2008 Full Year Results Announcement

Positioned for the times

Operational Excellence Moment

Caltex is positioned to face challenging economic times ahead

Conservative Balance Sheet

Good debt management

Cash flow focused

Caltex grows market share and maintains strong balance sheet in a challenging economic climate

Financial performance impacted by unprecedented volatility

- Unprecedented decline in AUD and crude prices negatively impacted Caltex earnings
- Strong balance sheet maintained despite unprecedented volatility in FX and crude price
  - BBB+ credit rating reaffirmed
  - Low gearing maintained within target range

Marketing growth

- Record diesel sales volumes, outperforming the market
- Strong growth in diesel, jet fuel and premium petrol sales
- Continued leadership in wholesale fuel and convenience store marketing

Refinery reliability disappointing

- Production impacted by planned and unplanned maintenance
- Refinery reliability is a key focus

Strategy remains unchanged

- Marketing growth - long term growth in diesel and premium fuels, finished lubricants and convenience retailing
- Strengthen supply chain - DHTU2 and terminal upgrades

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Contents

Summary financial results

Replacement Cost	2008	2007	% Change
EBIT ($M)	**321**	675	(52)
NPAT ($M)	**186**	444	(58)
EPS (cps)	**69**	164	(58)
Debt ($M)	**832**	582	43
Gearing (%)	**24**	17	7
Gearing (Lease Adjusted %)	**32**	25	7
Interim Dividend (cps)	**36**	47	(23)
Final Dividend (cps)	**0**	33	(100)

Historic Cost		
EBIT ($M)	**104**	965
NPAT ($M)	**34**	646
EPS (cps)	**13**	239

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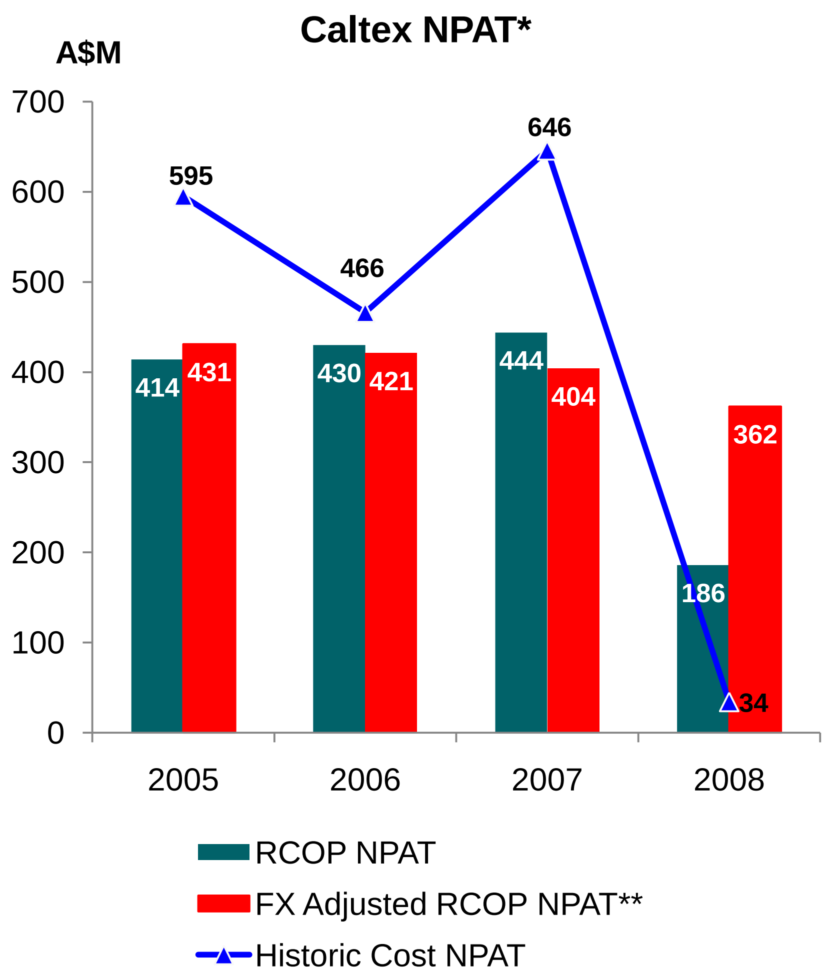
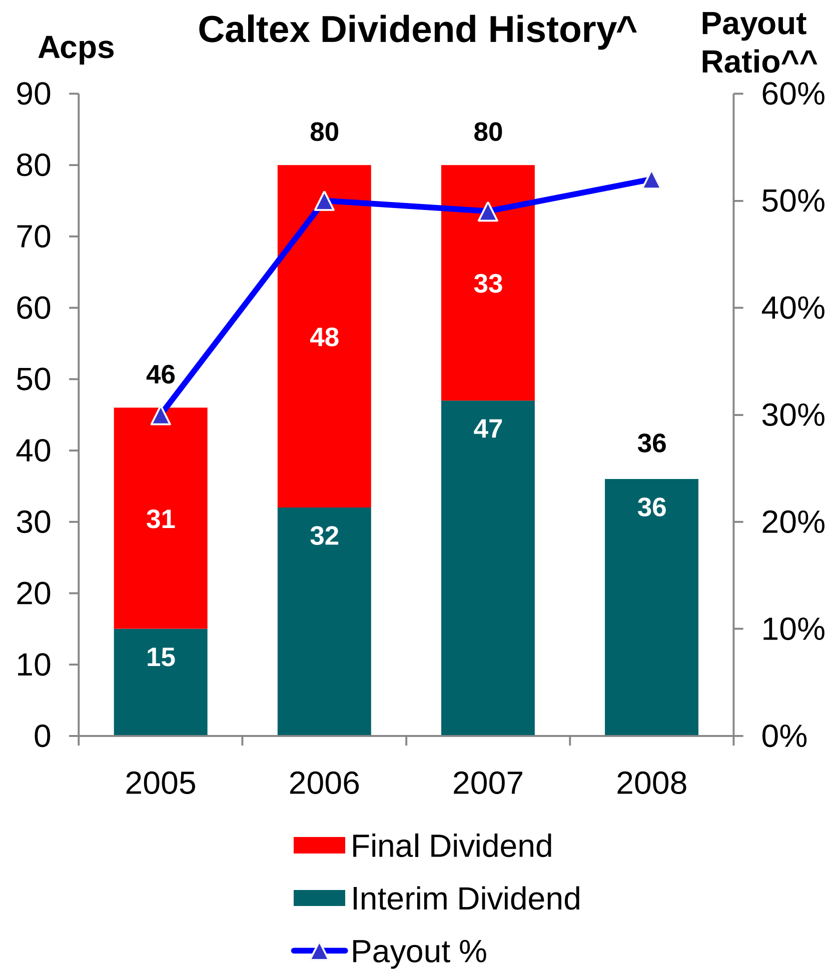
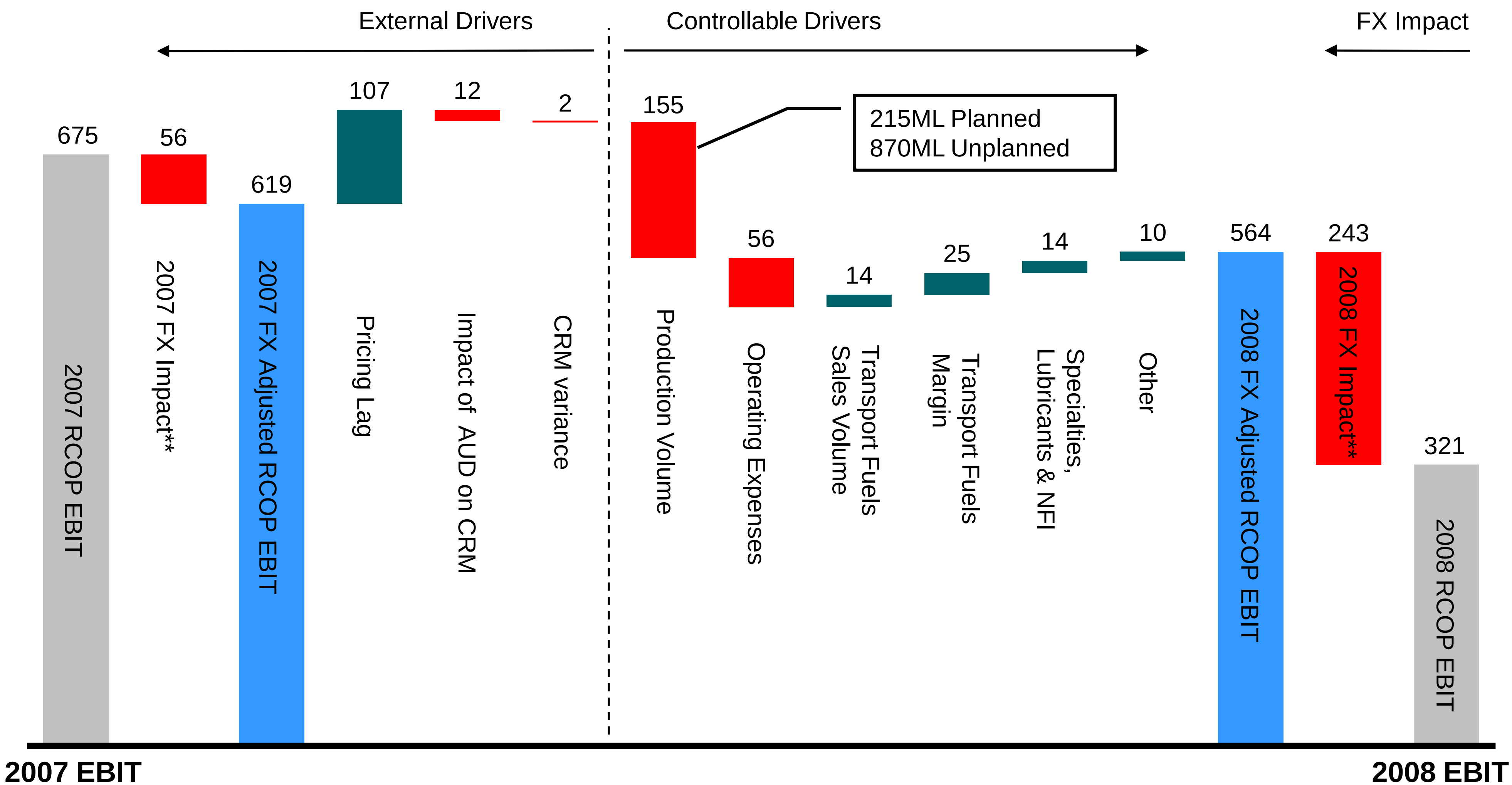
Profit impacted by rapidly declining exchange rate and unplanned refinery maintenance





*Net profit after tax, excluding individually material items
**Excludes realised gain/loss on USD payables
^ Dividends declared relating to the operating period; all dividends fully franked
^^ Payout ratio of reported RCOP NPAT

Steady marketing earnings impacted by FX losses* and production outages

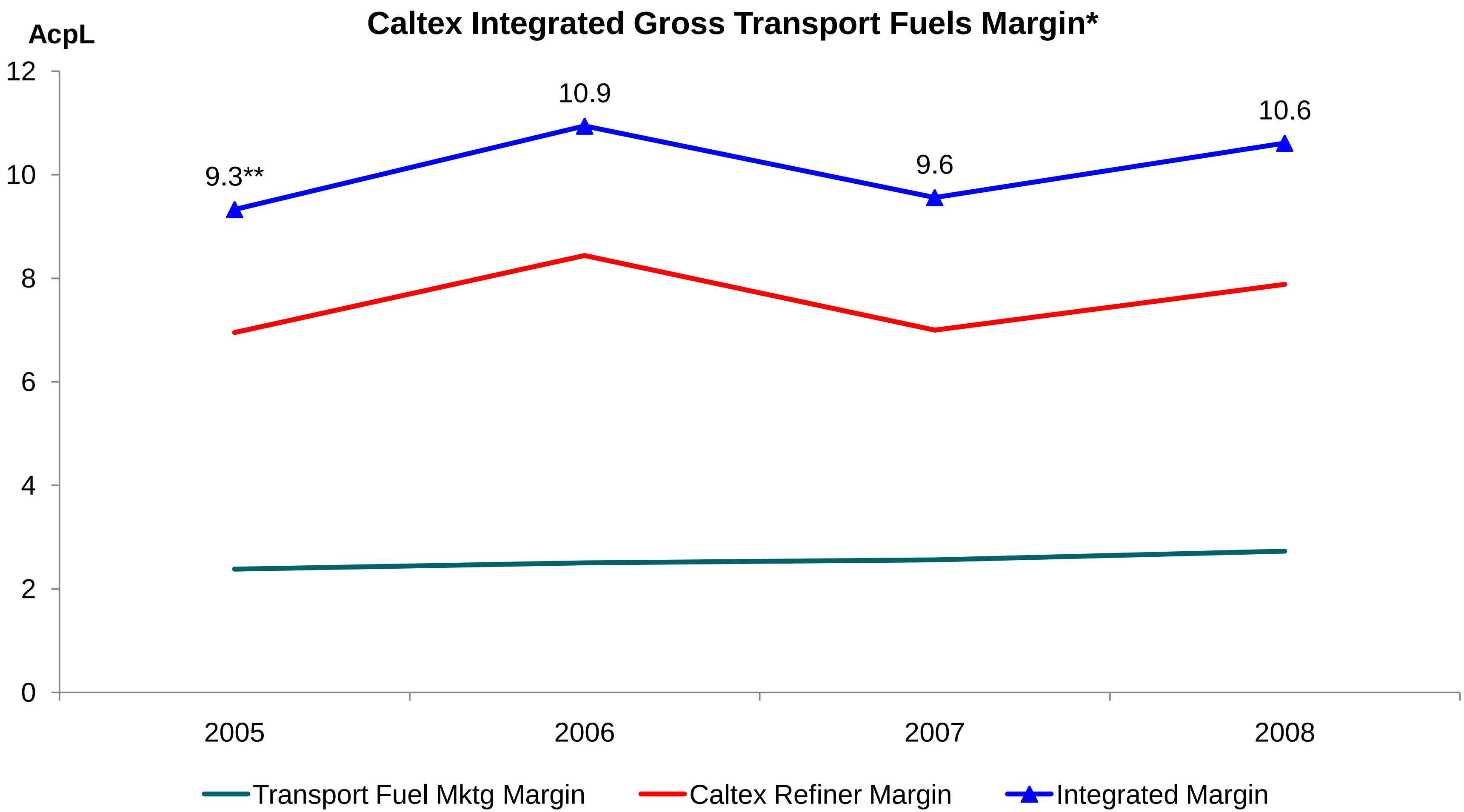


$A million; RCOP basis

* Caltex does not hedge foreign exchange exposures

* *Foreign Exchange Impacts are realised losses/gains on the payment of USD denominated crude and product payables offset by unrealised gains/losses

