Welcome and Introduction

Julian Segal
MD and CEO
Safety of our people and customers is our top priority

Caltex’s lengthy history of safety and reliability underpins our commitment to our customers and employees

- Increase in reported Convenience Retail incidents as Convenience Retail transformation leads to greater focus on the operations of 240 new company operated stores, and now nearly 2,900 new store employees in 2018 alone.
- Our commitment is to continue to focus on transition processes, targeted training programs, and intervention to improve this result.
Welcome and Introduction

Julian Segal
MD and CEO

Group financial guidance and outlook

Simon Hepworth
CFO

Fuels & Infrastructure

Louise Warner
EGM Fuels & Infrastructure

Asset optimisation

Alan Stuart-Grant
EGM Strategy

Convenience Retail

Richard Pearson
EGM Convenience Retail
We are proud of the transformation we have already achieved and will continue to evolve successfully

In fuels, we have secured our position as the market leader in Australia and become an emerging player in the Asian region, as well as commencing our journey on convenience retail.

FIVE YEARS AGO

- 50% owned by Chevron
- Loss making refinery & supply
- Low asset utilisation
- International supply by Chevron
- Generic retail offer

| 2013 | EPS: 132 cents | DPS: 34 cents | ROCE*: 17.5% |

TODAY

- Independent ASX50 company
- Profitable refining operations
- Record refinery production
- Asian Trading & Shipping hub
- Growing international expansion
- Retail transformation commenced

| 2017 | EPS: 244 cents | DPS: 121 cents | ROCE*: 24.5% |

NOTE*: ROCE calculated as RCOP EBIT over net assets plus net debt
Caltex is the leading Australian transport fuel company, which has successfully embarked on its regional expansion, and is progressing well with its convenience retail growth strategy.

Our strategy is to build and monetise capability and scale across the fuels and convenience value chain, to maximise shareholder value enabled by a valuable network of well placed assets.
We are strong across the entire value chain

Our strategies across the business are focused on delivering integrated value and growth across the chain.

Our recent focus on building capability has been in the two parts of the value chain which offer the most material upside:

- Creation of Ampol
- Record production volumes
- Advantaged national position
- Retained scale and customer relationships
- Developed new formats and partnerships

International Sourcing and Supply → Refining → Distribution → Wholesale → Retail

FUELS & INFRASTRUCTURE

CONVENIENCE RETAIL

KEY SUCCESSES

Retained scale and customer relationships
Our strong network of assets provides a platform for growth

We control a hard to replicate, privileged network of retail and distribution assets.
Our capabilities are providing valuable new growth options

INTERNATIONAL
- Ampol enabled material supply chain efficiency and is now handling over 3 billion litres of international volumes
- International assets seeing mid teens profit growth rates

CONVENIENCE RETAIL STORES
- Natural adjacency for non-fuel income
- Targeting $120-$150 million profit uplift
Commercial separation enables the relevant cultures and systems required to deliver our strategy

66% of EBIT

- **Fuels and Infrastructure**
  - Full supply chain view
  - Improved efficiency
  - Continued focus on international

34% of EBIT

- **Convenience Retail**
  - Foster retail culture
  - Apply retail specific KPIs
  - Focus on expansion

Operational Linkages
- Fuel supply
- Shared resources
- StarCard sales

Figures show EBIT contribution for first half 2018 pre corporate overheads
Business units are positioned to create value for shareholders

- **Transformed Business**
  - Predictable earnings
  - Cash generative
  - Growth through International

- **Primed for Growth**
  - Stable earnings base
  - Expanded capability
  - Sales and margin uplifts

- **Effective Capital Management**
  - Increased payout ratio
  - Investment discipline
  - Supportive capital structure
Increased dividend payout

With transformation well advanced, Caltex now has the capacity to sustainably pay higher dividends, whilst retaining sufficient capital headroom to support growth aspirations in both Fuels & Infrastructure and Convenience Retail.

The transformation of Caltex has created a stronger business with both higher, and less volatile, cash generation. Caltex now has greater certainty over Retail formats, roll-out timing, and store costs.

Caltex has increased its dividend payout ratio to 50-70%

Our intention is to return excess capital to shareholders in the most efficient manner, where excess capital is defined by the company’s capital management framework. Caltex’s preferred method of incremental capital returns is via an off market buyback.
In summary, we offer a clear investment proposition

**Defensive and reliable cash flow from Core Business**

✓ Transport fuels focused
✓ Strong competitive advantages
✓ Cash generative business
✓ Predictable demand profile

**Commitment to maintaining a strong dividend payout ratio**

**Execute on TSR Catalysts**

**Invest in Growth Engines**
- International
- Convenience

**Realise Franking Credits**
Where excess capital is available

**Highest returning options will be pursued**

Top Quartile TSR is the Overarching Objective
Caltex’s 2019 Deliverables

Continued growth in F&I earnings
- Deliver Seaoil and Gull investment cases
- Grow volumes at market rates
- Grow international earnings
- Maintain safe, reliable competitive operations

Progress Convenience Retail Strategy
- Deliver sustainable fuels profits by optimising value & volume
- Leverage Woolworths partnership
- Roll out 10-12 Metro stores
- Refine and develop other formats to optimise network

Increase dividend payout to 50-70%

Focus on releasing incremental capital to shareholders
Group financial guidance and outlook

Simon Hepworth
CFO
# Caltex 1H18 by the numbers – substantive and well positioned

