

CALTEX AUSTRALIA LIMITED

ACN 004 201 307

2010 HALF YEAR REPORT

RESULTS FOR ANNOUNCEMENT TO THE MARKET

HALF YEAR INFORMATION GIVEN TO THE ASX
UNDER LISTING RULE 4.2A

THE 2010 HALF YEAR REPORT SHOULD BE READ IN
CONJUNCTION WITH THE 2009 FINANCIAL REPORT



CALTEX

CALTEX AUSTRALIA LIMITED
LEVEL 24, 2 MARKET STREET
SYDNEY NSW 2000 AUSTRALIA

Results for Announcement to the Market

Key Results (Millions of dollars)			Half year ended 30 June	
			2010	2009
Revenues from ordinary activities	↑	3%	9,126	8,894
Profit from ordinary activities after tax/net profit for the period attributable to members:				
Replacement cost basis ¹	↓	50%	149	298
Historical cost basis	↓	61%	141	362

Dividend	2010	2009
Dividends declared:		
Interim dividend:		
- Amount per security (fully franked)	30¢	Nil
Final dividend		
- Amount per security (fully franked)	N/A	25¢
Record date for determining entitlement to 2010 interim dividend		7 September 2010
Date 2010 interim dividend is payable		28 September 2010

Comments

- On an historical cost basis (including inventory gains and losses), Caltex recorded an after tax profit of \$141 million for the first half of 2010 (including significant items²) compared with \$362 million for the first half of 2009 (which had no significant items). This result includes product and crude oil inventory losses of approximately \$8 million after tax compared with inventory gains of \$64 million after tax for the first half of 2009.
- Profit after tax on a replacement cost of sales operating profit (RCOP)¹ basis was \$149 million for the first half of 2010, including the impact of significant items of \$20 million (\$14 million after tax). This half year result compares with \$298 million for 2009 (which had no significant items).
- Volatility in externalities impacted the result. Singapore refiner margins were stronger than expected due to the weakness in the Tapis crude price relative to other crudes. However, the higher average Australian dollar during the period, compared with the same period in 2009, resulted in a lower Australian dollar Caltex Refiner Margin³. The Caltex Refiner Margin for the period averaged 6.79 Australian cents per litre, a decrease of 15% over the first half of 2009. The fall in the Australian dollar towards the end of the period resulted in a net foreign exchange loss on US dollar payables for the half of \$36 million, compared with a net gain of \$75 million in the same period in 2009.
- Given the significant ongoing exchange rate volatility, the Board decided to implement a policy of hedging 50% of Caltex's \$US crude and product payables exposure (after applying natural hedges) with effect from 1 July 2010.
- Marketing continued to deliver strong results in the first half of 2010, achieving a 31% increase in earnings before interest and tax (EBIT) over the prior corresponding period. Total transport fuel sales volumes grew strongly, up 3.6% compared to 2009. Growing demand for diesel, jet and premium fuels more than offset a small reduction in demand for petrol. While there was a slight decline in overall petrol sales, premium petrol sales grew strongly. Shop sales also grew in excess of 3% compared to the corresponding period last year. Finished lubricants growth was outstanding with Caltex achieving a market share of 20% in May and progressing to number two in the market.
- Refinery reliability continued to improve. However, production volumes declined in the first half of 2010 due to higher planned maintenance at the Lytton and Kurnell refineries, compared to 2009. This planned maintenance was completed successfully and overall production of petrol, diesel and jet fuel was 4.3 billion litres (first half 2009: 5.1 billion litres).
- Net debt at 30 June 2010 was \$576 million, up from \$487 million at 31 December 2009. As a result, period end gearing rose to 16% from 14% at 31 December 2009.
- The Board declared an interim dividend of 30 cents per share fully franked, compared with a total dividend payout of 25 cents per share fully franked for the full year 2009.

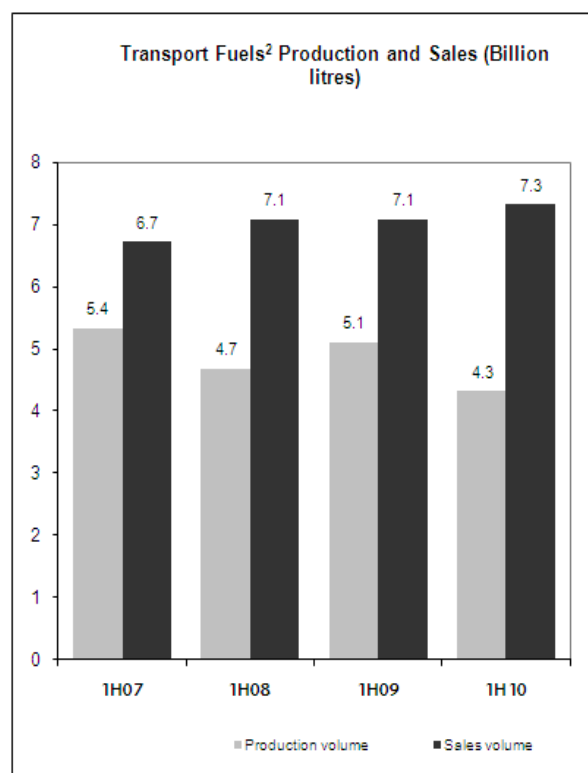
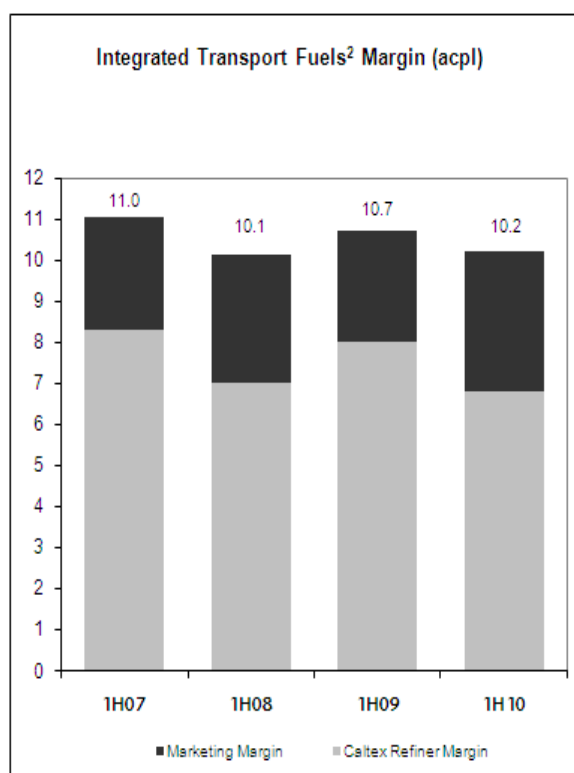
¹ The replacement cost of sales operating profit (RCOP) excludes the impact of the fall or rise in oil prices (a key external factor) and presents a clearer picture of the company's underlying business performance. It is calculated by restating the cost of sales using the replacement cost of goods sold rather than the historical cost, including the effect of contract based revenue lags.

