Caltex Investor Day

30 October 2018

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Welcome and Introduction

Julian Segal

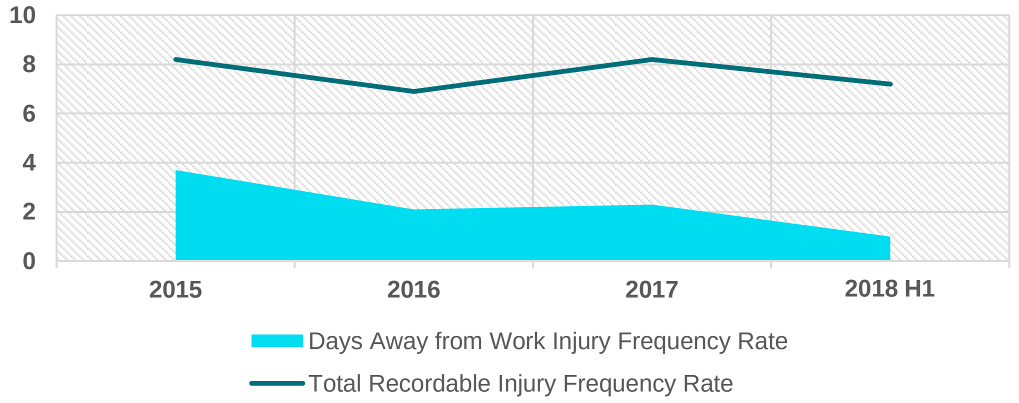
MD and CEO

CALTEX

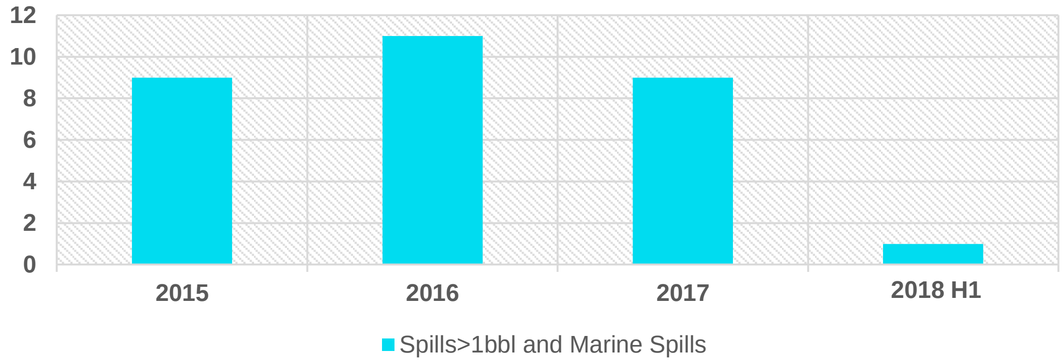
Safety of our people and customers is our top priority

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

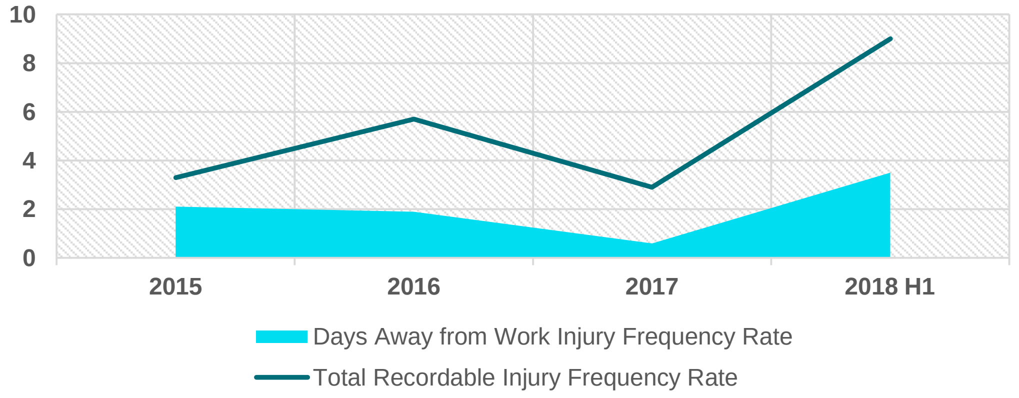
Fuels and Infrastructure Personal Safety



Process Safety



Convenience Retail Personal Safety



- 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

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Julian Segal
MD and CEO

Group financial guidance and outlook

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Simon Hepworth
CFO

Fuels & Infrastructure

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Louise Warner
EGM Fuels & Infrastructure

Asset optimisation

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Alan Stuart-Grant
EGM Strategy

Convenience Retail

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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	TODAY
50% owned by Chevron Loss making refinery & supply Low asset utilisation International supply by Chevron Generic retail offer	Independent ASX50 company Profitable refining operations Record refinery production Asian Trading & Shipping hub Growing international expansion Retail transformation commenced
2013 EPS: 132 cents DPS: 34 cents ROCE*: 17.5%	2017 EPS: 244 cents DPS: 121 cents ROCE*: 24.5%

NOTE*: ROCE calculated as RCOP EBIT over net assets plus net debt

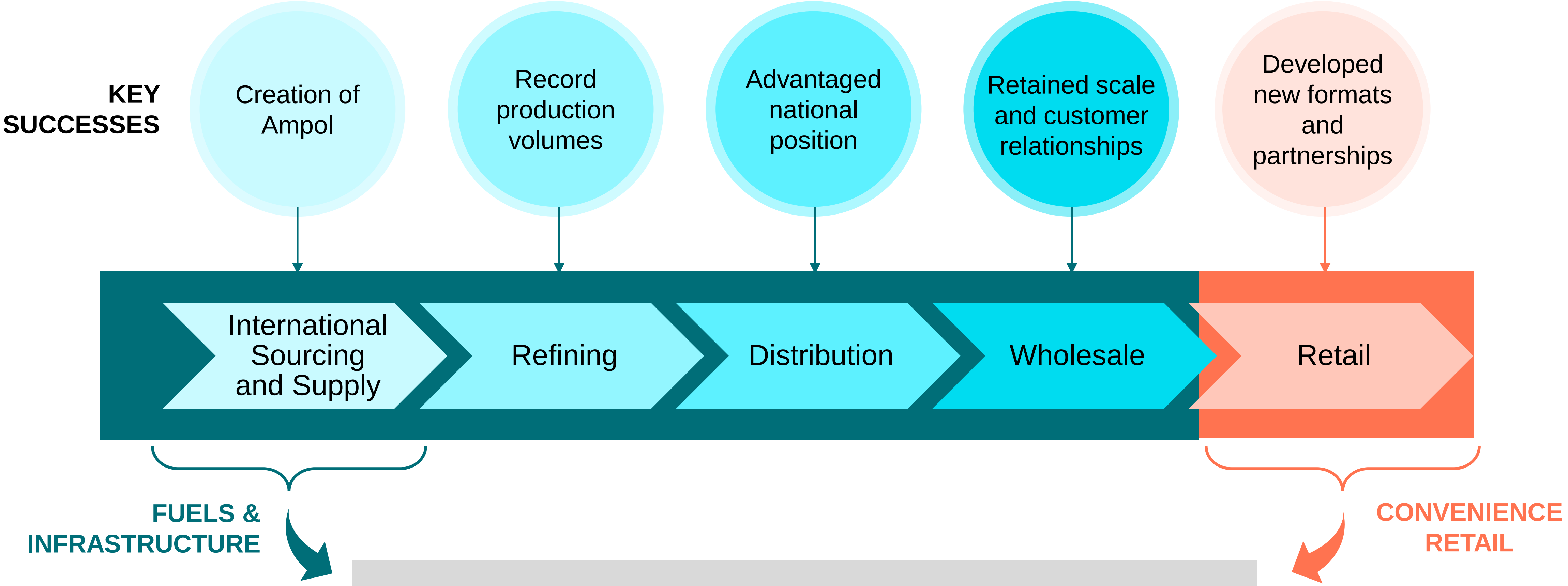
Caltex is the leading Australian transport fuel company, which has successfully embarked on its regional expansion, and is progressing well with its convenience retail growth strategy