<table>
<thead>
<tr>
<th>Operating performance</th>
<th>Financial performance</th>
<th>Balance sheet</th>
<th>Shareholder value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fuel sales volumes</td>
<td>RCOP NPAT</td>
<td>Net Debt*</td>
<td></td>
</tr>
<tr>
<td>10.2 BL</td>
<td>$296m</td>
<td>$1.0bn</td>
<td></td>
</tr>
<tr>
<td>Refining production</td>
<td>Operating cash flow</td>
<td>Gearing</td>
<td>1H dividend</td>
</tr>
<tr>
<td>3.2 BL</td>
<td>$140m</td>
<td>24%</td>
<td>57 cps</td>
</tr>
<tr>
<td></td>
<td>EBIT ROCE</td>
<td>Lease adjusted gearing</td>
<td>HCOP EPS</td>
</tr>
<tr>
<td></td>
<td>20.3%</td>
<td>37%</td>
<td>147 cps</td>
</tr>
<tr>
<td></td>
<td></td>
<td>S&amp;P Global credit rating</td>
<td>RCOP EPS</td>
</tr>
<tr>
<td></td>
<td></td>
<td>BBB+</td>
<td>113 cps</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>10yr average TSR**</td>
</tr>
</tbody>
</table>

**NOTE*** - Net debt excluding Lease liabilities
**NOTE**** - 10yr TSR measured to the end October 2018
Our strategy is delivering earnings growth, and underpinning shareholder returns.

EBIT (ex refining) has achieved ~10% CAGR for the last 4 years. Growth has become steady and reliable.

**STEADY AND GROWING PROFITABILITY***

**ENHANCED ABILITY TO PAY DIVIDENDS**

Operating Cash Flow and Dividends Per Share ($)

NOTE*: Graph excludes corporate costs
Caltex’s capital allocation framework defines capital priorities to support top quartile TSR objective

<table>
<thead>
<tr>
<th></th>
<th>Capital Structure</th>
<th>Maintenance Capex</th>
<th>Dividends</th>
<th>Capital Returns*</th>
<th>Growth Capex*</th>
</tr>
</thead>
</table>
| 1 | ✓ Target Adj. Net Debt / EBITDA range 1.5x - 2.0x | ✓ Safety and reliability of supply are non-negotiable | ✓ 50-70% of RCOP NPAT (fully franked)# | ✓ Where Adj. Net Debt < 1.5x EBITDA, or sufficient headroom exists within target range | ✓ Where EPS accretive  
   ≈ Minimum investment hurdles to drive capital efficiency  
   ✓ ROCE > WACC + fair margin return  
   ✓ (Higher targets for increased complexity and risk) |
| 2 | ✓ Where Adj. Net Debt > 2.0x EBITDA, debt reduction plans become a focus | | | |
| 3 | | | | |

# Excluding significant items  
* Compete for capital based on risk-adjusted return to shareholders
Strong focus on capital discipline to deliver strong returns to shareholders

Top Quartile TSR is the Overarching Objective

1. Optimal Capital Structure
2. Disciplined Capital Allocation
3. Capital Efficiency
Caltex has a record of effective capital allocation

<table>
<thead>
<tr>
<th>Caltex Ownership</th>
<th>Rationale</th>
<th>&gt;20% ROCE on capital allocated to growth initiatives</th>
<th>16% ROCE EPS Accretive</th>
<th>12%&lt;sup&gt;(1)&lt;/sup&gt; ROCE EPS Accretive</th>
<th>7%&lt;sup&gt;(2)&lt;/sup&gt; ROCE EPS Neutral</th>
<th>ROCE&lt; WACC EPS Dilutive</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ownership</td>
<td>3 years+</td>
<td>16 months</td>
<td>6 months</td>
<td>18 months</td>
<td>Opportunity not pursued in 2016</td>
<td></td>
</tr>
<tr>
<td>Rationale</td>
<td>Growth</td>
<td>Growth</td>
<td>Growth</td>
<td>Protect</td>
<td>Protect &amp; Grow</td>
<td></td>
</tr>
</tbody>
</table>

<sup>(1)</sup> Based on forecast 2018 earnings with addition of first full year synergies estimates, medium term higher returns as Seaoil volumes increase

<sup>(2)</sup> Based on incremental EBIT, excluding F&amp;I margin and infrastructure recovery. Actual annual Retail contributions are &gt;22%, with upside from the retail offer.
Robust Financial Risk Management

Caltex’s enhanced risk management platform supports growth in Fuels & Infrastructure

- **Caltex Value Chain**
  - International Sourcing and Supply
  - Refining
  - Distribution
  - Wholesale
  - Retail

- **Key Execution Enablers**
  - Skills & People
  - Asset & Capital Base
  - Risk Management & Oversight
  - Physical System

- **Policies & Financial Risk Appetite**
  - Quantitative Risk Management Tools (CFAR / VAR)
  - Risk Allocation
  - Management Limits

- **Key Risk Tools**
  - Robust Supply Chain Management
  - Strong Customer Base
  - Funding Levels
  - Remuneration Policy
  - Exposure Management Processes
  - Supervision
  - Delegation of Authority

* Cash flow at risk / Value at risk
Caltex’s transformation enabled an overhaul of funding platform; materially improving terms, conditions and pricing

- Final legacy debt issue to be repaid Nov 2018 ($150m AMTN @ 7.25% coupon)
- Greater diversification and extended maturity profile to reduce refinance risk and increase flexibility
- Prudent liquidity to fund the business plan, support fuel sourcing and storage
- $350m liquidity buffer to protect against event risk and material downside scenarios