² In 1H10, significant items of \$20 million (\$14 million after tax) comprised largely of redundancies related to restructuring and efficiency initiatives.

³ 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 + product quality premium + crude discount/(premium) + product freight - crude freight - yield loss.

Key Performance Indicators

	Half year ended 30 June				
	2010	2009	2008	2007	2006
Profit before interest and tax (\$m)					
- Replacement cost basis (including significant items) ¹	240	433	302	445	270
- Replacement cost basis (excluding significant items)	261	433	302	445	270
- Historical cost basis (including significant items)	230	526	528	550	416
- Historical cost basis (excluding significant items)	250	526	528	550	416
Profit after interest and tax (\$m)					
- Replacement cost basis (including significant items)	149	298	196	294	175
- Replacement cost basis (excluding significant items)	163	298	196	294	175
- Historical cost basis (including significant items)	141	362	354	368	277
- Historical cost basis (excluding significant items)	155	362	354	368	277
Inventory (losses)/gains before tax (\$m)	(11)	93	226	105	146
Basic earnings per share (cents)					
- Replacement cost basis (excluding significant items)	60.3	110.2	72.7	108.9	64.7
- Historical cost basis (including significant items)	52.3	134.2	131.3	136.2	102.5
Return on equity attributable to members of the parent entity after tax, annualised (%)					
- Replacement cost basis (excluding significant items)	11	20	13	22	15
- Historical cost basis (including significant items)	9	25	23	28	24
Net tangible asset backing per share (\$)	10.76	10.60	11.05	9.68	8.45
Net debt (\$m)	576	560	645	490	721
Gearing (net debt to net debt plus equity) (%)	16	16	17	15	24






¹ In 1H10, significant items of \$20 million (\$14 million after tax) comprised largely of redundancies related to restructuring and efficiency initiatives.

² Transport fuels comprise petrol, diesel and jet.

Income statement for the half year ended 30 June 2010

Millions of dollars	2010	2009
1 Total revenue ¹	9,126	8,894
2 Total expenses ²	(8,886)	(8,461)
3 Replacement cost EBIT	240	433
Finance income	1	6
Finance expenses	(29)	(15)
4 Net finance costs	(28)	(9)
Income tax expense	(63)	(126)
Replacement cost profit (RCOP)	149	298
5 Inventory (loss)/gain – after tax	(8)	64
Historical cost net profit after tax	141	362
6 Interim dividend per share	30c	nil
Final dividend per share	N/A	25c
Basic earnings per share		
- Replacement cost	55.1c	110.2c
- Historical cost	52.3c	134.2c

Discussion and Analysis

<p>1 Total revenue</p> <p> 3%</p>	<p>Total revenue increased primarily due to:</p> <ul style="list-style-type: none"> the impact of the higher average crude prices (increasing from US\$53.81/bbl in 1H09 to US\$74.01/bbl in 1H10); and higher transport fuels sales volumes than prior year.
<p>2 Total expenses – replacement cost basis</p> <p> 5%</p>	<p>Total expenses increased as a result of higher cost of sales, reflecting primarily higher crude oil prices.</p>
<p>3 Replacement cost EBIT</p> <p> 45%</p>	<p>The decrease in RCOP EBIT was driven by:</p> <ul style="list-style-type: none"> Ongoing volatility in the Australian dollar which had an overall negative impact on the 1H10 results compared with 1H09. The higher average Australian dollar resulted in lower average acpl refiner margins (6.79 Australian cents per litre in 1H10 vs. 8.00 Australian cents per litre in 1H09). In addition, sharp falls in the AUD in 1H10 resulted in a first half foreign exchange loss of \$36 million compared to a foreign exchange gain of \$75 million in 1H09; and Whilst the sales production mix was favourable compared to the first half of 2009, total sales from production volumes were lower compared to the same period last year with transport fuels production down 15.2% to 4.3 billion litres, primarily due to major planned maintenance at both the Lytton and Kurnell refineries.

¹ Excludes interest revenue.

² Excludes interest expense, inventory gains/(losses).

Discussion and Analysis cont'd

<p>4 Net finance costs</p> <p>↑ 211%</p>	<p>Net finance costs increased \$19 million compared to 1H09.</p> <p>In accordance with accounting standards, Caltex capitalises interest associated with large capital projects. During 1H09, approximately \$10 million was capitalised to projects such as the second Lytton Diesel Hydrotreater Unit. With no major construction under way in 1H10, there has been no interest capitalised.</p> <p>Included in 1H09 finance costs is a favourable impact of \$5 million relating to discounting of long-term payables and receivables as a result of rising interest rates during 2009.</p> <p>The remaining increase in net finance costs of approximately \$4 million reflects an increase in the cost of funding compared to 1H09 due to increased interest rates and credit margins.</p> <p>Total finance costs actually paid of \$29 million were in line with 2009.</p>
<p>5 Inventory gain after tax</p> <p>↓ 112%</p>	<p>Regional crude oil prices were volatile during 1H10, (averaging US\$71.46/bbl in June 2010 compared with US\$79.32/bbl in December 2009). This resulted in net inventory losses of \$11 million (\$8 million after tax) compared with more consistent increases in crude oil prices in 1H09 which resulted in net inventory gains of \$93 million (\$64 million after tax).</p>
<p>6 Interim dividend</p>	<p>The Board declared an interim fully franked dividend of \$81 million or 30 cents per share. The dividends have a franking credit of 100%. The record date is 7 September 2010, with the dividend payable on 28 September 2010.</p>

Balance Sheet

as at 30 June 2010

Millions of dollars	June 2010	December 2009	change
1 Working capital	805	669	136
2 Property, plant and equipment (PP&E)	2,823	2,780	43
3 Net debt	(576)	(487)	(89)
4 Other non-current assets and liabilities	(53)	(37)	(16)
Total equity	2,999	2,925	74