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

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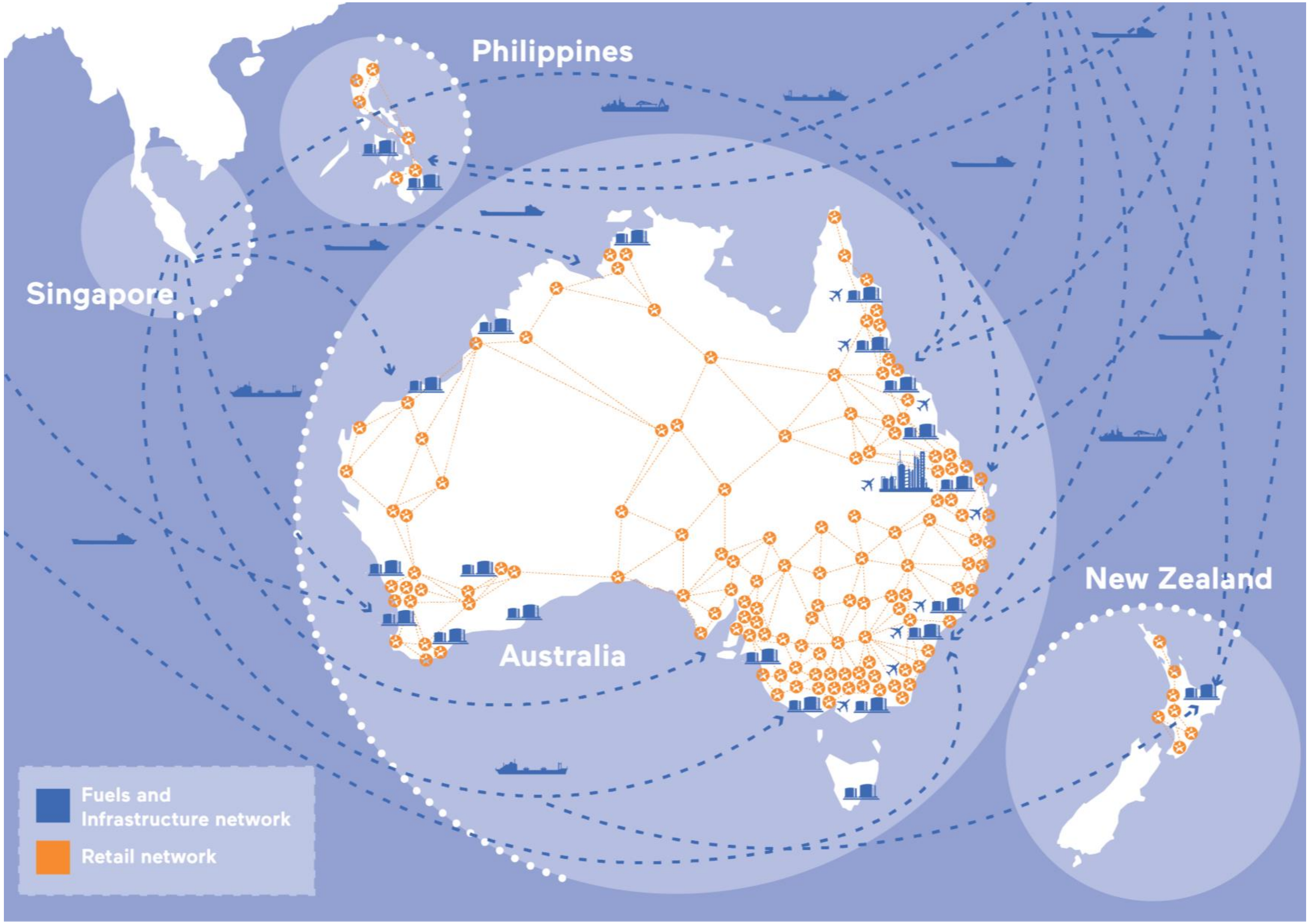
Our strong network of assets provides a platform for growth

We control a hard to replicate, privileged network of retail and distribution assets



- Large, well located retail real estate network
- Advantaged regional infrastructure
- National presence
- We control the entire supply chain

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

AMPOL

CONVENIENCE RETAIL STORES

- Natural adjacency for non-fuel income
- Targeting $120-$150 million profit uplift

THE FOODARY

Metro

Commercial separation enables the relevant cultures and systems required to deliver our strategy

Caltex Australia

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

Fuels & Infrastructure

Transformed Business

- Predictable earnings
- Cash generative
- Growth through International

Convenience Retail

Primed for Growth

- Stable earnings base
- Expanded capability
- Sales and margin uplifts

Corporate

Effective Capital Management

- Increased payout ratio
- Investment discipline
- Supportive capital structure

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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

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Simon Hepworth

CFO

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Caltex 1H18 by the numbers – substantive and well positioned

Operating performance	Financial performance	Balance sheet	Shareholder value
Fuel sales volumes	RCOP NPAT	Net Debt*	1H dividend
10.2 BL	**$296m**	**$1.0bn**	**57 cps**
Refining production	Operating cash flow	Gearing	HCOP EPS
3.2 BL	**$140m**	**24%**	**147 cps**
	EBIT ROCE	Lease adjusted gearing	RCOP EPS
	20.3%	**37%**	**113 cps**
		S&P Global credit rating	10yr average TSR**
		BBB+	**~14%***

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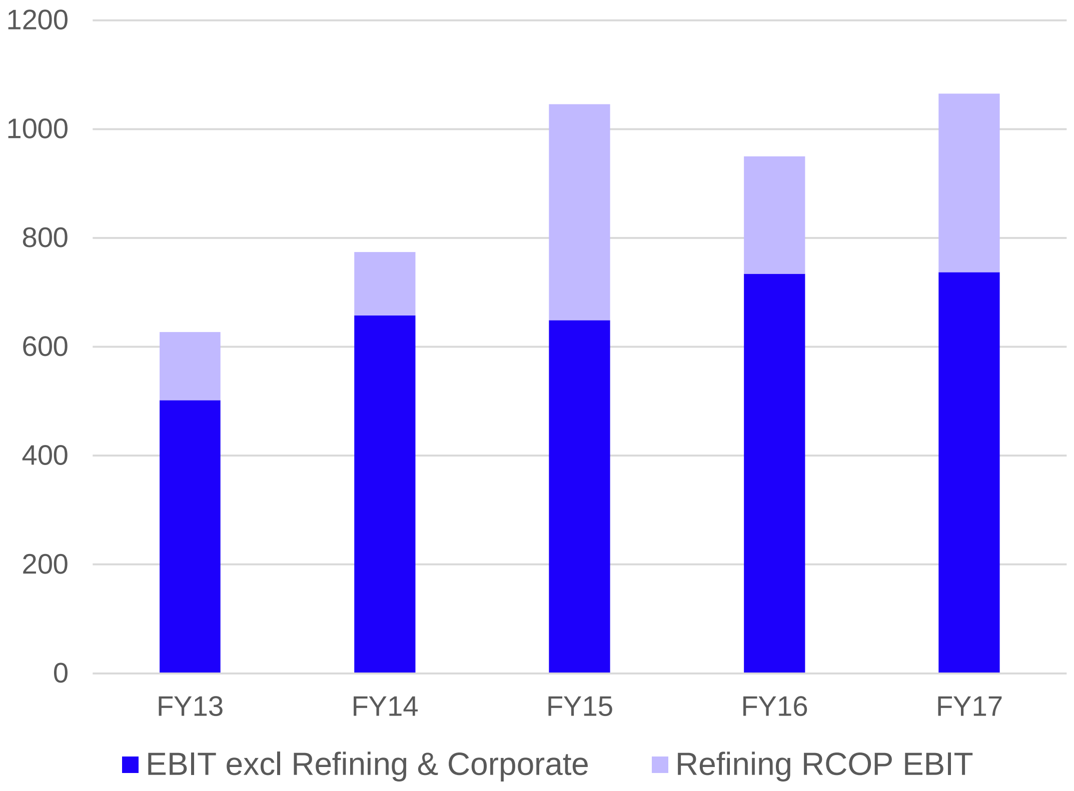
NOTE* - Net debt excluding Lease liabilities
NOTE** - 10yr TSR measured to the end October 2018