![Liquidity Graph](image)

**Caltex**

* A$ equivalent as at 30 September 2018

* Bilateral bank facilities contain an ‘evergreen provision’ to facilitate extensions to tenor subject to agreeing pricing
### Updated financial guidance

#### 2018 GUIDANCE

- 3Q Retail fuel volumes and margins impacted by high crude price and low AUD, as well as targeted competitor actions. Negative impact on 3Q Retail earnings of approximately $20 million relative to 1H2018 run rate;
- Unplanned outage of reformer at Lytton during October. Impacts to gasoline and diesel production, impacting EBIT by $15-20 million. Lytton 2018 production forecast approximately 6.0BL
- 3Q CRM of US$11.53/bbl. 4Q expected to be impacted by soft gasoline margins, offset by lower FX.
- Short term build in working capital due to strength in crude and product prices combined with Lytton outage

#### 2019 GUIDANCE

- CY19 Earnings anticipated to be an increase on CY18. Continued growth in F&I business to offset Woolworths fuel supply contract reprice.
- Convenience Retail focus on initial Metro rollout and optimising Foodary performance.
- 2019 total capex expected to be around $350 million, a reduction of ~30% on 2018
- Dividend payout increased to 50-70% (from 40-60%).
- As excess capital becomes available as defined by the company’s capital management framework, our intention is to return that excess capital to shareholders in the most efficient manner. Caltex’s preferred method of incremental capital returns is via an off market buyback
- Lytton 2019 production target 6.0 – 6.1BL (incl. annual T&I impacts).
Q&A
Fuels & Infrastructure

Louise Warner
EGM Fuels & Infrastructure
Our scale and capability across the whole supply chain in Australia differentiates us

<table>
<thead>
<tr>
<th>International Sourcing</th>
<th>Refining</th>
<th>Distribution</th>
<th>Wholesale</th>
<th>Retail</th>
</tr>
</thead>
<tbody>
<tr>
<td>Caltex Australia</td>
<td>Viva</td>
<td>Viva</td>
<td>Viva</td>
<td>Caltex</td>
</tr>
<tr>
<td>Outsourced to Vitol</td>
<td>bp</td>
<td>bp</td>
<td>bp</td>
<td>bp</td>
</tr>
<tr>
<td>Mobil</td>
<td>Mobil</td>
<td>Mobil</td>
<td>Mobil</td>
<td>bp</td>
</tr>
<tr>
<td>Trafalgra shareholding</td>
<td>bp</td>
<td>United</td>
<td>United</td>
<td>bp</td>
</tr>
</tbody>
</table>

**Australian Wholesale Market Share**(1)

- 34%
- 22%
- 20%
- 17%
- n/a
- n/a

SOURCE: Company information, ACCC

(1) Represents wholesale petrol market shares for the 2016-17 financial year as published by the ACCC.
F&I runs as an integrated business to drive value

F&I comprises four interconnected operational “hubs” which form an overall supply and marketing system.

**RELATIONSHIPS**
- Crude Suppliers
- Regional Refiners
- Ship Owners

**TRADING & SHIPPING**
- Ampol Singapore
- Crude Oil, Feedstocks, Gasoline, Middle Distillates

**INTERNATIONAL**
- International 3rd parties

**MANUFACTURING**
- Lytton Refinery
- Lubricants Manufacturing

**AUSTRALIAN CUSTOMER DEMAND**
- Caltex

**F&I’s B2B CUSTOMERS**
- Third Party Wholesalers (Australia)

Expertise in complex supply chains and management of infrastructure.
The interaction of the system’s hubs make the value more than the sum of the parts

*Caltex and WOW Retail demand is especially valuable as volume certainty is supported by strong network*
Our network is being expanded internationally to enable growth

Our international supply chain and retail capability has opened up new growth options

- Investments in high growth businesses in New Zealand and the Philippines
- Added >1.7 billion litres of scale with scope to grow this substantially

Key Drivers:
- Access to fast growing assets
- Synergies from supply chain integration
- Access to further in-market opportunities
- Leverage supply chain and retail expertise
- Potential to support additional International 3rd parties

<table>
<thead>
<tr>
<th>Country</th>
<th>New Zealand</th>
<th>Philippines</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial Investment</td>
<td>A$329m (100%)</td>
<td>A$114m (20%)</td>
</tr>
<tr>
<td>Approximate Volumes</td>
<td>350ML</td>
<td>1,425ML</td>
</tr>
</tbody>
</table>
| Revenue Sources | - Retail fuel
- Resellers
- Wholesale diesel
- Infrastructure | - Retail fuel
- Resellers
- Wholesale diesel
- Infrastructure |
| Supply Sources(2) | 100% via own terminals | 100% via own terminals |
| EBITDA Growth (FY18E vs. FY17) | 33% | 18% |

(1) Represents additional supply volumes managed by Ampol
(2) Principal contract volumes, excludes periodic terminal gate supplies. Terminals are a mixture of wholly owned and leased assets
In a changed market F&I has transitioned successfully from a refiner to create a strong platform for both domestic and international growth.