Discussion and Analysis

<p>1 Working capital</p> <p>↑ \$136m</p>	<p>The increase in working capital is primarily due to:</p> <ul style="list-style-type: none"> • Higher inventory volumes due to inventory build in support of the major maintenance shutdowns during May and June; • Higher crude and product prices impacting receivables; and • Lower crude payables due to timing of crude and product purchases.
<p>2 PP&E</p> <p>↑ \$43m</p>	<p>The increase in property, plant and equipment is due to:</p> <ul style="list-style-type: none"> • Capital expenditure and accruals, including major cyclical maintenance, of \$149 million; <p>Partly offset by:</p> <ul style="list-style-type: none"> • Depreciation of \$96 million; and • Net disposals of \$10 million.
<p>3 Net debt</p> <p>↑ \$89m</p>	<p>Net debt increased to \$576 million at 30 June 2010, an increase of \$89 million from 31 December 2009. As a result, Caltex's gearing at that date (net debt to net debt plus equity) was 16.1%, increasing from 14.3% at 31 December 2009. On a lease-adjusted basis, gearing at 30 June 2010 was 21.1% compared with 18.2% at 31 December 2009.</p> <p>Gearing based on average debt over the period was 16.2%. On a lease-adjusted basis gearing was 21.2%.</p>
<p>4 Other non-current assets and liabilities</p> <p>↑ \$16m</p>	<p>Other non-current assets and liabilities have increased primarily due to a decrease in the deferred tax asset of \$12 million. The deferred tax asset represents temporary timing differences between the accounting and tax treatment of transactions.</p>

Cash Flows

for the half year ended 30 June 2010

Millions of dollars		2010	2009	change
1	Receipts from customers	10,469	10,114	355
2	Payments to suppliers and employees	(7,923)	(7,369)	(554)
3	Payments for excise	(2,378)	(2,329)	(49)
	Finance costs paid	(29)	(28)	(1)
4	Tax and other activities	(23)	64	(87)
	Net operating cash inflows	116	452	(336)
	Purchases of property, plant and equipment (PP&E) and major cyclical maintenance	(139)	(151)	12
	Other investing cash flows	(2)	(9)	7
	Net investing cash outflows	(141)	(160)	19
	Dividends paid	(68)	-	(68)
	Other financing cash inflows/(outflows)	114	(281)	395
5	Net financing cash inflows/(outflows)	46	(281)	327
	Net increase in cash held	21	11	10

Discussion and Analysis

<p>1 Receipts from customers ↑ \$355m</p>	<p>Receipts from customers increased primarily due to:</p> <ul style="list-style-type: none"> the impact of the higher crude prices; and higher transport fuels sales volumes than prior year.
<p>2 Payments to suppliers & employees ↑ \$554m</p>	<p>Payments to suppliers increased as a result of higher cost of sales, reflecting primarily higher crude oil prices, and working capital movements.</p>
<p>3 Payments for excise ↑ \$49m</p>	<p>Increased excise payments are a result of increased sales volumes in 1H10 compared to 1H09. The 2% increase in excise payments corresponds to the percentage increase in transport fuels sales volumes.</p>
<p>4 Tax and other activities ↑ \$87m</p>	<p>The increase in tax and other outflows is largely due to higher tax payments in 1H10. 1H10 includes an income tax payment of \$26 million in relation to 2009 income tax, whereas 1H09 includes a tax refund of \$131 million.</p>
<p>5 Net financing cash inflows ↑ \$327m</p>	<p>Net financing cash inflows increased due to higher net borrowings of \$116 million in 1H10 compared to net repayments of \$280 million in 1H09, reflecting the repayment of long term debt in 1H09. This is partly offset by a dividend payment in 1H10 of \$68 million (no dividends paid in 1H09).</p>

2010 HALF YEAR FINANCIAL REPORT

FOR

CALTEX AUSTRALIA LIMITED

ACN 004 201 307

The 2010 Half Year Financial Report for Caltex Australia Limited includes the:

- Directors' Report
- Directors' Declaration
- Independent Review Report
- Half Year Financial Statements

for the half year ended 30 June 2010

Caltex Australia Group

For the purposes of this report, the Caltex Australia Group refers to:

- Caltex Australia Limited, which is the parent company of the Caltex Australia Group and is listed on the Australian Securities Exchange (ASX)
- our major operating companies, including Caltex Australia Petroleum Pty Ltd, Caltex Refineries (NSW) Pty Ltd, Caltex Refineries (Qld) Pty Ltd, Caltex Petroleum Services Pty Ltd and Calstores Pty Ltd
- a number of wholly owned entities and other companies that are controlled by the Group

Please note that terms such as Caltex and Caltex Australia have the same meaning in this report as the Caltex Australia Group, unless the context requires otherwise.

*THE 2010 HALF YEAR FINANCIAL REPORT SHOULD BE READ IN
CONJUNCTION WITH THE 2009 FINANCIAL REPORT*

Directors' Report

Introduction

The Board of Caltex Australia Limited presents the 2010 Half Year Directors' Report and the 2010 Half Year Financial Report for Caltex Australia Limited and its controlled entities (the Caltex Australia Group) for the half year ended 30 June 2010. An Independent Review Report from KPMG, Caltex's external auditor, is also provided.

Board of Directors

The Board of Caltex Australia Limited comprises Ms Elizabeth Bryan (Chairman), Mr Julian Segal (Managing Director & CEO), Mr Trevor Bourne, Mr Brant Fish, Mr Greig Gailey, Ms Colleen Jones-Cervantes, Mr Robert (Rob) Otteson and Mr John Thorn.

Mr Walter (Walt) Szopiak serves as alternate director for each of Mr Fish, Ms Jones-Cervantes and Mr Otteson.

There have not been any changes to the composition of the Board since 1 January 2010.

Board Profiles

Ms Elizabeth Bryan	Chairman (Non-executive / Independent)
Date of Appointment - Director:	18 July 2002
Date of Appointment - Chairman:	1 October 2007
Board Committees:	Nomination Committee (Chairman) and attends meetings of the Audit Committee, Human Resources Committee and OHS & Environmental Risk Committee in an ex-officio capacity

Elizabeth is a professional director and brings management, strategic and financial expertise to the Board. She has over 30 years of experience in the financial services industry, government policy and administration, and on the boards of companies and statutory organisations. Prior to becoming a professional director, she served for six years as Managing Director of Deutsche Asset Management and its predecessor organisation, NSW State Superannuation Investment and Management Corporation.

Elizabeth is Chairman of UniSuper Limited, a director of Westpac Banking Corporation (appointed November 2006) and a director of the Australian Institute of Company Directors. She was previously a director of Ridley Corporation Limited (September 2001 to October 2007).

Elizabeth holds a Bachelor of Arts (Economics) from the Australian National University and a Master of Arts (Economics) from the University of Hawaii (US).

