

Caltex Talkingpoint

ALTERNATIVE FUELS – BIOFUELS

Caltex achievements and commitments

- E10 Unleaded petrol, which contains 10% ethanol, is sold at over 100 sites in the Caltex service station network.
- Over 100 additional sites sell New Generation Diesel enhanced with 2% biodiesel.
- At least 3,500 million litres of biofuel blends (10% of Australian petrol and diesel) are targeted for annual production in Australia by 2010 under the Australian Government's Biofuels Action Plan. Our target is over 1,000 million litres of biofuel blends a year.
- Caltex has committed to annual targets under the Action Plan. We have achieved our target for 2006.
- Biofuels are more expensive to produce than petrol and diesel but are excise-free so biofuel blends can compete with regular petrol and diesel.

Ethanol

- E10 Unleaded is "the choice for the future". Ethanol is a renewable non-fossil fuel made from crops such as sugar cane and wheat.
- Using ethanol in petrol helps reduce greenhouse gas emissions and reliance on fossil fuels, so it's better for the environment and our future.
- E10 Unleaded is completely suitable for use in most new and many older cars, utes and vans, without affecting the manufacturer's warranty.
- There is no problem adding E10 Unleaded to other petrol.

Biodiesel

- All diesel supplied from Caltex's Newcastle terminal is New Generation Diesel enhanced with 2% biodiesel. It is suitable for *all* diesel vehicles.
- The 2% biodiesel in New Generation Diesel is derived from renewable feedstocks, such as canola oil and tallow.
- Caltex also supplies 5% and 20% biodiesel blends directly to commercial customers such as bus fleets and council trucks.
- Using biodiesel blends reduces Australia's reliance on fossil fuels and can reduce greenhouse gas emissions.
- There is no problem adding New Generation Diesel to other diesel.



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ALTERNATIVE FUELS – LPG

Liquefied Petroleum Gas (LPG) is Australia's largest selling alternative fuel. It is suitable for heating, cooking and automotive use and makes up 9% of the market for all petroleum products.

- LPG is the name given to the hydrocarbons propane and butane or a mixture of both. It occurs naturally in underground reserves associated with crude oil and natural gas or it is produced as a by-product of oil refining.
- Automotive LPG has been in use for around 30 years and now accounts for around 65% of local consumption of LPG.
- Australia has substantial LPG reserves. We use 2 million tonnes of LPG a year and have net exports of 1.5 million tonnes.
- Caltex produces approximately 250,000 tonnes of LPG per annum at its Kurnell and Lytton refineries representing about 8% of Australian domestic LPG production.
- Caltex is a major marketer of LPG autogas through Vitalgas, a 50% joint venture with Origin Energy. Automotive LPG is sold nationally at over 1,000 Caltex and Caltex Woolworths sites in NSW and Queensland.
- The price of LPG is linked to the international price, the Saudi Contract Price, and it is cheaper than petrol and diesel as the result of being excise free.
- To encourage the use of LPG the Australian Government provides tax-free grants to motorists of \$1,000 for the purchase of an LPG vehicle or \$2,000 for the conversion of a vehicle to run on LPG.
- In October 2006 the sale of LPG vehicles in Australia was up by 69% and number of vehicle conversions up by 100% compared with October 2005.

Sources: Australian Liquefied Petroleum Gas Association, Australian Department of Industry, Tourism and Resources, ABS