**Strategic focus**

- **Grow Trading & Shipping**
  - ✓ International Product Sourcing
    - Ampol Singapore established in 2013
    - Scaled up business in 2015 following closure of Kurnell refinery

- **Optimise Infrastructure Position**
  - ✓ Import infrastructure
    - Largest product import terminal in Australia
    - Continuous improvement at Lytton

- **Protect and Grow Supply Base**
  - ✓ Direct Relationship with the End Customer
    - Expand and improve retail network
    - Defend B2B volumes
    - Leading fuel card offer

**Enabled by a range of competitive advantages**

- Biggest importer into Australia
  - Largest diesel short in Asia

- Advantaged distribution assets in NSW, the largest state for imports

- ~80,000 B2B customers
  - ~1,770 branded retail sites
  - ~70,000 card customers, with ~900K cards on issue

- National supply capability
Q&A
Kurnell is uniquely positioned in Caltex’s leading supply network.
Fuel & Infrastructure Operations

Louise Warner
Understanding our system across the Hubs

HUB 1
AUSTRALIAN CUSTOMER DEMAND
Source of scale
B2B & Retail supply

HUB 2
MANUFACTURING
Lytton Refinery
Lubricants
Manufacturing

HUB 3
TRADING & SHIPPING
Crude Oil
Product shipping
Support for domestic & international sales

HUB 4
INTERNATIONAL
International 3rd parties
Hub 1: Australian Customer Demand

The heart of our business is the scale enabled through our strong demand base in Australia. The Australian economy is heavily dependant on transport fuels (i.e. mining, shipping, transport, agriculture, industrial), and will be for a while yet.

What does it do?

- Competitive Supply of fuel to Caltex owned retail sites
- Marketing of fuels and lubricants to Australian B2B customers including:
  - Bulk buyers (e.g. airlines, mine sites)
  - Fleet/card buyers (e.g. trucking companies)
  - Other commercial (e.g. agriculture)
  - Resellers (e.g. independent retailers)
  - Woolworths (exclusive fuel supplier)
  - Other wholesalers
- Infrastructure operation and management

How Does it Create Value?

- MARGINS ON SALES TO CUSTOMERS
- DELIVERS SCALE AND PREDICTABLE DEMAND
- RETURNS ON PRIVILEGED INFRASTRUCTURE

~ 80,000 B2B customers
Multiple sales channels
Broad product and sector exposure
National presence

Sustains Ampol’s competitive advantages and supports Lytton production

Infrastructure earnings
How we succeed in defending and growing Australian B2B volumes

Australia is an attractive market for new entrants but we have steadfastly defended our market position due to the inherent strength of our assets and breadth of offer.

Key Competitive Advantages

**INTEGRATION WITH RETAIL**
- Provides scale
- Sticky volumes
- Underpins card business
- Core to Woolworths offer
- Brand credibility

**INFRASTRUCTURE**
- Market access for imports
- Sourcing benefits
- Low unit costs
- Refinery integration
- National presence

**RELATIONSHIPS**
- Trusted supplier
- Reliability
- Quality reputation
- Excellent safety record
- Local presence
Longer term the B2B market is much less prone to disruption from emerging alternate transport solutions

- Large amount of F&I’s scale is derived from commercial diesel and aviation sales
- Both of these segments are expected to see robust growth over the medium term

### CALTEX VOLUME SPLIT (H1 2018)

- Caltex Retail
- WOW Retail
- B2B Ground Fuels
- Aviation

### Commercial fuel consumption outlook (BL)

<table>
<thead>
<tr>
<th>Year</th>
<th>Diesel Heavy Vehicle</th>
<th>Jet</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>3.6%</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>3.4%</td>
<td>3.2%</td>
</tr>
<tr>
<td>2021</td>
<td>3.6%</td>
<td>3.6%</td>
</tr>
<tr>
<td>2022</td>
<td>3.6%</td>
<td>3.6%</td>
</tr>
</tbody>
</table>

Sources: Australian Petroleum Statistics, Australian Bureau of Statistics, VFACTS, ABMARC, Australian Energy Statistics, BITRE International Aviation Activity, Caltex analysis
Leveraging the integrated supply chain creates value for shareholders

**EXAMPLE:** Caltex’s ~50% market share at Sydney Airport is enabled by combining trading expertise with advantaged infrastructure and customer relationships

1. **Ampol Sources Jet Fuel**
   - Buys and ships product from Asia
   - Leverages relationships and expertise to buy competitively
   - Has full supply chain view
   - Option to ship from Lytton for prompt supply (closest alternate supply point)

2. **Kurnell Storage**
   - Deepwater berth offers flexibility to deliver in LR vessels
   - Low demurrage risk as Caltex only user
   - Largest jet storage position in Sydney
   - Provides flexibility for Ampol to take advantage of seasonal price movements

3. **Transport via Pipeline**
   - Dedicated pipeline to airport, owned by Caltex
   - Offers lowest cost transfer method

4. **Airfield Sales**
   - Caltex B2B sales team have longstanding relationships with all major airlines
   - Trusted quality fuels supplier
   - Ability to price competitively given unique and low cost supply chain solution
Hub 2: Manufacturing's role in the integrated supply chain

Lytton refinery is one of the best performing small refineries in Asia, it represents a major centre of technical expertise critical to deliver core earnings today, and continued optimisation will support the integrated value chain.

**What does Lytton do?**

- 108,000 bpd name plate capacity refinery
- Processes crude into a range of finished products
- Manufacturers lubricants from base oils
- Distributes products to the Queensland market

**How Does it Create Value?**

- **THIRD PARTY SALES OF HIGH VALUE PRODUCT**
  Around 60% of refinery’s output is bought by local wholesalers (BP, Viva etc.)