Mr Julian Segal	Managing Director & CEO
Date of Appointment:	1 July 2009

Julian was appointed as Caltex's Managing Director & CEO from 1 July 2009. He is responsible for overseeing the day-to-day operations of the Caltex Australia Group.

Julian joined Caltex from Incitec Pivot Limited, a leading global chemicals company, where he served as the Managing Director & CEO from June 2005 to May 2009. Prior to Incitec Pivot, Julian spent six years at Orica in a number of senior management positions, including Manager of Strategic Market Planning, General Manager – Australia / Asia Mining Services, and Senior Vice President – Marketing for Orica Mining Services.

Julian holds a Bachelor of Science (Chemical Engineering) from the Israel Institute of Technology and a Master of Business Administration from the Macquarie Graduate School of Management.

Julian is a director of the Australian Institute of Petroleum Limited (appointed 1 July 2009).

Directors' Report cont'd

Mr Trevor Bourne	Director (Non-executive / Independent)
Date of Appointment:	2 March 2006
Board Committees:	OHS & Environmental Risk Committee (Chairman), Audit Committee and Nomination Committee

Trevor brings broad management experience in industrial and capital intensive industries, and a background in engineering and supply chain, to the Board. From 1999 to 2003, he served as CEO of Tenix Investments. Prior to Tenix, Trevor spent 15 years at Brambles Industries, including six years as Managing Director of Brambles Australasia. He has also previously worked for Incitec Pivot and BHP.

Trevor is Chairman of Hastie Group Limited (where he has served as a director since February 2005) and a director of Origin Energy Limited (appointed February 2000). He was previously a director of Coates Hire Limited (February 2004 to January 2008) and Lighting Corporation Limited (February 2004 to January 2008).

Trevor holds a Bachelor of Mechanical Engineering from the University of New South Wales and a Master of Business Administration from the University of Newcastle.

Mr Brant Fish	Director (Non-executive)
Date of Appointment:	27 July 2006
Board Committees:	Human Resources Committee and Nomination Committee

Brant brings significant downstream oil industry experience to the Board, particularly in the areas of supply chain, refining and marketing. He currently serves as the Global Vice President of Joint Ventures & Affiliates for Chevron Global Manufacturing and as Chevron's Downstream Regional Leader for Asia Pacific. Brant is based in Singapore and has accountability for overall Chevron Downstream earnings in Asia Pacific – from refinery crude supply to a consumer or export sale. He was previously the General Manager of Supply Chain Optimization – Asia Pacific for Chevron U.S.A. Inc.

Brant holds a Bachelor of Science (Mechanical Engineering) from the University of Florida (US).

Brant previously served as an alternate director of Caltex Australia Limited (April 2005 to July 2006).

Mr Greig Gailey	Director (Non-executive / Independent)
Date of Appointment:	11 December 2007
Board Committees:	Human Resources Committee (Chairman), Audit Committee, OHS & Environmental Risk Committee and Nomination Committee

Greig brings extensive Australian and international oil industry experience, and a management background in industrial and capital intensive industries, to the Board. From 1964 to 1998, he worked at British Petroleum Company (BP) where he held various positions throughout Australia and offshore, including management of refining, supply and distribution in Australia and Europe.

Greig was subsequently appointed CEO of Fletcher Challenge Energy (New Zealand), a position he held from 1998 to 2001. In August 2001, he joined Pasminco Limited as CEO. Pasminco was subsequently transformed and relisted as Zinifex Limited on the Australian Securities Exchange in April 2004. Greig became Managing Director & CEO of Zinifex Limited from that date until standing down in June 2007. He is currently Vice President and a director of the Business Council of Australia (and the immediate former President from 2007 to 2009), a director of the Australian Davos Connection Limited and a director of the Victorian Opera Company Limited.

Greig holds a Bachelor of Economics from the University of Queensland.

Directors' Report cont'd

Ms Colleen Jones-Cervantes	Director (Non-executive)
Date of Appointment:	1 June 2008
Board Committees:	OHS & Environmental Risk Committee and Nomination Committee

Colleen brings important downstream oil industry knowledge and experience, especially in marketing, to the Board. She currently serves as Chevron's Vice President – Product Supply & Trading and is based in the US. Colleen was previously the Vice President of Global Marketing – Asia Pacific Region for Chevron, based in Singapore, and was responsible for retail sales for the Caltex brand (as operated by Chevron), commercial and industrial sales, asphalt and LPG sales and company operated stores in 11 countries.

Colleen holds a Bachelor of Science (Mechanical Engineering) from Michigan Technological University (US).

Colleen previously served as an alternate director of Caltex Australia Limited (July 2006 to May 2008).

Mr Robert (Rob) Otteson	Director (Non-executive)
Date of Appointment:	17 July 2009
Board Committees:	Nomination Committee

Rob brings considerable oil industry and financial management experience to the Board. He is the Regional Finance Officer – Asia Pacific for Chevron Corporation and is responsible for financial and management reporting, credit approval, local cash management, local tax matters, and risk management for Chevron's operations in the Asia Pacific region. Since joining Chevron in 1982, he has served in various finance roles before being appointed to his current role in June 2009. He is based in Singapore.

Rob is a director of Chevron Lubricants Lanka PLC, a Sri Lankan company (appointed October 2009).

Rob is a licensed Certified Public Accountant (US) and holds a Bachelor of Arts (Accounting) from The University of Utah (US).

Mr John Thorn	Director (Non-executive / Independent)
Date of Appointment:	2 June 2004
Board Committees:	Audit Committee (Chairman), Human Resources Committee and Nomination Committee

John is a chartered accountant and brings expertise to the Board in accounting and financial services, business advisory, risk and general management. He has over 37 years of professional experience with PricewaterhouseCoopers, where he was a partner from 1982 to 2003, and was responsible for major international and local companies. During this period, he served as the Managing Partner of PricewaterhouseCoopers' Assurance and Business Advisory Service practice from 1998 to 2001 and as the National Managing Partner until 2003.

John is a director of Amcor Limited (appointed December 2004), National Australia Bank Limited (appointed October 2003) and Salmat Limited (appointed September 2003).

John is a Fellow of the Institute of Chartered Accountants in Australia.

