ASX Release

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CALTEX REFINER MARGIN UPDATE (Q2 2019)

Caltex Australia (ASX: CTX) advises its Caltex Refiner Margin (CRM[1]) in respect of CRM sales from production for the 3 month period from April to June 2019.

	Q2 2019	Q1 2019	Q2 2018
CRM	US$7.45/bbl	US$7.53/bbl	US$10.42/bbl
CRM Sales from production	1,373ML	1,487 ML	1,578 ML

The Q2 2019 CRM was US$7.45/bbl. This is below the Q1 2019 CRM of US$7.53/bbl and below the prior year comparative (Q2 2018: US$10.42bbl).

Sales from production in Q2 2019 of 1,373 ML are below Q1 2019 and the prior year comparative Q2 2018.

For the six months from 1 January 2019 to 30 June 2019, the average CRM was US$7.50/bbl (1H 2018: US$10.06/bbl) with CRM sales from production totalling 2,860 ML (1H2018: 3,156 ML).

Half Year ended 30 June	2019	2018
CRM	US$7.50/bbl	US$10.06/bbl
CRM Sales from production	2,860 ML	3,156 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)

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.

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