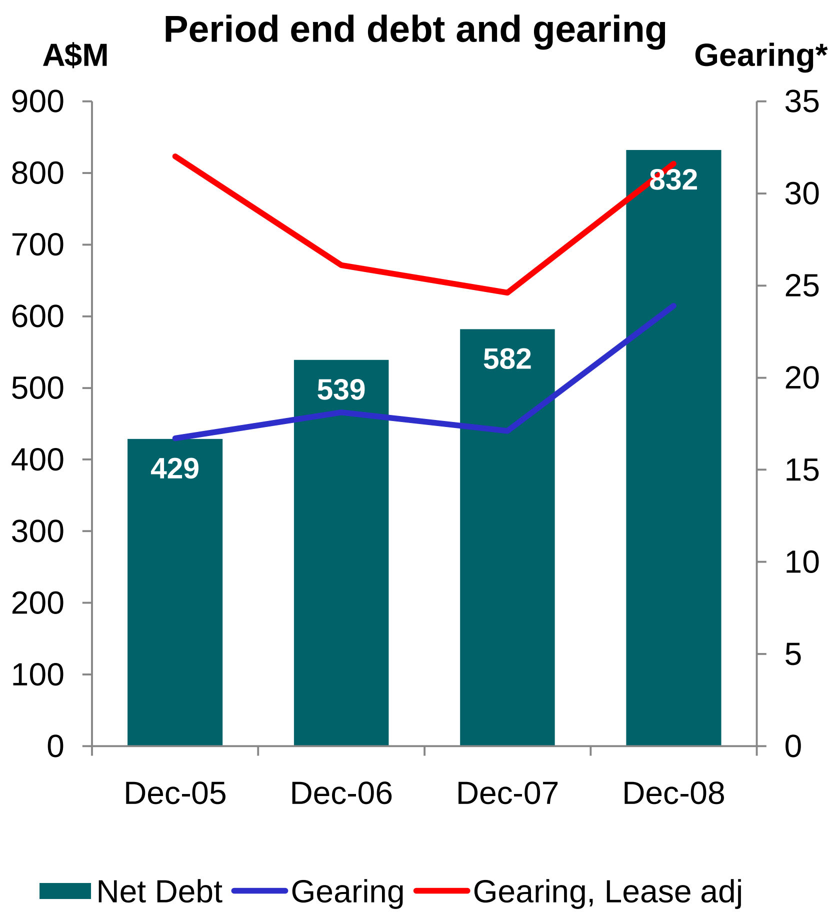
Steady marketing margin complemented a higher but volatile refiner margin

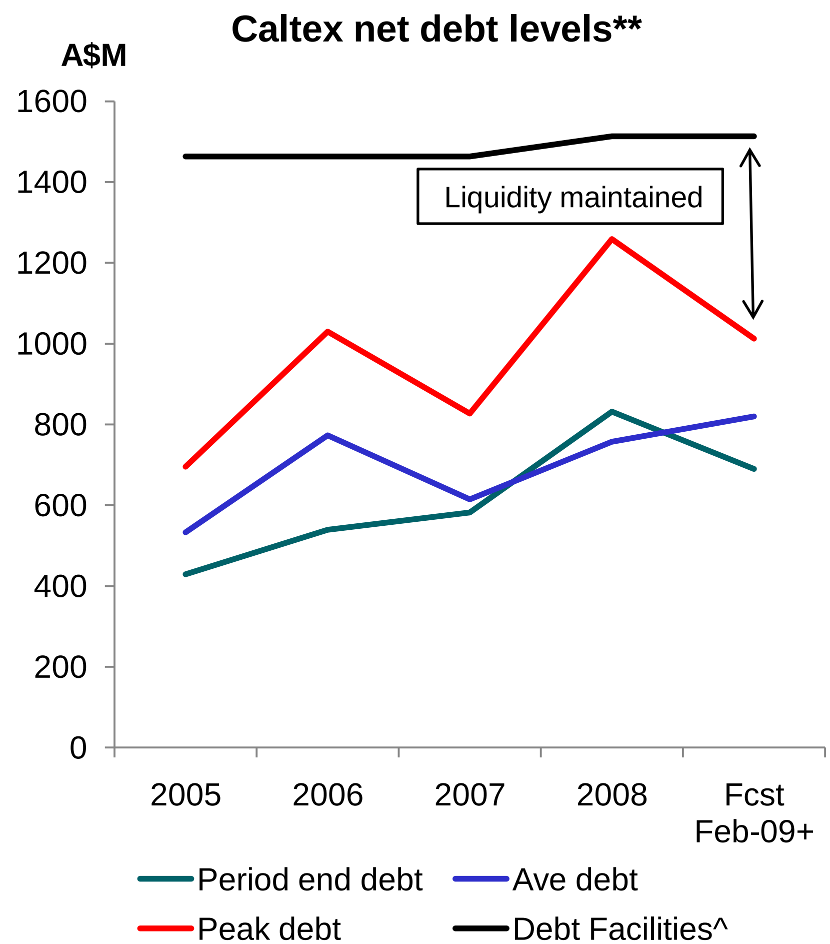


* Gross transport fuels margin, before expenses

** Available margins not fully realised due to Clean Fuels Project construction

Proactive stance on debt management provided a solid foundation in a difficult environment





* Gearing = net debt / (net debt + equity); Gearing – Lease adjusted, adjusts net debt to include lease liabilities

** Average debt is the average level of debt through the year; Peak debt is the maximum daily debt through the year

^ Debt facilities includes committed facilities as at December 2008

\+ Forecast to end February 2009

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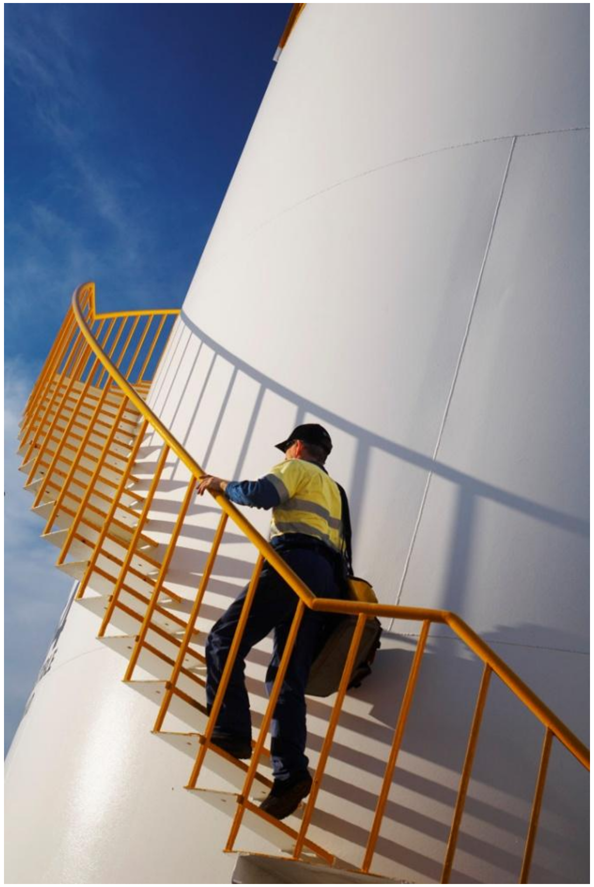
Caltex acted early to position for the worsening economic environment

- Maintained prudent level of debt through the cycle
- Specific actions in 2008 include:
  - Proactive cash flow management
  - Early renewal of debt facilities
    - A$700M of existing or new debt facilities secured in the last 12 months
  - Refineries slowed down during 3Q negative gasoline margin environment
- BBB+ credit rating reaffirmed. Strong internal focus on credit rating
- Gearing maintained within target range
- Contingency plans developed for 2009



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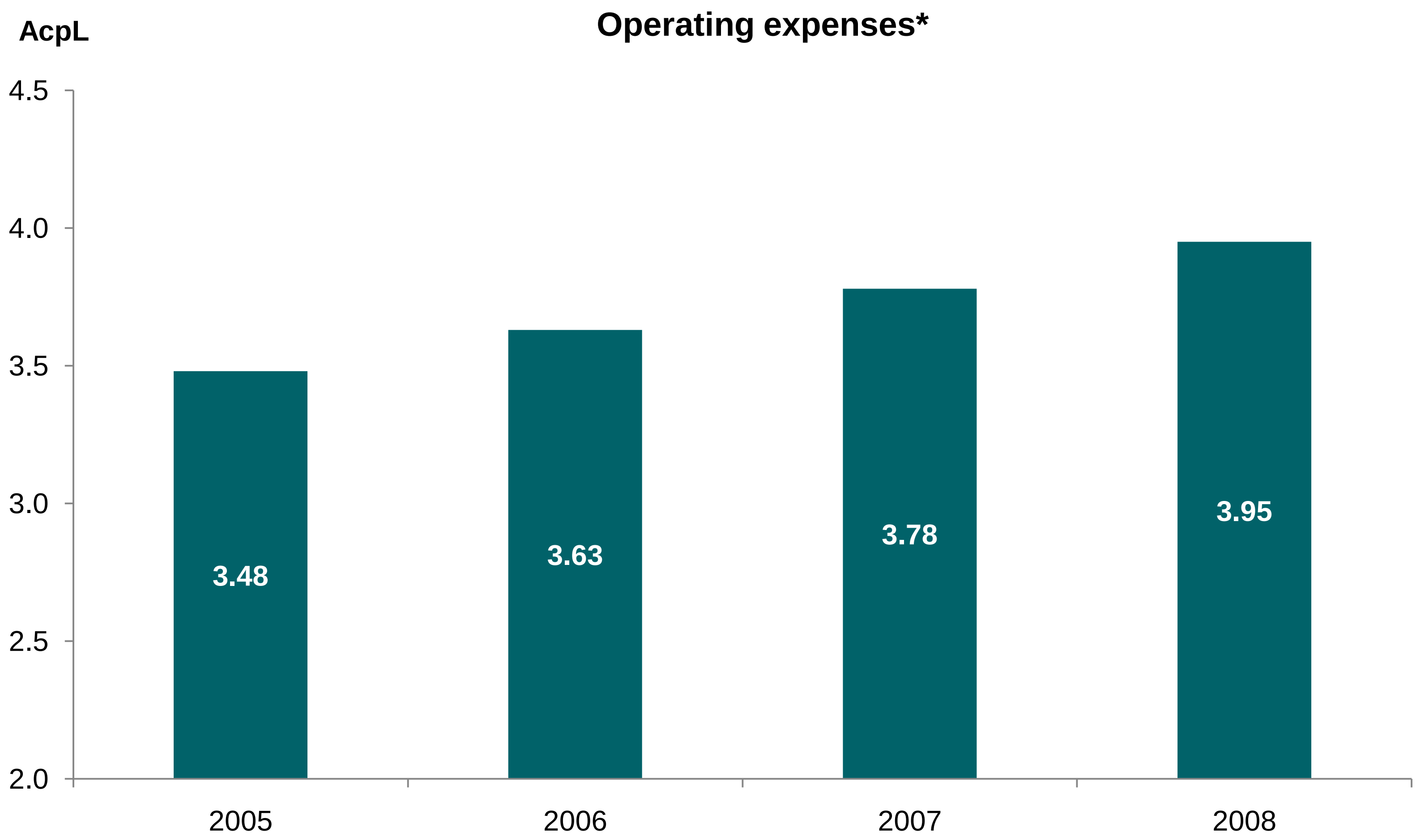
Operating expenses broadly in line with inflation



* Operating expenses (cents per litre)
Excluding inland distribution costs recovered in pricing
Based on total volumes, including volumes sold to competitors under buy/sell arrangements