Directors' Report cont'd

Mr Walter (Walt) Szopiak	Alternate Director (Non-executive)
Date of Appointment:	17 April 2009 (for Mr Brant Fish) / 1 July 2009 (for Ms Colleen Jones-Cervantes) / 17 July 2009 (for Mr Robert Otteson)

Walt has over 25 years of experience in the oil and gas industry working for Chevron. He currently serves as the General Manager – Manufacturing & Supply for Chevron Oronite, Asia Pacific and is based in Singapore. In this role, he is responsible for the manufacturing and supply activities for Chevron Oronite's additives business in the Asia Pacific region. His experience encompasses a range of roles in refinery technical and operations management and feedstock and supply chain optimisation. He was previously the General Manager – Manufacturing Business Development.

Walt holds a Bachelor of Science (Chemical Engineering) from Virginia Polytechnic Institute (US).

* * * * *

On 18 August 2010, the Board of Caltex Australia Limited appointed Mr Walt Szopiak as a director with effect from 1 September 2010. Mr Szopiak's appointment follows Ms Colleen Jones-Cervantes' resignation as a director with effect from 31 August 2010.

Mr Szopiak's appointment as alternate director for each of Mr Brant Fish, Ms Jones-Cervantes and Mr Rob Otteson will end on 31 August 2010. Ms Jones-Cervantes has been appointed as alternate director for each of Mr Fish, Mr Otteson and Mr Szopiak with effect from 1 September 2010.

Review of Results and Operations

General Overview

On an historical cost profit basis (including inventory gains), Caltex recorded an after tax profit of \$141 million, including significant items¹, for the first half of 2010 compared with \$362 million for the first half of 2009 (which had no significant items). This result includes product and crude oil inventory losses of approximately \$8 million after tax compared with inventory gains of \$64 million after tax for the first half of 2009.

On a replacement cost of sales operating profit (RCOP)² basis, excluding significant items, Caltex recorded an after tax profit of \$163 million for the first half of 2010. This compares with \$298 million for the first half of 2009 (which had no significant items). The 2010 result was significantly impacted by exchange rate volatility and major planned maintenance at both refineries.

Volatility in externalities impacted the result. Singapore refiner margins were stronger than expected due to the weakness in the Tapis crude price relative to other crudes. However, the higher average Australian dollar during the period, compared with the same period in 2009, resulted in a lower Caltex Refiner Margin³. The Caltex Refiner Margin for the period averaged 6.79 Australian cents per litre, a decrease of 15% over the first half of 2009. The fall in the Australian dollar towards the end of the period resulted in a net foreign exchange loss on US dollar payables for the half of \$36 million, compared with a net gain of \$75 million in the same period in 2009.

Given the significant ongoing exchange rate volatility, the Board decided to implement a policy of hedging 50% of Caltex's \$US crude and product payables exposure (after applying natural hedges) with effect from 1 July 2010.

¹In 1H10, significant items of \$20 million (\$14 million after tax) comprised largely of redundancies related to restructuring and efficiency initiatives.

²The replacement cost of sales operating profit (RCOP) excludes the impact of the fall or rise in oil 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 historical cost, including the effect of contract based revenue lags.

³The 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 + product quality premium + crude discount/(premium) + product freight - crude freight - yield loss.

Directors' Report cont'd

Review of Results and Operations cont'd

General Overview cont'd

Net debt at 30 June 2010 was \$576 million, up from \$487 million at 31 December 2009. As a result, period end gearing rose to 16% from 14% at 31 December 2009.

Prudent fiscal management has maintained the strong balance sheet with Caltex's credit rating recently affirmed as BBB+/Stable, for the 6th year in a row. Caltex has the highest credit rating of any independent refiner globally.

Marketing

Marketing continued to deliver strong results in the first half of 2010, achieving a 31% increase in earnings before interest and tax (EBIT) over the prior corresponding period. Total transport fuel sales volumes grew strongly, up 3.6% compared to 2009. Growing demand for diesel, jet and premium fuels more than offset a small reduction in demand for petrol. While there was a slight decline in overall petrol sales, premium petrol sales grew strongly. Shop sales also grew in excess of 3% compared to the corresponding period last year. Finished lubricants growth was outstanding with Caltex achieving a market share of 20% in May and progressing to number two in the market.

Refining and Supply

Refinery reliability continued to improve. However, production volumes declined in the first half of 2010 due to higher planned maintenance at the Lytton and Kurnell refineries, compared to 2009. This planned maintenance was completed successfully and overall production of petrol, diesel and jet fuel was 4.3 billion litres (first half 2009: 5.1 billion litres).

Infrastructure

Construction is progressing well on two additional diesel tanks in Mackay and Gladstone that will enhance Caltex's efficiency and reliability while meeting the growth that is occurring in the mining industry in Queensland. In addition, construction of two new large diesel tanks in Port Hedland is planned to commence in September. When completed in late 2011, Caltex will be transformed from being a relatively small player in that region to one where we have the capability required to take a leading role in supplying fuel and lubricants to the iron ore and natural gas developments in the north west.

Cost and Capital Efficiency Initiatives

Project Catalyst, which aims to achieve cost and capital efficiency, has begun to deliver savings. This has been delivered through restructures in Corporate and Marketing, and through the commencement of the Refining Improvement Initiative announced in February 2010.

Dividends Declared

The Board is pleased to announce it has declared an interim dividend of 30 cents per share (fully franked) for the first half of 2010.

Caltex remains committed to a conservative balance sheet and will continue to focus on good cash management.

Significant Events after Balance Date

No items, transactions or events of a material or unusual nature that, in the opinion of the Board, are likely to significantly affect the operations of Caltex, the results of those operations or the state of affairs of the group in subsequent financial years, have arisen in the period from 30 June 2010 to the date of this report.

Likely Developments

Business Operations

Caltex will continue to purchase, refine, distribute and market petroleum products and operate convenience stores throughout Australia.

Directors' Report cont'd

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

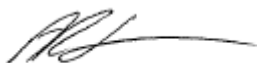
To: the directors of Caltex Australia Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the six month period ended 30 June 2010 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.



KPMG



Anthony Jones
Partner

Sydney

23 August 2010

Rounding of Amounts

Caltex Australia Limited is an entity to which Class Order 98/100 (as issued by the Australian Securities & Investments Commission) applies. Amounts in the 2010 Half Year Directors' Report and the 2010 Half Year Financial Report have been rounded off to the nearest thousand dollars (unless otherwise stated) in accordance with this class order.

The Directors' Report is made in accordance with a resolution of the Board of Caltex Australia Limited:



EB Bryan (Chairman)

Sydney, 23 August 2010



J Segal (Managing Director & CEO)

Directors' Declaration

The Board of Caltex Australia Limited has declared that:

- (a) in the directors' opinion, there are reasonable grounds to believe that Caltex Australia Limited will be able to pay its debts as and when they become due and payable; and
- (b) in the directors' opinion, the consolidated financial statements for the Caltex Australia Group for the half year ended 30 June 2010, and the notes to the financial statements, are in accordance with the Corporations Act, including:
 - (i) section 304 (compliance with Accounting Standards); and
 - (ii) section 305 (true and fair view).