- **INBOUND AND OUTBOUND SYSTEM OPTIMISATION**
  Ability to change product slate and utilise low spec product as feedstocks to enhance capacity

- **GAIN COMPETITIVE SUPPLY IN OTHER STATES**
  Sales are balanced by purchases in other states maximising scale benefits
How does Lytton work
Simplified process flow for Lytton – DHTU and FCC feed imported via Ampol is used to materially boost production

FEEDSTOCKS IN
- CRUDE
- DHTU Feed
- FCC Feed

DISTILLATION
- Naphtha Processing

PROCESSING
- Isomerisation Unit
- Reformer
- Diesel Hydrotreater
- Cracker (FCCU)
- Alkylation Unit

Products:
- LPG
- Gasoline
- Jet
- Diesel
- Premium Gasoline

Yields:
- Gasoline, 36%
- Jet, 12%
- Diesel, 36%
- LPG, 2%
- Other, 1%
Lytton’s operating performance has been exceptional

A refocus on reliable and efficient operations and high value products plus optimisation with Ampol has improved production and reduced historic volatility and turned Lytton into a high returning business.

**CALTEX REFINER MARGIN**

*Figures in US$ per barrel*

**HIGH VALUE PRODUCT PRODUCTION LEVELS**

*Figures in litres billions*

(1) Figures pre 2015 include contribution from Kurnell refinery

NOTE - CRM excludes pricing lags from 2013 onwards
Lytton’s performance compares favourably to some regional benchmarks

Margin success is influenced by product mix, configuration and utilisation

FY17 TOTAL PRODUCTION (ML)

<table>
<thead>
<tr>
<th>Crude Nameplate Capacity (Kbpd)</th>
<th>Lytton</th>
<th>Geelong</th>
<th>Marsden Point</th>
</tr>
</thead>
<tbody>
<tr>
<td>108,000</td>
<td>6,200</td>
<td>6,300</td>
<td>6,500</td>
</tr>
</tbody>
</table>

HIGH utilisation and configuration allows Lytton to produce similar quantities to local refineries with larger nameplates.

WHITE BARREL PRODUCTION

<table>
<thead>
<tr>
<th></th>
<th>Lytton</th>
<th>Geelong</th>
<th>Marsden Point</th>
</tr>
</thead>
<tbody>
<tr>
<td>99%</td>
<td></td>
<td>94%</td>
<td>90%</td>
</tr>
</tbody>
</table>

Lytton produces a higher percentage of high value product and minimal HSFO blendstock.

REFINER MARGIN* (US$/bbl)

<table>
<thead>
<tr>
<th></th>
<th>Lytton</th>
<th>Geelong</th>
<th>Marsden Point</th>
</tr>
</thead>
<tbody>
<tr>
<td>13.02</td>
<td></td>
<td>10.20</td>
<td>8.02</td>
</tr>
</tbody>
</table>

High utilisation and a valuable product slate helps to drive margins higher than benchmarks.

NOTE* - Refiner margin reported per each companies’ methodology

SOURCE: Viva Energy, New Zealand Ministry of Business, Innovation and Employment, New Zealand Refining Company. All figures for calendar year 2017
How the Lytton turnaround has been achieved (1)

Improved processes and maintenance

- Rebuild of systems and capability in inspection and asset integrity
- Periodic T&I to smooth cash flow and ensure reliability
- Processes support early intervention on reliability issues
- Select investments to enhance process unit reliability
How the Lytton turnaround has been achieved (2)

Additional yield and lower unit costs through capacity creep and other upgrades

- Low cost investments in DHTU and FCC capacity increased output by 600ML
- Opened up production capacity to grow by 20,000 bpd
- Further low cost enhancements possible in crude unit capacity
The benefits of sourcing from Ampol

- Independent purchasing has improved crude choices and prices
- Led sourcing of DHTU and FCC feed from offshore sources
- Supported Lytton blending operations
IMO2020 is expected to have both positive and negative impacts on Lytton

IMO2020 refers to an international ban on high sulfur fuel (HSFO) oil by marine vessels which will trigger changes by shipowners to either their equipment or fuel choice.

Option Set for Shipowners

- Shipowners Install Fuel Oil Scrubbers: No impact
- Use Alternate Fuels (e.g. LNG): No impact (Caltex does not produce or sell HSFO currently)
- Convert to Marine Diesel
- Shift to Low Sulfur Fuel Oil

POSSIBLE IMPACTS FOR LYTTON

Focus Scenarios

- Increase in Diesel premiums
- Higher premiums for light sweet crude oil

CATALYSTS

- Diesel yield maximization steps

MITIGANTS

- Broaden crude sourcing options
Update on full Euro V fuels transition

There are no imminent plans for a shift to low sulfur gasoline

Current Situation

▪ Australia is Euro V compliant for diesel, not gasoline

▪ Changes will require investment in desulphurisation units at Lytton

What is Expected

▪ Industry position is a 2027 adoption

▪ No impact on trading margins, already buying some Euro V compliant gasoline

▪ Abolition of 91R gasoline not justified and has limited precedent in other countries
Hub 3: Trading and Shipping offers opportunity to improve margins and value

Known as Ampol Singapore the trading and shipping business was established in 2013

