



CALTEX

CALTEX AUSTRALIA LIMITED
ACN 004 201 307LEVEL 24, 2 MARKET STREET
SYDNEY NSW 2000 AUSTRALIA

23 August 2010

Company Announcements Office
Australian Securities Exchange**CALTEX AUSTRALIA LIMITED**
2010 HALF YEAR MEDIA RELEASE AND ANALYST PRESENTATION

Caltex Australia Limited will make a presentation to analysts and media at 10:00 am today in relation to Caltex's 2010 half year results. The presentation will be made by Mr Julian Segal (Managing Director & CEO) and Mr Simon Hepworth (Chief Financial Officer). The *ASX / Media Release* and presentation slides (and speaker notes) for the presentation are attached for immediate release to the market.

The presentation to analysts and media is being webcast. The webcast can be viewed from our website (www.caltex.com.au). An archive copy of the webcast will also be available from the website.

Over the remainder of August and September 2010, Caltex will make a number of presentations to investors and analysts. These presentations will be based on the material provided in the *2010 Half Year Report* and the *2010 Half Year Financial Report* (which were lodged earlier today) and the attached *ASX / Media Release* and presentation slides (and speaker notes).

Helen Conway
Company Secretary**Attach.****Contact number: (02) 9250 5281 / 0412 828 018**



ASX/Media Release

For immediate release

Monday, 23 August 2010

Delivering results in a volatile environment

Key points:

- First half RCOP¹ of \$163 million, before significant items²
- Exchange rate volatility had negative impact
- Strong Marketing performance underpins result
- Refining reliability continued to improve, major planned maintenance completed
- Key infrastructure projects progressing well
- Cost and capital efficiency initiatives delivering benefits
- Interim dividend of 30 cents per share (fully franked)

Results summary	Half year ended 30 June	
	2010	2009
RCOP result:	\$M	\$M
After tax		
- excluding significant items	163	298
- including significant items	149	298
Before interest and tax		
- excluding significant items	261	433
- including significant items	240	433
Historic Cost result after tax		
- including significant items	141	362

Caltex Australia Limited announced today an after tax profit, excluding significant items, of \$163 million on a replacement cost of sales operating profit (RCOP) basis for the first half of 2010. This compares with \$298 million for the first half of 2009 (which had no significant items). The 2010 result was significantly impacted by exchange rate volatility and major planned maintenance at both refineries.

Exchange rate volatility had negative impact

Volatility in externalities impacted the result. Singapore refiner margins were stronger than expected due to the weakness in the Tapis crude price relative to other crudes. However, the higher average Australian dollar during the period, compared with the same period in 2009, resulted in a lower Caltex Refiner Margin³. The Caltex Refiner Margin for the period averaged 6.79 Australian cents per litre, a decrease of 15% over the first half of 2009. The fall in the Australian dollar towards the end of the period resulted in a net foreign exchange loss on US dollar payables for the half of \$36 million, compared with a net gain of \$75 million in the same period in 2009.

As advised to the market on 24 June 2010, given the significant ongoing exchange rate volatility, the Board decided to implement a policy of hedging 50% of Caltex's \$US crude and product payables exposure (after applying natural hedges) with effect from 1 July 2010.

¹ The replacement cost of sales operating profit (RCOP) excludes the impact of the fall or rise in oil 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 historical cost, including the effect of contract based revenue lags.

² Significant items of \$20 million (\$14 million after tax) comprised largely of redundancies related to restructuring and efficiency initiatives.

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Strong Marketing performance underpins result

Marketing continued to deliver strong results in the first half of 2010, achieving a 31% increase in earnings before interest and tax (EBIT) over the prior corresponding period. Total transport fuel sales volumes grew strongly, up 3.6% compared to 2009. Growing demand for diesel, jet and premium fuels more than offset a small reduction in demand for petrol. While there was a slight decline in overall petrol sales, premium petrol sales grew strongly. Shop sales also grew in excess of 3% compared to the corresponding period last year. Finished lubricants growth was outstanding with Caltex achieving a market share of 20% in May and progressing to number two in the market.

Refining reliability continued to improve, major planned maintenance completed

Refinery reliability continued to improve. However, production volumes declined in the first half of 2010 due to higher planned maintenance at the Lytton and Kurnell refineries, compared to 2009. This planned maintenance was completed successfully and overall production of petrol, diesel and jet fuel was 4.3 billion litres (first half 2009: 5.1 billion litres).

Key infrastructure improvements progressing well

Construction is progressing well on two additional diesel tanks in Mackay and Gladstone that will enhance Caltex's efficiency and reliability while meeting the growth that is occurring in the mining industry in Queensland. In addition, construction of two new large diesel tanks in Port Hedland is planned to commence in September. When completed in late 2011, Caltex will be transformed from being a relatively small player in that region to one where we have the capability required to take a leading role in supplying fuel and lubricants to the iron ore and natural gas developments in the north west.

Cost and capital efficiency initiatives delivering benefits

Project Catalyst, which aims to achieve cost and capital efficiency, has begun to deliver with savings of \$12 million already achieved. This has been delivered through restructures in Corporate and Marketing, and through the commencement of the Refining Improvement Initiative announced in February 2010.

Interim dividend

The Board is pleased to announce it has declared an interim dividend of 30 cents per share (fully franked) for the first half of 2010.

Caltex remains committed to a conservative balance sheet and will continue to focus on good cash management.

BBB+/stable credit rating affirmed

Prudent fiscal management has maintained the strong balance sheet with Caltex's credit rating recently affirmed as BBB+/Stable, for the 6th year in a row. Caltex has the highest credit rating of any independent refiner globally.

Historical profit

On an historical cost profit basis (including inventory gains), Caltex's after tax profit was \$141 million, including significant items, for the first half of 2010 compared with \$362 million for the first half of 2009 (which had no significant items). This result includes product and crude oil inventory losses of approximately \$8 million after tax compared with inventory gains of \$64 million after tax for the first half of 2009.

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³ The Caltex Refiner Margin (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 calculation represents: average Singapore refiner margin + product quality premium + crude discount/(premium) + product freight - crude freight - yield loss.



CALTEX AUSTRALIA LIMITED ACN 004 201 307
2010 HALF YEAR RESULTS
ANNOUNCEMENT

23 AUGUST 2010

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OE Moment

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OE MOMENT

KURNELL RECYCLED WATER PROJECT



Conserving our scarce water resources

- From 2012 Caltex Kurnell Refinery will substitute 3.9 million litres per day of drinking water with recycled water from a new plant constructed at Kurnell
- Along with our Brisbane refinery which currently takes up to 4.5 million litres per day of recycled water Caltex is making a significant contribution to reducing potable water use across the country



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INTRODUCTION



DELIVERING RESULTS IN A VOLATILE ENVIRONMENT

Volatile external environment

- ✓ Stronger than expected Singapore WAM, driven by relative weakness of Tapis benchmark crude
- ✗ On average AUD was higher in 1H10
 - ✗ \$81M negative impact on Caltex Refiner Margin compared with 1H09
- ✗ Falling AUD had a negative impact on payables of \$111M (before tax) compared with 1H09

Strong Marketing performance underpins result

- ✓ \$163M RCOP NPAT before significant items
- ✓ Strong growth in total fuel volumes underpinned by growth in commercial diesel, jet, retail premium fuels and finished lubricants
- ✓ Strong operational result negatively impacted by exchange rate movements and planned maintenance
- ✓ Balance sheet remains strong, BBB+/Stable credit rating affirmed

Project Catalyst delivering

- ✓ Banked EBIT improvement from Project Catalyst
 - ✓ Corporate and Marketing restructures completed
 - ✓ Procurement benefits starting to flow
 - ✓ Refining Improvement Initiative Implementation commenced

INTRODUCTION



DELIVERING RESULTS IN A VOLATILE ENVIRONMENT

Operational performance

- ✓ Continued improvement in safety incident frequency
- ✓ Reliable refinery operations
- ✓ Successful completion of major planned maintenance at Lytton and Kurnell

Culture

- ✓ Culture program rolled out

Short term outlook

- ✓ Marketing outlook positive, refiner margin environment uncertain
- ✓ Project Catalyst will continue to deliver
- ✓ FX Hedging program implemented, earnings volatility reduced

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OUR PURPOSE



Our energy fuels a brighter future.



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OUR VALUES



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We hold safety and integrity as core personal commitments

care

We boldly find new ways to succeed

trailblaze

We deliver superb outcomes for our customers

serve

We think and act like business owners

own

We deliver with energy, conviction and tenacity

move

We play to win

win

STRATEGY UPDATE

CULTURE PROGRAM



What we are targeting

- ✓ Culture change
- ✓ Continued journey to world class safety and reliability

What we have delivered

- ✓ New purpose statement and values rolled out to the organisation
- ✓ Revised short and long term incentive programmes implemented
- ✓ Reduction in Total Treatable Injury Frequency Rate (TTIFR)
- ✓ Reduction in Lost Time Injury Frequency Rate (LTIFR)
- ✓ Zero motor vehicle and tanker truck accidents

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STRATEGY UPDATE

CATALYST - HALF YEAR 2010



What we are targeting

- ✓ Refining Improvement Initiative
 - ✓ \$100 M pa by end 2012 from
 - ✓ Cost efficiencies
 - ✓ Energy efficiencies
 - ✓ Reliability

Progress to date

- ✓ Maintenance contract for Lytton and Kurnell awarded to PSN June 2010
 - ✓ Savings and continued reliability improvement expected from 2011
- ✓ Lytton Operator EBA agreed
 - ✓ Manning level reduction and efficiency gains agreed
- ✓ CLOR Closure announced
 - ✓ Identified benefits flowing to the Fuels refinery
- ✓ Rationalisation of resources across Refining

STRATEGY UPDATE

CATALYST – HALF YEAR 2010



What we are targeting

- ✓ Procurement benefits
 - ✓ \$100 M total by 2012
- ✓ Corporate Cost Savings
 - ✓ \$15 M in FY 2010, \$20 M pa ongoing savings
- ✓ Marketing restructure
 - ✓ \$8 M in FY 2010, \$15 M pa ongoing savings

Progress to date

- ✓ Approximately \$10 M delivered to June
- ✓ 120 roles eliminated
- ✓ \$8 M savings to June
- ✓ 43 roles eliminated
- ✓ \$4 M savings to June

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STRATEGY UPDATE

INFRASTRUCTURE



What we are targeting

- ✓ Infrastructure growth projects to support diesel market growth
 - ✓ Queensland
 - ✓ North Western Australia

