2009 AGM ADDRESSES

WELCOME & OPENING

[SLIDE – CALTEX AUSTRALIA GROUP]

Ladies and gentlemen, welcome to the 2009 Annual General Meeting of Caltex Australia Limited.

We have a quorum of shareholders in attendance, so I declare the meeting open.

[SLIDE – ELIZABETH BRYAN]

Let me introduce myself. My name is Elizabeth Bryan, and I have the honour of being the Chairman of the Caltex Board.

INTRODUCTORY MATTERS

[SLIDE – 2009 ANNUAL GENERAL MEETING]

The AGM is an important forum for shareholders.

It's your opportunity to ask questions about Caltex's performance and management over the last year.

We have structured the meeting to give you three separate opportunities to participate in discussion on the business of the meeting:

Firstly, I will discuss key issues that have been raised by shareholders before the meeting, and open up that discussion to your questions.

Secondly, you will have an opportunity to ask questions about each item of business set out in the Notice of Meeting.

And lastly, as we reach the end of the formal business, I will open up the meeting to any further questions and discussion.

In addition to the directors and management in attendance, we also have a representative here from KPMG, our external auditor to answer your questions.

Steve Gatt is the lead partner, and will take questions from you on audit related matters.

[SLIDE – AGENDA]

Before we turn to the formal business of the meeting, let me run through some introductory matters:

The first thing to note is that, in the event of an evacuation, you can exit through the main door at the back - or at the exit points towards the front of the stage.

Secondly, the meeting today is being webcast and recorded, so your presence at the meeting may be transmitted or recorded as part of the meeting.

The third matter is that copies of the minutes from last year's AGM have been made available from the **Shareholder Information** table, which is set up outside the auditorium.

Also available is a summary of questions and issues submitted by shareholders before the meeting - including the key shareholder issues that I will be addressing shortly.

Lastly, as a courtesy to other shareholders, please check that your mobile phone has been turned off, even if your phone is in "silent" mode - as this can interfere with the sound equipment.

CALTEX BOARD & MANAGEMENT INTRODUCTIONS

I would now like to introduce the people seated on stage.

[SLIDE – DES KING]

On my immediate left is Des King, Managing Director & CEO.

Des is well known to many of you from previous meetings. He will be talking to you about Caltex's performance in 2008 later in the meeting.

[SLIDE – JOHN THORN]

John Thorn is seated next to Des. John joined the Board in June 2004. He is the Chairman of the Board's Audit Committee.

[SLIDE – COLLEEN JONES-CERVANTES]

Next to John is Colleen Jones-Cervantes. Colleen joined the Board in June 2008.

[SLIDE – GREIG GAILEY]

Greig Gailey is seated next to Colleen. Greig joined the Board in December 2007. He is the Chairman of the Board's Human Resources Committee.

[SLIDE – HELEN CONWAY]

Helen Conway is seated on my right. Helen is the Company Secretary.

[SLIDE – TREVOR BOURNE]

Trevor Bourne is seated next to Helen. Trevor joined the Board in March 2006. He is the Chairman of the OHS & Environmental Risk Committee.

[SLIDE – BRANT FISH]

Brant Fish is seated next to Trevor. Brant was appointed as a director in July 2006.

[SLIDE – CALTEX LEADERSHIP TEAM]

I would now like to introduce members of the Caltex senior management team who are here today:

- Simon Hepworth: Chief Financial Officer
- Andy Walz: General Manager – Marketing
- Mike McMenamin: Group Manager - Strategy, Planning & Development
- Peter Wilkinson: Group Manager - Operational Excellence and Risk
- Simon Willshire: Group Manager - Human Resources; and

- John Heike: Acting General Manager - Supply & Distribution – John is Acting General Manager – Supply & Distribution while our General Manager – Supply & Distribution, Ken James is on leave.

NOTICE OF ANNUAL GENERAL MEETING

[SLIDE – NOTICE OF MEETING]

It is now time to move to the formal business of the meeting.

I will take the notice of meeting as read.