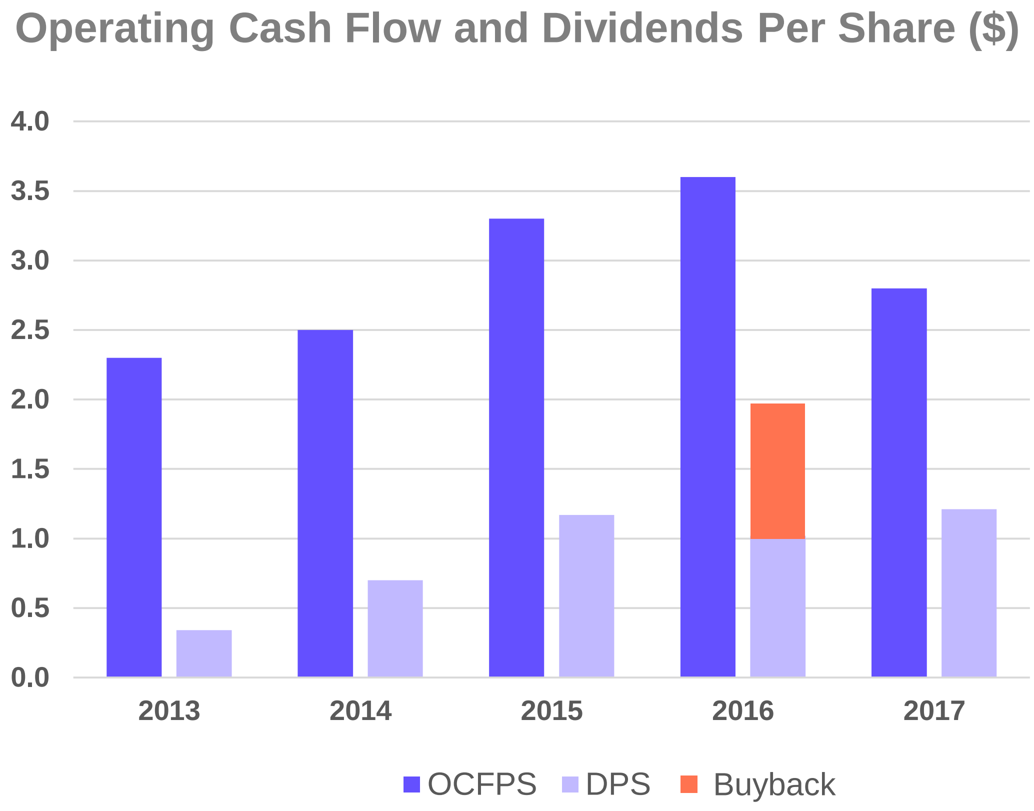
Our strategy is delivering earnings growth, and underpinning shareholder returns

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

STEADY AND GROWING PROFITABILITY*



ENHANCED ABILITY TO PAY DIVIDENDS



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NOTE* - Graph excludes corporate costs

Caltex's capital allocation framework defines capital priorities to support top quartile TSR objective

1 Capital Structure	✓ Target Adj. Net Debt / EBITDA range 1.5x - 2.0x ✓ Where Adj. Net Debt > 2.0x EBITDA, debt reduction plans become a focus
2 Maintenance Capex	✓ Safety and reliability of supply are non-negotiable
3 Dividends	✓ 50-70% of RCOP NPAT (fully franked)#
4 Capital Returns* / Growth Capex*	

Capital Returns

- ✓ Where Adj. Net Debt < 1.5x EBITDA, or sufficient headroom exists within target range
- ✓ Utilise excess franking credits

Growth Capex

- ✓ Where EPS accretive
- ✓ Minimum investment hurdles to drive capital efficiency
  - ✓ ROCE > WACC + fair margin return
  - ✓ (Higher targets for increased complexity and risk)

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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
4. Financial Risk Management

Caltex has a record of effective capital allocation

	AMPOL	Gull	SEAOIL	MILEMAKER PETROLEUM	
	>20% ROCE on capital allocated to growth initiatives	16% ROCE EPS Accretive	12%(1) ROCE EPS Accretive	7%(2) ROCE EPS Neutral	ROCE<WACC EPS Dilutive
Caltex Ownership	3 years+	16 months	6 months	18 months	Opportunity not pursued in 2016
Rationale	Growth	Growth	Growth	Protect	Protect & Grow

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(1) Based on forecast 2018 earnings with addition of first full year synergies estimates, medium term higher returns as Seaoil volumes increase
(2) Based on incremental EBIT, excluding F&I margin and infrastructure recovery. Actual annual Retail contributions are >22%, with upside from the retail offer.

Robust Financial Risk Management

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

KEY RISK TOOLS

CALTEX VALUE CHAIN	INTERNATIONAL SOURCING AND SUPPLY	REFINING	DISTRIBUTION	WHOLESALE	RETAIL	ROBUST SUPPLY CHAIN MANAGEMENT STRONG CUSTOMER BASE

IS SUBJECT TO HAVING…

KEY EXECUTION ENABLERS	SKILLS & PEOPLE	ASSET & CAPITAL BASE	RISK MANAGEMENT & OVERSIGHT	PHYSICAL SYSTEM	FUNDING LEVELS REMUNERATION POLICY MONITORING SYSTEMS SUPERVISION DELEGATION OF AUTHORITY

UNDERPINNED BY…

POLICIES & FINANCIAL RISK APPETITE	QUANTITATIVE RISK MANAGEMENT TOOLS (CFAR / VAR#) RISK ALLOCATION MANAGEMENT LIMITS	CREDIT MANAGEMENT EXPOSURE MANAGEMENT POLICY PROCESSES REPORTING SYSTEMS INSURANCE