- ✓ Jet fuel pipeline upgrade

What we have delivered

- ✓ Qld terminal upgrades
 - ✓ 27ML tank at Mackay
 - ✓ 15ML tank at Gladstone
 - ✓ Combined investment of \$20 M.
 - ✓ Completion early 2011
- ✓ Port Hedland terminal expansion approved by the Board
 - ✓ 2 x 20ML diesel tanks
 - ✓ Completion expected end 2011

- ✓ Sydney jet fuel pipeline upgrade approved by the Board
 - ✓ Investment of \$25 M
 - ✓ Capacity to almost double

STRATEGY UPDATE

ORGANIC GROWTH IN MARKETING



What we are targeting

- ✓ EBIT CAGR of at least 5% from
 - ✓ Retail premium fuels
 - ✓ Commercial diesel growth at or above market rate
 - ✓ Convenience store income growth at or above market
 - ✓ Finished lubricants

What we have delivered

- ✓ EBIT 31% above 1H09
- ✓ Retail premium gasoline share of total gasoline sales increased from 15.8% to 18%
- ✓ YoY Commercial diesel growth 6.1%. New Qld business serviced via upgraded Mackay terminal
- ✓ Weekly shop sales growth at 3.3%. Caltex remains No1 convenience store operator as measured by Nielsen
- ✓ Highest ever finished lubricants monthly sales in June 2010
- ✓ Lubricants market share now above 20% (as at May 2010)



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FINANCIAL HIGHLIGHTS



Replacement Cost

Jun10

Jun09

% Change

Excluding significant items:

EBIT (\$M)	261	433	(40)
NPAT (\$M)	163	298	(45)
EPS (cps)	60.3	110.2	(45)
Dividend (cps)	30	-	n/a
Debt (\$M)	576	560	3
Gearing (%)	16	16	
Gearing (Lease Adjusted %)	21	23	

Including significant items:

EBIT (\$M)	240
NPAT (\$M)	149

Historic Cost

Including significant items:

EBIT (\$M)	230	526
NPAT (\$M)	141	362
EPS (cps)	52.2	134.2

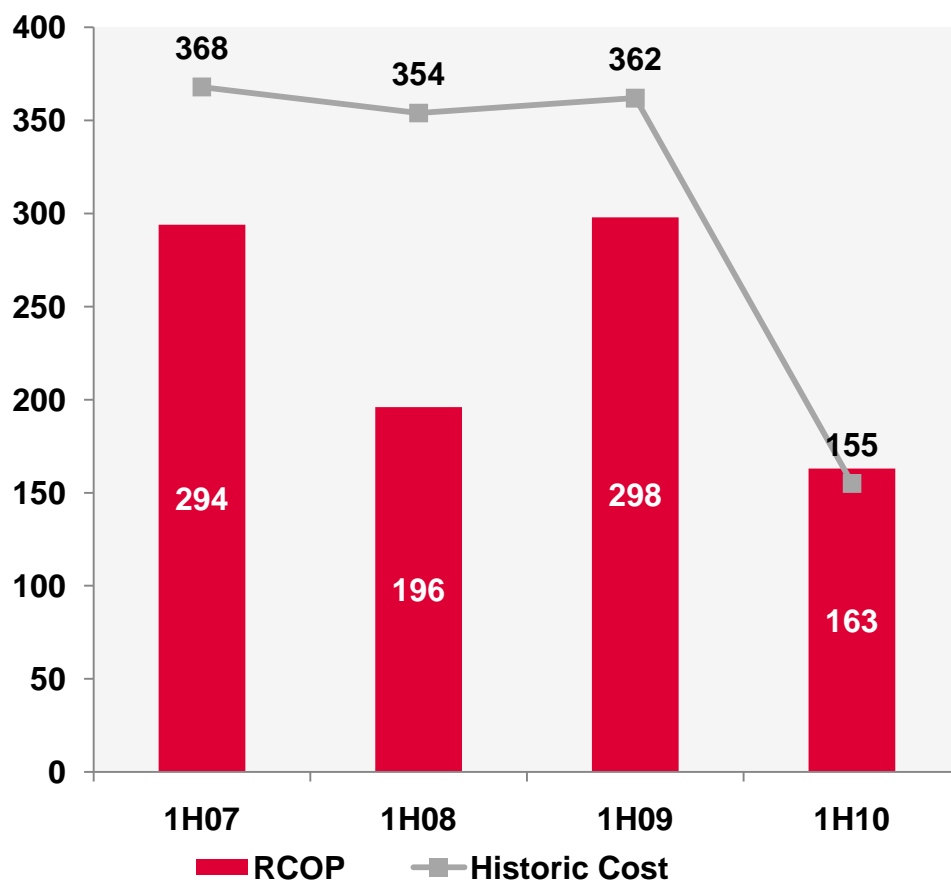
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FINANCIAL HIGHLIGHTS



STRONG OPERATIONAL RESULT NEGATIVELY IMPACTED BY EXCHANGE RATE MOVEMENTS AND PLANNED MAINTENANCE

Caltex NPAT* (\$M)



- Strong Marketing performance underpins 1H2010 result
- Result negatively impacted by USD/AUD exchange rate
- Planned major maintenance at Lytton and Kurnell Refineries reduced total production volume for 1H2010.

*Net profit after tax, excluding significant items

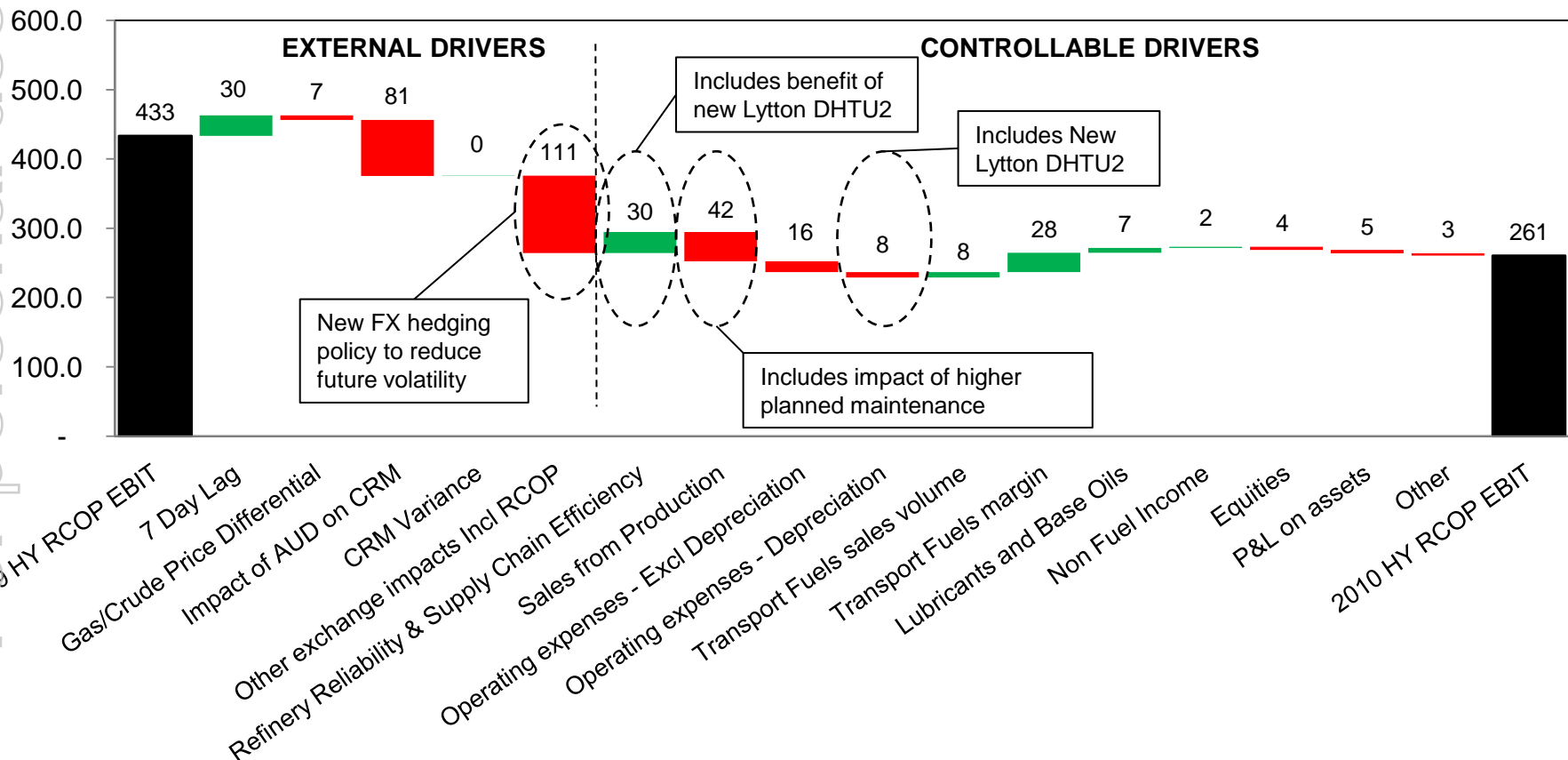
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FINANCIAL HIGHLIGHTS

DELIVERING RESULTS IN A VOLATILE ENVIRONMENT



1H09 vs 1H10 (excluding significant items)