ITEM 1: INCIDENT FREE OPERATIONS TOPIC

[SLIDE – ITEM 1: INCIDENT FREE OPERATIONS TOPIC]

At Caltex, we always open meetings of five or more people with a focus on how to achieve incident free operations.

[SLIDE – ADDRESSING REFINING RELIABILITY]

Today's topic focuses on the reliability issues that we have had at our refineries and the steps we've taken to ensure the ongoing reliability of Kurnell and Lytton.

Although, importantly, the events at both Kurnell and Lytton were handled without safety incidents, unfortunately, they did result in approximately $100 million of loss profit opportunities.

I would like to give you an overview of the issues that resulted in the poor reliability performance of our refineries in 2008 and the steps we have taken to ensure these specific incidents do not happen again.

At Kurnell, a decision was made to extend the time between shutdown maintenance of the cat cracking unit from four years to four and a half years. Unfortunately the incident at Kurnell occurred within the extended maintenance period and as a result, we have returned to a maintenance cycle of four years.

At Lytton, the issues with the Diesel Hydrotreater Unit were caused by an obscure form of corrosion, which was discovered after in-depth investigation by both Caltex and Chevron. Once this was discovered, we upgraded the affected metal, and the unit has been operating successfully since.

These reliability issues were disappointing, especially in light of the record refinery reliability we saw in 2007.

We believe our new diesel hydrotreater at Lytton, which we expect to come online by the end of the second quarter, will mitigate the impact of any reliability issues with our existing Lytton diesel hydrotreater.

ITEM 2: ADDRESSES

[SLIDE – ITEM 2: AGENDA – CHAIRMAN'S ADDRESS]

Chairman's address

I will now turn to my formal Chairman's message.

2008 was a difficult year for business - worldwide. Caltex was particularly impacted by the collapse of the Australian dollar in the second half of 2008, which was triggered by the global economic downturn.

[SLIDE – REPLACEMENT COST OF OPERATING PROFIT GRAPH]

Our full year profit after tax for 2008 was $186 million, compared with $444 million in 2007.

The lion's share of this decline was due to the collapse in the Australian dollar. The remainder of the decline was due to poor refinery reliability which more than offset the strong marketing gains we made.

[SLIDE – CALTEX'S DIVIDEND HISTORY]

The dividend payout ratio for the year was 52%. However, this was paid to you in total in the first half of the year, with no further payment in the second half.

The decision not to declare a final dividend reflects the fact that we made a loss in the second half of 2008. The replacement cost of sales operating result was a loss of $10 million in the second half of 2008.

The Board did not consider it in the long-term interests of the company, in these difficult financial times, to pay a dividend for a period in which we had made a loss.

The interim dividend of 36 cents per share, paid in September 2008, was based on earnings of $196 million in the first half of 2008. The 36 cents per share interim dividend represents a full year payout ratio of 52%.

This is in line with Caltex's dividend policy of paying out between 40% and 60% of replacement cost of sales operating profit.

Let me talk to you about why the profit dropped in some more detail. There were two major reasons.

One was poor refinery reliability, which I outlined and addressed in the Incident Free Operations Topic at the beginning of the meeting. Des will also talk further on this.

[SLIDE – EXCHANGE RATE IMPACT ON PROFIT]

The other major reason was due to foreign exchange losses from the unprecedented fall in the Australian dollar in the second half of 2008.

The profit decline, from $444 million to $186 million, amounted to $258 million. $210 million of this decline - or 81% - was caused by an unprecedented fall in the Australian dollar in the second half of 2008.

The Australian dollar fell from an average of 82 cents to the US dollar in September to an average of 68 cents to the US dollar in October. This one month change, alone, accounted for approximately one half of the profit decline attributable to foreign exchange losses.

At Caltex, we do not actively hedge foreign currency exposures. This is because the impact of key external factors normally nets out over time.

We expect that the short-term negative effect of the weaker Australian dollar on 2008 profit earnings will be offset by the positive impact on future earnings through a stronger Australian dollar refiner margin. In fact, we are already seeing this.