<table>
<thead>
<tr>
<th>What does it do?</th>
<th>How Does it Create Value?</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ Sources crude and finished product to meet Caltex requirements</td>
<td>Uses relationships and market insights to increase margins for Caltex on sourcing and freight</td>
</tr>
<tr>
<td>▪ Charters vessels for physical delivery</td>
<td>Risk management tools and market insights smooth pricing changes</td>
</tr>
<tr>
<td>▪ Manages supply to Gull and Seaoil</td>
<td>Margin on sales to third parties, delivers synergies on international acquisitions</td>
</tr>
<tr>
<td>▪ Optimises international sourcing by selling to others to maximise value for Caltex and to understand all of the market</td>
<td>Direct access to experts in Asia’s premier oil trading hub. Insights from purchases of crude and products</td>
</tr>
<tr>
<td>▪ Manages Caltex commodity price risks</td>
<td></td>
</tr>
</tbody>
</table>

ACCESS LOWER COST OF SUPPLY
REDUCES VOLATILITY
THIRD PARTY SALES
COMPETITIVE INSIGHTS
For many Asian refiners Australia is an attractive outlet

Our scale in a key Asian markets allows Ampol to capture value by sourcing product directly

**Why is Australia Attractive?**

- ✓ Excess refining capacity in Asia
- ✓ Largest trading short in Asia
- ✓ Growing demand for fuel
- ✓ Proximity to Asian refining hubs
- ✓ Compatibility with Asian grades
- ✓ Trusted market counterparties

**Key Export Markets**

Capacity additions will see both these shorts reduce materially by 2022

As the largest importer into Australia and now with a position in the Philippines, Ampol is a strategic customer for virtually every export focused refiner in Asia and globally

Source: Caltex estimates
Ampol enjoys numerous competitive advantages owing to integration with Caltex

Caltex’s Trading and Shipping expertise and advantage has been built from scratch

- Ability to diversify supply sources, claim discounts, vary freight terms and retain talent
- Australian logistics are challenging due to dispersed demand
- Scale Position
- Supply Chain Capability
- Reliable Demand Profile
- Infrastructure Access
- Supports term supply deals and underpins investments
- Ability to vary freight terms parcel sizes and benefit from month to month price changes
Ampol is now positioned as a major growth engine for Caltex

Ampol has evolved quickly after being scaled up in 2015 and is now a valuable platform capability for the group.

**2015 Simple Toolbox**
- STORAGE
- SHIPPING OPTIMISATION
- RISK MANAGEMENT

**NOW Established Capability**
- Blending
- GLOBAL SOURCING
- MARKET INSIGHTS
- Improved pricing
- Freight cost reduction
- Use of break bulk
- Time chartering
- Reduced volatility
- Flexibility in purchase timing
- Reducing volatility
- Revenues

**FUTURE Growth Engine**
- Grow international sales
- Support international assets
- Broaden sourcing options
- Optimise supply chain

✓ 3rd PARTY SALES
EXAMPLE: Dynamically managing crude purchases for Lytton

Ampol’s insights and risk management capabilities can drive material supply chain value.

1. Ampol uses market insights to buy African crude at an attractive price for running at Lytton.
2. Ampol arranges shipping to Lytton to control the vessel and cargo.
3. Trading Decision Point

OPTION 1
- Cargo progresses to Lytton refinery

OPTION 2
- Cargo is sold at a premium to a regional refiner and Lytton supplied using alternate crude oil

OPTION 3
- Product is stored in Singapore to capture freight benefits, cargo timing flexibility for the refinery, and processing value

Trading Decision Point

CARGO PROGRESS

CALTEX
Hub 4: International operations enable further system expansion and growth

The international operations have been developed in collaboration with Ampol

What does it do?

- Ownership of interests in overseas fuel marketing and distribution assets
- Product supply managed by Ampol to enable synergies with other hubs

How Does it Create Value?

- **ATTRACTION FINANCIAL RETURNS**: Investments provide EPS accretion and offer returns above WACC in fast growing assets
- **LEVERAGE SYSTEM SCALE**: Caltex capabilities and resources enable synergies and new growth opportunities
- **THIRD PARTY SALES**: Established presence opens up additional supply opportunities from Ampol in these regions
- **FURTHER INVESTMENT OPPORTUNITY**: Beach head positions can enable a broader set of organic and inorganic opportunities
Gull New Zealand was Caltex’s first international acquisition
Transaction completed in July 2017

- 87 Gull branded retail sites across North Island
- Owner of New Zealand’s only scale import terminal located at Mount Manganui (91ML capacity)
- Prominent discounter brand with strong customer engagement
- Expanding rapidly using innovative unmanned model
What makes Gull successful

Despite being smaller, Gull retains a number of key advantages:

- **Sourcing**: Owns largest import terminal in New Zealand. Able to leverage Caltex supply chain to secure competitively priced fuel.
- **Refining**: 70% of market’s supply is via the single NZ refinery. Small scale imports are competitive with this benchmark.
- **Distribution**: Closest import location to Auckland urban area. Efficient access to two thirds of NZ’s population.
- **Wholesale**: The “Gull Effect” was coined by the NZ AA in 2013. Fuel prices are known to become more competitive when Gull opens in a new location.
- **Retail**: Unmanned model reduces overheads, site capex and broadens real estate development options.
Gull has progressed well under Caltex ownership

The anticipated benefits of bringing Caltex and Gull together are already being realised in the first year of ownership.

**Original Investment Case**

- Strong growth profile from a low base of sites
- Import capability offered ability to realise synergies from supply chain integration
- Leverage Caltex expertise into NZ market
- Attractive financial returns

**Progress to Date**

**On Acquisition**

- **Fuel Volumes**: 300ML
- **EBITDA (standalone)**: NZ$41.5m

**FY18 Forecast**

- **Fuel Volumes**: 360ML (+20%)
- **EBITDA (standalone)**: NZ$55m (+33%)

2018 pre-tax ROCE of 16%
Extension of the System into Asia is a natural step

Global fuels demand growth is driven by emerging markets which are more attractive due to economic growth levels and wealth effects from growing vehicle ownership levels.