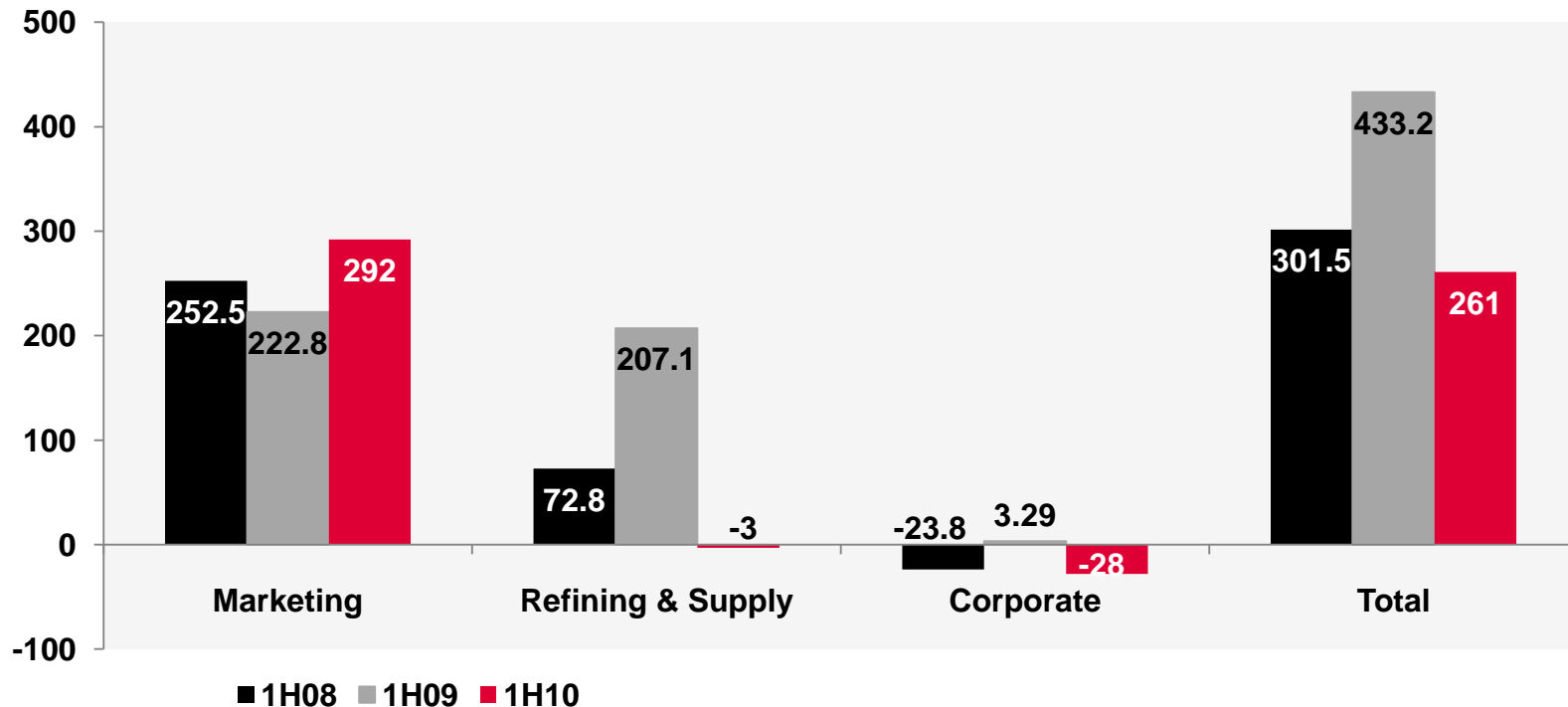


FINANCIAL HIGHLIGHTS

SEGMENTED# REPORTING



RCOP EBIT* (\$M)



*RCOP EBIT, excluding significant items

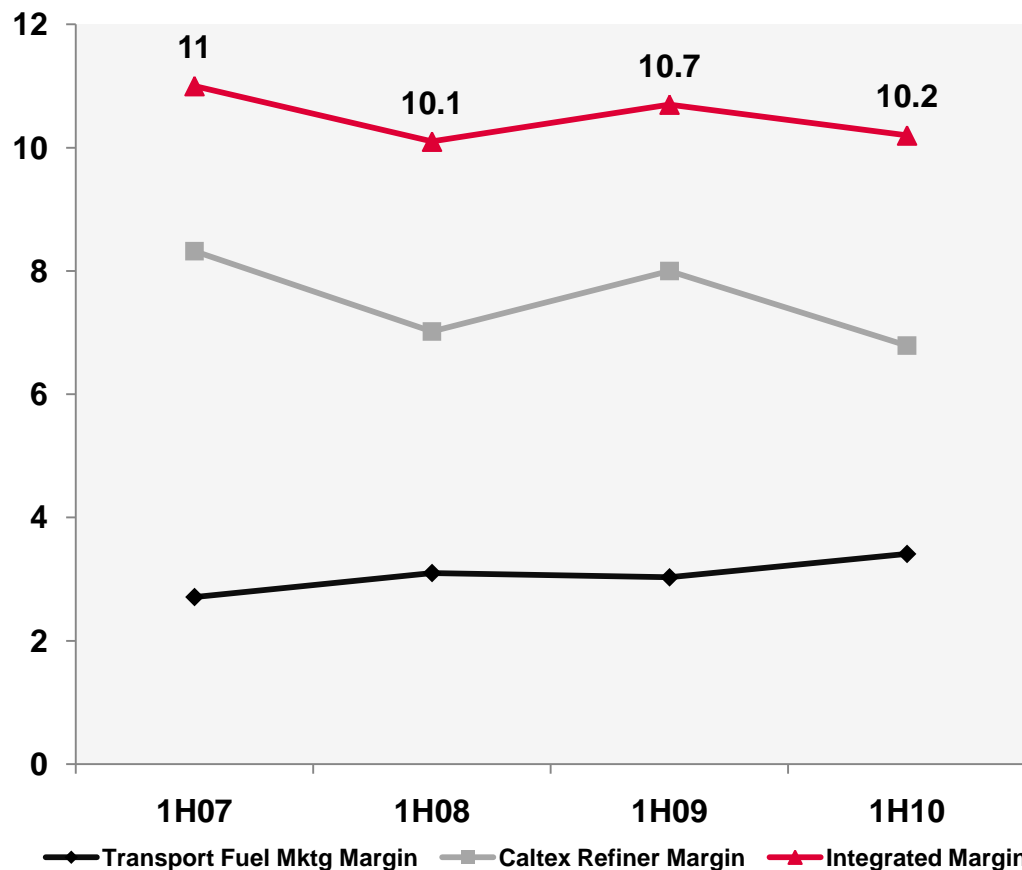
#Segment results are based on a transfer price between Refining & Supply and Marketing determined by reference to relevant import parity prices for petrol, diesel and jet, and other products including specialties and lubricants. Such a basis does not necessarily reflect the economic profitability of either segment on a stand alone basis.

FINANCIAL HIGHLIGHTS



REFINER MARGIN IMPACTED BY HIGHER DOLLAR

Caltex Integrated Gross Transport Fuels Margin* (Acpl)



- Stronger than expected US dollar refiner margins due to weaker Tapis relative to other crudes
- Unlagged US dollar refiner margins flat compared with prior period
- Higher exchange rate resulted in 15% fall in Australian dollar refiner margin
- Transport margin enhanced through beneficial product mix through the increase in premium fuels and jet fuel sales

*Gross transport fuels margin, before expenses



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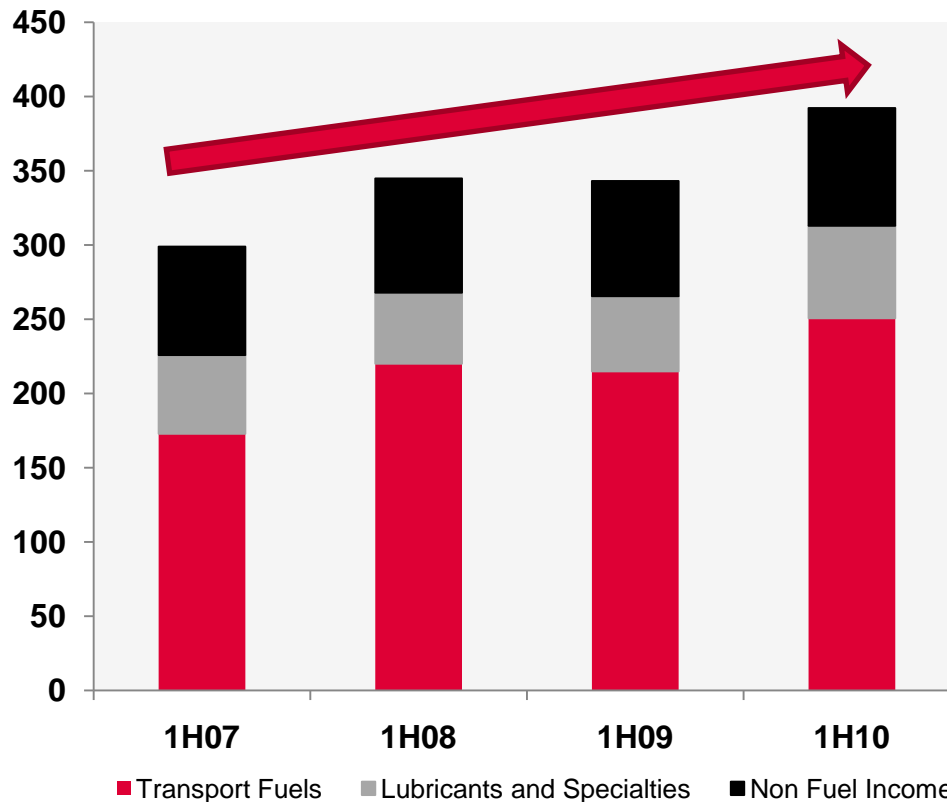
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MARKETING HIGHLIGHTS



MARKETING RESULTS REFLECT STRATEGIC FOCUS

Marketing gross contribution (\$M)



Strong growth

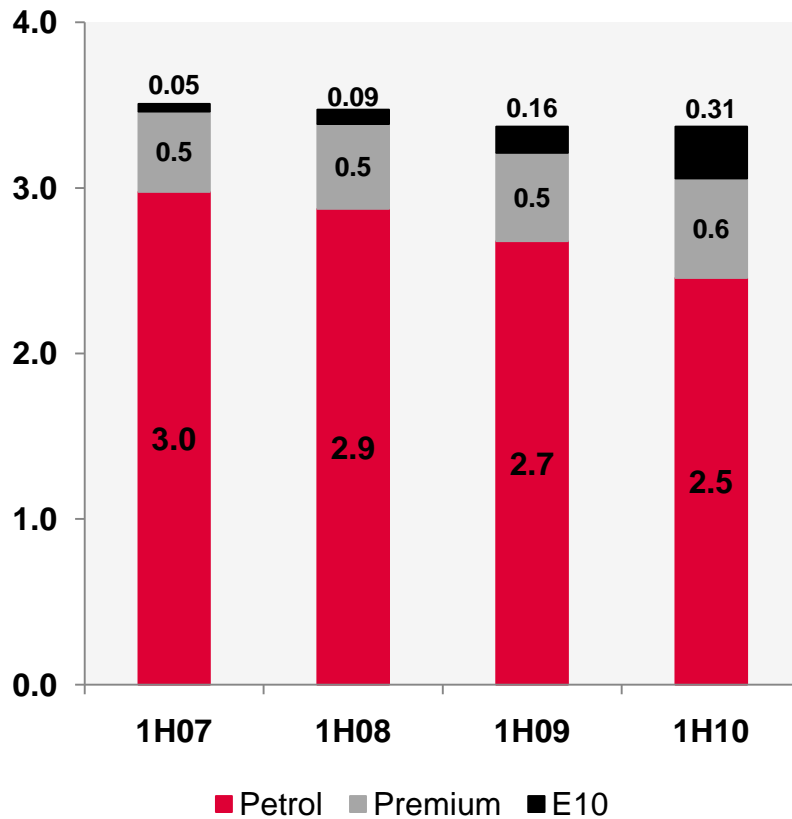
- Transport fuel volumes up 3.6%
- Increased petrol and diesel margins due to increased share of premium fuels
- Continued strong growth in the contribution from Lubricants and Specialties
- Non fuel income contribution up 2.2%. Growth affected by high level of store upgrades in 2010 including flagship sites.