The Directors' Declaration is made in accordance with a resolution of the Board of Caltex Australia Limited:



EB Bryan (Chairman)



J Segal (Managing Director & CEO)

Sydney, 23 August 2010

Independent auditor's review report to the members of Caltex Australia Limited

We have reviewed the accompanying interim financial report of Caltex Australia Limited, which comprises the consolidated balance sheet as at 30 June 2010, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the interim period ended on that date, notes 1 to 13 comprising a statement of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the company and the entities it controlled at the half-year's end or from time to time during the interim period.

Directors' responsibility for the interim financial report

The directors of the company are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the interim financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 30 June 2010 and its performance for the interim period ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Caltex Australia Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

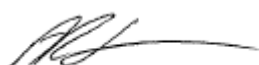
Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Caltex Australia Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2010 and of its performance for the interim period ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



KPMG



Anthony Jones
Partner

Sydney

23 August 2010

Consolidated Income Statement

for the half year ended 30 June 2010

Thousands of dollars	Note	Consolidated	
		30 June 2010	30 June 2009
Revenue from sale of goods		9,036,467	8,705,495
Replacement cost of goods sold (excluding product duties and taxes and inventory gains and losses)		(6,094,574)	(5,745,491)
Product duties and taxes		(2,377,983)	(2,328,995)
Inventory (losses)/gains		(10,806)	92,631
Cost of goods sold - historical cost		(8,483,363)	(7,981,855)
Gross profit		553,104	723,640
Other income	2	126,843	120,303
Net foreign exchange (losses)/gains		(36,339)	75,011
Refining and Supply expenses		(80,810)	(70,620)
Marketing expenses		(283,435)	(300,345)
Finance costs	3	(29,255)	(15,865)
Other expenses		(50,325)	(19,942)
Share of net profit of entities accounted for using the equity method		1,887	4,320
Profit before income tax expense		201,670	516,502
Income tax expense		(60,015)	(153,910)
Net profit		141,655	362,592
Attributable to:			
Equity holders of the parent entity		141,208	362,342
Minority interest		447	250
Net profit		141,655	362,592
Basic and diluted earnings per share:			
Historical cost - cents per share	5	52.3	134.2

The consolidated income statement is to be read in conjunction with the 2009 Financial Report and the notes to the financial statements.

Consolidated Statement of Comprehensive Income

for the half year ended 30 June 2010

Thousands of dollars	Consolidated	
	30 June 2010	30 June 2009
Profit for the period	141,655	362,592
Other comprehensive income		
Actuarial (loss)/gain on defined benefit plans	(5,509)	9,504
Cash flow hedge fair value gains/(losses)	4,156	(9,893)
Income tax on other comprehensive income	406	117
Other comprehensive income for the period, net of income tax	(947)	(272)
Total comprehensive income for the period	140,708	362,320
Attributable to:		
Equity holders of the parent entity	140,261	362,070
Minority interest	447	250
Total comprehensive income for the period	140,708	362,320

The consolidated statement of comprehensive income is to be read in conjunction with the 2009 Financial Report and the notes to the financial statements.

Consolidated Balance Sheet

as at 30 June 2010

Thousands of dollars	Note	Consolidated	
		30 June 2010	31 December 2009
Current assets			
Cash and cash equivalents		44,040	22,356
Receivables		836,640	773,221
Inventories		1,271,116	1,209,112
Other		37,504	40,763
Total current assets		2,189,300	2,045,452
Non-current assets			
Receivables		719	540
Investments accounted for using the equity method		21,924	21,583
Other investments		15	15
Intangibles		84,199	85,328
Property, plant and equipment		2,822,919	2,779,846
Deferred tax assets		3,376	15,465
Other		4,298	3,580
Total non-current assets		2,937,450	2,906,357
Total assets		5,126,750	4,951,809
Current liabilities			
Payables		1,166,082	1,186,176
Interest bearing liabilities	6	42,106	78,434
Current tax liabilities		46,410	26,055
Provisions		127,718	141,932
Total current liabilities		1,382,316	1,432,597
Non-current liabilities			
Payables		5,472	5,588
Interest bearing liabilities	6	577,496	430,973
Provisions		162,077	157,389
Total non-current liabilities		745,045	593,950
Total liabilities		2,127,361	2,026,547
Net assets		2,999,389	2,925,262
Equity			
Issued capital	7	543,415	543,415
Treasury stock		(1,100)	(1,756)
Reserves		(4,240)	(7,412)
Retained earnings		2,450,116	2,380,264
Total parent entity interest		2,988,191	2,914,511
Minority interest		11,198	10,751
Total equity		2,999,389	2,925,262

The consolidated balance sheet is to be read in conjunction with the 2009 Financial Report and the notes to the financial statements.

Consolidated Statement of Changes in Equity

for the half year ended 30 June 2010

Thousands of dollars

Consolidated	Issued capital	Treasury stock	Hedging reserve	Equity compensation reserve	Retained earnings	Total	Minority interest	Total equity
Balance at 1 January 2009	543,415	(1,959)	-	3,086	2,047,348	2,591,890	10,073	2,601,963
Total recognised income for the half year	-	-	-	-	368,995	368,995	250	369,245
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	(6,925)	-	-	(6,925)	-	(6,925)
Own shares acquired	-	(1,322)	-	-	-	(1,322)	-	(1,322)
Shares vested to employees	-	1,269	-	(1,269)	-	-	-	-
Expense on equity settled transactions	-	-	-	1,019	-	1,019	-	1,019
Dividends to shareholders	-	-	-	-	-	-	-	-
Balance at 30 June 2009	543,415	(2,012)	(6,925)	2,836	2,416,343	2,953,657	10,323	2,963,980
Balance at 1 January 2010	543,415	(1,756)	(10,004)	2,592	2,380,264	2,914,511	10,751	2,925,262
Total recognised income for the half year	-	-	-	-	137,352	137,352	447	137,799
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	2,909	-	-	2,909	-	2,909
Own shares acquired	-	(507)	-	-	-	(507)	-	(507)
Shares vested to employees	-	1,163	-	(1,163)	-	-	-	-
Expense on equity settled transactions	-	-	-	1,426	-	1,426	-	1,426
Dividends to shareholders	-	-	-	-	(67,500)	(67,500)	-	(67,500)
Balance at 30 June 2010	543,415	(1,100)	(7,095)	2,855	2,450,116	2,988,191	11,198	2,999,389

The consolidated statement of changes in equity is to be read in conjunction with the 2009 Financial Report and the notes to the financial statements.