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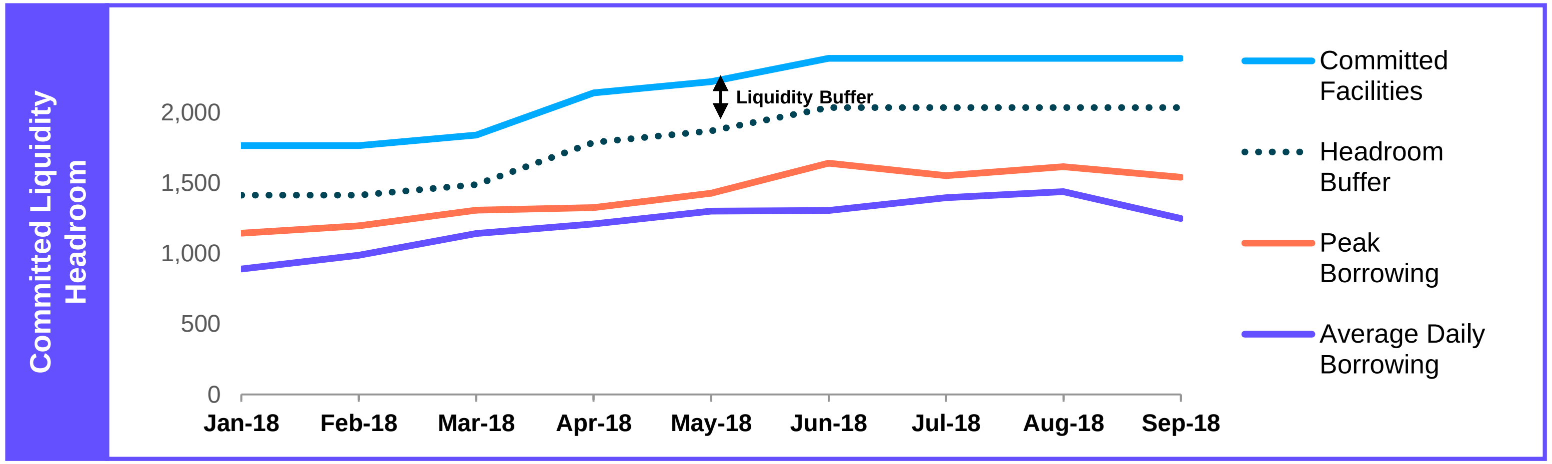
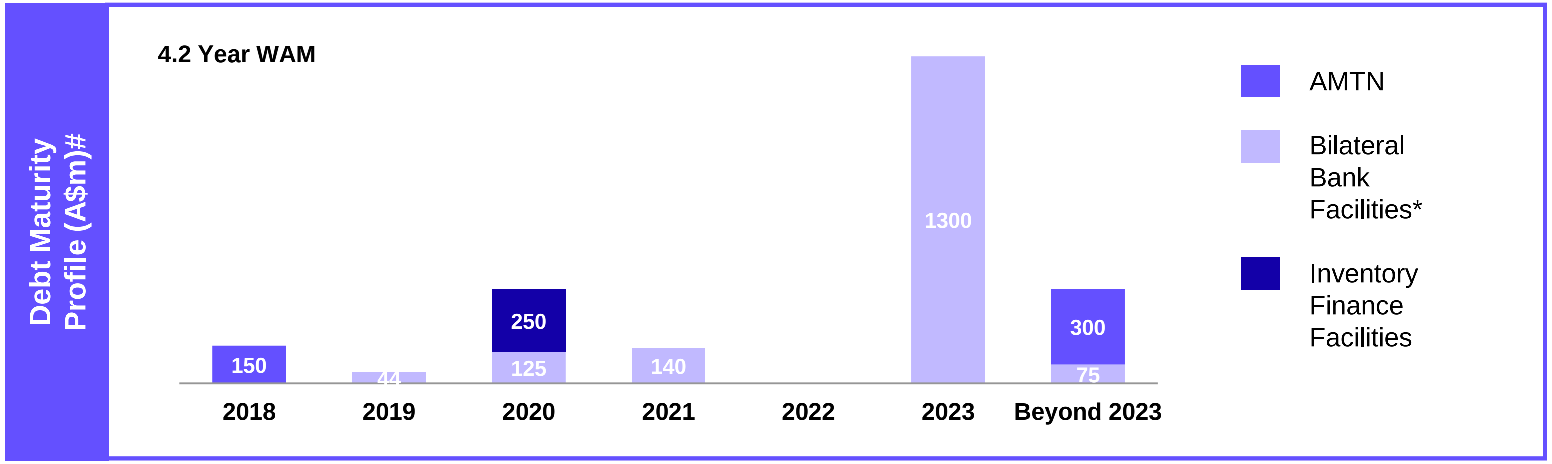
Cash flow at risk / Value at risk

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





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[#] 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 $15-20million. 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

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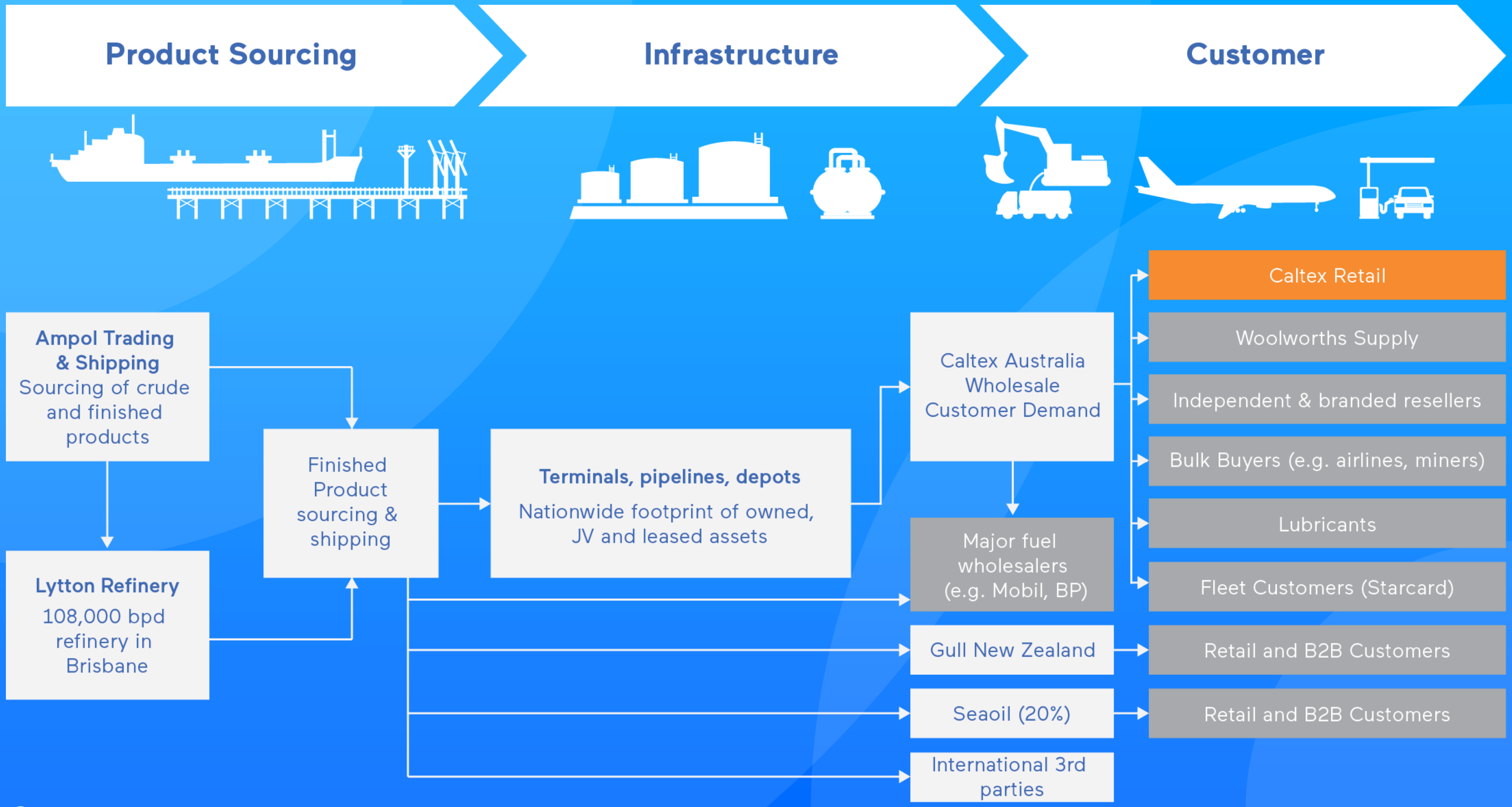
What does F&I do?