[SLIDE – EXECUTIVE REMUNERATION]

There has been much discussion of Executive Remuneration this year, so I would like to draw your attention to the way our rewards for 2008 have reflected the poorer results this year.

Short term incentives for Caltex senior executives were about 60% lower than 2007, reflecting the relative performance between the two years. And, although the senior executives had a target of 23% of pay for bonuses, their actual bonus was only approximately 8% of pay.

I'll be returning to this issue in more detail when I address the Key Shareholder Issues, after Des King's address.

There was, however, amongst all the economic gloom of 2008, some positive news for Caltex.

[SLIDE – IMPROVED SAFETY RECORD]

The first bit of good news, is the improvement in our safety performance.

Our lost time injury frequency rate decreased from 3.8 per million hours worked in 2007 to 3.0 per million hours worked in 2008.

This is an improvement of over 20% and Caltex's best ever performance.

[SLIDE – TRANSPORT FUELS SALES]

The second bit of good news is the growth in our marketing business in 2008. This is particularly pleasing, given our strategic focus on the development of this part of our business. Total transport fuels sales volume was 14.4 billion litres for the full year, a 3.9% volume growth over 2007.

[SLIDE – PROACTIVE DEBT MANAGEMENT]

And the third bit of good news is that the management of our balance sheet has been strong. Balance sheet strength and prudent debt management are imperative in these current economic times.

Caltex has actively sought to maintain and manage our focus on cost control, cash flow and debt management. This has enabled us to continue to pursue our long-term strategy of profitably growing the marketing business, in order to remain the leading fuel and convenience marketer in Australia, with this growth underpinned by an effective supply chain.

[SLIDE – CEO ANNOUNCEMENT]

Strong and effective management will see Caltex positioned well for the long-term, despite difficult economic challenges. As you will have no doubt heard in recent days, the Board has completed a global search to find the best successor for Des, as his secondment ends on 30 June 2009. We are delighted to announce the appointment of Julian Segal, as Managing Director and CEO.

Julian was selected in accordance with best governance practice and has full support of the Board and the major shareholder, Chevron.

Des will return to the USA after his secondment from Chevron ends on 30 June 2009. Des has made a significant contribution to Caltex over the last three years. He has taken the company to the next level of performance and confirmed our position as the leader in the Australian downstream oil industry.

He has been dedicated to Caltex and I know he will be missed by everyone in the company. I would like to thank him for his contribution to Caltex and, on a personal note, I'd like to add how much I've enjoyed working with him.

Julian joins us from Incitec Pivot, a leading global chemicals company where he has been the Managing Director and CEO for the last four years. He is an experienced CEO with a proven track record in Australia. His significant commercial skills and experience will be integral in further developing Caltex's strengths and longevity.

The intention is that Julian will assume his responsibilities as CEO on or about 1 July 2009 and will work with Des in transitioning to the job.

[SLIDE – CALTEX Q1 2009 PERFORMANCE]

And now I'd like to turn to the outlook for Caltex. The first quarter of 2009 has seen replacement cost of sales operating profit of $97 million, compared to $87 million in the first quarter of 2008.

Marketing volume sales have been maintained and I'm also pleased to say that the refineries have operated reliably in the first quarter, despite a period of heavy planned maintenance.

So far, the lower Australian dollar and the lower oil price have helped support the Caltex Refiner Margin.

Des will go into further detail about this positive first quarter in his address.

As we progress further into 2009, the global economic climate is still very uncertain.

I have outlined that 2009 has begun well for Caltex, but your Board remains aware of the need to continue to chart a safe course for Caltex during this time.

We need to ensure the company remains strong and is positioned well for the long term interests of our shareholders.

[SLIDE – A TRIBUTE TO ALEX STRANG]

I would like to conclude on a sad and personal note.