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Contents

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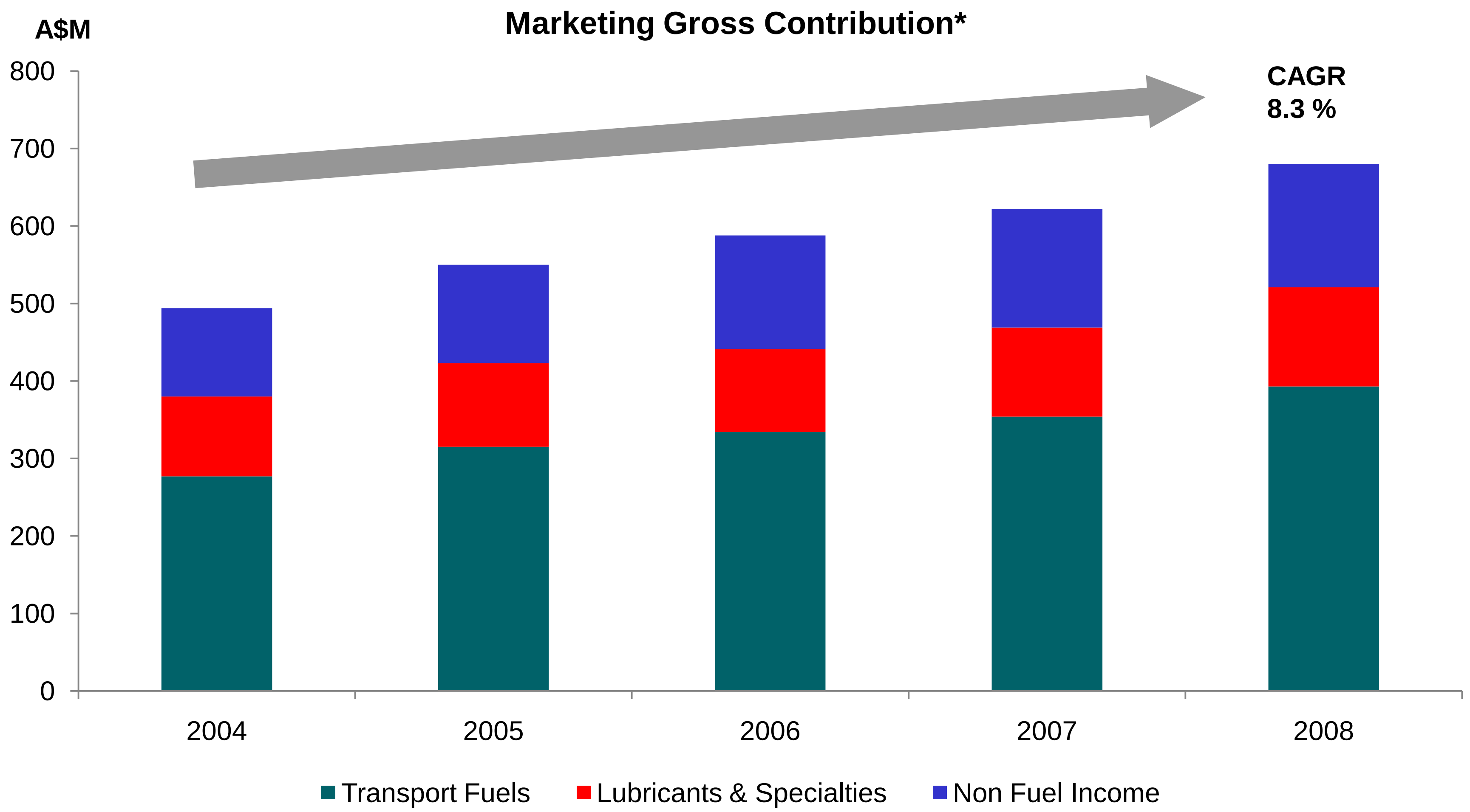
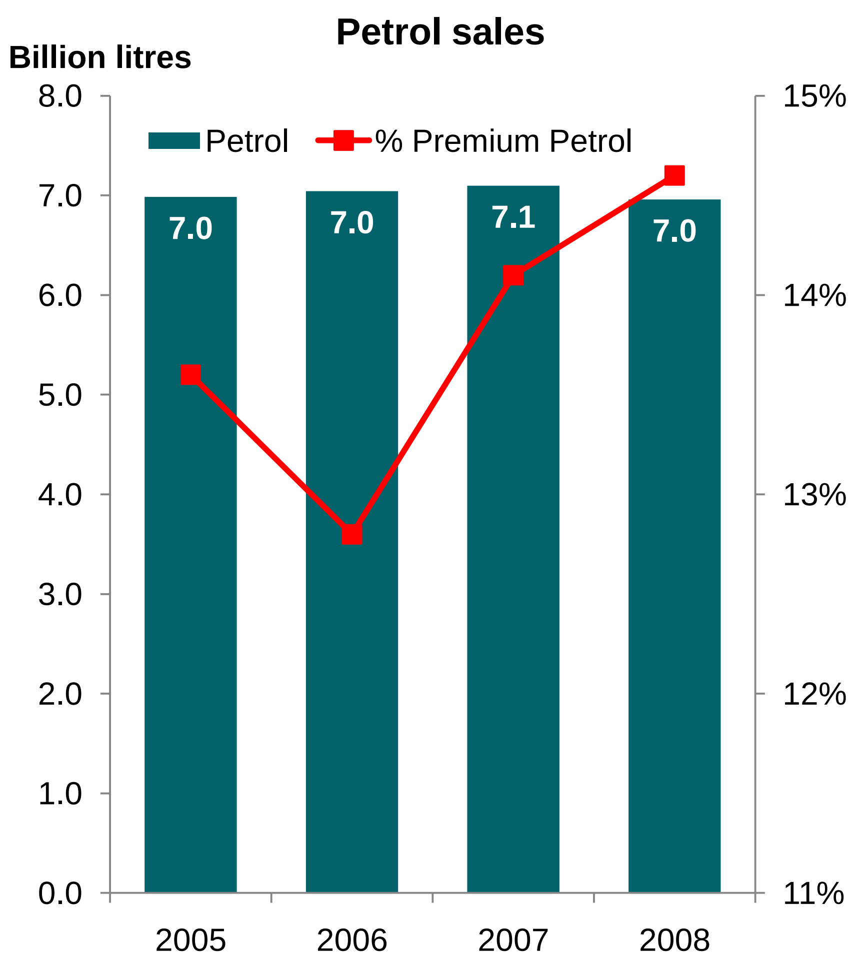
Marketing continued growth trajectory despite softening economic environment

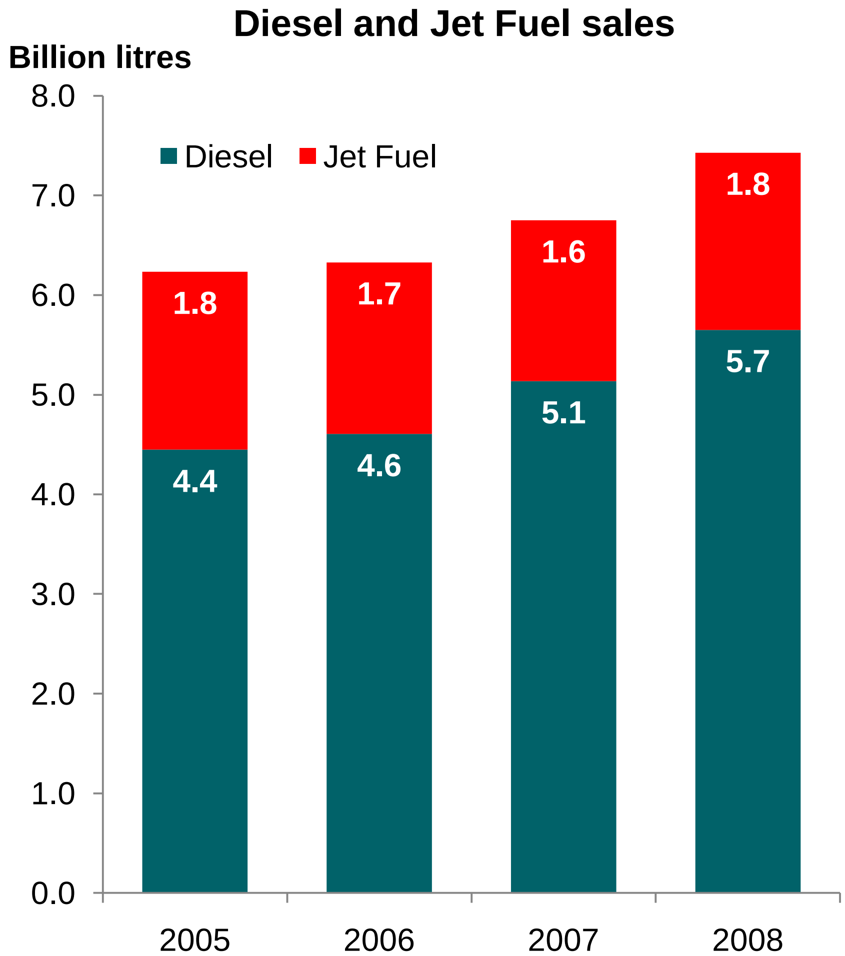


* Gross contribution before operating costs

Strong growth maintained in distillate and premium petrol sales

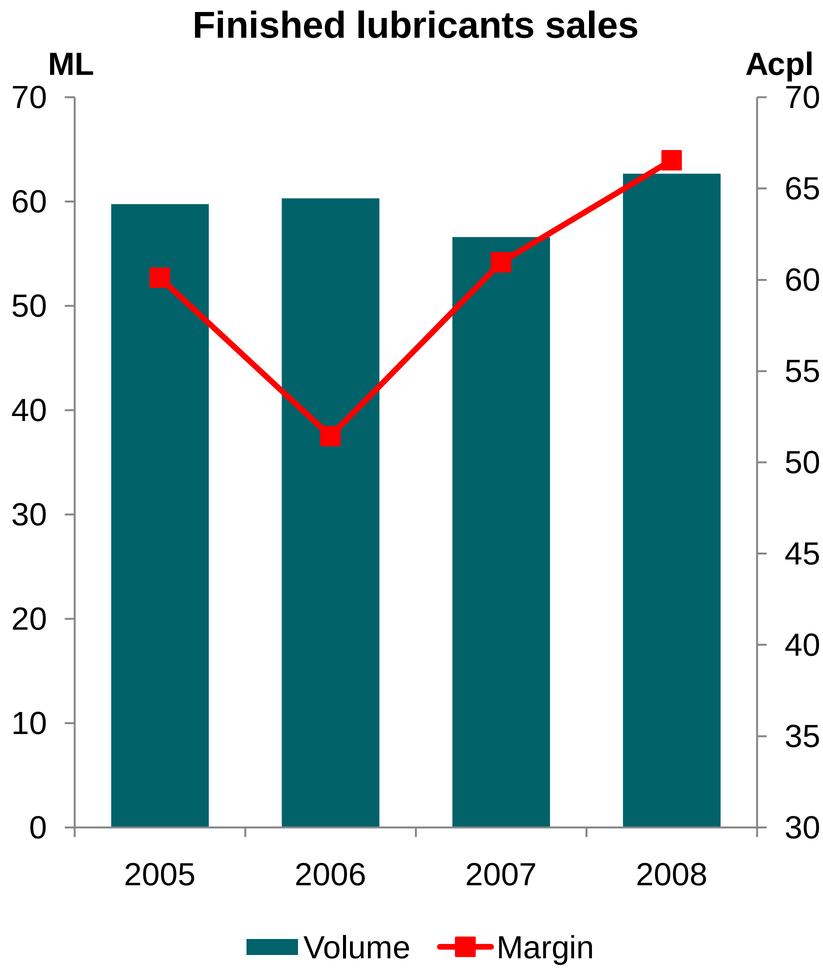


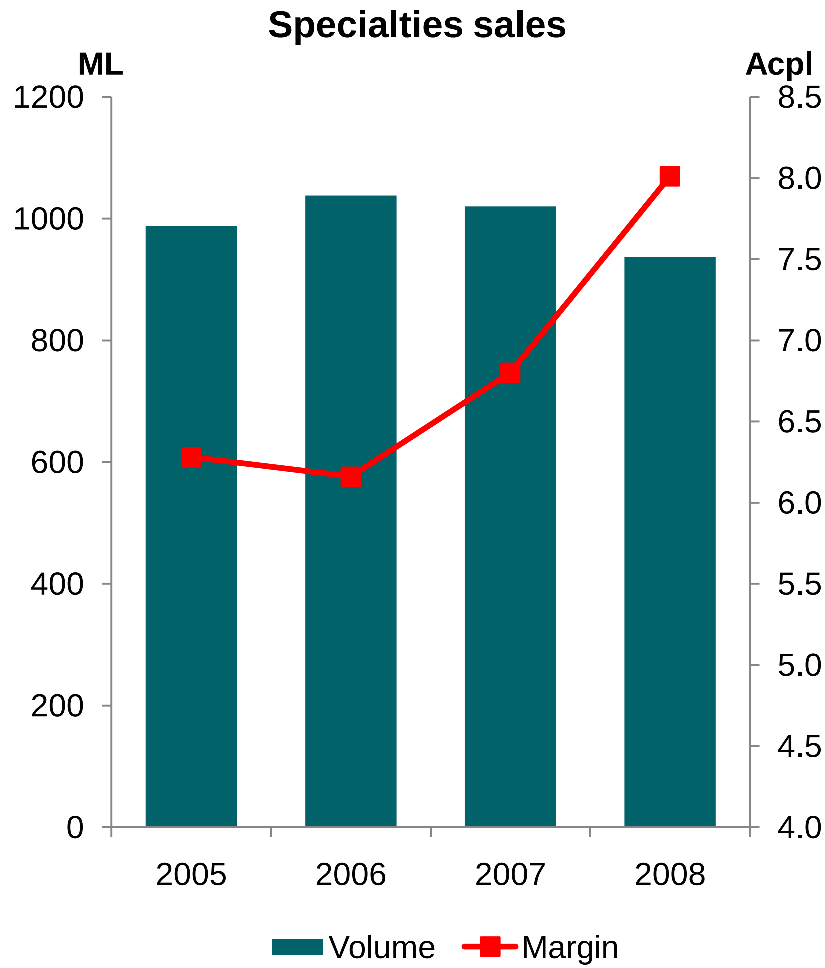
Petrol sales down 1.9%; premium petrol up 1.7% in 2008



