

ASX Release

27 April 2018

CALTEX REFINER MARGIN UPDATE (MARCH 2018)

Caltex Australia (ASX: CTX) advises its realised lagged¹ Caltex Refiner Margin (CRM²) in respect of CRM sales from production for the month of March 2018.

	March 2018	February 2018	March 2017
Unlagged CRM	US\$10.41/bbl	US\$9.95/bbl	US\$11.26/bbl
Impact of pricing lag positive/(negative)	US(\$0.80)/bbl	US\$0.15/bbl	US\$0.39/bbl
Realised CRM	US\$9.61/bbl	US\$10.10/bbl	US\$11.65/bbl
CRM Sales from production	546 ML	475 ML	534 ML

The March unlagged CRM was US\$10.41/bbl. This is above the prior month (February 2018: US\$9.95/bbl) but below the prior year monthly comparative (US\$11.26/bbl).

The March unlagged Caltex Singapore Weighted Average Margin was US\$11.85/bbl, which is below the prior month (February 2018: US\$12.36/bbl) and below the prior year comparative (March 2017: US\$12.16/bbl).

Higher Brent crude oil prices drove an unfavourable US\$(0.80/bbl) pricing lag (February 2018: favourable US\$0.15/bbl pricing lag).

The March realised CRM was US\$9.61/bbl. This is below the February 2018 CRM of US\$10.10/bbl and below the prior year comparative (March 2017: US\$11.65/bbl).

Sales from production in March of 546 ML are above the prior month (February 2018: 475 ML) and above the prior year comparative (March 2017: 534 ML).

For the three months from 1 January 2018 to 31 March 2018, the average realised CRM was US\$9.40/bbl (2017 US\$12.23/bbl) with CRM sales from production totalling 1,578 ML (2017: 1,460 ML).

Period ended 31 March	2018	2017
Realised CRM	US\$9.40/bbl	US\$12.23/bbl
Unlagged CRM	US\$9.69/bbl	US\$11.91/bbl
CRM Sales from production	1,578 ML	1,460 ML

Notes

1. A fall in the Australian dollar crude price, particularly at the latter end of the month, produces a positive lag effect on the CRM (i.e. increases the CRM) and, conversely, in the event of a rise in the Australian dollar crude price, a negative lag effect occurs (i.e. reduces the CRM).
2. 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 replacement cost of sales operating profit (RCOP) EBIT earnings (excluding significant items). Other items contributing to the RCOP EBIT include Transport Fuels volume and margin, Lubricants and Specialties volume and margin, Non-Fuel Income and Other Margin less Operating Expenses.

3. 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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Caltex Australia

A proud and iconic Australian company, Caltex [ASX:CTX] has grown to become the nation's leading transport fuel supplier, with a network of approximately 1,900 company-owned or affiliated sites. Caltex aims to be the market leader in complex supply chains and the evolving convenience marketplace by delivering the fuel and other everyday needs of its diverse customers through its networks. Caltex has safely and reliably fuelled the needs of Australian motorists and businesses since 1900. It operates as a refiner, importer and marketer of fuels and lubricants. Follow us on LinkedIn, Twitter and Facebook, and for more information visit www.caltex.com.au