At the end of 2008, Caltex farewelled Alex Strang, General Manager Supply and Distribution, who passed away suddenly after a short illness. Alex's career with Caltex spanned almost 37 years and his contribution and leadership, in engineering and executive management, was widely recognised. Alex's counsel, expertise, passion and unyielding dedication will be sadly missed by the Caltex Board, management and employees alike. On behalf of Caltex, I would like to extend my deepest sympathies to Alex's wife, Young, and their two children.

I would now like to hand over to Des, to present his Managing Director & CEO's address.

[SLIDE – AGENDA – MD/CEO'S ADDRESS]

Managing Director & CEO's address

Thank you Elizabeth.

I'd like to expand on what Elizabeth has covered and provide you with some operational highlights from 2008.

[SLIDE – AGENDA – 2008 OPERATIONAL REVIEW]

I'll also provide an outline of our performance in the first quarter of 2009, and offer some detail on our outlook for the rest of 2009.

As I begin, it's important to note that, despite the volatility we have seen in 2008, the Caltex strategy remains unchanged.

We remain committed to the long-term growth of our Marketing business and we will continue to strengthen our supply chain to support this ambition.

[SLIDE – DISTILLATE AND PREMIUM PETROL SALES]

The Caltex Marketing business performed well once again in 2008. This was highlighted by excellent growth in diesel, jet fuel and premium gasoline sales.

As outlined by Elizabeth, Caltex's total transport fuels sales volume was 14.4 billion litres for the full year.

This represented a 3.9% volume growth over 2007 and was supported by strong growth in diesel sales, significantly outpacing the market.

Diesel and jet fuel sales both grew by 10% to 5.7 billion litres and 1.8 billion litres respectively.

[SLIDE – TOTAL MARKET SHARE]

Caltex has retained its position as the No.1 convenience retailer and wholesale fuel supplier in Australia, with around 30% market share.

[SLIDE – NON-FUEL INCOME GROWTH]

Caltex achieved an underlying growth rate of 4% in non-fuel income in 2008 after adjusting for a one-off $5 million cost arising from the introduction of our Centralised Logistics Program.

This result was once again underpinned by increases in shop sales which grew 3.6%.

[SLIDE – REFINING IMAGE]

2008 was, unfortunately, a disappointing year for our Refining business, with planned and unplanned shutdowns impacting our production volumes.

Thanks to our robust and flexible supply chain network, disruptions to customers were minimised.

[SLIDE – REFINERY PRODUCTION AND UTILISATION]

Total production of petrol, diesel and jet was 9.8 billion litres, and average refinery utilisation for the year was 74%, compared with 84% in 2007.

Caltex's refinery production and average utilisation was down in 2008, due to a major planned maintenance shutdown at the Kurnell refinery, and unplanned shutdowns at both the Lytton and Kurnell refineries.

We are acutely aware that our refinery performance in 2008 was disappointing.

As discussed earlier, we have addressed these issues and are working towards restoring reliability to the levels we achieved in previous years.

Our expectation is that, despite heavy planned maintenance in 2009, we will see transport fuel production volume in excess of 10 billion litres again.

[SLIDE – CALTEX REFINER MARGIN]

The Caltex Refiner Margin averaged $10.27 US/bbl, compared with $9.26 US/bbl in 2007, bolstered by strong regional diesel and jet demand. This equates to 7.9 Australian cents per litre in 2008, compared with 7 Australian cents per litre in 2007.

As you will be aware, in recent years Refining has consumed the majority of Caltex's capital expenditure. This was due to the introduction of clean fuel technology and asset improvement projects. To support our strategy and expand the Marketing business going forward, Caltex is focused on building upon its supply chain infrastructure.

Having said that, however, we remain cognisant of the ongoing need to invest capital to address risk and reliability in Refining.

[SLIDE – MARKETING MARGIN]

Our integrated fuel margin for 2008 was 10.6 cents per litre, up 10% from 2007, due mostly to a rise in the Australian dollar Caltex refiner margin which, whilst volatile from month-to-month, was higher on average across the year.

The transport fuels marketing margin is largely unaffected by movements in the refiner margin or exchange rate - and has remained stable.