Distillate sales up 10% in 2008

Strong margin growth continued in lubricants and specialties





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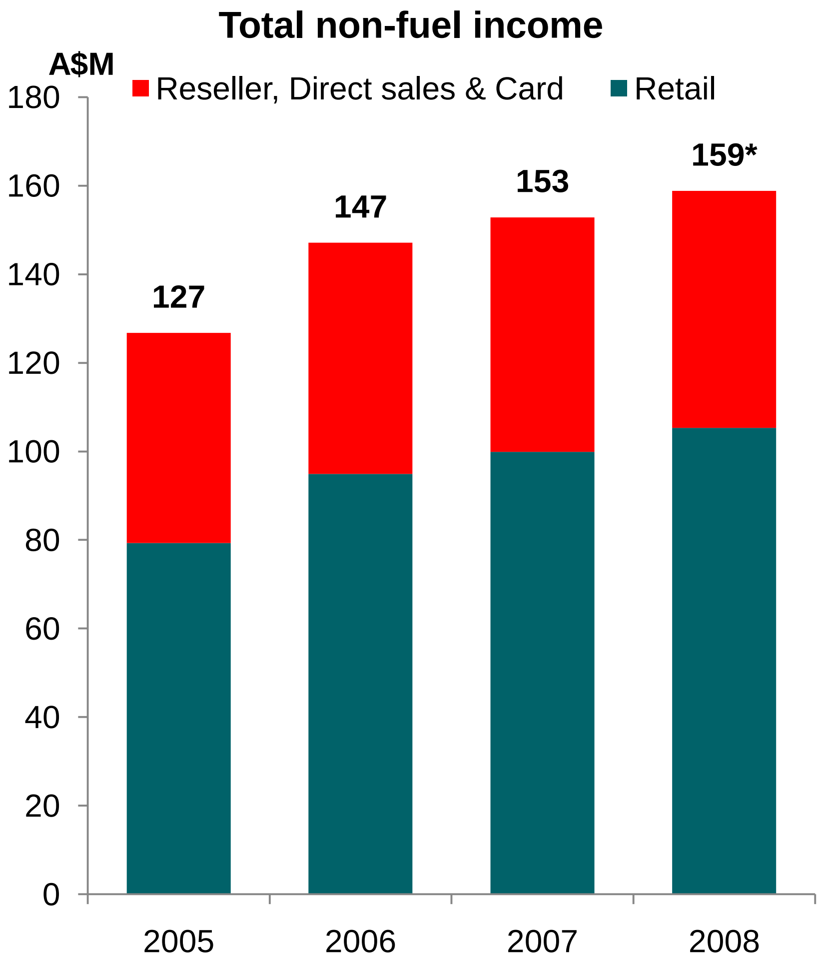
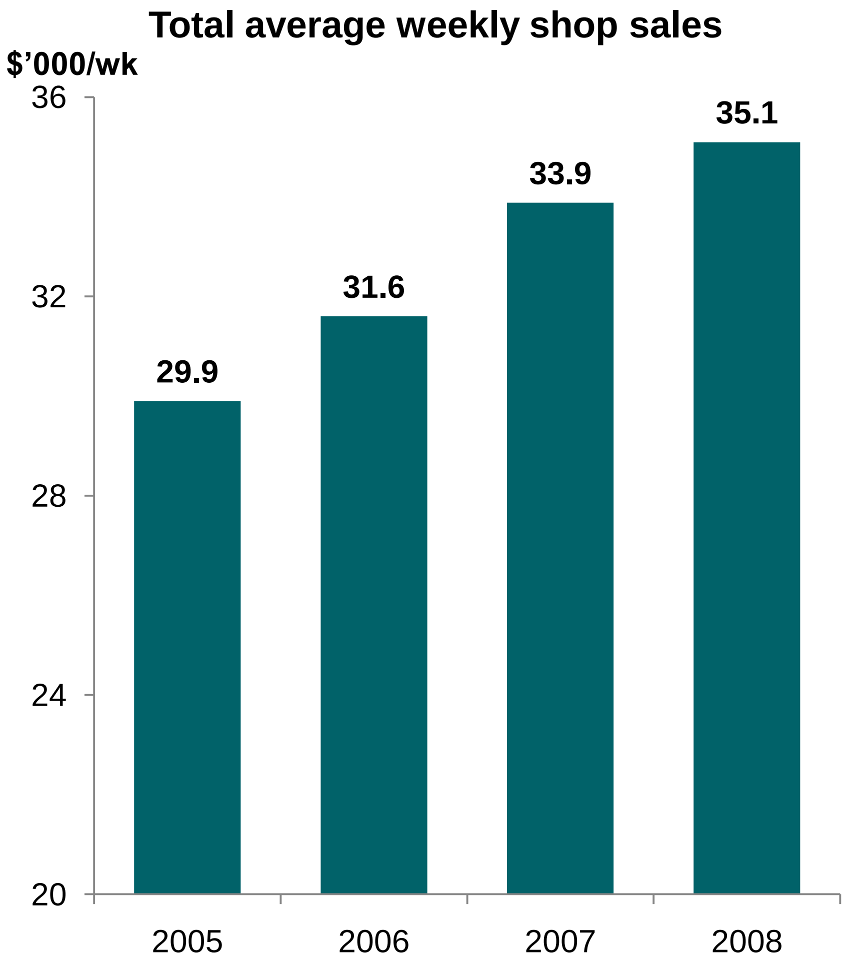
Full year non-fuel income growth achieved despite 2H economic slowdown

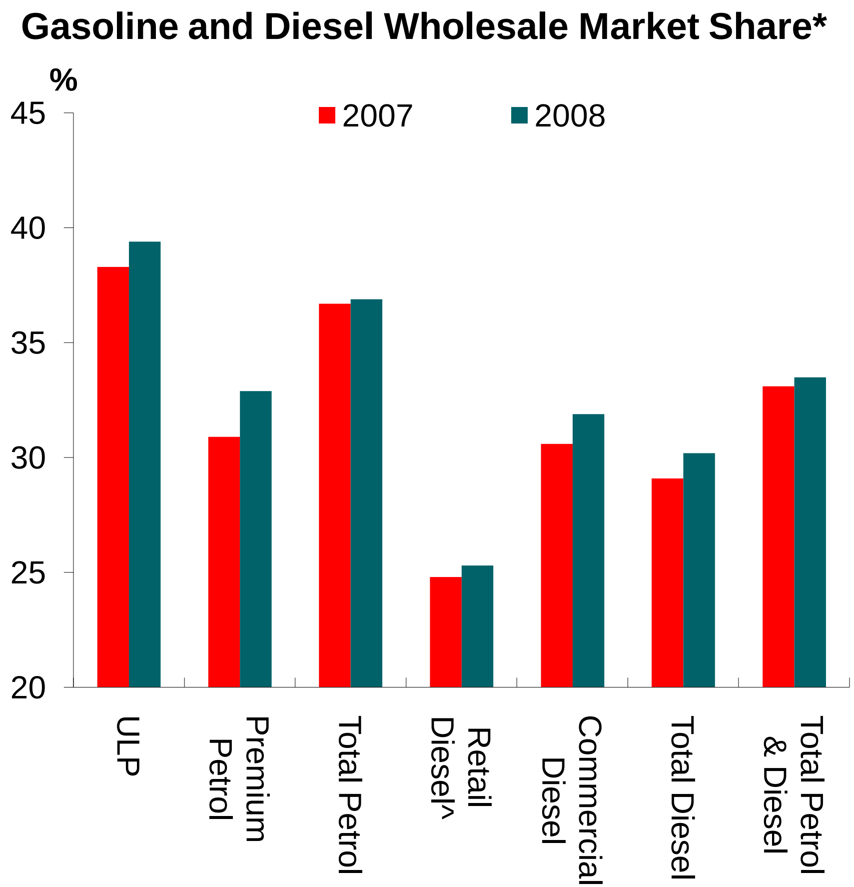




C-Store sales up 3.6% in 2008

* Excludes a one-off $5million cost due to the introduction of the Centralised Logistics Program

Caltex continues to grow market share and remains the No.1 supplier of total transport fuels



Caltex Market Share %*	2007	2008
ULP	38.3	39.4
Premium Petrol	30.9	32.9
Total Petrol	36.7	36.9
Retail Diesel	24.8	25.3
Commercial Diesel	30.6	31.9
Total Diesel	29.1	30.2
Total Petrol & Diesel	33.1	33.5

*Source: DITR

^ Wholesale to retail outlets

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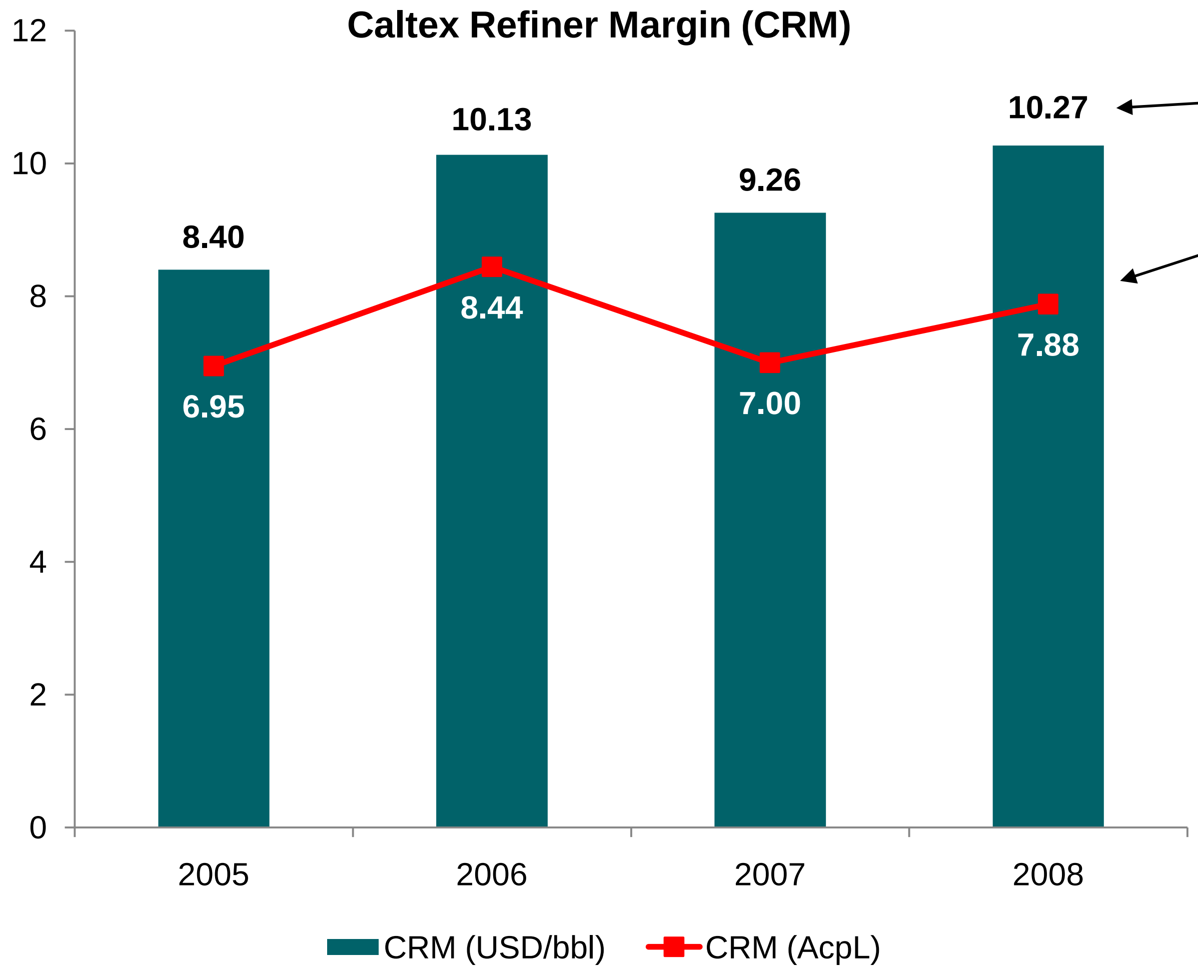
Contents

USD Caltex Refiner Margin remained robust as strong Asian distillate demand offset weak petrol margins



The CRM was positively impacted by a market price timing lag of US $0.53/bbl (A$65M EBIT) in 2008