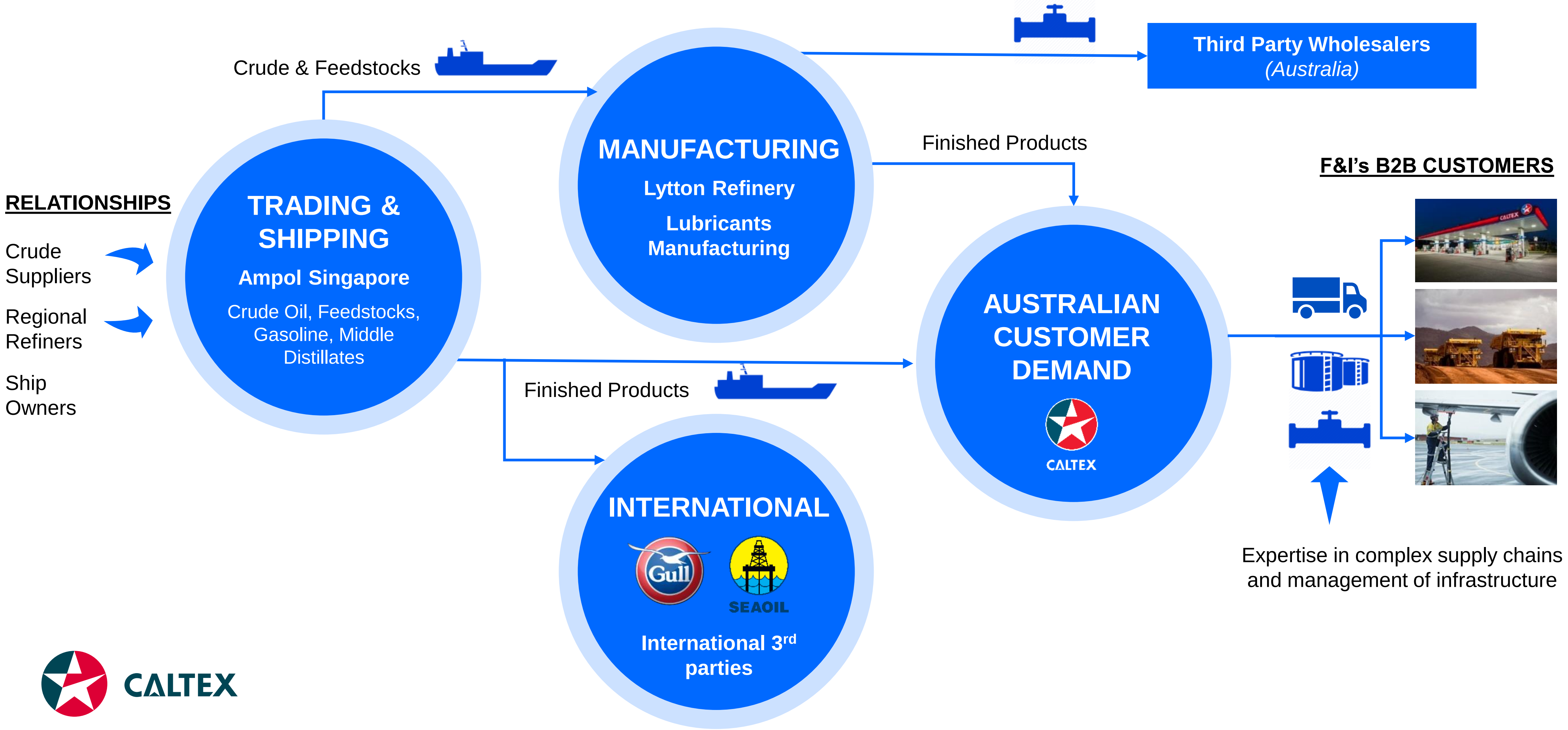
Our scale and capability across the whole supply chain in Australia differentiates us

International Sourcing	Refining	Distribution	Wholesale	Retail	**Australian Wholesale Market Share(1)**
CALTEX Caltex Australia	CALTEX Caltex Australia	CALTEX Caltex Australia	CALTEX Caltex Australia	CALTEX Caltex Australia	*34%*
Outsourced to Vitol	VIVA Energy Australia	VIVA Energy Australia	VIVA Energy Australia	Most sites leased to Coles	*22%*
bp	bp	bp	bp	bp	*20%*
Mobil	Mobil	Mobil	Mobil	Sold to 7 Eleven	*17%*
Trafigura shareholding		PUMA ENERGY	PUMA ENERGY	PUMA ENERGY	*n/a*
United		United	United	United	*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



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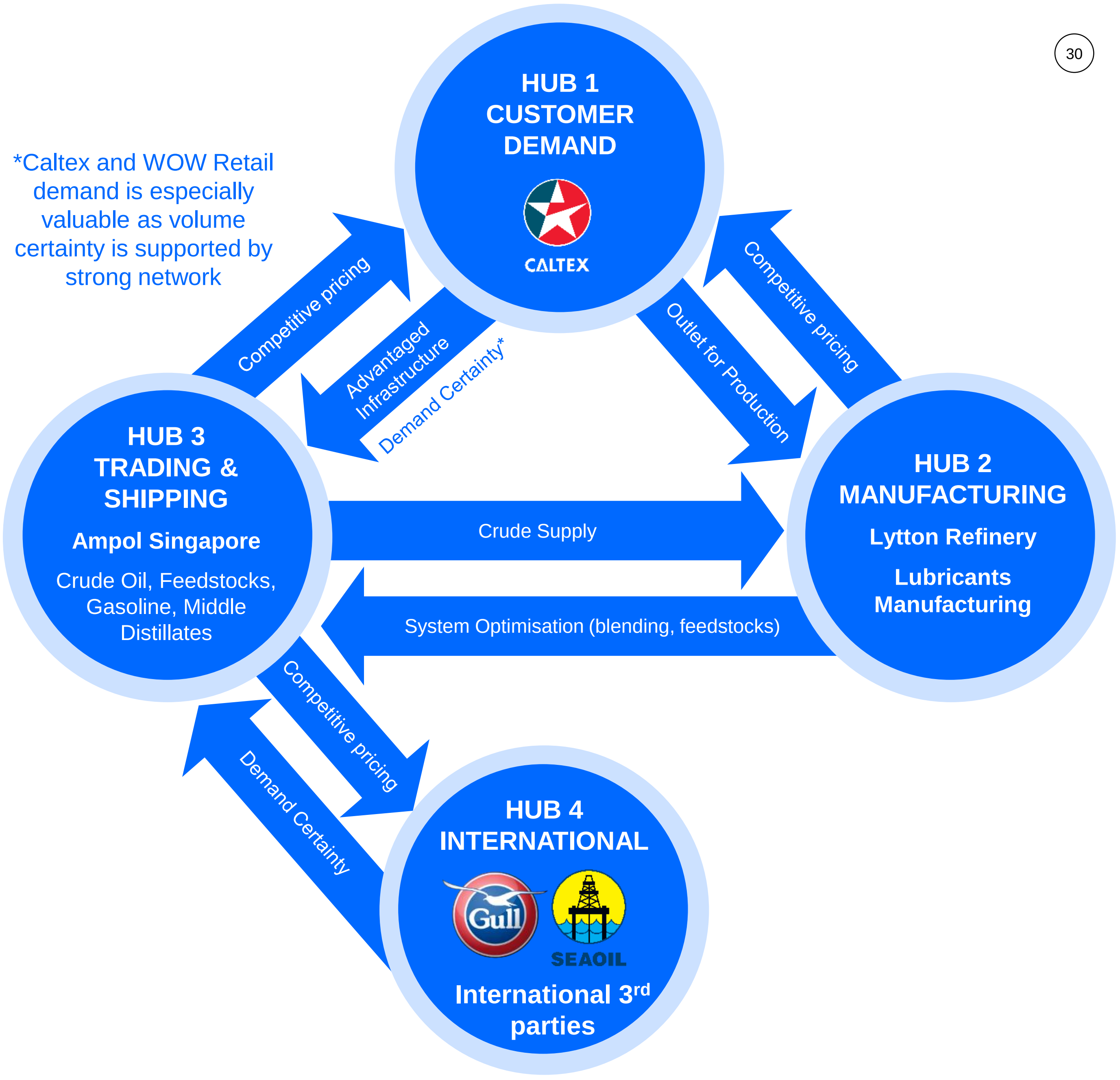
The interaction of the system's hubs make the value more than the sum of the parts



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[1] 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

Gull NZ and Seaoil

	Gull	SEAOIL
Country	New Zealand	Philippines
Initial Investment	A$329m (100%)	A$114m (20%)
Approximate Volumes	350ML	1,425ML
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		Enabled by a range of competitive advantages
Grow Trading & Shipping	✓ **International Product Sourcing** ▪ Ampol Singapore established in 2013 ▪ Scaled up business in 2015 following closure of Kurnell refinery	Biggest importer into Australia Largest diesel short in Asia
Optimise Infrastructure Position	✓ **Import infrastructure** ▪ Largest product import terminal in Australia ▪ Continuous improvement at Lytton	Advantaged distribution assets in NSW, the largest state for imports
Protect and Grow Supply Base	✓ **Direct Relationship with the End Customer** ▪ Expand and improve retail network ▪ Defend B2B volumes ▪ Leading fuel card offer	~80,000 B2B customers ~1,770 branded retail sites ~70,000 card customers, with ~900K cards on issue National supply capability