MARKETING HIGHLIGHTS

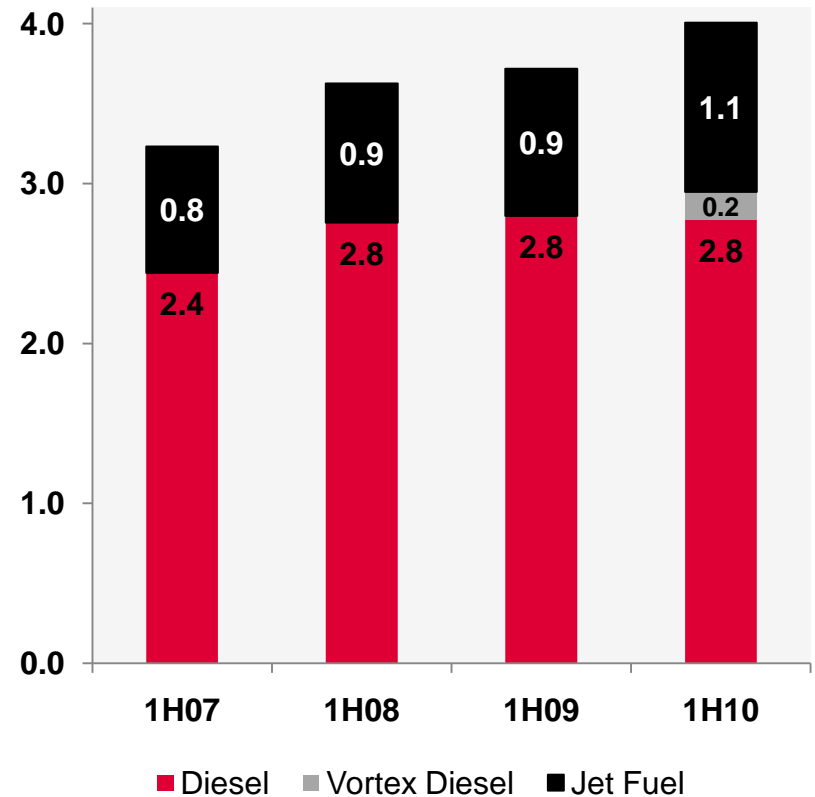
TRANSPORT FUEL SALES – GROWTH CONTINUES



CTX Petrol Sales



CTX Diesel and Jet Fuel Sales



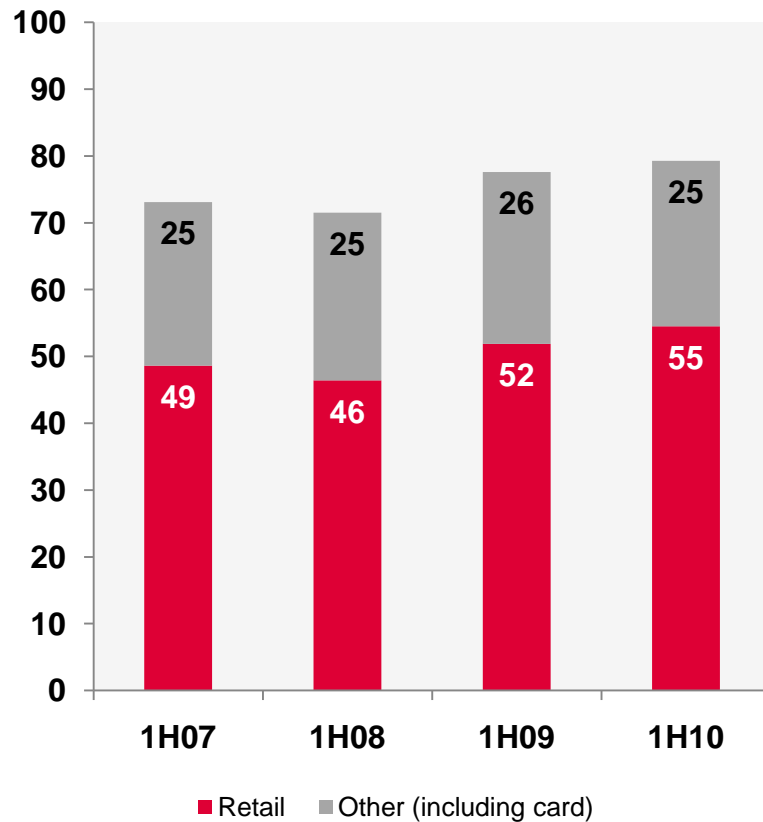
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MARKETING HIGHLIGHTS

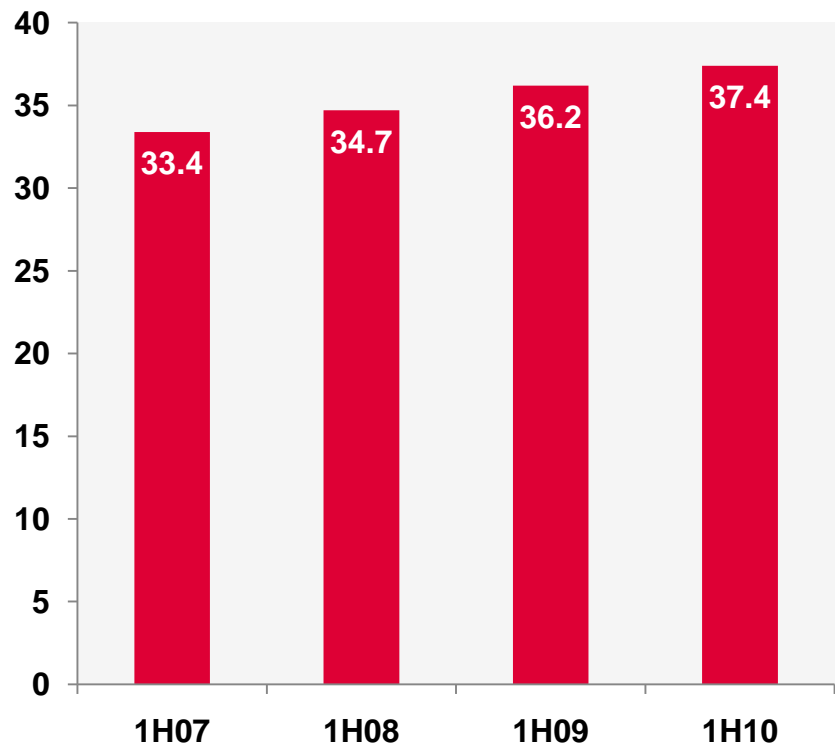
NON FUEL INCOME



CTX Non Fuel Income (\$M)



CTX Average Weekly Shop Sales (\$'000/wk)



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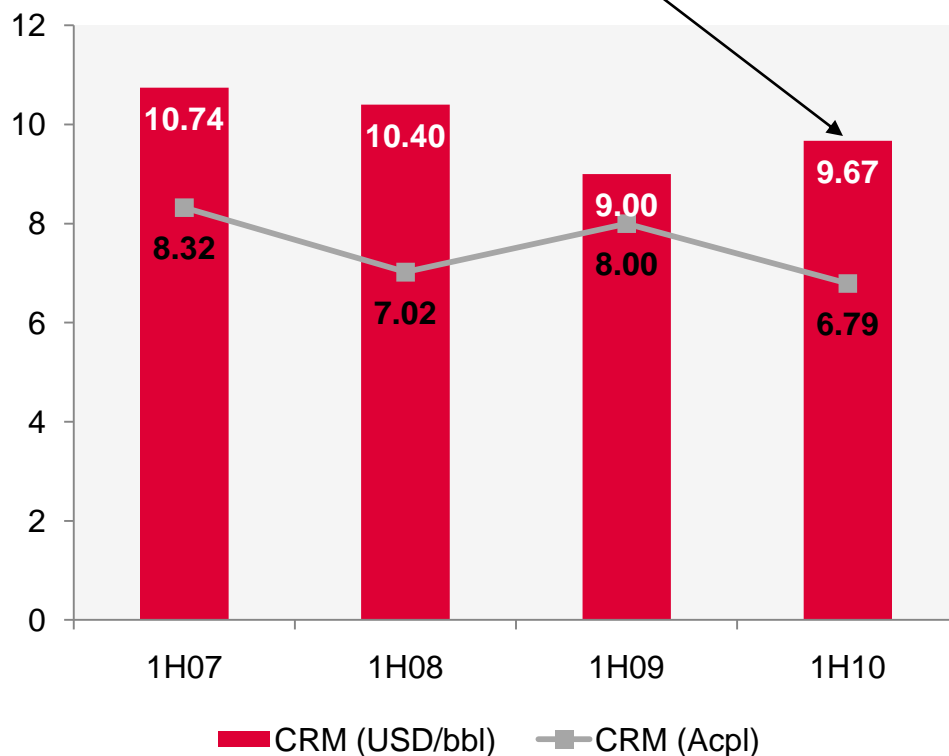
SUPPLY CHAIN HIGHLIGHTS

CALTEX REFINER MARGIN



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The CRM was negatively impacted by a market price timing lag of US \$0.23/bbl (A\$6.9m EBIT) in 1H10



Caltex Refiner Margin Build-up (US\$/bbl)

Singapore WAM^T 13.95

Add:

Product freight 3.75

Crude discount^T 0.00

Quality premium 1.90

Less:

Crude freight 2.31

Crude premium^T 3.31

Yield loss 4.08

^T Singapore WAM based on APPI Tapis benchmark. Crude discount/premium includes discounts and premiums relative to APPI Tapis and the spread between APPI Tapis and crudes purchased on the basis of other benchmarks such as Dated Brent.