The weakening AUD gave a boost to CRM in Acpl terms

Caltex Refiner Margin Build-up
Singapore WAM

Add:
Product freight
Crude discount
Quality premium

Less:
Crude freight
Crude premium
Yield loss

*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

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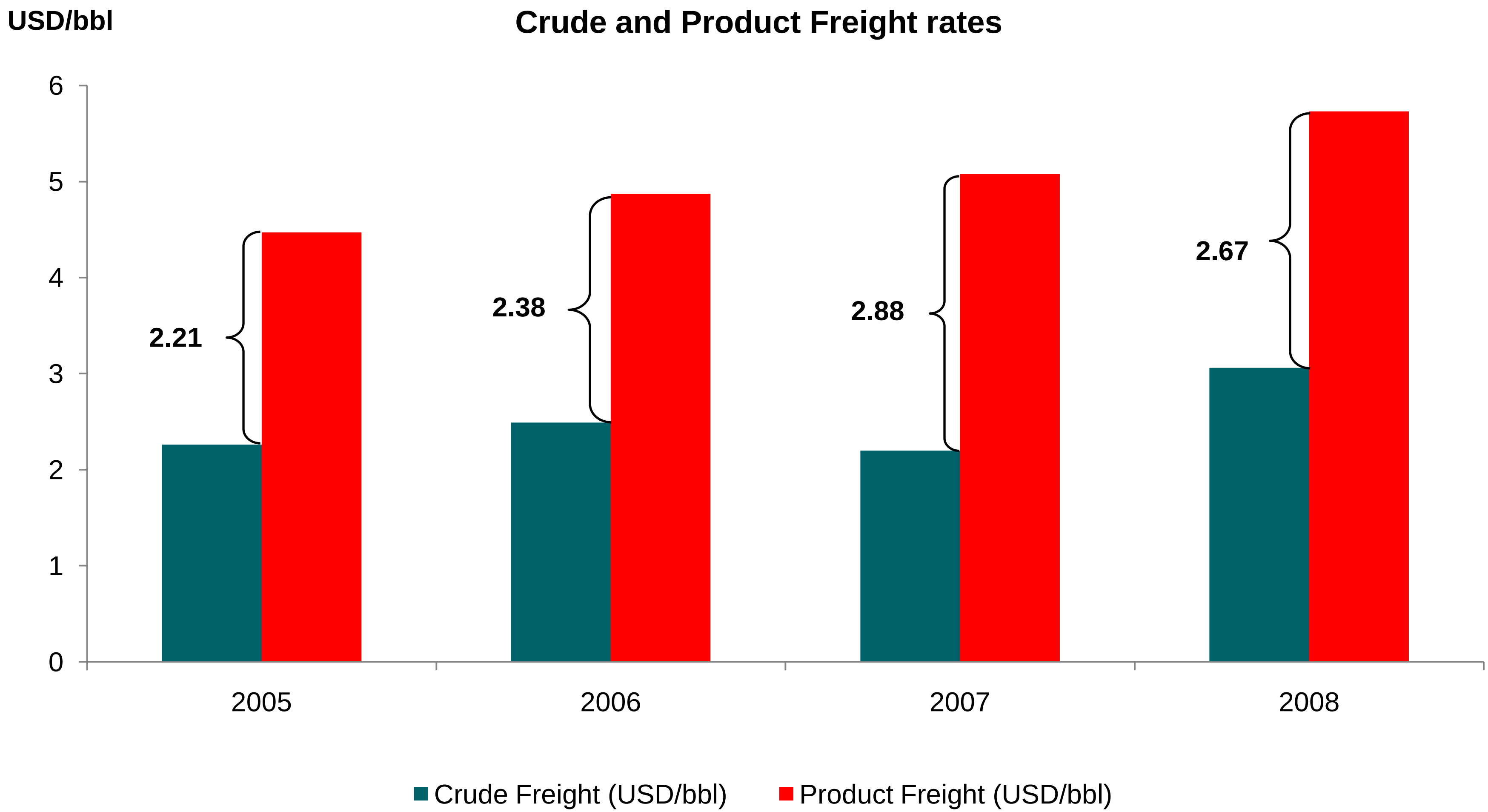
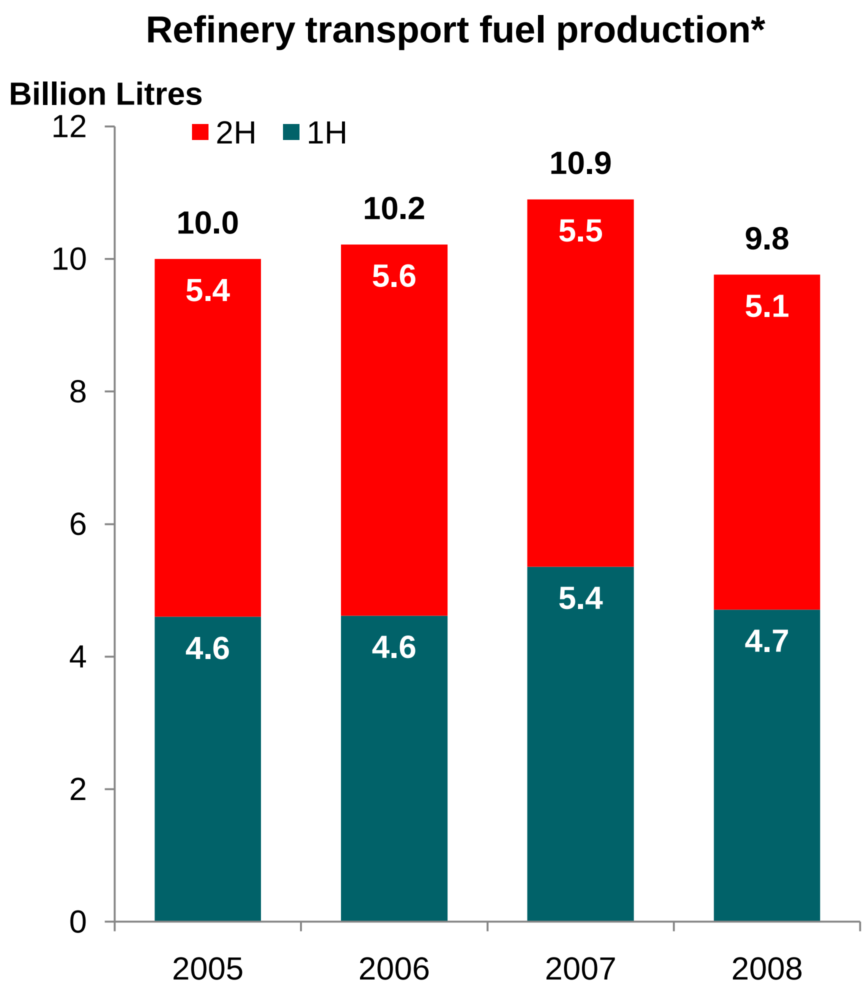
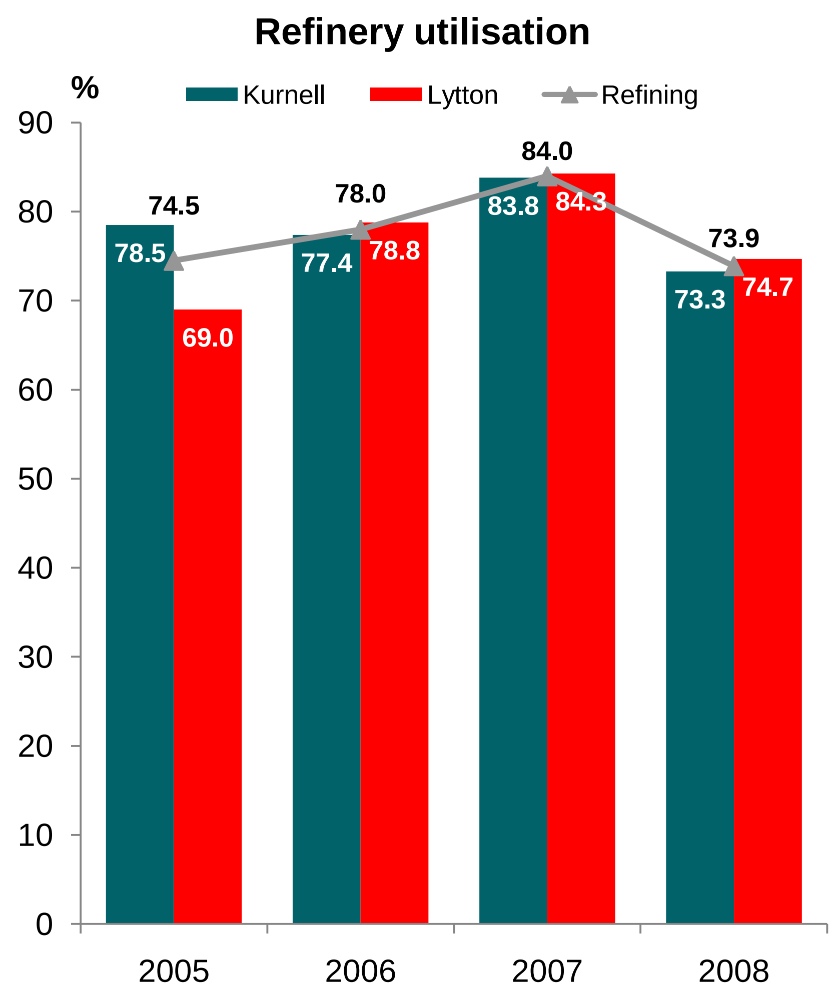
Freight differential narrowed slightly on market run-up in crude freight but remained strong in historical terms



Refinery production and utilisation impacted by maintenance and soft 2H gasoline margins





* Sales from production (CRM volume) were 10.0 billion litres for 2008

Contents

Caltex has the flexibility and readiness to respond in a slowing economy

- Anticipate a challenging economic environment
- Domestic slow down may constrain marketing growth
- New refinery capacity additions at a time of falling global demand may pressure USD product margins

- Our long term strategic focus remains unchanged

- Caltex will continue to pursue growth in
  - Diesel and jet
  - Premium fuels
  - Finished lubricants
  - Convenience retailing
  - Regional Australia

Caltex is well placed to maintain No.1 market position in this challenging economic climate

Lower AUD positively impacts the Caltex Refiner Margin. Freight differential and quality premium continue

- Caltex produces a high value product mix
- The Australian market remains significantly short across all transport fuels
- Higher environmental standards result in Australian fuel specifications being amongst the tightest in the region, attracting a quality premium. Diesel specification tightened to 10ppm sulphur from 1 January 2009
- Continued AUD weakness will support CRM
- Crude/product freight differential expected to persist
- Existing refiners trimming crude runs and bringing maintenance programs forward
- Global project delays and deferrals of new capacity

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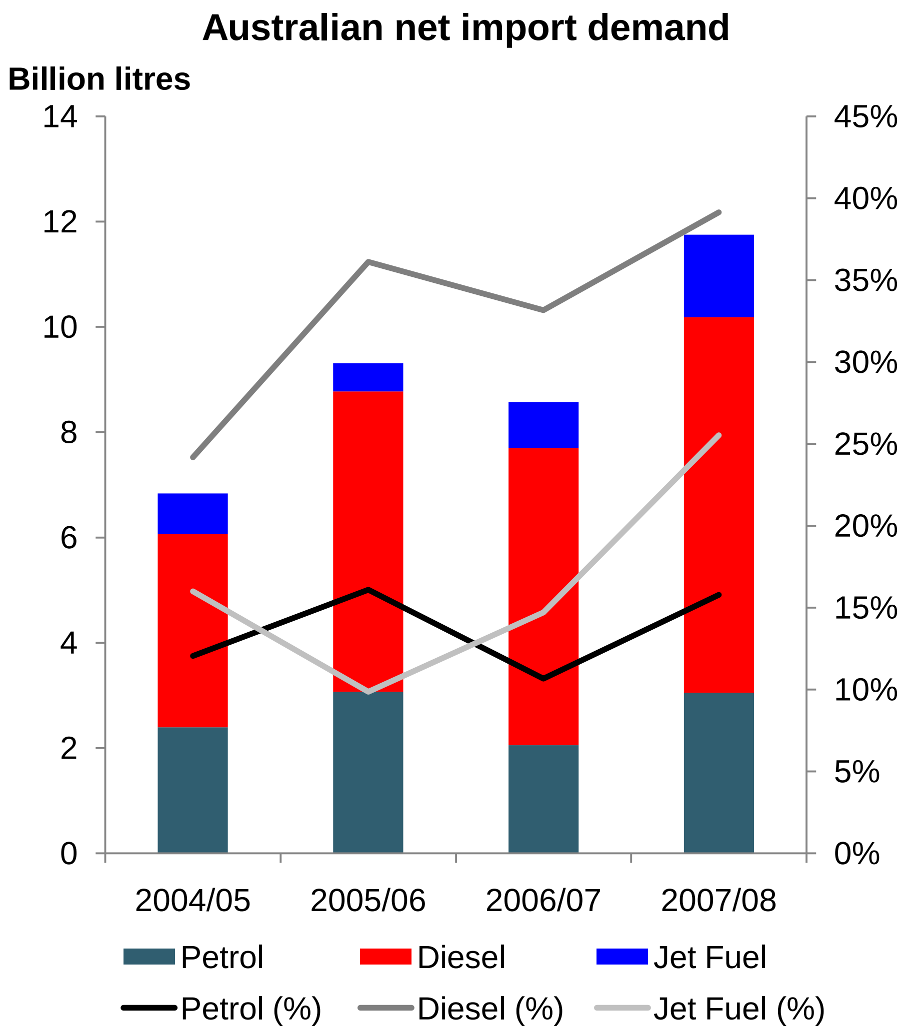
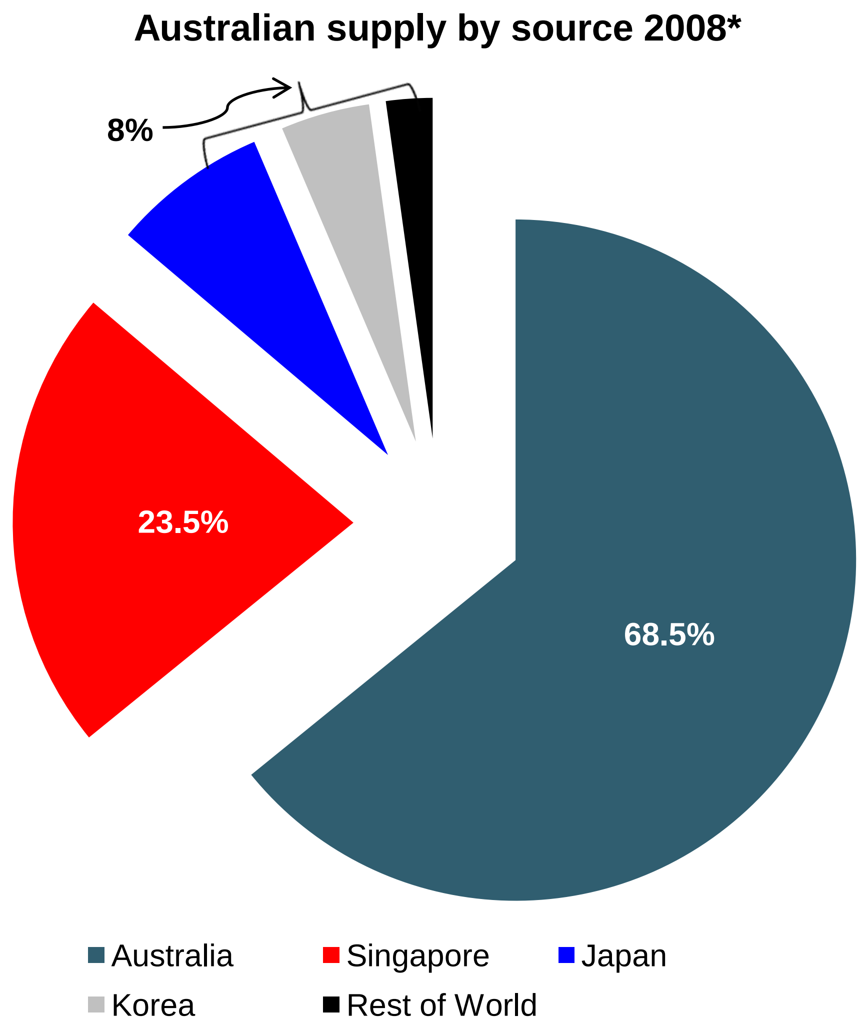
Australia's transport fuel import dependence will continue to support the Caltex Refiner Margin