Consolidated Cash Flow Statement

for the half year ended 30 June 2010

Thousands of dollars	Note	Consolidated	
		30 June 2010	30 June 2009
Cash flows from operating activities			
Receipts from customers		10,469,492	10,113,654
Payments to suppliers, employees and governments		(10,301,129)	(9,698,046)
Dividends and disbursements received		1,546	1,377
Interest received		917	890
Interest and other finance costs paid		(28,693)	(27,983)
Income taxes (paid)/refunded		(25,939)	61,939
Net operating cash inflows		116,194	451,831
Cash flows from investing activities			
Purchase of controlled entity, net of cash acquired		-	(5,401)
Purchases of property, plant and equipment		(100,917)	(118,461)
Major cyclical maintenance		(37,733)	(32,396)
Purchases of intangibles		(3,036)	(6,670)
Net proceeds from sale of property, plant and equipment		710	2,516
Net investing cash (outflows)		(140,976)	(160,412)
Cash flows from financing activities			
Proceeds from borrowings		4,881,201	4,661,416
Repayments of borrowings		(4,765,544)	(4,941,154)
Repayment of finance lease principal		(1,691)	(885)
Dividends paid	4	(67,500)	-
Net financing cash inflows/(outflows)		46,466	(280,623)
Net increase in cash and cash equivalents		21,684	10,796
Cash and cash equivalents at the beginning of the period		22,356	31,703
Cash and cash equivalents at the end of the period		44,040	42,499

The consolidated cash flow statement is to be read in conjunction with the 2009 Financial Report and the notes to the financial statements.

Notes to the financial statements

for the half year ended 30 June 2010

1. Statement of significant accounting policies

Caltex Australia Limited (the "Company") is a company domiciled in Australia. The 2010 Half Year Financial Report for the six months ended 30 June 2010 comprises the Company and its controlled entities (together referred to as the "Group") and the Group's interest in associates and jointly controlled entities.

The 2010 Half Year Financial Report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001 (Cth), Accounting Standard AASB 134 "Interim Financial Reporting", the recognition and measurement requirements of applicable AASB standards, other authoritative pronouncements of the Australian Accounting Standards Board and Urgent Issues Group Consensus Views. This Half Year Financial Report is to be read in conjunction with the 2009 Financial Report and any public announcements by Caltex Australia Limited during the half year in accordance with continuous disclosure obligations under the Corporations Act 2001 (Cth) and the Australian Securities Exchange (ASX) Listing Rules. The 2010 Half Year Financial Report was approved and authorised for issue by the board of directors on 23 August 2010.

The 2010 Half Year Financial Report has been prepared on an historical cost basis except that the following assets and liabilities are stated at their fair value: derivative financial instruments.

All accounting policies have been consistently applied by each entity in the Caltex Australia Group. These are consistent with those applied as part of the 31 December 2009 Annual Financial Report. The Half Year Financial Report does not include full note disclosures of the type required in an annual financial report.

The Group has not elected to early adopt any new standards or amendments.

Thousands of dollars	Consolidated	
	30 June 2010	30 June 2009
2. Other income		
Rental income	24,240	18,065
Royalties and franchise income	53,763	54,807
Transaction and merchant fees	32,842	33,400
Other income	15,081	7,713
	125,926	113,985
Finance income		
Unwind of discounting	303	5,262
Other corporations	614	1,056
	917	6,318
	126,843	120,303

Thousands of dollars	Consolidated	
	30 June 2010	30 June 2009
3. Costs and expenses		
Finance costs:		
Interest expense	27,873	25,212
Finance charges on capitalised leases	880	856
Loss on fair value derivative	502	266
Less: Capitalised finance costs	-	(10,469)
Finance costs	29,255	15,865
Depreciation and amortisation:		
Amortisation of intangibles	4,165	3,440
Depreciation and amortisation (excluding intangibles)	95,935	88,971
Total amortisation and depreciation expense	100,100	92,411

During 2010, the Group incurred significant items that have been recognised in the income statement and form part of Refining and Supply expenses and Other expenses. These items relate to Refining & Supply restructuring expenses (\$12,163,000), Marketing restructuring expenses (\$5,800,000) and Corporate restructuring expenses (\$2,248,000).

Due to the one-off nature of these items, they have been excluded by management in assessing the underlying business performance of the Group for the period ended 30 June 2010. There were no expenses that were considered significant and excluded by management in assessing the underlying performance of the Group for the period ended 30 June 2009.

Of the total \$20,211,000 significant items, \$18,523,000 is included in Other expenses and \$1,688,000 in Refining and Supply expenses.

Notes to the financial statements

for the half year ended 30 June 2010 (continued)

4. Dividends

Dividends declared or paid

Dividends recognised in the current year by Caltex Australia Limited are:

	Date of payment	Franked/ unfranked	Cents per share	Total amount \$'000
2010				
Final 2009	29 March 2010	Franked	25	67,500
Total amount				67,500
2009				
Final 2008		Franked	Nil	-
Total amount				-

Franked dividends paid during the year were franked at the tax rate of 30%.

Subsequent events

Since 30 June 2010, the directors have declared the following dividend. The dividend has not been provided for and there are no income tax consequences for the group.

2010				
Interim 2010	28 September 2010	Franked	30	81,000

	Consolidated	
	30 June 2010	30 June 2009
5. Basic and diluted earnings per share		
Historical cost - cents per share	52.3	134.2
Replacement cost - cents per share	55.1	110.2

The calculation of historical cost basic earnings per share for the period ended 30 June 2010 was based on the net profit attributable to ordinary shareholders of the parent entity of \$141,208,000 (2009: \$362,342,000) and a weighted average number of ordinary shares outstanding during the period ended 30 June 2010 of 270 million shares (2009: 270 million shares).

The calculation of replacement cost basic earnings per share for the period ended 30 June 2010 was based on the net replacement cost profit attributable to ordinary shareholders of the parent entity of \$148,772,000 (2009: \$297,500,000) and a weighted average number of ordinary shares outstanding during the period ended 30 June 2010 of 270 million shares (2009: 270 million shares).

There are no dilutive potential ordinary shares and, therefore, diluted earnings per share equals basic earnings per share.