BAY POWER
ISOLATOR
FILL STAND
EMERGENCY
STOP
SPILL KIT
SPILL KIT

Q&A

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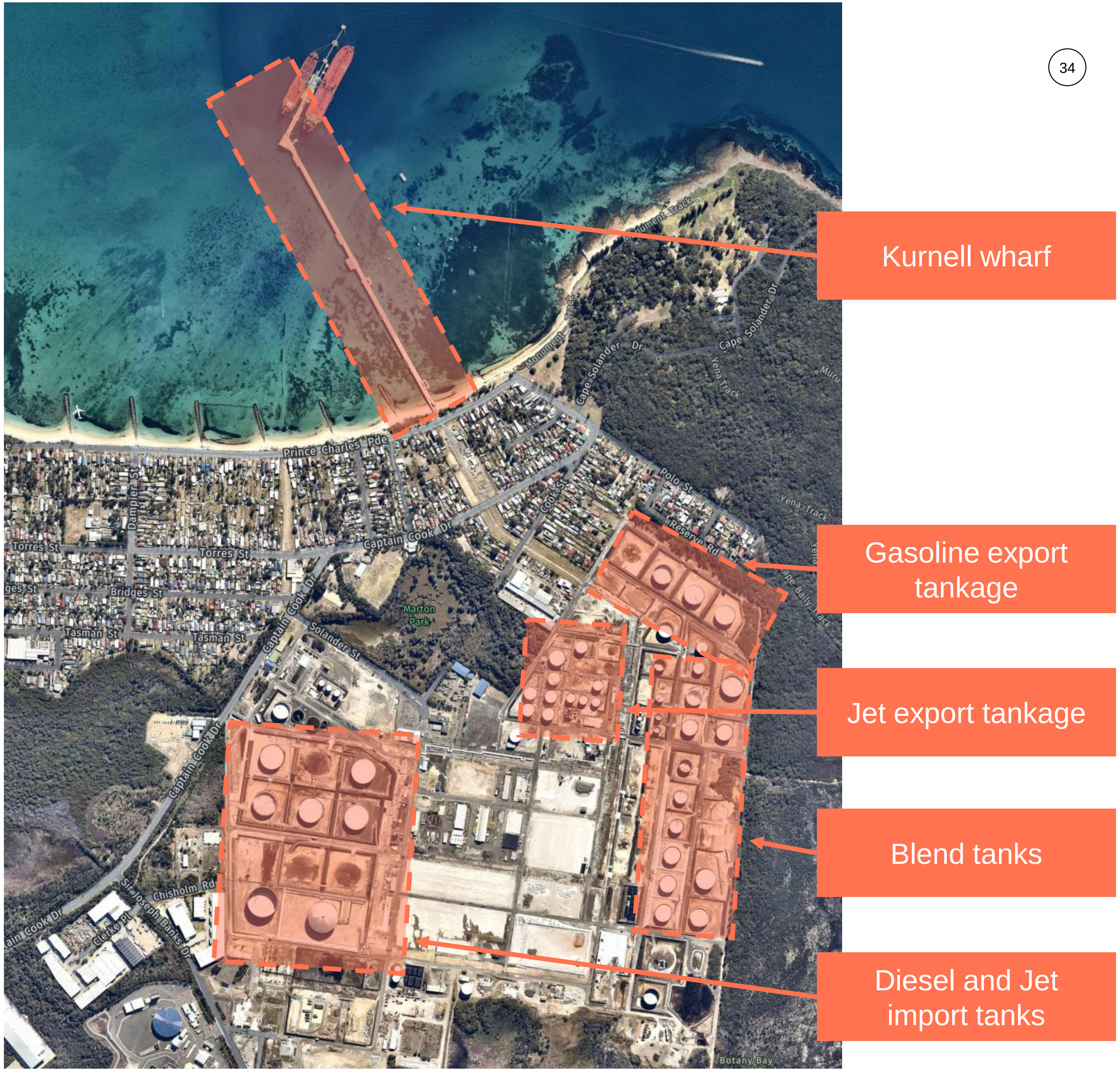
Kurnell is uniquely positioned in Caltex's leading supply network



Fuel & Infrastructure Operations

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Louise Warner

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The Caltex F&I Presentation Team

Louise Warner
EGM Fuels & Infrastructure

Brad Phillips
GM B2B Sales

Derek Styles
GM Manufacturing

Brent Merrick
GM Trading & Shipping

David Bodger
GM Gull New Zealand

Chris Richmond
GM Strategy

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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

Gull

SEAOIL

International 3rd parties

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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	*~ 80,000 B2B customers* *Multiple sales channels* *Broad product and sector exposure* *National presence*
DELIVERS SCALE AND PREDICTABLE DEMAND	*Sustains Ampol's competitive advantages and supports Lytton production*
RETURNS ON PRIVILEGED INFRASTRUCTURE	*Infrastructure earnings*

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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

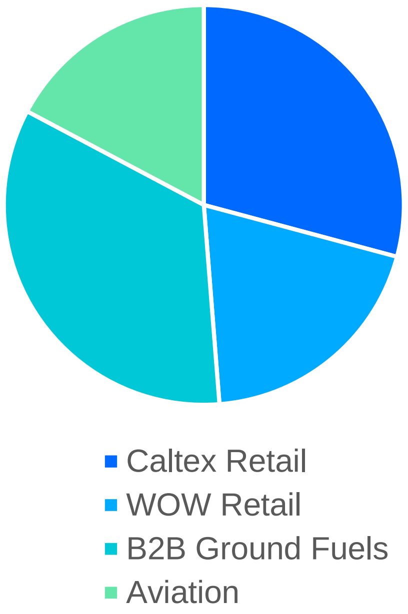
RELATIONSHIPS

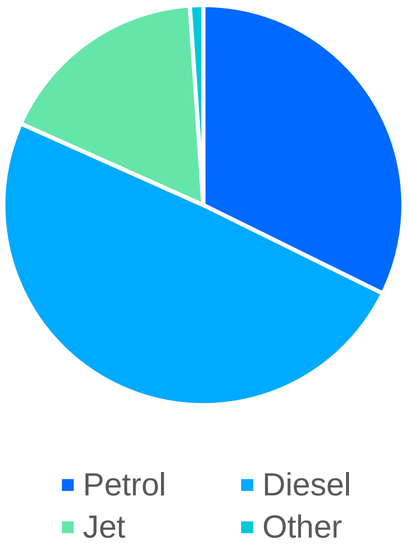
- ✓ Trusted supplier
- ✓ Reliability
- ✓ Quality reputation
- ✓ Excellent safety record
- ✓ Local presence

Longer term the B2B market is much less prone to disruption from emerging alternate transport solutions

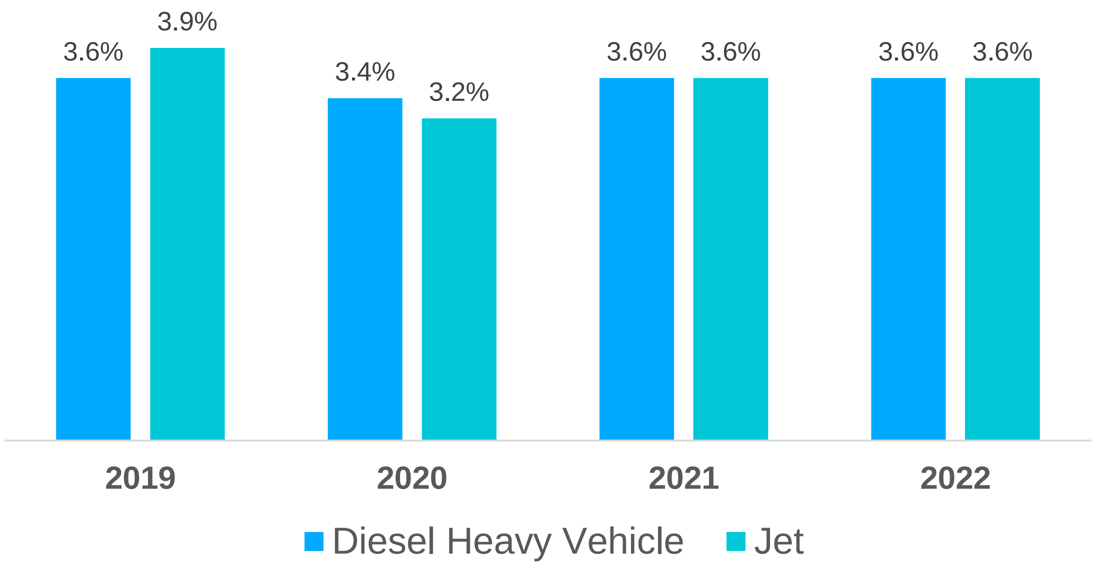
- Large amount of F&I's scale is derived from commercial diesel and aviation sales
- Both of these segments are expected to see robust growth over the medium term