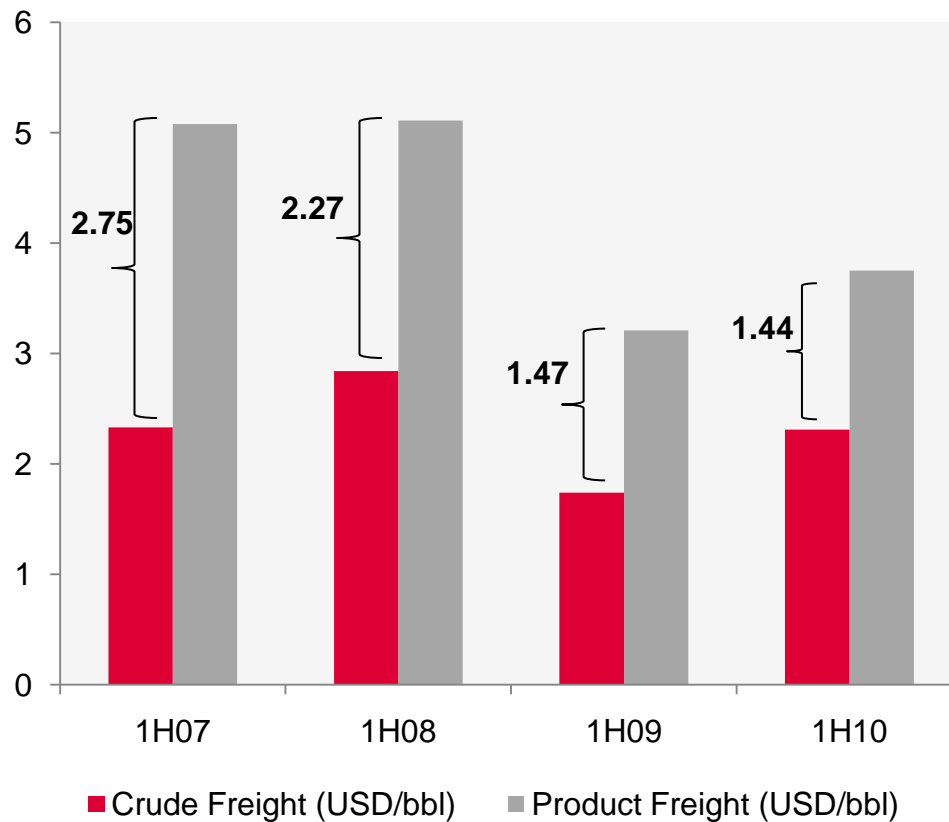
*The Caltex Refiner Margin (CRM) represents the difference between the cost of importing a standard Caltex basket of products to Eastern Australia and the cost of importing the crude oil required to make that product basket. The CRM calculation represents: average Singapore refiner margin + product quality premium + crude discount/(premium) + product freight - crude freight - yield loss

SUPPLY CHAIN HIGHLIGHTS

CRUDE AND PRODUCT FREIGHT RATES



USD/bbl



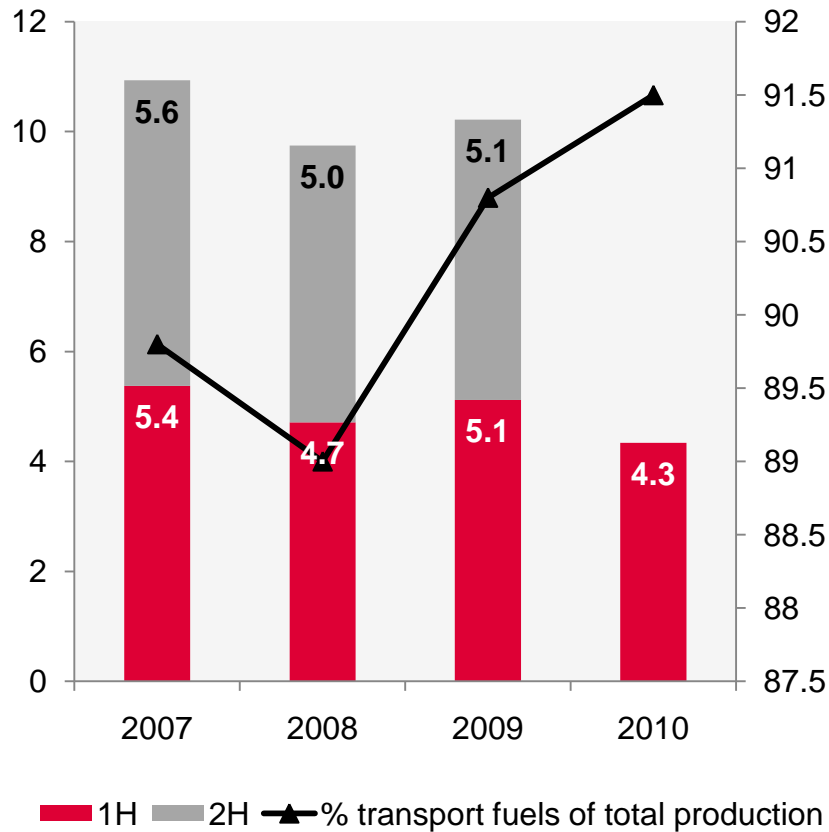
- Since the GFC product freight rates have been impacted more than crude freight rates
- Singapore –Australia World Scale clean index rose during the half
- Crude freight rates are increasing as the proportion of West African crudes grows
- Narrow freight differential continues to pressure Caltex Refiner Margins

SUPPLY CHAIN HIGHLIGHTS

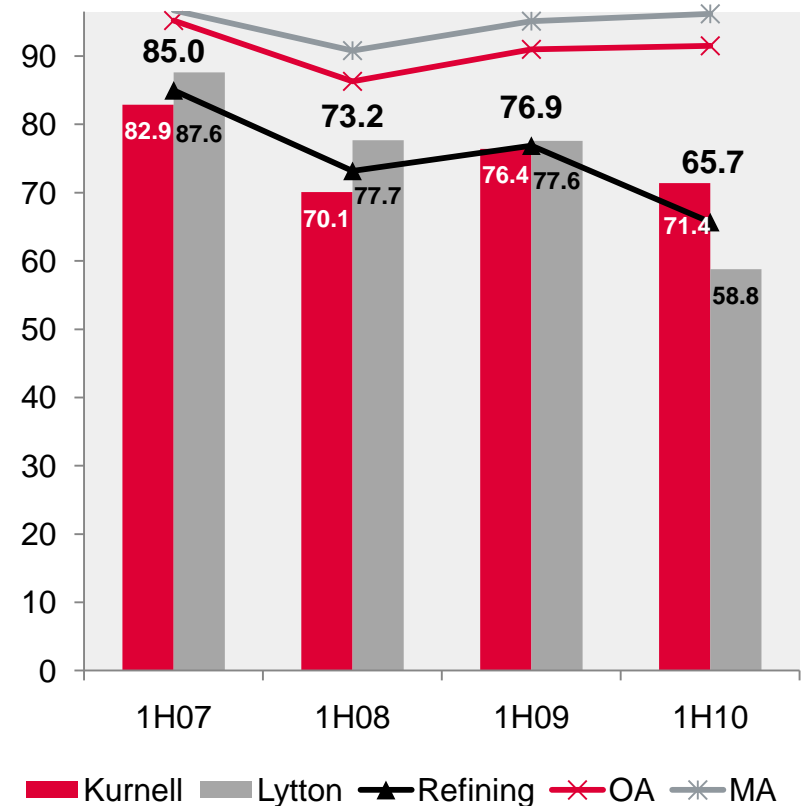


PLANNED MAJOR MAINTENANCE LOWERS PRODUCTION

Refinery transport fuel production (Billion Litres)



Refinery utilisation (%) and Availability (%)



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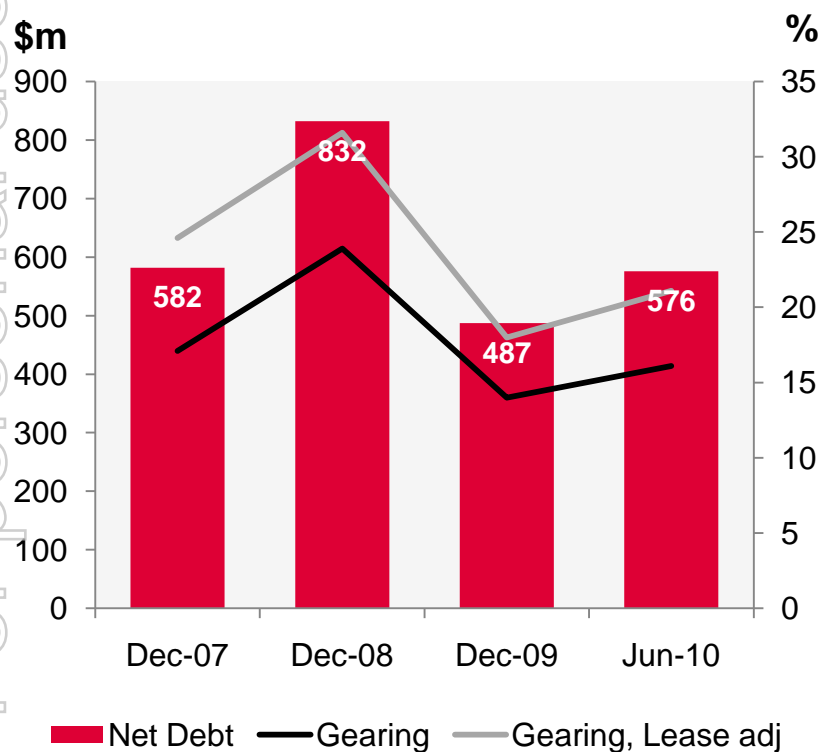
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FINANCIAL DISCIPLINE

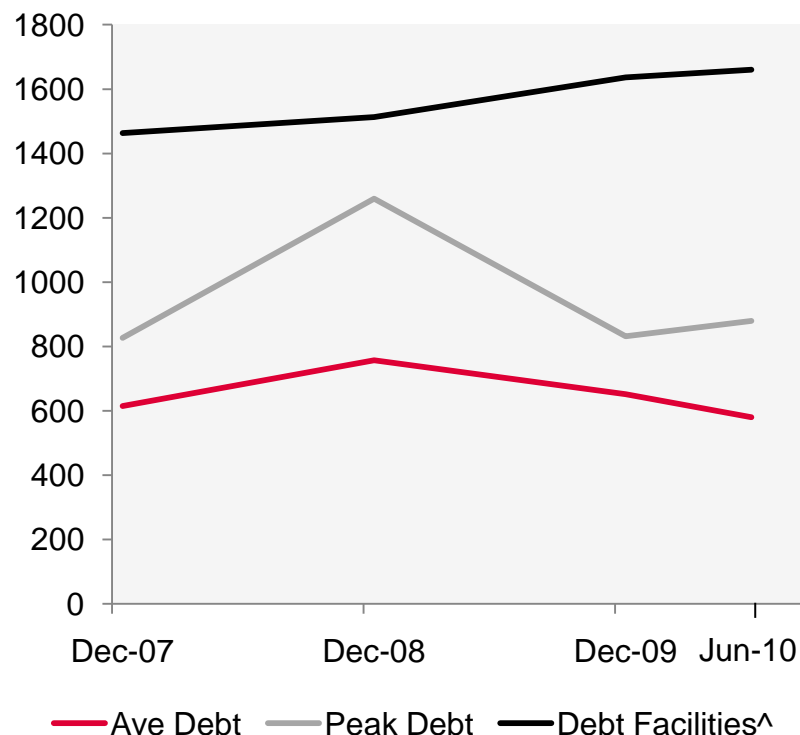
BBB+/STABLE CREDIT RATING AFFIRMED



Period end debt and gearing*



Caltex net debt levels**



* Gearing = net debt / (net debt + equity); Gearing – Lease adjusted, adjusts net debt to include lease liabilities

** Average debt is the average level of debt through the year; Peak debt is the maximum daily debt through the year

^ Debt facilities includes committed facilities as at June 2010. (Note: A\$132m 2002 US Private Placement bond facility repaid on 30 July 2009).