[SLIDE – TERMINAL IMAGE]

Major projects undertaken in 2008 include the construction of a new diesel hydrotreating unit at Lytton at our previously advised cost guidance of $320 million. This new unit is expected to be commissioned and producing 10ppm sulphur diesel by the end of the second quarter.

This new process unit will increase our capacity to produce Australian grade diesel by more than 30%.

Work also continued at our Mackay terminal. The compliance phase of the upgrade was completed and commissioned in 2008, and the construction of additional tank capacity has commenced with completion expected by the end of 2009.

This project strengthens the important link between the North Queensland diesel market and our new diesel hydrotreater at Lytton, allowing us to improve both our supply chain economics and flexibility.

During the year, three new biofuels blending and storage facilities, at the Banksmeadow terminal in Sydney, the Newcastle terminal, and the Lytton terminal in Brisbane, were successfully commissioned. The upgraded facilities enable accurate and efficient ratio blending of Bio E10 Unleaded at the loading rack. Banksmeadow now has the capacity for over one million litres of ethanol storage and Lytton terminal now has the capacity for 780,000 litres of ethanol storage.

[SLIDE – PEOPLE IMAGE]

To ensure we operate in a safe, secure, environmentally sound, efficient and reliable way, Caltex employs an operational excellence management system.

This provides Caltex with a systematic approach to operational excellence that is linked to the business planning process. We are continuing to drive improvement across the entire supply chain, addressing both process safety and the personal safety of our employees.

As Elizabeth mentioned, our ongoing commitment to the health and safety of our employees was rewarded with an improvement in our lost time injury frequency rate of over 20% to 3.0 per million hours worked. This is our best ever safety performance.

We also continued investing in driver training programs, and fleet upgrades and maintenance, to ensure the safety of our drivers.

In 2008 the number of motor vehicle accidents decreased by 25%, and the number of tanker truck accidents, per million kilometres travelled, decreased by 28%.

Progress was also made on improving process safety in the refineries during 2008. Hazard assessments were completed on operating plant, and significant progress was made moving personnel outside of hazardous areas.

[SLIDE – AGENDA – 2009 FIRST QUARTER RESULTS AND OUTLOOK]

Global economic factors are expected to make 2009 a challenging year for most of the Australian business community.

At Caltex, because of our good start to the year, we remain cautiously optimistic.

[SLIDE – TRANSPORT FUEL SALES]

Slowing GDP growth, with the potential for rising unemployment, may put pressure on both transport fuel volume growth and marketing margins in the coming year. However to date, the Marketing volume gains that were made in 2008 have been maintained in the first quarter of 2009.

Diesel and jet sales have been robust, and the contraction in petrol volumes has been in line with the market.

Our Marketing margin has also been maintained. We believe we are positioned to consolidate the gains Caltex has made in recent years. We plan to maintain our No.1 market position, leveraging the strength of our existing wholesale and convenience store networks. We will also continue to pursue growth in the most profitable areas of our business.

Our long term strategic focus has not changed. We will focus on strengthening our position in diesel, jet fuel and premium fuels. We will continue to look for growth.

The more challenging global environment will place pressure on Singapore US dollar refiner margins. Significant new refining capacity is expected to be commissioned over the next two years at a time when product demand has weakened which, if it occurs, will also put pressure on margins. To date, we are seeing the refining industry respond quickly in a rational manner. Refinery production and utilisation have fallen in response to the lower margins - this has been evident across the globe, with run cuts or refinery shutdowns in Asia, the US and Europe. Additionally, there are a number of reports of companies restraining capital spend on expansion and new capacity.

We believe we are in a position of relative strength to weather these challenges.

We remain cautiously optimistic because our total fuels production in the first quarter of 2009 was 2.49 billion litres, up from 2.12 billion litres in 2008.

Caltex produces a high value product mix, - including 10 parts per million sulphur diesel and premium grades of gasoline.

In contrast, we have a low yield of low value products like fuel oil, when compared to the ‘average’ refiner in the region.

