.

7.3 RE-ELECTION OF ELIZABETH BRYAN

In accordance with the ASX Listing Rules and Caltex Australia Limited's Constitution, Caltex Australia Limited must hold an election of directors at each AGM. Elizabeth Bryan, who was last elected to the Board on 17 April 2003, retires by rotation at the AGM.

Elizabeth has offered herself for re-election by shareholders at the AGM and will address shareholders before the resolution for her re-election as a director is put to the meeting.

Director Profile:

Elizabeth Bryan

Director (Non-executive/Independent)

Date of birth: 19 October 1946 (Age: 59 years)

Qualifications: Bachelor of Arts (Australian National University) and Master of Economics (University of Hawaii, USA)

Elizabeth was appointed as a director of Caltex Australia Limited on 18 July 2002 and is the Chair of the Human Resources and Nomination Committee.

Elizabeth has over 20 years experience in the financial services industry and on the boards of companies and statutory bodies. In her most recent corporate role before joining the Board of Caltex Australia Limited, Elizabeth served as the Chief Executive Officer of Deutsche Asset Management (Australia).

Elizabeth is a professional director and brings management, strategic and financial expertise to her roles. She has been a director of the listed company Ridley Corporation Limited since 7 September 2001. She also serves as a

director of UniSuper Limited and Australasian Medical Insurance Limited. She is President of the NSW Council of the Australian Institute of Directors and on the National Board of the Institute of Company Directors.

Board Recommendation

The Board supports the re-election of Elizabeth Bryan as a director and the other directors intend to vote in favour of Elizabeth's re-election at the AGM.

8. FORUM FOR SHAREHOLDER QUESTIONS AND COMMENTS

At the conclusion of the formal business of the AGM, Dick Warburton (Chairman) will open the meeting to shareholder questions and comments.

Shareholders may also ask questions of KPMG, Caltex's external auditor, about:

- the conduct of its external audit (of Caltex's financial statements for the year ended 31 December 2005);
- the preparation and content of its audit report;
- the accounting practices adopted by Caltex Australia Limited in relation to the preparation of Caltex's financial statements; and
- the independence of KPMG in relation to the audit of Caltex's financial statements.

If you would like to submit a written question to KPMG in relation to its conduct of the external audit of Caltex's financial statements for the year ended 31 December 2005 or the content of its audit report, please send your question to Caltex in the reply paid envelope (which is included in the AGM material) or:

by mail or delivery to:

Caltex Australia Limited, C/- Computershare Investor Services Pty Limited, Level 2, 60 Carrington Street, Sydney NSW 2000, Australia

or

The Company Secretary, Caltex Australia Limited, Level 12, MLC Centre, 19 Martin Place, Sydney NSW 2000, Australia

by facsimile to:

(03) 9473 2118 or (02) 9250 5018 (within Australia)

or

61 3 9473 2118 or 61 2 9250 5018 (outside Australia)

by email to:

secretariat@caltex.com.au

Written questions to the auditor must be received by no later than **5.00pm (Sydney time) on Wednesday 19 April 2006**. A list of the written questions submitted and relevant to the above two matters will be prepared and the list made available to shareholders attending the AGM.

KPMG may answer submitted relevant questions at the AGM or may table a written answer to those questions at the AGM. Any written answers tabled will be made available to the shareholders as soon as practicable after the AGM.