CALTEX VOLUME SPLIT (H1 2018)





Commercial fuel consumption outlook (BL)



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

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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

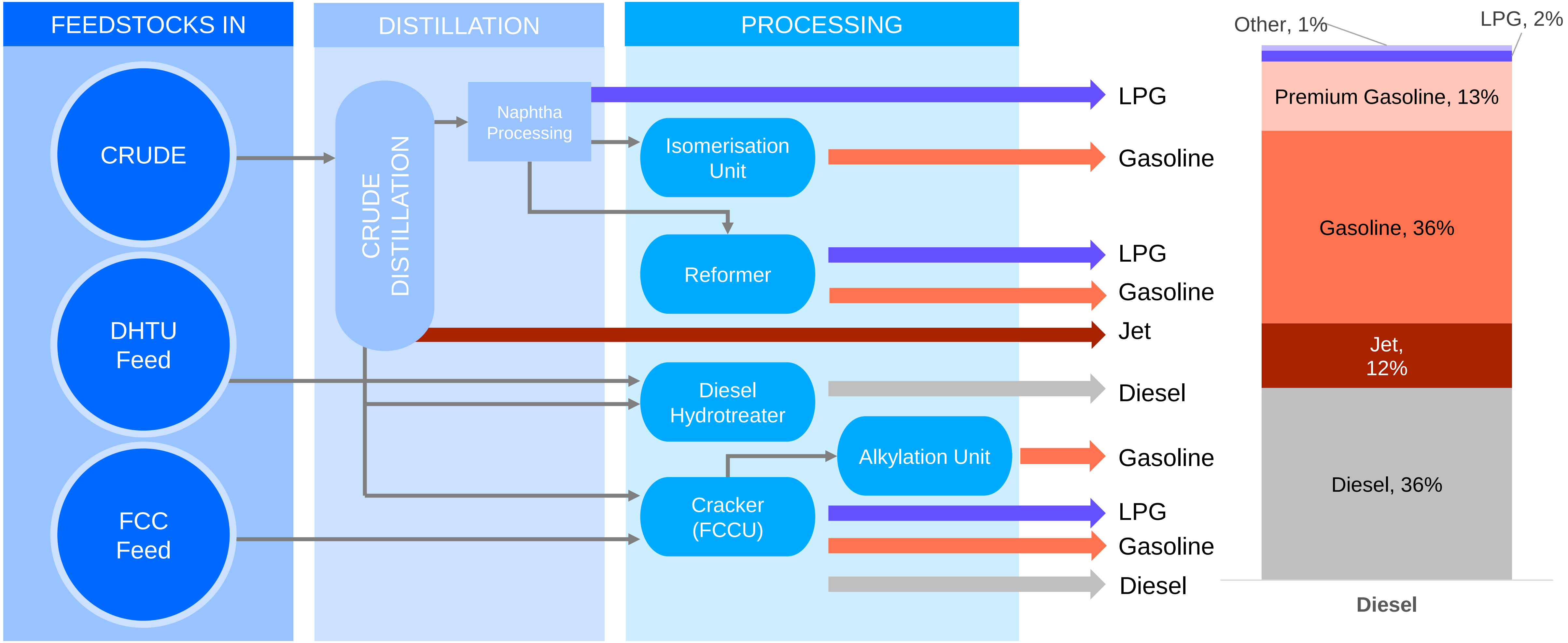
Ability to change product slate and utilise low spec product as feedstocks to enhance capacity

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

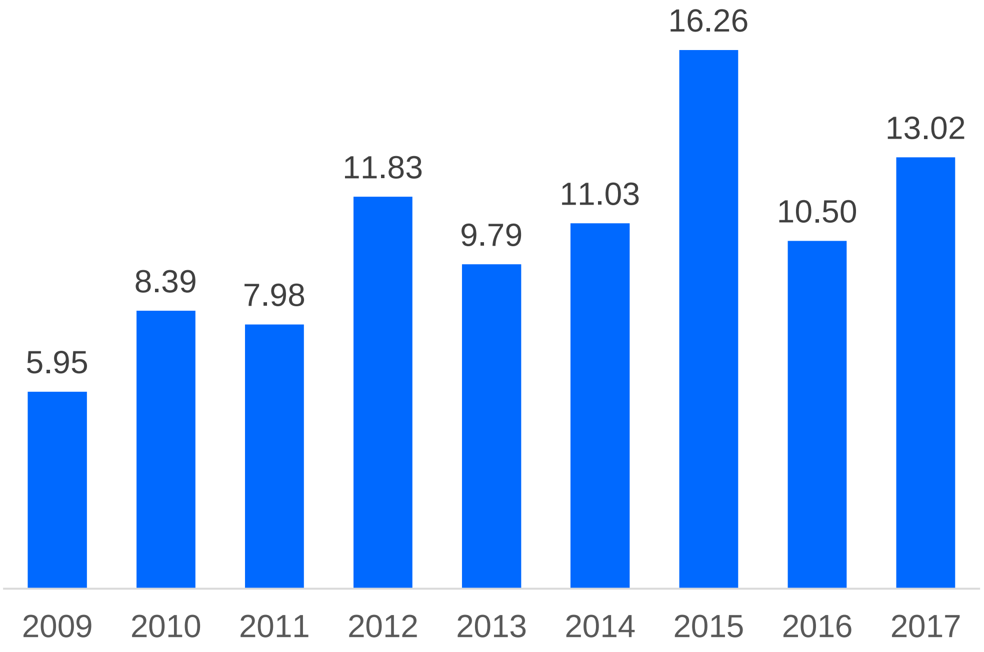


Lytton’s operating performance has been exceptional

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[(1)]