Source: DITR

* For gasoline, diesel and jet fuel only YTD up to 31 October 2008

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Caltex's future Marketing growth supported by supply chain investments

- Lytton's DHTU2 will increase Caltex's Australian grade production capacity by more than 30%
  - Construction is now more than 95% complete
  - Costs unchanged at $A320 million or less
- Mackay terminal expansion underway
  - Construction will commence shortly
  - Expected completion end 2009
- North Western Australia terminal capacity
  - Design and engineering well progressed
- Ethanol blending capability
  - Planned upgrades completed

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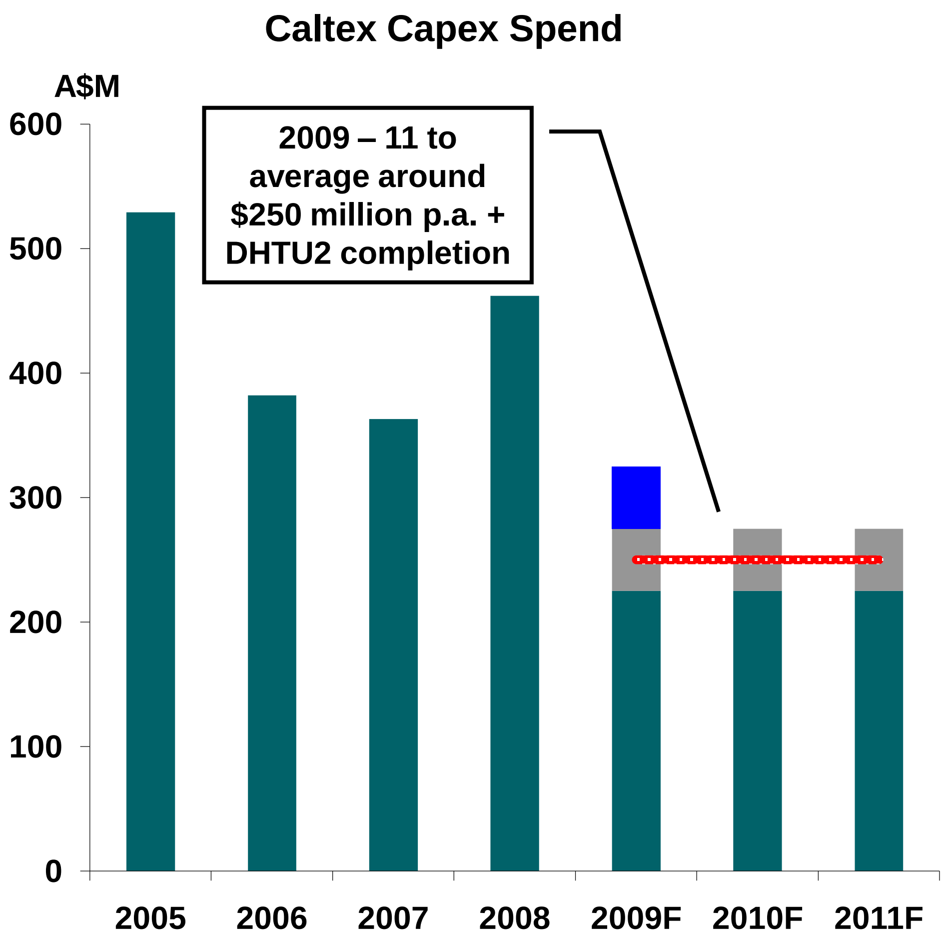
Capital expenditure will be managed to maintain balance sheet strength



- Baseline capital spending plans over the next few years will remain modest at around A$250M p.a.
  - Additional $50M for the completion of Lytton diesel hydrotreater in 2009
- Capital spend will be managed to maintain a prudent level of debt
  - Caltex operates in a cyclical industry
  - Capital expenditure can be delayed or trimmed to manage cash flow should the economic outlook worsen

Forecast Capex excludes T&I's

Capex required to complete DHTU2 at Lytton Refinery in 2009

Expected range of Capex spend

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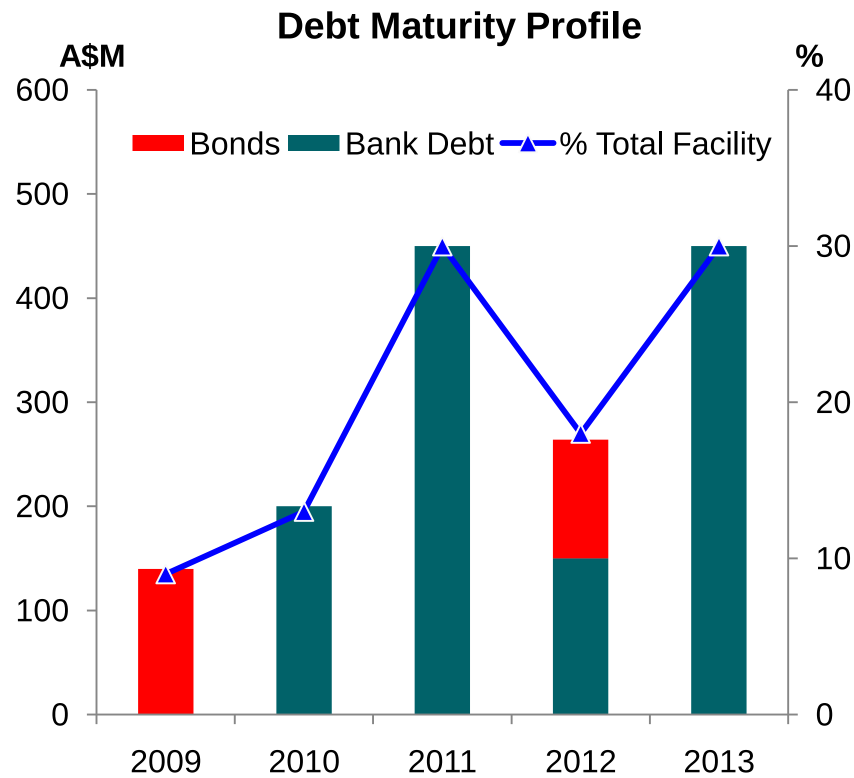
Caltex will actively manage debt to maintain adequate liquidity and a strong balance sheet

Caltex debt position has been carefully managed and is well under control

- Caltex successfully renewed A$700M debt in the past 12 months
  - A$300M re-financed facilities
  - A$400M additional facilities
- Maturity profile carefully structured
- Conservatively managed balance sheet
  - Low gearing
  - Significant headroom in debt facilities
- Contingency planning in place to manage cash flow and debt if the external economic climate worsens significantly (Capex/Opex/working capital)



Caltex will maintain a conservative debt position

Carbon Pollution Reduction Scheme* (CPRS)

Emissions from fuel sold to our customers

- Caltex has liability for emissions from fuel sold to our customers, estimated to be ~ 40 Mt CO_2 eq
- Caltex will incorporate permit costs into fuel prices
- Large customers may manage their own carbon liability

Emissions from business operations

- Caltex refining is considered an EITE** operation under proposed CPRS
- Caltex has liability for emissions from these operations, estimated to be ~ 2.5Mt CO_2 eq
- Approximately 60% free permits likely

Due to commence mid-2010, however there is still significant legislative detail and implementation planning to be done

*CPRS due to start 1 July 2010 subject to passage of legislation in 2009

**Emissions intensive trade exposed

Caltex has the flexibility to respond in a challenging environment

External factors will make 2009 a challenging year for Caltex

Caltex is positioned to face these challenges

- Leading position in a profitable market
- Conservatively managed balance sheet

Caltex will continue to focus on the long term

- Growing the Marketing contribution, with a focus on diesel, premium fuels and convenience retailing
- Investment in our terminal infrastructure
- Safe, efficient and reliable refinery operations as a solid foundation for Marketing supply
- Successfully completing Lytton DHTU2
- Maintaining financial discipline with debt and cost management

Caltex is positioned to meet the short term challenges and reap the long term rewards

Reinforce and grow our No.1 marketing position, underpinned by a value creating supply chain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Important Notice

This presentation for Caltex Australia Limited is designed to provide:

- an overview of the financial and operational highlights for the Caltex Australia Group for the 12 month period ended 31 December 2008; and
- a high level overview of aspects of the operations of the Caltex Australia Group, including comments about Caltex's expectations of the outlook for 2009 and future years, as at 20 February 2009.

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

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

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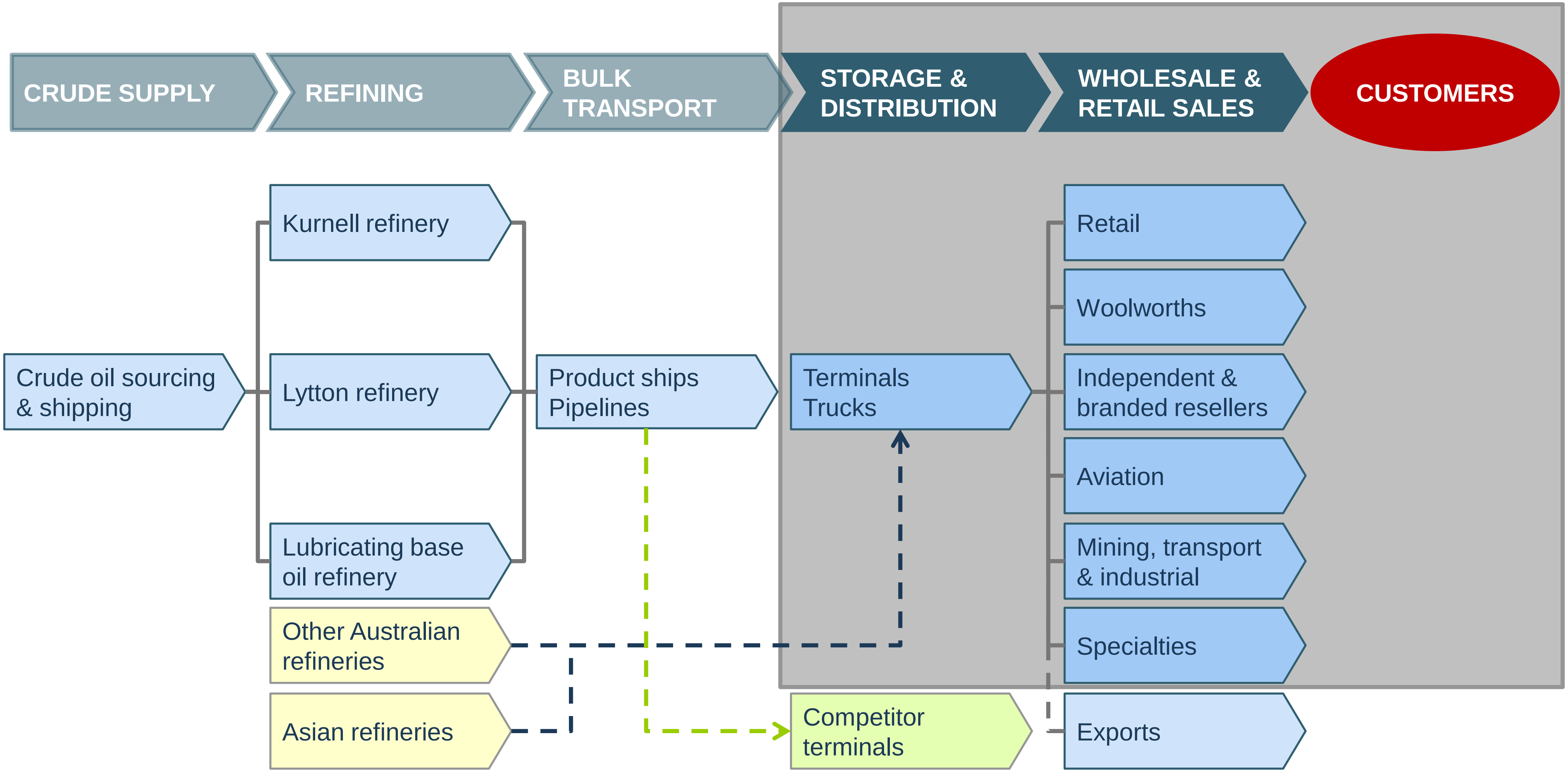
Appendices

