

Caltex Talkingpoint

CLEANER AIR

Cleaner petrol and diesel fuels will help reduce air pollution from vehicles by up to 50 percent by 2010 and up to 85 percent by 2020.

Caltex has spent \$500 million upgrading its refineries to produce diesel with less sulfur and petrol with less benzene.

Less sulfur means catalytic converters on petrol vehicle exhausts can work better to cut emissions of hydrocarbons and oxides of nitrogen. These chemicals combine with sunlight to form smog.

Less sulfur also means less emissions of fine particles from diesel engines. Ultra low levels of sulfur are necessary for advanced pollution control technologies, which can reduce fine particle emissions by over 90 percent.

Less benzene in all petrol, effective from 2006, has immediately reduced emissions of this pollutant by 15 to 20 percent.

Fuel quality standards regulated by the Australian Government through to 2009 are comparable to Europe, the United States and some countries in Asia.

By the end of this decade, Australian refineries will have spent over \$2 billion on facilities to produce cleaner fuels.

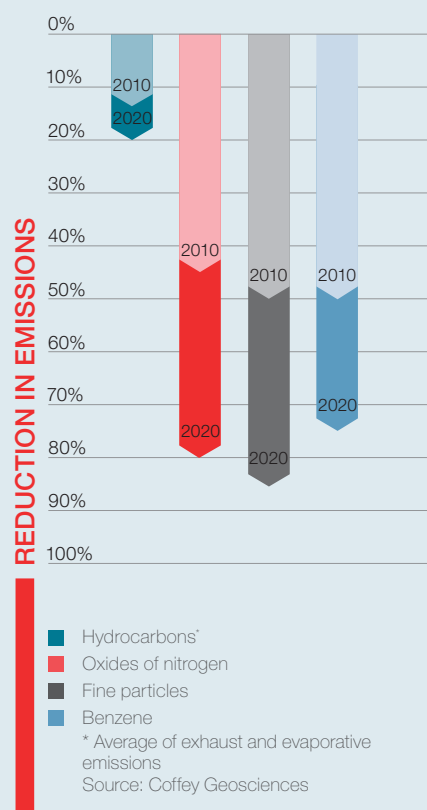
The Government will provide a one cent per litre incentive to refiners from 2007 to speed up supply of near-zero sulfur diesel, which is world best quality.

A similar incentive which started in 2006 is already resulting in premium petrol with ultra low sulfur content.

Caltex strongly supports the Government's standards and incentives for cleaner fuels and vehicles. These are improving public health by cutting air pollution.

It also makes good business sense for Caltex to invest in manufacture of world-class petroleum products.

LOWER VEHICLE EMISSIONS



Caltex

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PETROL PRICES

About 40% of the cost of an average tank of petrol is tax. Excise is 38 cents per litre and GST is included in the total price.

Pump prices for petrol have increased over 30 cents per litre since early 2005 – mostly due to higher crude oil prices.

Australian petrol prices rise and fall in line with world prices. About 20% of our petrol is imported.

Because of strong competition, prices in larger cities are heavily discounted, typically on a weekly cycle.

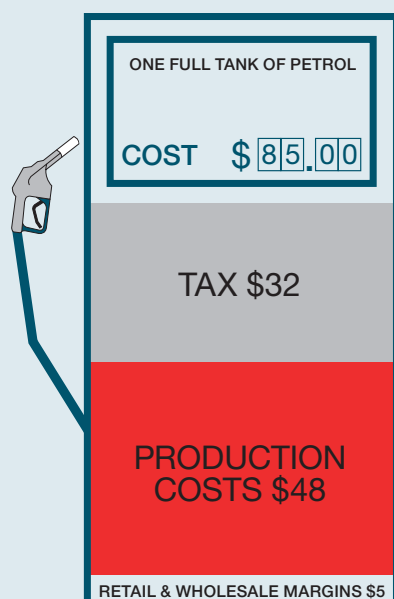
Watch the price cycle and if you can, save by filling up when petrol is cheapest. The Australian Competition and Consumer Commission web site has information on this.

Prices are higher in many country towns because there is less competition plus higher freight and distribution costs and lower service station sales volumes.

Australia's petrol prices are among the lowest of developed countries. When Australia is \$1.30 per litre, the US is \$1.10 but Japan is \$1.50 and Europe averages about \$2.30 per litre.

Caltex's average profit across all fuels, including petrol, in 2005 was only 2.2 cents per litre.

WHERE DOES YOUR MONEY GO?



Typical medium sized car.
Figures representative of capital cities except Brisbane