Thousands of dollars	Consolidated	
	30 June 2010	31 December 2009
6. Interest bearing liabilities		
Current - unsecured		
Bank loans (i)	40,000	75,000
Lease liabilities (iii)	2,106	3,434
	42,106	78,434
Non-current - unsecured		
US notes (i)	323,205	305,815
Bank loans (i)	200,000	50,000
Hedge payable (i) (ii)	46,313	68,200
Lease liabilities (iii)	6,778	6,958
Other loans	1,200	-
	577,496	430,973

(i) The bank loans and the US notes are provided by a number of banks and capital markets. The US notes and hedges payable mature in: July 2012: \$113,414,850, April 2014: \$72,409,683 and April 2016: \$183,692,759. Under the loan and note agreements, the Caltex Australia Group is required to comply with certain financial covenants. There is no security or demand placed on the bank loans and US notes. The bank loans are denominated in Australian dollars, and US notes are denominated in Australian and US dollars.

(ii) The hedge payable is disclosed within interest bearing liabilities as the hedge was entered into solely as a result of the US dollar borrowings and is inextricably linked to the debt. The non current hedge payable mainly represents the impact of the movement in the exchange rate from the date of inception on 6 May 2009 (USD exchange rate 0.7090) to 30 June 2010 (USD exchange rate 0.8500) on the amount hedged (USD 175 million).

(iii) The implicit rate of interest on finance leases is 14.0% p.a. (2009: 14.0% p.a.).

Notes to the financial statements

for the half year ended 30 June 2010 (continued)

Thousands of dollars	Consolidated	
	30 June 2010	31 December 2009
7. Issued capital		
Ordinary shares		
270 million ordinary shares, fully paid	543,415	543,415

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. Ordinary shares are issued at par value.

In the event of the winding up of Caltex Australia Limited, ordinary shareholders rank after all creditors and are fully entitled to any proceeds of liquidation.

Caltex grants performance rights to senior executives, see the 2009 Financial Report for further detail. For each right that vests Caltex intends to purchase a share "on-market" following vesting.

	Consolidated	
	30 June 2010	31 December 2009
8. Investments accounted for using the equity method		% interest
Airport Fuel Services Pty Ltd	40	40
Australasian Lubricants Manufacturing Company Pty Ltd	50	50
Cairns Airport Refuelling Service Pty Ltd	25	25
Geraldton Fuel Company Pty Ltd	50	50
South Coast Fuels Pty Ltd	50	50
Vitalgas Pty Ltd	50	50

All above companies are incorporated in Australia.

	Consolidated	
	30 June 2010	31 December 2009
9. Net tangible assets per share		
Net tangible assets per share (dollars)	10.76	10.48

Net tangible assets are net assets attributable to members of Caltex less intangible assets. The weighted average number of ordinary shares used in the calculation of net tangible assets per share was 270 million (2009: 270 million).

10. Related Party Information

Arrangements with related parties continue to be in place. For details on these arrangements refer to the 2009 Financial Report.

11. Details of entities over which control has been gained or lost during the period

2010

There were no entities over which control was gained or lost during the period.

2009

On 5 May 2009, the Group acquired the remaining 50% interest in Link Energy Pty Ltd and Jenessa Holdings Pty Ltd, and 100% of the shares in Pilbara Fuels Pty Ltd. Pilbara Fuels Pty Ltd holds a 25% interest in Link Energy Pty Ltd. Jenessa Holdings Pty Ltd was deregistered on 3 June 2009.

12. Commitments

Thousands of dollars	Consolidated	
	30 June 2010	31 December 2009
Capital expenditure		
Capital expenditure contracted but not provided for in the financial report and payable:		
Within one year	53,329	16,758

Notes to the financial statements

for the half year ended 30 June 2010 (continued)

13. Segmented Reporting

a Segment disclosures

The accounting policies used by the Group in reporting segments are consistent with those applied as part of the 31 December 2009 Financial Report.

Types of products and services

The following summary describes the operations in each of the Group's reportable segments:

Marketing

The Marketing function promotes and sells Caltex fuels, lubricants, specialty products and convenience store goods through a national network of Caltex, Caltex Woolworths and Ampol branded service stations, as well as through company owned and non-equity resellers and direct sales to corporate customers.

Refining and Supply

The Group sources the supply of both crude oil and refined products on the international market and refines crude oil into petrol, diesel, jet fuel, base oil for lubricants and many specialty products such as liquid petroleum gas and bitumen. Caltex buys and sells products and schedules product movements to meet marketing sales and the company's broad distribution capabilities encompass pipelines, terminals, depots and both a company and contracted transportation fleet.

Transfer Price between Segments

Caltex operates as a vertically integrated refiner-marketer of fuel products in Australia. Segment results are based on a transfer price between Refining and Marketing determined by reference to relevant import parity prices for petrol, diesel and jet, and other products including specialties and lubricants. Such a basis does not necessarily reflect the economic profitability of either segment on a stand alone basis.

b Information about reportable segments

Thousands of dollars	Marketing		Refining & Supply		Total Operating Segments	
	30 June 2010	30 June 2009	30 June 2010	30 June 2009	30 June 2010	30 June 2009
Gross segment revenue	7,846,083	7,113,095	926,638	1,307,747	8,772,721	8,420,842
Product duties and taxes	(2,391,563)	(2,341,588)	-	-	(2,391,563)	(2,341,588)
External segment revenue	5,454,520	4,771,507	926,638	1,307,747	6,381,158	6,079,254
Inter-segment revenue	-	-	5,029,572	4,369,376	5,029,572	4,369,376
Replacement Cost of Sales Operating Profit/(Loss) before income tax	292,313	222,778	(3,398)	207,100	288,915	429,878

c Reconciliation of reportable segment profit or loss

Thousands of dollars	30 June 2010	30 June 2009
Profit or loss		
Total Replacement Cost of Sales Operating Profit or loss for reportable segments	288,915	429,878
Other profit and loss	(28,337)	3,290
Replacement Cost of Sales Operating Profit before interest and income tax, excluding significant items	260,578	433,168
<i>Significant items excluded from profit and loss reported to the Chief Operating Decision Maker:</i>		
Refining and Supply restructuring expenses	(12,163)	-
Marketing restructuring expenses	(5,800)	-
Corporate restructuring expenses	(2,248)	-
Replacement Cost of Sales Operating Profit before interest and income tax	240,367	433,168
Inventory (losses)/gains	(10,806)	92,631
Consolidated historical cost earnings before interest and income tax	229,561	525,799
Net financing costs	(28,338)	(9,547)
Net profit attributable to minority interest	447	250
Consolidated profit before income tax	201,670	516,502