Caltex’s strength in Marketing is underpinned by a strong supply chain



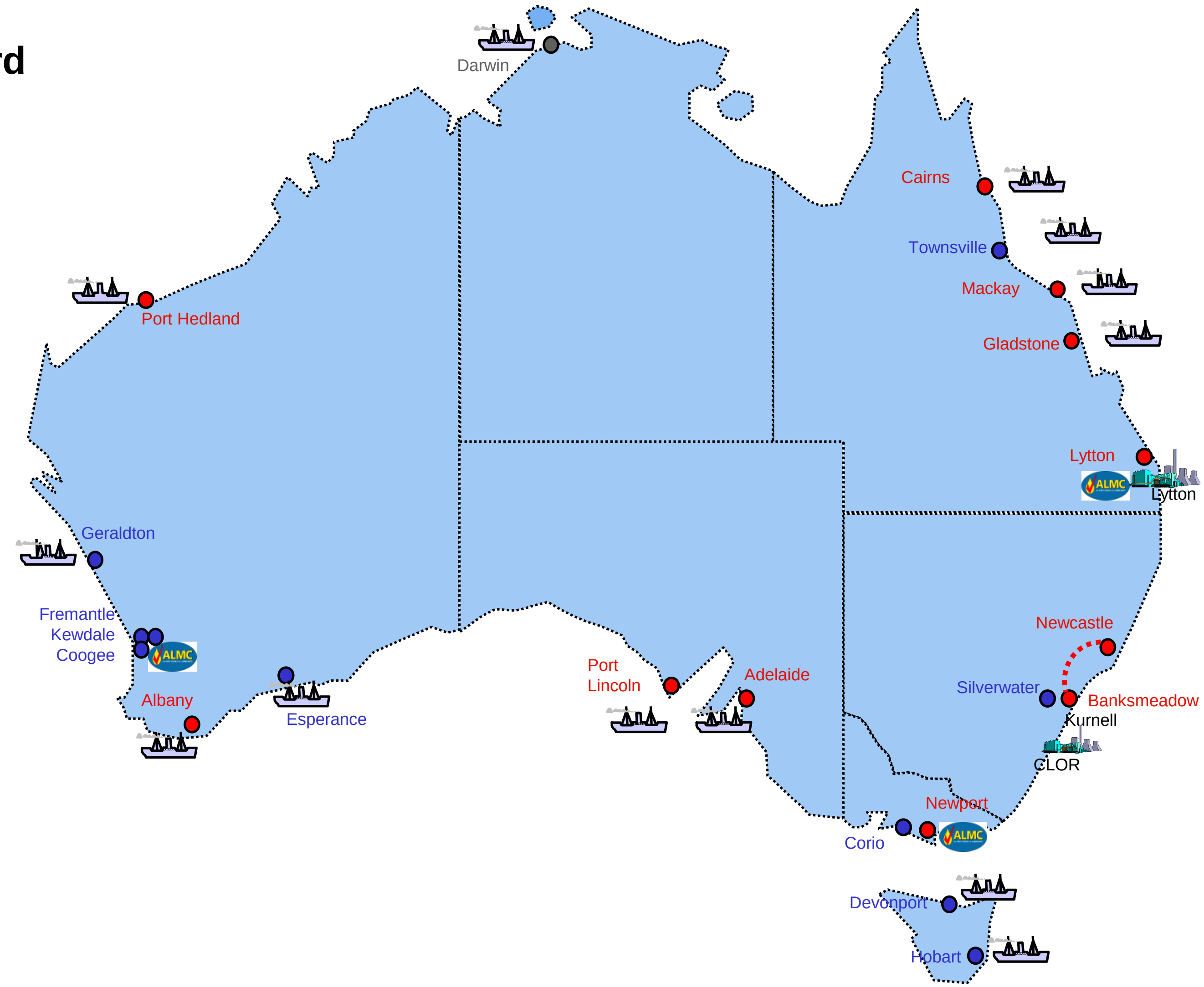
Caltex is the market leader, with national operations

Caltex supplies about one-third of transport fuels in Australia

- **37% in gasoline**
- **30% in diesel**
- **28% in jet fuel**

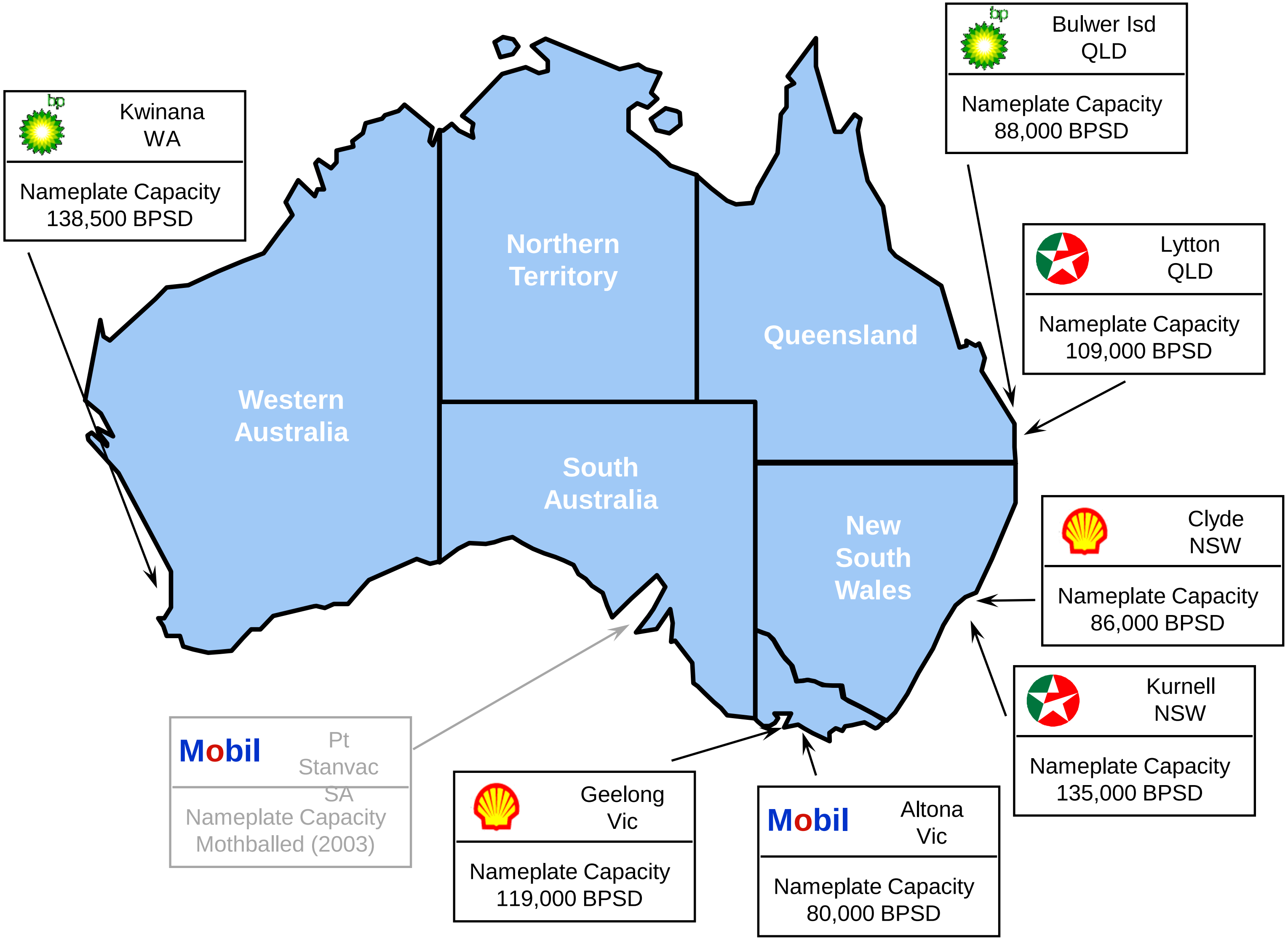
- **32% in convenience retailing**

- **No.1 in refining capacity**
- **Strong national infrastructure**



2 Refineries
CLOR 1 Base oil refinery
Ship supply terminals
3 ALMC lubes plants
11 Caltex terminals (own)
10 Host & JV terminals
1 Independent terminal
1 Sydney-Newcastle pipeline

No.1 position in refining supports a strong supply chain

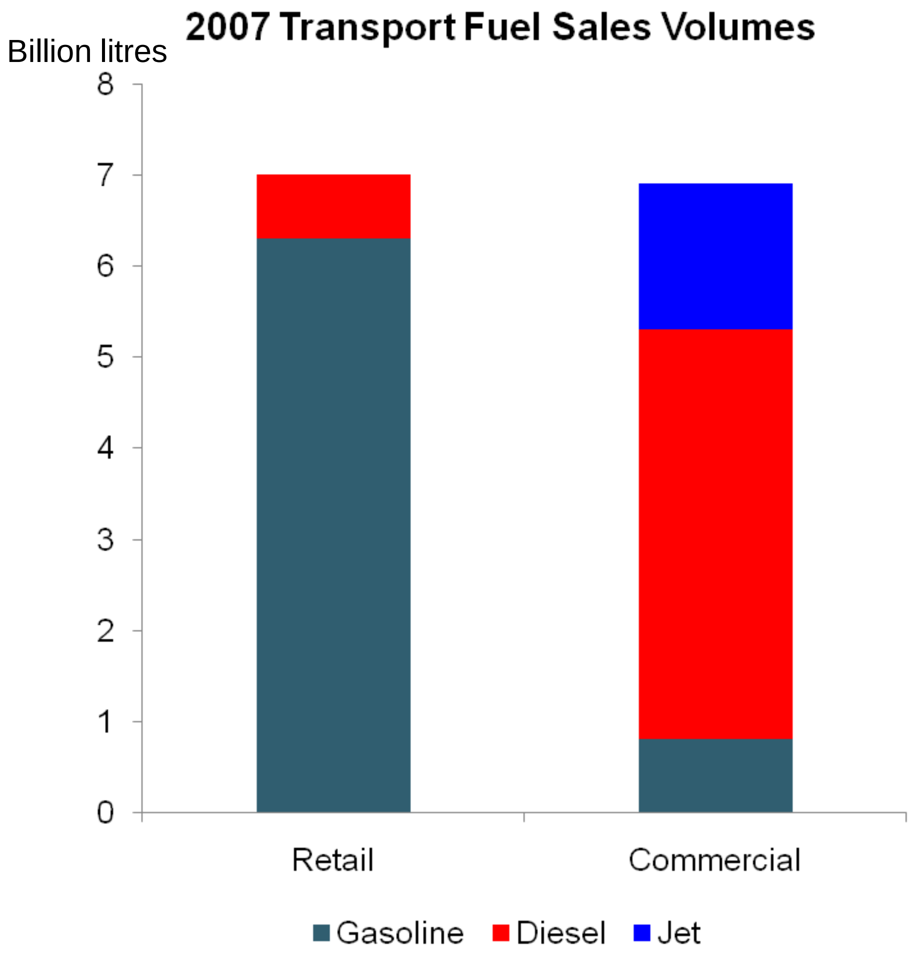


Caltex

- 2 refineries
- 244 000 BPD
- 32% of Australian refining capacity
- Located on the East Coast, near to the largest product markets

Source : Australian Institute of Petroleum; Caltex analysis

Marketing can be viewed as two channels – Retail and Commercial



Retail Channel

- Largely individual end customers
- Predominantly gasoline
- Distributed through:
  - Caltex network
  - Woolworth alliance sites
  - Independent resellers

Commercial Channel

- Comprises small enterprises to national customers
- All jet fuel and most diesel marketed through this channel
- Direct relationship to customer

Volumes are evenly split between retail and commercial

Diesel & jet fuel the main growth products

Natural hedges offset the impacts of the AUD depreciation and falling crude oil price

	Debt	RCOP NPAT	HC NPAT	Working Capital
EXCHANGE IMPACTS				
Exchange effect on USD payables	-	-	-	
Exchange effect on inventory gain/loss	+		+	
Exchange effect on working capital	-			-
CRUDE IMPACTS				
Inventory gain/loss	-		-	
Working capital	+			+
OTHER IMPACTS				
Revenue lags	+		+	
7-day lag	+	+	+	
Imports	-	-	-	

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Depreciation of the AUD positively impacts the Caltex Refiner Margin

A worked example ...

CRM build-up	USD/bbl
SWAM	6.00
Freight Differential	2.26
Quality Premium	1.90
Yield Loss	[2.60]
Caltex Refiner Margin	7.56

FX	CRM AUD/bbl	CRM AcpL
1.0	7.56	4.76
0.9	8.40	5.28
0.8	9.45	5.94
0.7	10.80	6.79
0.6	12.60	7.93
0.5	15.12	9.51

Assumptions:

- SWAM average 2003-07 (approx)
- Freight differential & quality premium from 1H08
- Yield loss assumed on 65 USD/bbl crude
- Nil timing lag and crude premium

Depreciation of the AUD can materially impact Caltex's refinery earnings

- For example, reduction in FX from 0.9 to 0.6, increases the AUD refiner margin by 50%.

