

ASX Release

17 October 2019

CALTEX REFINER MARGIN UPDATE (Q3 2019)

Caltex Australia (ASX: CTX) advises its Caltex Refiner Margin (CRM¹) in respect of CRM sales from production for the 3 month period from July to September 2019.

	Q3 2019	Q2 2019	Q3 2018
CRM	US\$10.53/bbl	US\$7.45/bbl	US\$12.17/bbl
CRM Sales from production	1,055ML	1,373ML	1,410 ML

The Q3 2019 CRM was US\$10.53/bbl. This is above the Q2 2019 CRM of US\$7.45/bbl and below the prior year comparative (Q3 2018: US\$12.17/bbl).

The Q3 2019 Caltex Singapore Weighted Average Margin was US\$12.86/bbl, which was above 1H 2019 Singapore Weighted Average Margin of US\$9.10/bbl, driven by improved refiner margins across products (jet, diesel and gasoline) with gasoline in particular strengthening between 1H 2019 and Q3 2019.

The Q3 2019 CRM result was impacted by a rise in crude oil premiums, reflecting increased sweet crude demand and reflecting the higher margin conditions. Landed crude premium in 1H 2019 was US\$5.50/bbl and the Q3 2019 CRM result has seen an increase of US\$0.83/bbl in landed crude premium when compared to 1H 2019.

Sales from production in Q3 2019 of 1,055 ML were lower than Q2 2019 and the prior year comparative Q3 2018 due to the planned T&I in July and August 2019. Full year CRM sales from production in 2019 is reaffirmed at 5.5BL.

For the nine months from 1 January 2019 to 30 September 2019, the average CRM was US\$8.31/bbl (YTD 2018: US\$10.71/bbl) with CRM sales from production totalling 3,915 ML (YTD 2018: 4,566 ML).

Period ended 30 September	2019	2018
CRM	US\$8.31/bbl	US\$10.71/bbl
CRM Sales from production	3,915 ML	4,566 ML

Notes

1. 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 is calculated in the following manner:

Weighted Singapore product prices (for a standard Caltex basket of products)



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Less: Reference crude price (the Caltex reference crude marker is Dated Brent)
Equals: Singapore Weighted Average Margin (Dated Brent basis)
Plus: Product quality premium
Crude discount
Product freight
Less: Crude premium
Crude freight
Yield Loss
Equals: Caltex Refiner Margin

The Caltex Refiner Margin is converted to an Australian dollar basis using the prevailing average monthly exchange rate.

CRM is just one contributor to the EBIT earnings (excluding significant items) of the Lytton refinery, which is part of the Fuels and Infrastructure. Additionally, pricing lag are now excluded from RCOP earnings, and are instead included in movement in inventory as a component of inventory gain/loss, as communicated to the market on the 28 August 2018.

2. RCOP excludes the unintended impact of the fall or rise in oil and product 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 historic cost, including the effect of contract based revenue lags.

INVESTOR CONTACT

Dale Koenders
Head of Investor Relations
+61 2 9250 5626
+61 457 559 036
dale.koenders@caltex.com.au

MEDIA CONTACT

Richard Baker
Head of Corporate Communications
+61 2 9250 5369
+61 417 375 667
richard.baker@caltex.com.au

Caltex Australia

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