

# Caltex Talkingpoint

## THE CLEAN FUELS PROJECT

Caltex's \$500 million project to upgrade its two refineries to produce cleaner petrol and diesel fuels was completed in 2006. Cleaner fuels will result in much less air pollution from vehicles.

The successful four year project was a huge achievement by Caltex, its people and partners at a time of unprecedented worldwide demand for engineers, construction workers and equipment fabrication facilities.



### Lytton refinery

- Up to 500 construction employees and contractors
- Major new equipment – diesel hydrotreater, benzene reduction unit
- Number of items of major equipment – 60
- Heaviest piece of equipment – 270 tonnes
- Tallest piece of equipment – 60 metres
- 2,100 cubic metres of concrete and 485 tonnes of structural steel
- 19 kilometres of piping
- 97 kilometres of electrical and instrument cables
- 1,020 instruments

### Kurnell refinery

- Up to 700 construction employees and contractors
- Major new equipment – diesel hydrotreater, benzene reduction unit
- Number of items of major equipment – 83
- Heaviest piece of equipment – 250 tonnes
- Tallest piece of equipment – 45 metres
- 1,600 cubic metres of concrete and 380 tonnes of structural steel
- 25 kilometres of piping and 86 kilometres of electrical and instrument cables
- 1,000 instruments



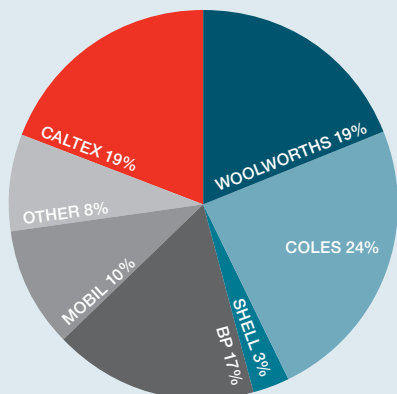
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### OIL REFINING AND MARKETING

**Australian oil refiners and marketers provide secure, reliable supply to customers. Their petroleum products literally keep Australia moving.**

- Caltex's heritage in Australia dates from 1900 and Ampol from 1936. The Caltex brand was first used in 1941. Caltex's refineries have been operating for 50 years in NSW and over 40 years in Queensland.
- For the whole Australian industry, petrol accounts for 40% of sales, followed by diesel 33%, jet fuel 11% and LPG 9%. Total sales are about 48 billion litres per year.
- Two thirds of petroleum products are used in transport, with road 53% ahead of aviation 9%. There are about 14 million vehicles registered in Australia. Other substantial end uses are manufacturing 15%, mining 6% and agriculture 5%.
- Australia's seven refineries can no longer supply all our petroleum product requirements. 25% of products were imported in 2005, about 12 billion litres.
- About 30% of crude oil processed in Australian refineries is sourced from Australia with most of the rest from South East Asia – mainly Vietnam, Malaysia, Papua New Guinea and Indonesia. The Middle East supplies about 10%. Singapore is the main source of product imports, with the remainder coming from South Korea, Taiwan, Japan and other countries.
- Investment in the Australian petroleum refining and marketing industry has averaged over \$500 million per year since 1997 and total assets exceed \$14 billion.
- Excise paid to the Australian Government on petroleum products is about \$14 billion per year, about 7% of total tax receipts. In addition, payments are made for customs duty, GST and company tax. About 40% of the price of a litre of petrol or diesel is tax.
- Caltex's average profit across all fuels in 2005 was only 2.2 cents per litre.

PETROL MARKET SHARE BY BRAND (AT JULY 2006)



CALTEX IS ONE OF SEVERAL BRANDS IN A HIGHLY COMPETITIVE MARKET. THERE ARE 5 LEADING BRANDS IN THE PETROL MARKET.

Sources: Australian Institute of Petroleum, Australian Bureau of Agricultural and Resource Economics, Australian Government Treasury, Department of Industry, Tourism and Resources and Caltex.