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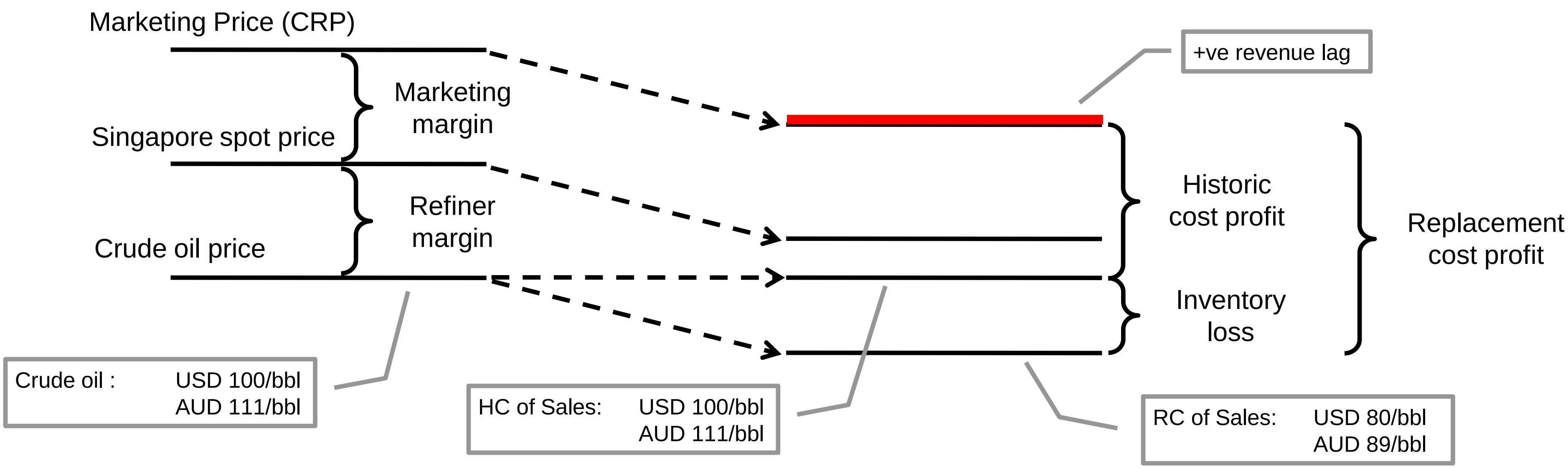
Impact of a fall in USD crude oil price

Assumptions:
- Crude oil price falls from $US100/bbl to $US 80/bbl
- AUD/USD FX constant (0.90)
- Refiner margin and marketing margins constant

Outcomes:
- Crude oil price fall creates an inventory loss
  - Historic cost profit < Replacement cost profit
- Lower crude price flows through to working capital
  - Lower debt due to low inventory cost
- Positive impact on refiner margin 7-day lag



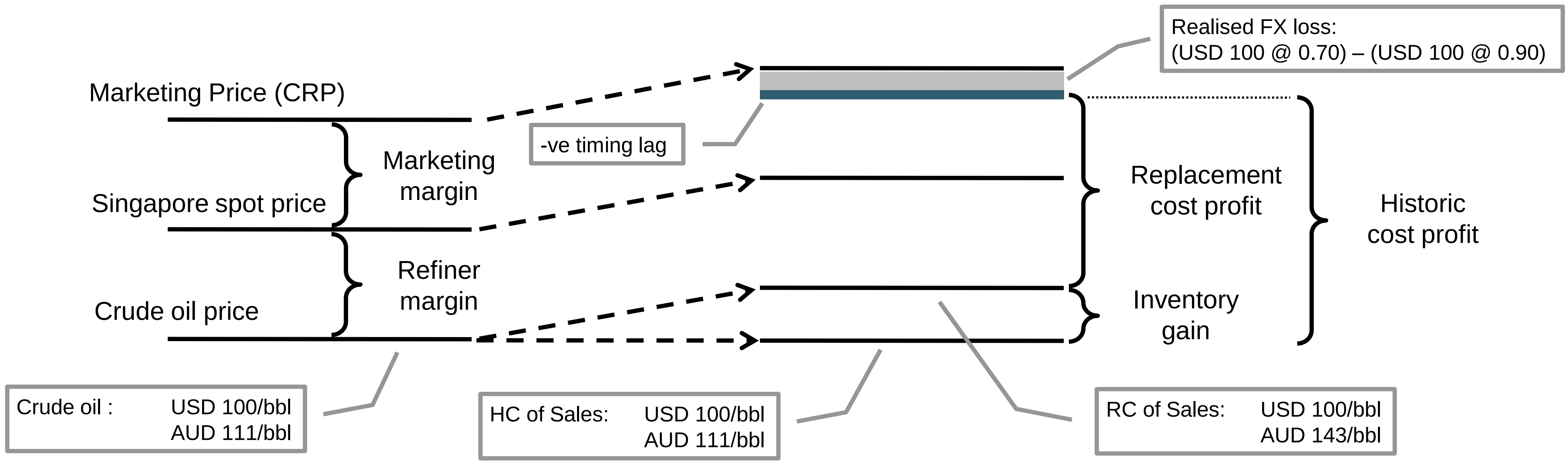
Impact of the depreciation of the AUD

Assumptions:

- AUD/USD FX falls from 0.90 to 0.70
- Crude oil price is constant ($US 100/bbl)
- Refiner margin and marketing margins constant

Outcomes:

- Depreciation in the AUD creates an inventory gain
    - Historic cost profit > Replacement cost profit
- Higher crude price (in AUD terms) flows through to working capital
    - Higher debt due to higher inventory cost
- CRP increases due to lower AUD such that refiner margins and marketing margins remain constant
    - Likely to be a –ve timing lag
- Realised FX loss ≈ inventory gain due to lower AUD
    - Historic cost profit to remain less effected



Australian gasoline specifications are differentiated from Asia, resulting in a ‘quality premium’

Gasoline Specification Outlook for Asia-Pacific

	Sulfur (max ppm)		Olefins (max vol%)		Aromatics (max vol%)		Benzene (max vol%)		MTBE (max wt% Oxy)	
	2007	2012	2007	2012	2007	2012	2007	2012	2007	2012
Australia	150	50*	18		45/42		1.0	1.0	0.1	0.1
China	500		35		40		2.5	1.0	2.7	
China (Beijing)	150		25		35		1.0		2.7	
Canada (BC)	80	10	N/A		N/A		1.5		N/A	
Indonesia	1000	500	N/A	N/A	50	40	N/A	5.0	N/A	2.7
Japan	50	10					1.0			
Malaysia	500	150	N/A	N/A	N/A	42	5.0	5.0		
Philippines	500		N/A	N/A	35	35	2.0	1.0	0.2	E10
Singapore	500	50	N/A	N/A	N/A	42	3.5	1.0	N/A	N/A
Sth Korea	50	10	18	13	30	25	1.0	0.5	1-2.3	
Taiwan	80		N/A		N/A		1.0	1.0	2.0	
Thailand	500	50	N/A	18	35	35	3.5	1.0		
USA (Calif.)	30	5	10		35		1.1	0.5	E5.7	E10

Source: Chevron; IFQC
* - Premium gasoline grades only – 95 research octane and above (from 2008)

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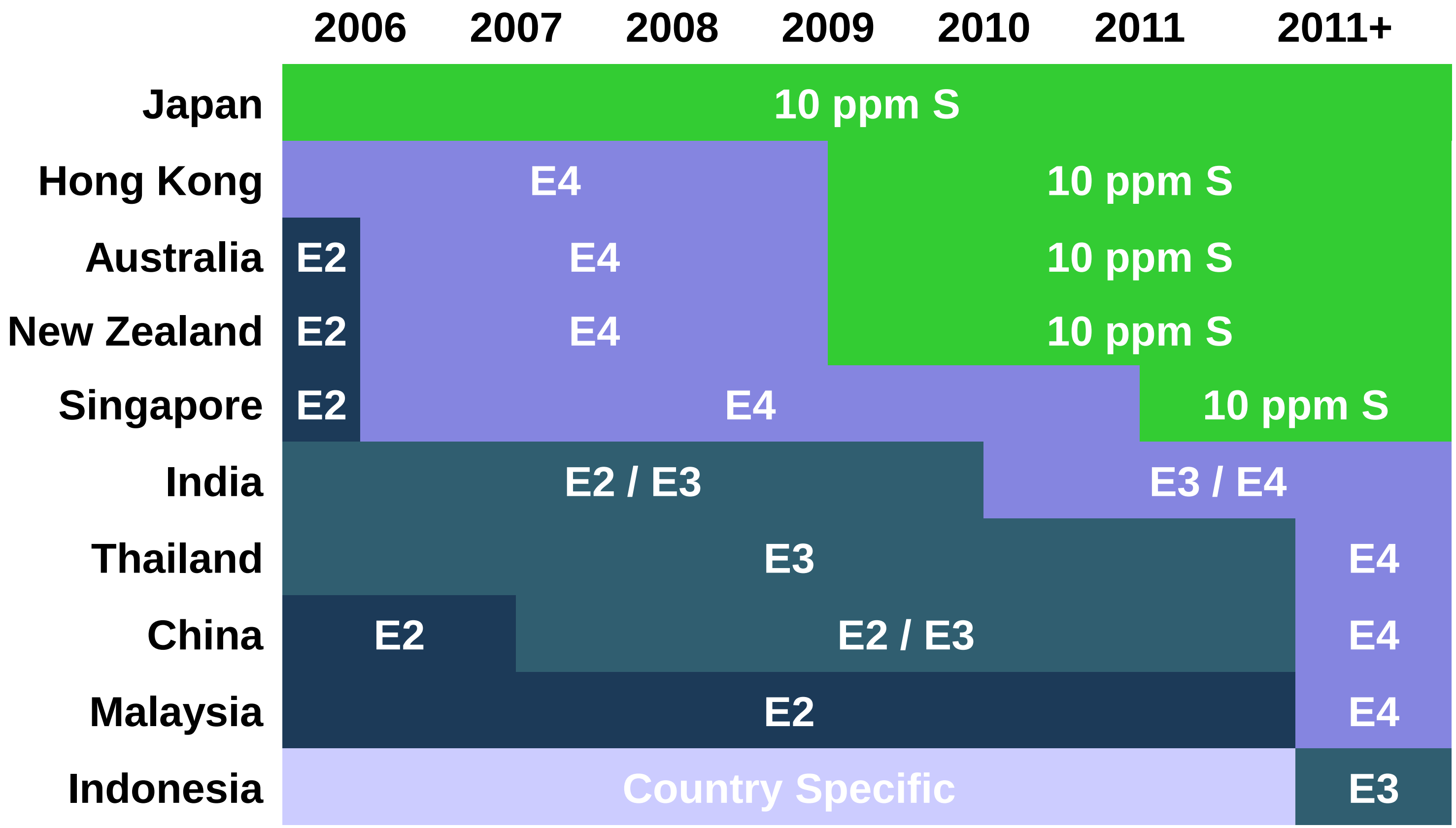
Australian diesel sulfur specification to tighten in 2009 – quality premium expected

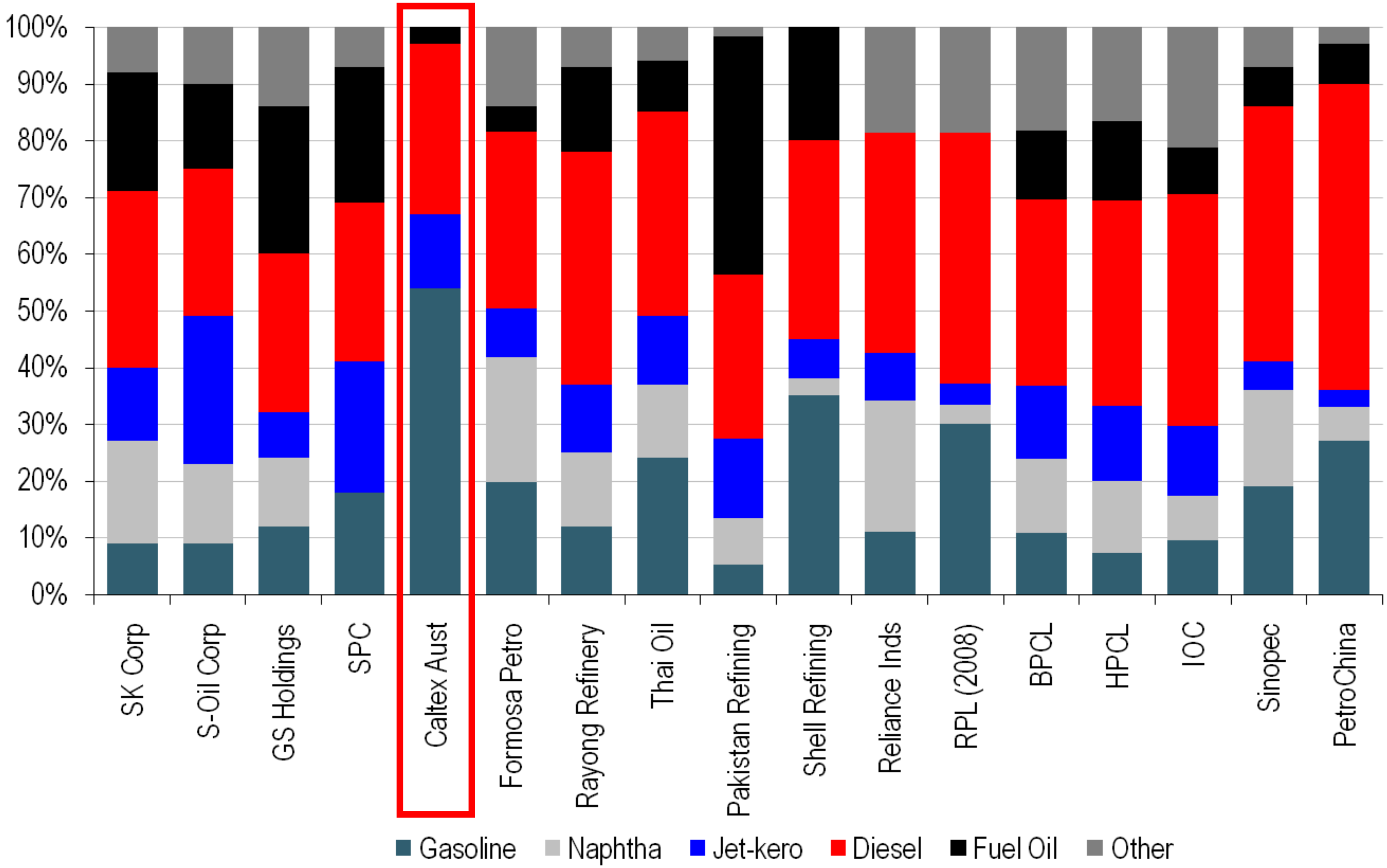
Diesel Sulfur Specification Outlook for Asia-Pacific



E2 (Euro 2) sets the sulfur limit at 500ppm; E3 at 350 ppm; and E4 at 50 ppm

Source: East-West

Relative to Asian peers, Caltex has a high yield of high value products



Source: Merrill Lynch