These trends are evident in the majors’ investment and divestment decisions in downstream markets.

### Market Size (mbpd)

- **Asia Non OECD**: 25.8
- **Africa**: 4.3
- **Middle East**: 8.3
- **Americas Non OECD**: 6.6
- **Americas OECD**: 24.9
- **Europe**: 14.3
- **Asia Oceania OECD**: 8.2

**CAGR in Fuels Demand – 2017 - 2023**

- **Asia**: 2.7%
- **Africa**: 2.5%
- **Middle East**: 2.1%
- **Americas Non OECD**: 1.2%
- **Americas OECD**: 0.0%
- **Europe**: (0.2%)
- **Asia Oceania OECD**: (0.6%)

*Source: IEA*
The Philippines is an attractive market in multiple ways

A key factor with the Seaoil investment was the attractive market backdrop

**Deregulated Market**
- Freely competitive market
- Open to foreign investment
- No government owned player
- Vibrant independent sector

**Fast Growing Market**

<table>
<thead>
<tr>
<th>Growth Rate</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Philippines Fuel Sales</td>
<td>5.4%</td>
<td>11.4%</td>
<td>10.3%</td>
<td>7.4%</td>
</tr>
<tr>
<td>Philippines GDP</td>
<td>6.1%</td>
<td>6.1%</td>
<td>6.9%</td>
<td>6.7%</td>
</tr>
</tbody>
</table>

**Short Market Offers Trading Opportunity**

**Trade Balance for Major Fuel Products (ML)**

<table>
<thead>
<tr>
<th>Fuel</th>
<th>Local</th>
<th>Imported</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diesel</td>
<td>6,507</td>
<td></td>
</tr>
<tr>
<td>Gasoline</td>
<td>3,264</td>
<td></td>
</tr>
<tr>
<td>Jet</td>
<td>1,539</td>
<td></td>
</tr>
</tbody>
</table>

**Scope for Further Growth**

**Registered vehicles per 1000 people**

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Malaysia</td>
<td>796</td>
<td>743</td>
<td>488</td>
</tr>
<tr>
<td>Australia</td>
<td>459</td>
<td>78</td>
<td></td>
</tr>
</tbody>
</table>
Seaoil provided an alternative model for growth

In March 2018, Caltex completed the acquisition of a 20% equity interest in Seaoil for A$115m

- Strategic partnership commenced in March 2018 following acquisition of a 20% interest
- Other shares held by family founders
- Seaoil is a leading independent with ~6% market share
- The company is aiming to double its retail network and terminal storage capacity in the next ~5 years
- Ampol sources all fuels on behalf of Seaoil

SOURCE: Seaoil, figures for calendar year end 2017
### Our approach to further international investments

Further investments will remain highly targeted

<table>
<thead>
<tr>
<th>EVALUATION CRITERIA</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Market or asset is capable of growing faster than Australian fuels market</td>
</tr>
<tr>
<td>2</td>
<td>Unregulated market structure which does not hinder businesses reaching full potential</td>
</tr>
<tr>
<td>3</td>
<td>Country risk is acceptable and understood</td>
</tr>
<tr>
<td>4</td>
<td>Meets financial return thresholds (ROCE targets, value accretive)</td>
</tr>
<tr>
<td>5</td>
<td>Synergies available through supply from Ampol or other Caltex operations</td>
</tr>
<tr>
<td>6</td>
<td>Caltex’s capabilities are at least equal to or better than the market leader</td>
</tr>
</tbody>
</table>
Generating additional growth engines through adjacencies

Core capabilities provide platform for growth (regionally or with relevance into adjacencies), with willingness to partner to grow.
Fuels & Infrastructure wrap

Louise Warner
F&I is a strong, efficient, defensive business with good growth prospects

**Strong competitive advantages**
- Scale
- Full supply chain view
- Closely integrated operations
- Predictable demand profile

**Efficient execution**
- Creation of an independent trading business
- Record refinery production
- Defence of Australian B2B volumes
- Value enhancing M&A

**Growth**
- Attractive outlook for trading and shipping
- Expansion via international operations
- Supported by core capabilities
F&I Key Focus Areas

- Safe Operations
- Protect & Grow Supply Base
- Grow Trading & Shipping Operations
- Growth via International

Delivering a reliable and growing earnings profile to support TSR objectives
Continue to run business safely, reliably and competitively to generate cash

Grow Australian wholesale fuels at or above market growth rates

Deliver investment case from Gull and Seaoil
  • Add 5-10 Gull NTIs
  • Realise supply synergies

Grow international earnings
  • Increase international volumes above Australian market rates
Glossary of industry terms

DHTU
Diesel Hydro Treating Unit, used by a refinery to remove sulfur from high sulfur diesel to make higher quality diesel products such as Australian grade diesel (10ppm sulfur)

FCCU
Fluidised Catalytic Converter Unit, used by a refinery to convert lower value crude residue into higher value products including LPG, gasoline, diesel

HSFO
High sulfur fuel oil, a low value product typically used by large marine vessels and power generation customers

LR
Long Range, a type of product oil tanker ship with capacity ranging from around 500,00 to 750,000 thousand barrels of product

MR
Medium Range, a type of product oil tanker ship with capacity ranging from 190,000 to 345,000 thousand barrels of product. MR is the type of vessel typically used to import oil products into Australia.