DIVIDEND

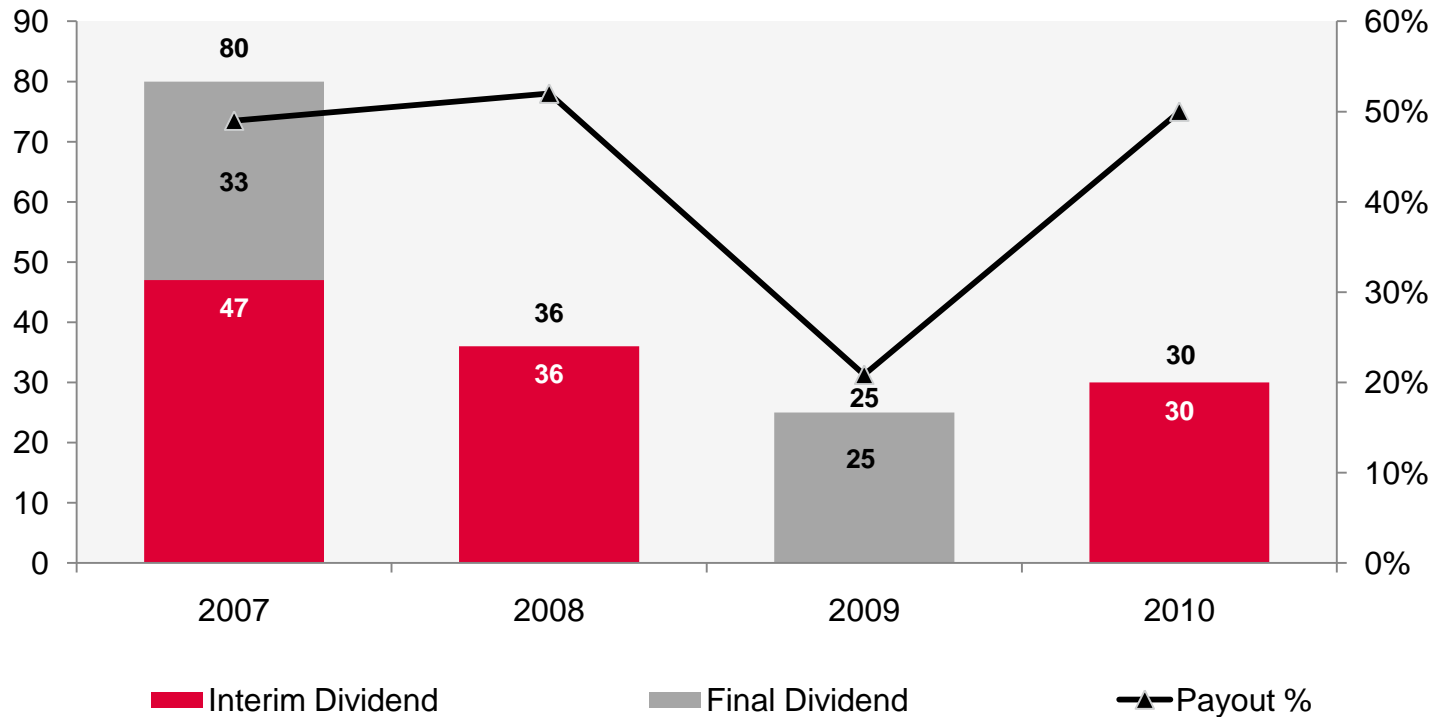


INTERIM DIVIDEND OF 30 CENTS PER SHARE

Caltex dividend history^

Cents per share

Payout Ratio^^



^ Dividends declared relating to the operating period; all dividends fully franked

^^ Payout ratio of reported RCOP NPAT

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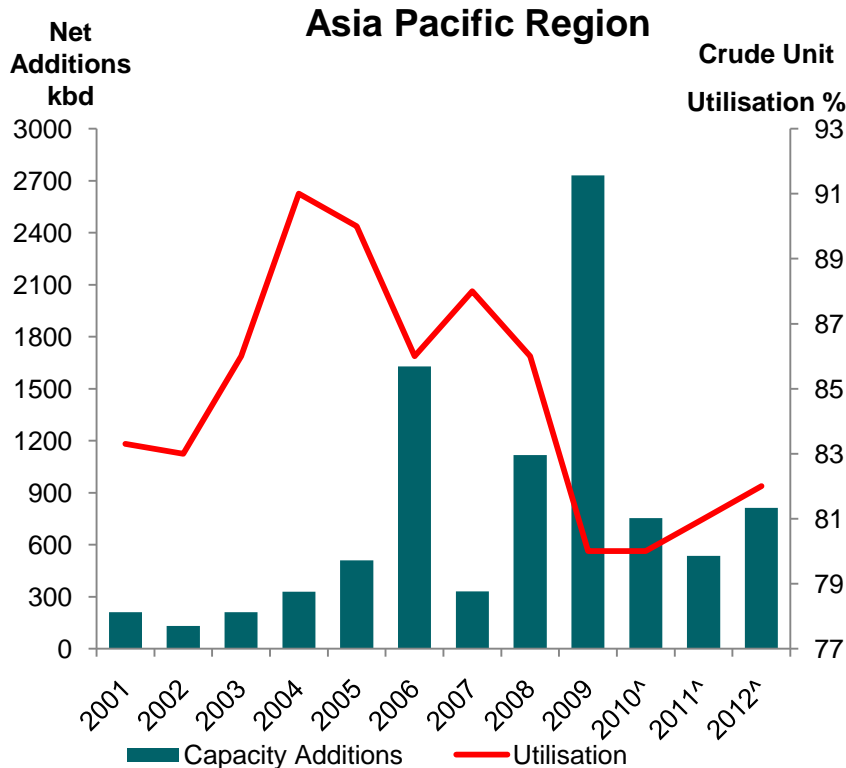
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COMBUSTIBLE LIQUID

EXCESS REGIONAL CAPACITY CONTINUES TO DAMPEN MARGINS

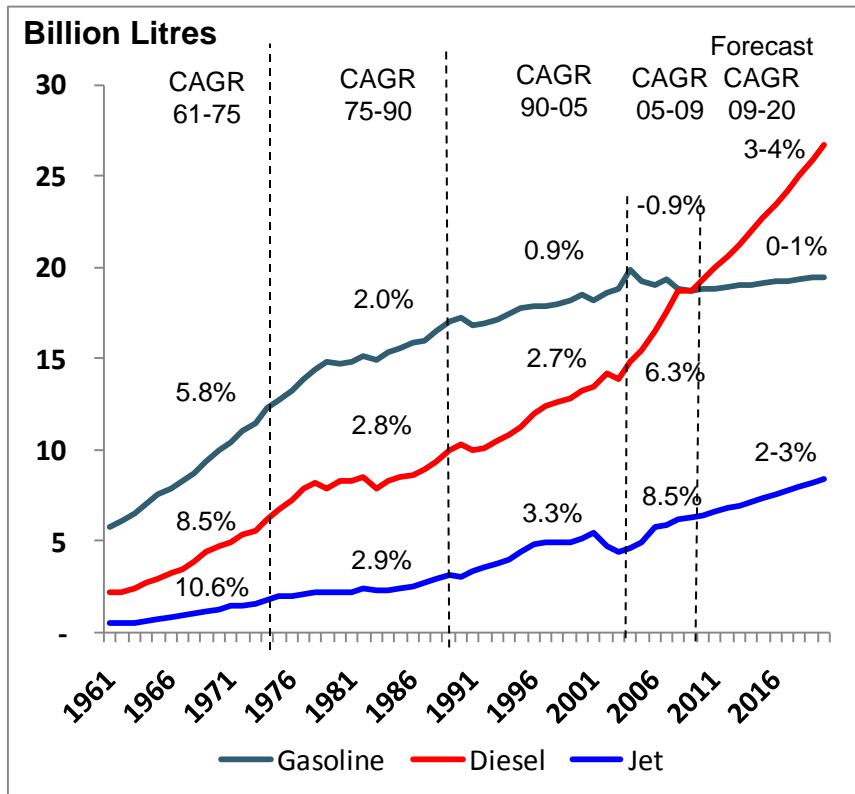


- A gradual improvement in regional capacity utilisation is expected over the next 2 years
- Chinese government has announced plans to close small refineries by 2011 & Japan expected to reduce capacity by end of 2011

Key to margin turnaround is speed and magnitude of recovery in regional product demand

Source: FACTS Global Energy
[^]April 2010 Forecast

STRONG AUSTRALIAN DEMAND GROWTH FOR DIESEL, JET FUEL AND PREMIUM FUEL, FUTURE GROWTH LEVERAGED TO ASIAN GROWTH



- Fuels demand in 2009 negatively impacted by economic downturn and significant recovery not expected until 2011
- Longer-term demand prospects are favourable
- Diesel demand growth underpinned by GDP growth
 - Mining and transport
- Jet Fuel linked to increasing passenger travel due to economic activity / prosperity
- While gasoline overall remains a mature product, more rapid demand for higher octane, premium gasoline is expected

Source: ABARE; DITR & CTX Analysis

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IMPORTANT NOTICE



- This presentation for Caltex Australia Limited is designed to provide:
 - an overview of the financial and operational highlights for the Caltex Australia Group for the 6 month period ended 30 June 2010; and
 - a high level overview of aspects of the operations of the Caltex Australia Group, including comments about Caltex's expectations of the outlook for 2010 and future years, as at 23 August 2010.
- This presentation contains forward-looking statements relating to operations of the Caltex Australia Group that are based on management's own current expectations, estimates and projections about matters relevant to Caltex's future financial performance. Words such as "likely", "aims", "looking forward", "potential", "anticipates", "expects", "predicts", "plans", "targets", "believes" and "estimates" and similar expressions are intended to identify forward-looking statements.
- References in the presentation to assumptions, estimates and outcomes and forward-looking statements about assumptions, estimates and outcomes, which are based on internal business data and external sources, are uncertain given the nature of the industry, business risks, and other factors. Also, they may be affected by internal and external factors that may have a material effect on future business performance and results. No assurance or guarantee is, or should be taken to be, given in relation to the future business performance or results of the Caltex Australia Group or the likelihood that the assumptions, estimates or outcomes will be achieved.
- While management has taken every effort to ensure the accuracy of the material in the presentation, the presentation is provided for information only. Caltex Australia Limited, its officers and management exclude and disclaim any liability in respect of anything done in reliance on the presentation.
- All forward-looking statements made in this presentation are based on information presently available to management and Caltex Australia Limited assumes no obligation to update any forward looking- statements. Nothing in this presentation constitutes investment advice and this presentation shall not constitute an offer to sell or the solicitation of any offer to buy any securities or otherwise engage in any investment activity. You should make your own enquiries and take your own advice in Australia (including financial and legal advice) before making an investment in the company's shares or in making a decision to hold or sell your shares. You should also refer to Caltex Australia Limited's 2009 Annual Review and Annual Report and the 2010 Half Year Report and 2010 Half Year Financial Report.