Australian fuel specifications also remain amongst the tightest in the region and will continue to attract a quality premium for those, like Caltex, who can produce them.

The Caltex Refiner Margin for the first quarter of 2009 was 8.75 cents per litre, up from 7.18 cents per litre in the first quarter of 2008.

The Caltex Refiner Margin has been boosted by the weaker Australian dollar and a lower yield loss, due to weaker crude prices.

We will continue to progressively upgrade the retail network, and drive profitable growth in shop and fuel sales. This is in addition to continuing to grow the commercial businesses, and increasing market share across all products.

Between first quarter 2009 and first quarter 2008, there has been no slippage in transport fuel sales.

[SLIDE – SHOP SALES]

Total average weekly shop sales has increased to $37,100 per site in the first quarter of 2009, up 3% from the first quarter of 2008.

[SLIDE – DEBT MANAGEMENT]

As outlined by Elizabeth, we have always been cognisant of the need to maintain a strong balance sheet, given we operate in a cyclical industry. This has not changed.

We will maintain our focus on cost control, cash flow and debt management.

Throughout 2009 and beyond we will continue to focus on our long-term strategy of profitably growing the marketing business.

This will enable us to remain the leading fuel and convenience operator in Australia, with this growth underpinned by an effective supply chain.

Caltex has an unwavering commitment to continually provide our customers with safe, secure, reliable and environmentally sound products and services and also to provide our employees with a safe and secure working environment - and this commitment will continue.

And, as I stated earlier, we remain cautiously optimistic.

Thank you.

I will now hand back to Elizabeth.

ITEM 3: KEY SHAREHOLDER ISSUES

[SLIDE – ITEM 3: AGENDA - KEY SHAREHOLDER ISSUES]

Thank you Des.

I will now turn to the two issues that were raised by shareholders, prior to the meeting:

Firstly, the dividend payout and, secondly, director and executive remuneration

[SLIDE – KEY SHAREHOLDER ISSUES AGENDA – DIVIDEND PAYOUT FOR 2008]

A number of shareholders are unhappy with the Board's decision not to declare a final dividend.

We understand the difficulties and concerns that this presents to those of our shareholders who count on a dependable yield from their investments.

Let me explain the factors that led the Board to this decision.

[SLIDE – DIVIDEND PAYOUT FOR 2008 – DIVIDEND HISTORY]

For 2008, Caltex paid out 52% of its earnings in dividends. We have a dividend policy that says we should payout between 40% - 60% replacement cost of sales operating profit in dividends.

In line with this policy, we had quite a good first half result of $196 million, and paid out 50%.

However, for reasons outlined earlier, we reported a loss of $10 million in the second half of the year.

In this current global financial crisis, where credit and capital are both expensive and difficult to raise, the Board did not consider, in having made a loss in the second half, it would be in the best interests of Caltex to pay a final dividend.

[SLIDE – KEY SHAREHOLDER ISSUES AGENDA - DIRECTOR AND EXECUTIVE REMUNERATION]

Let me turn to the second issue that you raised.

And indeed it would be hard to address a shareholder meeting without discussing director and executive remuneration.

Your Board remains aware of the need to ensure that Caltex executives are appropriately, but not excessively, remunerated.

[SLIDE – EXECUTIVE REMUNERATION GRAPH]

As you know, at Caltex we have short-term and a long-term incentive plans. These incentive plans closely link employee rewards to company performance and the interests of shareholders.

At a time when our profits and dividends are down, the payments to Caltex executives have fallen.

As a result of the company's performance in 2008, Caltex executives received lower short-term benefits in 2008, compared to those received in 2007.

On average, those executives who were continuously employed throughout 2007 and 2008, received a reduction of about 60% in their short-term incentives in 2008, compared to 2007.

In addition, management's long-term incentive award is impacted by share prices. A lower share price will also reduce the long-term incentives of management.

As you might expect, the Board has also decided to freeze directors' fees for 2009.

[SLIDE – DISCUSSION ON KEY SHAREHOLDER ISSUES]

That concludes my remarks on the key shareholder issues.