WHITE BARRELS
Refers to lighter refined oil products which are typically made to specific regulatory or customer specifications. White products tend to be more refined, cleaner burning and of higher value than black products which are typically heavier and made up from residue created in the refining process.
Asset optimisation

Alan Stuart-Grant
EGM Strategy
Thorough asset optimisation review focused on maximising shareholder value

Objective: Thorough examination of Caltex’s portfolio of assets to determine optimal ownership structure

**Conclusion:** real estate value upside options exist; retaining infrastructure asset ownership is strategically critical; we will continue to monitor and remain flexible towards opportunities to create and maximise value from our assets
Infrastructure assessment

Asset perimeter included all terminal facilities and pipelines (incl. and excl. Lytton storage and JVs)

<table>
<thead>
<tr>
<th>Structures evaluated</th>
<th>Key assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ 2 primary sale and leaseback cases considered</td>
<td>▪ 20 year lease term</td>
</tr>
<tr>
<td>1 Full take-or-pay tariff</td>
<td>▪ Weighted average tariff range of 1-3cpl across portfolio escalated at CPI</td>
</tr>
<tr>
<td>2 Capacity charge with exclusive use arrangement</td>
<td>- 1cpl = c.$100m p.a. tariff charge</td>
</tr>
<tr>
<td>▪ Various asset perimeters tested, both including and excluding Lytton storage and JV assets</td>
<td>- 3cpl = c.$300m p.a. tariff charge</td>
</tr>
<tr>
<td>▪ Minority sale was also considered as well as variations on the above</td>
<td></td>
</tr>
</tbody>
</table>
Infrastructure is key strategic asset – control and flexibility within integrated supply chain is critical. Control required likely to create balance sheet liability and has ratings implications.

Take-or-pay – greatest value but high fixed costs.

Capacity charges result in lower fixed cost element, but lower value.

Potential adverse earnings impact and significant tax leakage.

3 sophisticated investors approached for feedback and alternative structures were encouraged. Required IRR range of 8-13%.

Illustrative financial & value impact based on 100% sale

Key takeaways

01 Infrastructure is key strategic asset – control and flexibility within integrated supply chain is critical

02 Control required likely to create balance sheet liability and has ratings implications

03 Take-or-pay – greatest value but high fixed costs

04 Capacity charges result in lower fixed cost element, but lower value

05 Potential adverse earnings impact and significant tax leakage

Material negative funding impact

Sale price
Tax leakage & fees
Net Proceeds
Likely balance sheet lease liability
Net balance

Would exceed current CTX multiple
Stamp duty, CGT, fees

Net balance would exceed current CTX multiple

Stamp duty, CGT, fees

Material negative funding impact

Material negative funding impact
Various ownership and portfolio options considered

### Structures evaluated

1. Public REIT
2. Unlisted/private capital trust
3. Smaller (individual or small group) divestments to private individuals
4. Partnership options

### Key assumptions

- Considered options for
  1. The whole portfolio
  2. A representative sample; or
  3. Selected group of assets
- Standard long term (10+ years) triple net leases and terms

### Portfolio summary

<table>
<thead>
<tr>
<th></th>
<th>Convenience Retail owned portfolio</th>
<th>Defined broadly Representative Portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td># owned sites</td>
<td>423</td>
<td>~80</td>
</tr>
<tr>
<td>Market rent ($m)</td>
<td>110 – 120</td>
<td>~26</td>
</tr>
<tr>
<td>Value ($b)</td>
<td>~2.0</td>
<td>~0.5</td>
</tr>
<tr>
<td>WALE (years)</td>
<td>n/a</td>
<td>~14</td>
</tr>
</tbody>
</table>
Caltex real estate portfolio appears undervalued – estimated market value of ~$2b

Real estate assessment (cont.)
Tested the market via real estate investors, REIT managers, SWFs – formal sale process now well-progressed

<table>
<thead>
<tr>
<th>Illustrative financial &amp; value impact based on 100% sale</th>
<th>Key takeaways</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated value ~$2b (EV/EBITDA in the high teens)</td>
<td>01 Caltex real estate portfolio appears undervalued – estimated market value of ~$2b</td>
</tr>
<tr>
<td>Stamp duty, CGT, transaction fees</td>
<td>02 Strong investor demand for the real estate assets</td>
</tr>
<tr>
<td>Targeting ~50% ownership retention</td>
<td>03 Opportunity to create value with partner, via continued joint ownership</td>
</tr>
<tr>
<td>Final determination of ratings treatment under review. Release of excess funds not expected to be material</td>
<td>04 Retains operational flexibility</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sale price</th>
<th>Tax leakage &amp; fees</th>
<th>Retained ownership</th>
<th>Net Proceeds</th>
<th>Likely balance sheet lease liability</th>
<th>Net balance</th>
</tr>
</thead>
<tbody>
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<td></td>
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</table>
Why a property partnership makes sense for Convenience Retail assets

- Intention to bring together best in class development capability with Caltex’s large and well located site network - a new strategic lever
- Portfolio of sites to be sold & leased back has been defined, and due diligence under way with potential partners
- Process to select preferred partner by end 2018
- Expected completion 1Q 2019
- Recent hire of new Head of Property underpins internal capability build in parallel

Illustrative value-add opportunities

1. Adjoining land parcel acquisition
2. Re-develop and continue use of Caltex P&C
3. Residential re-development with ancillary retail/commercial use
4. QSR development
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