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CALTEX AUSTRALIA LIMITED

ACN 004 201 307

2010 INTERIM RESULTS ANNOUNCEMENT – SPEAKER NOTES 23 AUGUST 2010

[Slide 1 – Cover sheet]

Good morning. I am Julian Segal, Managing Director and CEO of Caltex Australia. Welcome to our 2010 half year results briefing. I would also like to welcome participants joining us via webcast or teleconference this morning. A copy of the webcast will be available on our website by the close of business today.

Those of you joining us here at 2 Market Street will have received a copy of our half year results and our ASX media release, together with this morning's presentation. For those joining us remotely, the same material can be accessed via our website or the ASX website.

[Slide 2 – Contents – OE Moment]

As many of you will be aware, it is customary to commence a meeting at Caltex with an Operational Excellence moment. This is a short reminder for all our employees that we will continually strive for incident free operations across all areas of our business.

[Slide 3 – Kurnell's recycled water project - Placeholder]

For this presentation, I would like to quickly discuss the Kurnell Recycled Water Project. Conservation of our scarce water resources has been an emerging issue over the last few years. As refineries are high volume users of this precious resource, I am pleased that from 2012, Caltex's Kurnell Refinery will substitute 3.9 million litres per day of drinking water with recycled water from a new plant constructed at Kurnell. This is the equivalent of the usage for approximately 11,000 households.

Along with our Brisbane refinery which currently takes up to 4.5 million litres per day of recycled water, Caltex is making a significant contribution to reducing potable water use across the country.

[Slide 4 – Contents - Introduction]

Now I will turn to the discussion of our results.

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[Slide 5 – Delivering results in a volatile environment]

Caltex delivered a solid financial result of \$163 million RCOP NPAT, excluding significant items, for the first half of 2010.

Volatility in externalities continued to impact our result with stronger than expected Singapore WAM driven largely by the weakness of Tapis relative to other crudes. Singapore US dollar denominated refiner margins were relatively flat, but the higher average Australian dollar during the half resulted in a lower Australian dollar Caltex Refiner Margin. Excluding timing lags, the CRM for the period averaged 6.94acpl, a decrease of 20% over the first half of 2009. The falling AUD had a negative impact on payables of \$111 million before tax compared with the prior corresponding period.

Our Marketing business continued to deliver strong results in the first half of 2010. Overall transportation fuel sales were up 3.6%, with continued growth in jet and diesel sales more than offsetting a slight contraction in gasoline demand. Retail premium fuel sales also displayed significant growth while the finished lubricants business achieved record monthly sales in June.

Prudent fiscal management has maintained the strong balance sheet with the credit rating recently affirmed as BBB+/Stable, for the 6th year in a row. Caltex is now the only independent refiner globally with the strong BBB+ stable credit rating.

Project Catalyst has begun to deliver with the Corporate and Marketing restructures completed and procurement benefits starting to flow. Implementation of the Refining Improvement Initiative has commenced with transition of the maintenance contractor underway.

[Slide 6 – Delivering results in a volatile environment]

Our safety journey continues with a further improvement in our safety performance achieved this half. Refining reliability also continues to improve although production was impacted by higher than normal major planned maintenance at both the Lytton and Kurnell refineries.

I firmly believe that our culture can be a sustainable competitive advantage and am delighted at how employees have embraced our new values. We are one company, and together we will make this company even greater.

The marketing outlook is positive but the refining sector outlook remains uncertain, with the timing and size of regional demand recovery the key to determining the rate of margin recovery.

We expect Project Catalyst to deliver more in the coming months as more initiatives start to deliver returns.

Given the significant and ongoing exchange rate volatility the Board decided to implement a policy of foreign exchange hedging of 50% of Caltex's US dollar crude and product payables exposure after allowing for natural hedges.

[Slide 7 – Contents – Strategy]

In March the Caltex leadership team unveiled the new Caltex cultural blueprint borne out of the views of the employees and taking the best of the existing culture to evolve a new purpose and values relevant for ensuring we achieve our vision. I am pleased to show you the supporting imagery which brings to life.....

[Slide 8 – Our Purpose]

.... our purpose of “Our energy fuels a brighter future” and.....

[Slide 9 – Our Values]

... our values of “care”, “trailblaze”, “serve”, “own”, “move” and “win”.

[Slide 10 – Culture Program]

To support the embedding of the new purpose and values, we redesigned the short and long term incentive programmes to better align the performance rewards of our employees with the interests of our shareholders.

Our journey to world class safety and reliability continues with another record safety performance with further reductions in the total treatable injury frequency rate and zero motor vehicle and tanker truck accidents in the first half of 2010.

[Slide 11 – Catalyst – Half Year 2010]

In February we announced the Refining Improvement Initiative targeting an EBIT improvement of \$100 million per annum by the end of 2012. We are making progress with this initiative including the award of the new maintenance contract for Lytton and Kurnell refineries to PSN and expect bottom line and reliability improvements to commence in 2011.

In addition, the new Lytton Operator Enterprise Bargaining Agreement was recently agreed, incorporating manning level reductions and efficiency gains to be achieved over the next couple of years.

We have identified the potential for a further reduction of professional staff through rationalisation of resources across refining. Combined with the benefits that will flow to the fuels refinery at Kurnell arising from the closure of the lube refinery in 2011, these initiatives are likely to provide approximately half of the annual savings targeted.

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[Slide 12 – Catalyst – Half Year 2010]

We also announced a program to secure procurement benefits of a total of \$100 million for the three years to end 2012. As I mentioned earlier, the procurement team have commenced the journey having delivered approximately \$10 million of benefits. Where these relate to term agreements, there will be an ongoing impact to future EBIT and cash flow.

The Corporate restructure was completed in March 2010 with approximately 120 roles eliminated delivering savings of \$8 million to June 2010. A further organisational structure review conducted in the Marketing business has eliminated another 43 roles delivering savings of \$4 million to June 2010.

[Slide 13 – Infrastructure]

I am thrilled by the progress being made by our Supply and Distribution team. Construction of two additional diesel tanks in Mackay and Gladstone is progressing well. This expansion will enhance Caltex's efficiency and reliability while meeting the growth that is occurring in the mining industry in Queensland. In addition, construction of two new large diesel tanks in Port Hedland is planned to commence in September. When completed in late 2011, Caltex will be transformed from being a relatively small player in that region to one where we have the capability required to take a leading role in supplying fuel and lubricants to the iron ore and natural gas developments in the north west.

Caltex has also committed to significantly improve its jet fuel pipeline which services Sydney's domestic and international aviation industry. The upgrade will approximately double the capacity of the pipeline supporting the growth of our jet fuel marketing business and offer efficient pipeline capacity to other fuel suppliers operating at Sydney Airport.

[Slide 14 – Organic growth in marketing]

Our Marketing business was set an organic growth challenge to grow EBIT by at least 5% per annum. I am very pleased to announce that Marketing have exceeded this target, achieving an impressive 31% increase in EBIT over the prior corresponding period.

This substantial improvement in profitability was supported by the increase in retail premium gasoline sales despite the slight decline in overall gasoline sales.

Commercial diesel sales volumes have grown 6.1% while the introduction of Vortex diesel has also added to the improvement in gross margin contribution from transport fuel sales. The success of our infrastructure strategy has been reinforced by the securing of new Queensland mining business serviced from our recently upgraded Mackay terminal.

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Growth in shop sales has been tempered by the economic conditions but still achieved a growth in excess of 3%. Shop sales have also been impacted by the extensive retail upgrade program underway this year including the upgrade of several flagship sites. Despite these conditions Caltex remains the number one convenience store operator as measured by Nielsen.

Finished lubricants growth has been outstanding with new supply contracts in the mining sector and the establishment of key relationships in the automotive sector. The lubricants team achieved record monthly sales in June, and achieved a monthly market share of more than 20% in May, putting Caltex second in the market.

[Slide 15 – Contents]

I will now handover to Simon Hepworth our Chief Financial Officer to present our financial results and discuss the performance of the individual business units in greater detail.

[Slide 16– Summary financial results]

Thank you, Julian.

For the six months ended 30 June 2010, Replacement Cost EBIT was \$261 million excluding significant items, and \$240 million including significant items, compared to \$433 million in the first half of 2009 which had no significant items.

RCOP NPAT of \$163 million, excluding significant items, was down 45% on the record 2009 first half RCOP NPAT of \$298 million. This resulted in a corresponding decline in earnings per share to 60.3 cents per share excluding the impact of significant items. The first quarter result of RCOP NPAT of \$130 million was unable to be repeated in the second quarter which was impacted by significantly lower production due to planned maintenance at the Lytton and Kurnell refineries, lower refiner margin and the fall in the Australian dollar.

The Board declared an interim dividend of 30 cents per share fully franked compared with no dividend for the same period in 2009 in line with policy.

Debt rose during the half from \$487 million at the end of December 2009 to \$576 million at the end of June 2010. As a result, period end gearing rose to 16%, or 21% on a lease adjusted basis.

Historic Cost Net Profit after Tax was \$141 million including significant items compared with \$362 million for the first half of 2009 which had no significant items.

On a historical cost basis, earnings per share was 52 cents in the first half of 2010 compared with 134 cents per share in 2009

Whilst the historic cost result includes the impact of the fall or rise in oil prices, the replacement cost result excludes this impact. We believe the RCOP result presents a clearer picture of the company's underlying business performance.

[Slide 17 – Strong operational result negatively impacted by exchange rate movements and planned maintenance]

Despite the strong Marketing result, this profit result has been impacted negatively by the stronger average Australian dollar exchange rate over the period and the weakening of the Australian dollar in the last months of the half.

Total production volume for the half was down from the prior corresponding period due primarily to the planned major maintenance performed at Lytton and Kurnell refineries.

The historical cost result included inventory losses of \$8 million after tax compared with inventory gains of \$64 million after tax in the first half of 2009.

[Slide 18 – Delivering results in a volatile environment]

Turning now to the waterfall, the contributions from factors within our control appear on the right hand side of the chart.

The major positive contribution compared with the first half of 2009 came from production mix, mainly due to the new DHTU2 at Lytton being available to produce 10ppm sulphur diesel, displacing imported 10ppm sulphur diesel and exports of 500ppm sulphur diesel. However, whilst the sales production mix was favourable, the total sales from production was down compared to the same period last year with transport fuels production down 15.2% to 4.3 billion litres due primarily to major planned maintenance at both the Lytton and Kurnell refineries.

Notwithstanding the completion of the Corporate and Marketing restructures and the associated labour cost reductions, operating expenses, excluding depreciation, are up due to labour cost escalation in Refining, additional manning and operating costs for the Lytton DHTU2 and upfront costs for the Project Management Office which is managing the cost and capital efficiency program, Catalyst. The increase in depreciation is primarily associated with the Lytton DHTU2.

Transportation fuel sales volumes were up, as was the Marketing transport fuel margin, due to the beneficial mix of products including an increase in premium fuel sales and jet sales.

Earnings from Specialities and Lubricants increased due primarily to finished lubricant sales growing strongly in the mining and automotive sectors.

As already stated, our first half result was negatively impacted by external factors.

The 7 day pricing lag, while negatively impacting the current half result by \$7 million, improved relative to the first half of 2009 by \$29.8 million before tax due to the relatively more stable crude price.

Despite the relatively flat unlagged US dollar refiner margin, the result was negatively impacted by \$81 million before tax due to the stronger on average Australian dollar.

The significant weakening of the Australian dollar in May and June resulted in a net realised and unrealised exchange loss of \$36 million on crude and product payables, compared with a gain of \$75 million in the first half of 2009.

[Slide 19 – Segment reporting – RCOP EBIT]

This slide shows the contribution of our two key segments:

- Marketing; and
- Refining and Supply.

Marketing's result in the first half demonstrates the robustness of Marketing earnings and the success of our strategy to grow this part of the business which provides a cushion against the volatility within our Refining business.

The Refining result was largely impacted by the effect of exchange rate movements.

[Slide 20 – Refiner margin impacted by higher dollar]

Our integrated fuel margin for the first half of 2010 was 10.2 Australian cents per litre, down from 10.7 Australian cents per litre in the same period last year.

The decrease reflected the impact of a stronger AUD on the CRM with transportation fuel marketing margins up slightly in a recovering market.

[Slide 21 – Contents – Marketing Highlights]

Turning now to our Marketing business.

[Slide 22 – Marketing results reflect strategic focus]

The gross contribution from our Marketing business – that is, before operating costs - continues to provide a stable earnings platform.

Within the total result, the contribution from transportation fuels, lubricants and specialties and non fuel income are all growing with the improvement in the

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contribution from finished lubricants particularly pleasing. The contribution of non fuel income rose 2.2% despite the high level of store upgrades underway during the half including several flagship sites operating out of temporary sheds during the works.

[Slide 23 – Transport Fuel Sales – Growth Continues]

Caltex's overall transportation fuel sales volumes grew by 3.6% in the first half of 2010.

Total diesel sales have increased more than market to be up by more than 5%. Retail diesel sales have grown strongly including the introduction of the premium diesel product, Vortex Diesel. Sales of new vehicles have grown by 16.7% for the year to June 2010 with the fastest growing segment being diesel vehicles which grew by 25%, in excess of all other fuel types. This trend is likely to continue supporting our strategy for the rollout of Vortex diesel to our retail sites.

Jet fuel volumes increased by nearly 15%, well in excess of market growth, underpinned by a strong and growing customer base.

Overall gasoline sales were down by about 1%, broadly in line with the market. Within that, however, we continue to see growth in premium petrol and E10 sales volumes.

[Slide 24 – Non fuel income]

Total average weekly sales from our convenience stores have increased 3.3% on the same period last year. As discussed previously this result has been impacted by the increase in site upgrade activity including the upgrade of flagship sites.

This is a solid result and an endorsement of our strategy to grow this part of our business.

[Slide 25 – Contents]

I will now turn to our Refining and Supply business.

[Slide 26 – Caltex Refiner Margin]

For the six months to 30 June 2010, the lagged Caltex refiner margin (CRM) averaged US\$9.67/bbl compared to \$9.00bbl in the previous year.

The Singapore Weighted Average Margin for this period was US\$13.95 /bbl which is approximately 80% higher than \$US7.77/bbl recorded in the first half of 2009. This increase was primarily due to relative weakness in the Tapis crude price compared with other crude prices. However, ongoing volatility in

the Tapis price, and the impact of buying some non-Tapis crudes resulted in higher crude premiums.

The product quality premium averaged around \$US1.90/bbl across all transportation fuels, slightly up on the result achieved for the previous corresponding period.

The CRM was impacted by an unfavourable pricing lag of \$US 0.23/bbl equivalent to EBIT of approximately \$7 million. This was driven by a modest increase in crude cost over the period.

The heavy planned maintenance schedule resulted in a significant increase in the cost of yield loss due to the significant impact of start ups from shutdowns on the resultant yield.

A stronger AUD negatively impacted our AUD CRM. In the first six months, the AUD averaged US89.4 cents, around 18 cents stronger than in the same period in 2009. This resulted in a 15% fall in the AUD CRM to 6.79 cents per litre.

[Slide 27 – Crude and Product Freight Rates]

As the Australian market is short, import parity pricing allows Caltex to capture the freight differential between product and crude freight in the CRM.

Between 2003 and 2008 this differential was reasonably stable, varying between US\$2/bbl and US\$2.75/bbl.

During the downturn, the decline in global demand for both crude and product has resulted in lower shipping rates. With product shipping rates falling further than crude freight, the freight differential has fallen to historically low levels.

However during the first half of 2010 there was a slight recovery in product freight rates while crude freight rates have increased, influenced by West African crude demand.

Caltex's Refiner Margin remained under pressure due to the narrower freight differential.

[Slide 28 –Planned Major Maintenance Lowers Production]

As previously mentioned, a key factor in the result for Refining has been the significantly lower production of transport fuels.

The first half of 2010 saw the successful completion of major planned maintenance at Kurnell as we shutdown our Bensat, DHTU and SRU plants and with Lytton undergoing its total plant shutdown which occurs once every 5

to 8 years. These plants were returned to service and are operating well. There are no planned shutdowns in the second half of 2010.

As can be seen from these charts, in spite of this major maintenance, high value transport fuel production is an increasing proportion of our total production ensuring we are extracting maximum value from our production capacity.

Operational availability and mechanical availability continue to improve. This turnaround in the performance of our refineries is pleasing. However, we continue to focus on further improvement.

[Slide 29 – Contents – Financial Discipline]

[Slide 30 – BBB+/Stable credit rating affirmed]

Debt and gearing have risen in the first half of 2010, as expected, however we continue to maintain significant headroom.

Given we operate in a cyclical industry, we remain cognisant of the need to maintain a strong balance sheet at all times. This factor has been recognised with the company's BBB+/Stable credit rating recently affirmed, making Caltex the highest rated integrated refiner, globally.

[Slide 31 – Dividends: Interim dividend of 30 cents per share]

As discussed earlier the Board declared an interim dividend of 30 cents per share fully franked. This represents a payout ratio of approximately 50% in line with policy and compares with a total dividend payout of 25 cents per share fully franked for the full year 2009.

Caltex remains committed to a conservative balance sheet and will continue to focus on good cash management.

[Slide 32 – Contents – Outlook and Summary]

I will now hand back to Julian who will discuss the outlook for Caltex.

[Slide 33 – Excess regional capacity continues to dampen margins]

Thank you, Simon.

At Caltex, we expect margins to reflect the current refining supply overhang during the remainder of 2010.

This slide shows that much of the new refining capacity in the Asia Pacific region came on stream in the second half of 2009, with only modest further planned additions in 2010, 2011 and 2012. This expansion of capacity in the region has largely been offset by closures, idling and shut-ins of European and North American refineries.

Globally refiners have responded to falling demand by bringing forward maintenance and lowering utilisation rates. While in our region the Chinese government has recently announced plans to close smaller refineries by 2011 while Japan is also expected to reduce capacity by the end of 2011.

The key to margin improvement is the speed and magnitude of recovery in product demand, but it also depends on the actual output of the global refining network.

[Slide 34– Strong Australian demand growth for diesel, jet fuel and premium fuels projected to continue]

This slide shows the long term growth trends for transport fuels in Australia. As you can clearly see, diesel and jet fuel volumes have been growing more strongly than petrol for over 20 years.

Diesel, a predominantly commercial fuel, with transport, mining, and agriculture as major segments is leveraged to GDP growth, and has grown at around 3% per annum over the past 15 years – in recent years the growth has been much stronger at 6.3% pa, fuelled by the commodity boom, supported by the growth in China. Notwithstanding the recent impact of the global downturn, we continue to expect that diesel growth will remain robust into the medium term.

With the exception of 2008, jet fuel growth has been strong due to growth in passenger travel. Passenger travel is likely to keep growing at a robust pace over the longer term.

In contrast, petrol has been a mature market for a number of years, with the increasing number of vehicles offset by increasing car fuel efficiency and the impact of product substitution with diesel, biofuels and LPG. However, higher octane premium fuels will grow more strongly than the general petrol market, as the Australian car fleet is renewed. New, high efficiency petrol engines demand higher octane fuel. This trend will drive higher sales volumes of our premium Vortex petrols.

[Slide 35 – Contents - Questions & Answers]

That concludes this morning's presentation. We have time to take questions. Could I ask that we start with questions from the floor before moving to our teleconference participants?

Please raise your hand if you have a question and state your name. For the benefit of our webcast and teleconference participants, please wait for the microphone before posing your question.

[Field questions from the floor]

[Slide 36 – Disclaimer]

END: That's all we have time for today. Thank you for attending the presentation today, either in the auditorium in Sydney, via webcast or teleconference call. I look forward to talking to you again in February 2011 when we announce our final results for 2010.

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