Figures in US$ per barrel

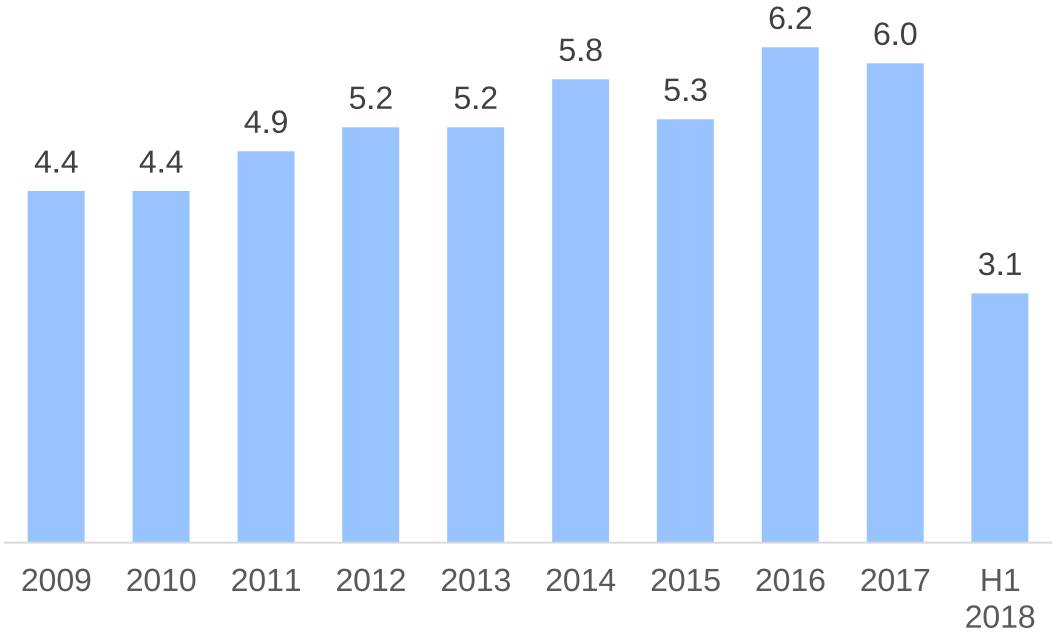


(1) Figures pre 2015 include contribution from Kurnell refinery

NOTE - CRM excludes pricing lags from 2013 onwards

HIGH VALUE PRODUCT PRODUCTION LEVELS

Figures in litres billions



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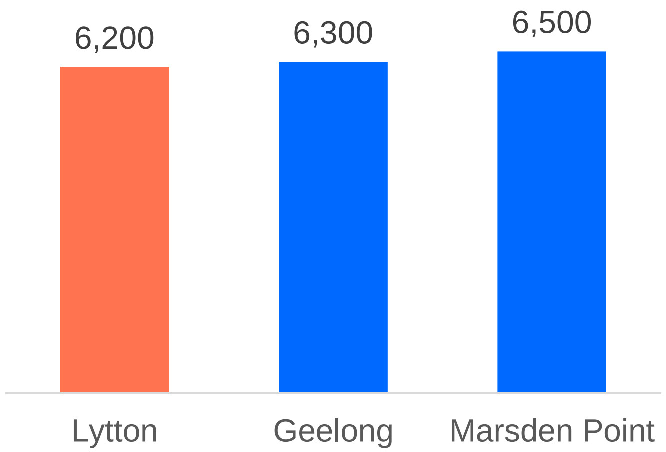
Lytton’s performance compares favourably to some regional benchmarks

Margin success is influenced by product mix, configuration and utilisation

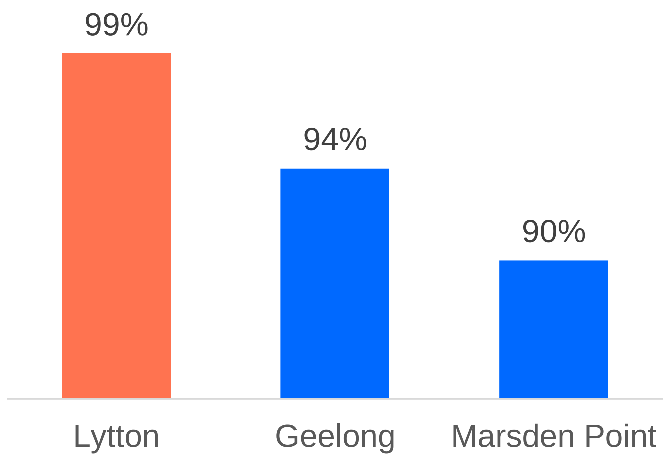
FY17 TOTAL PRODUCTION (ML)



Crude Nameplate Capacity (Kbpd)	*108,000*	*128,000*	*135,000*

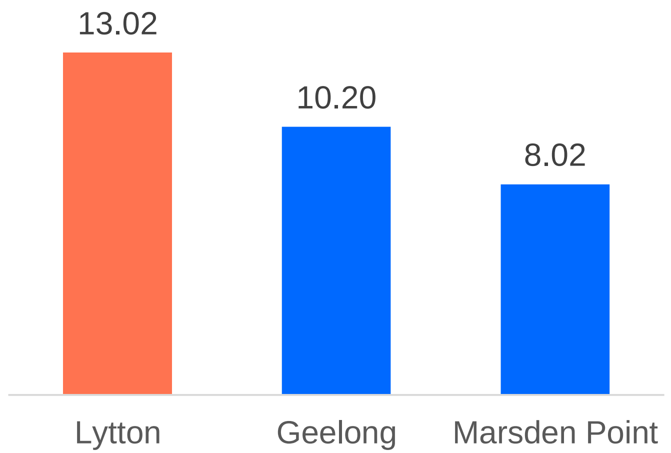
High utilisation and configuration allows Lytton to produce similar quantities to local refineries with larger nameplates

WHITE BARREL PRODUCTION



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

REFINER MARGIN* (US$/bbl)



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

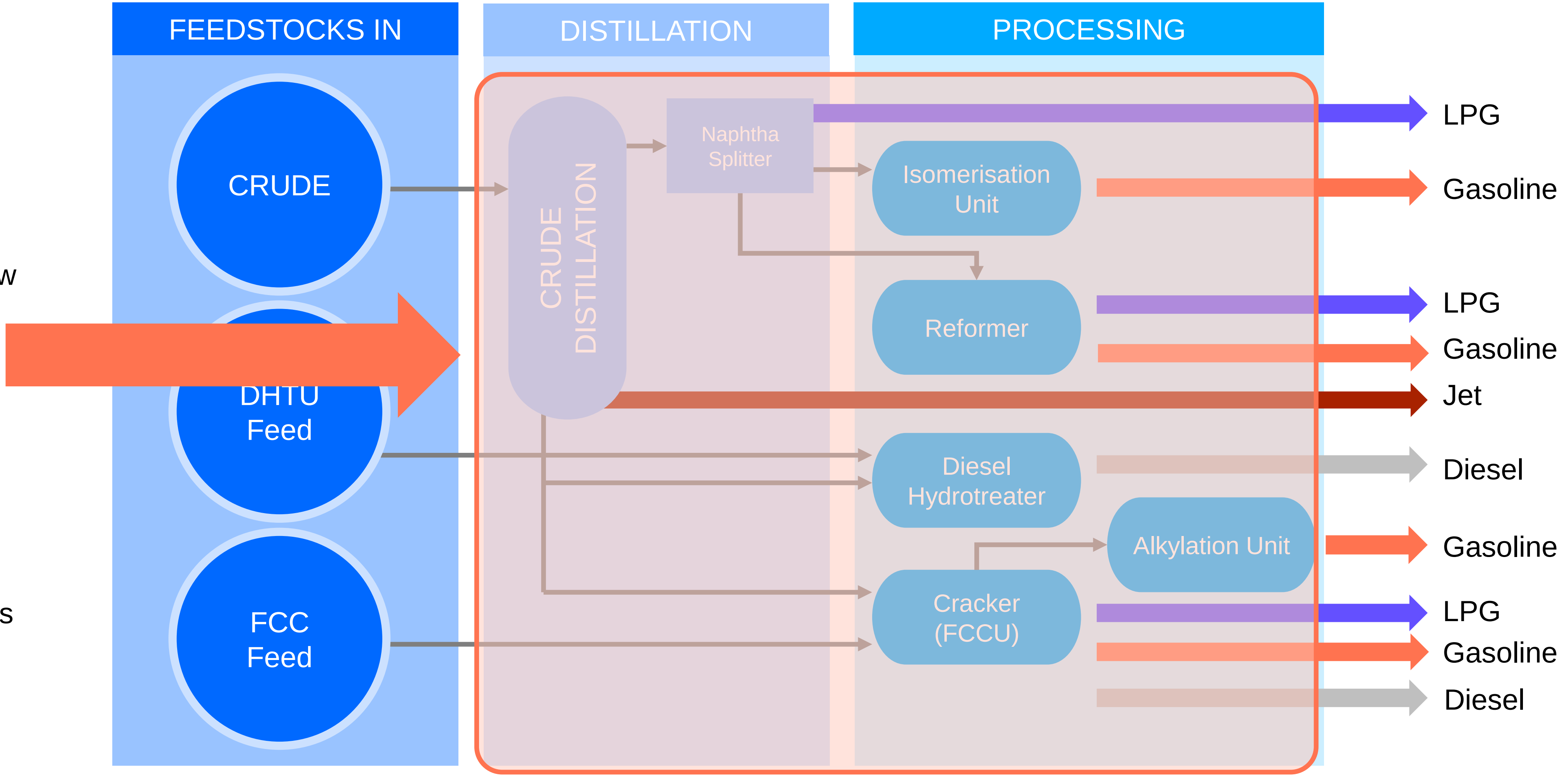
NOTE* - Refiner margin reported per each companies’ methodology

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



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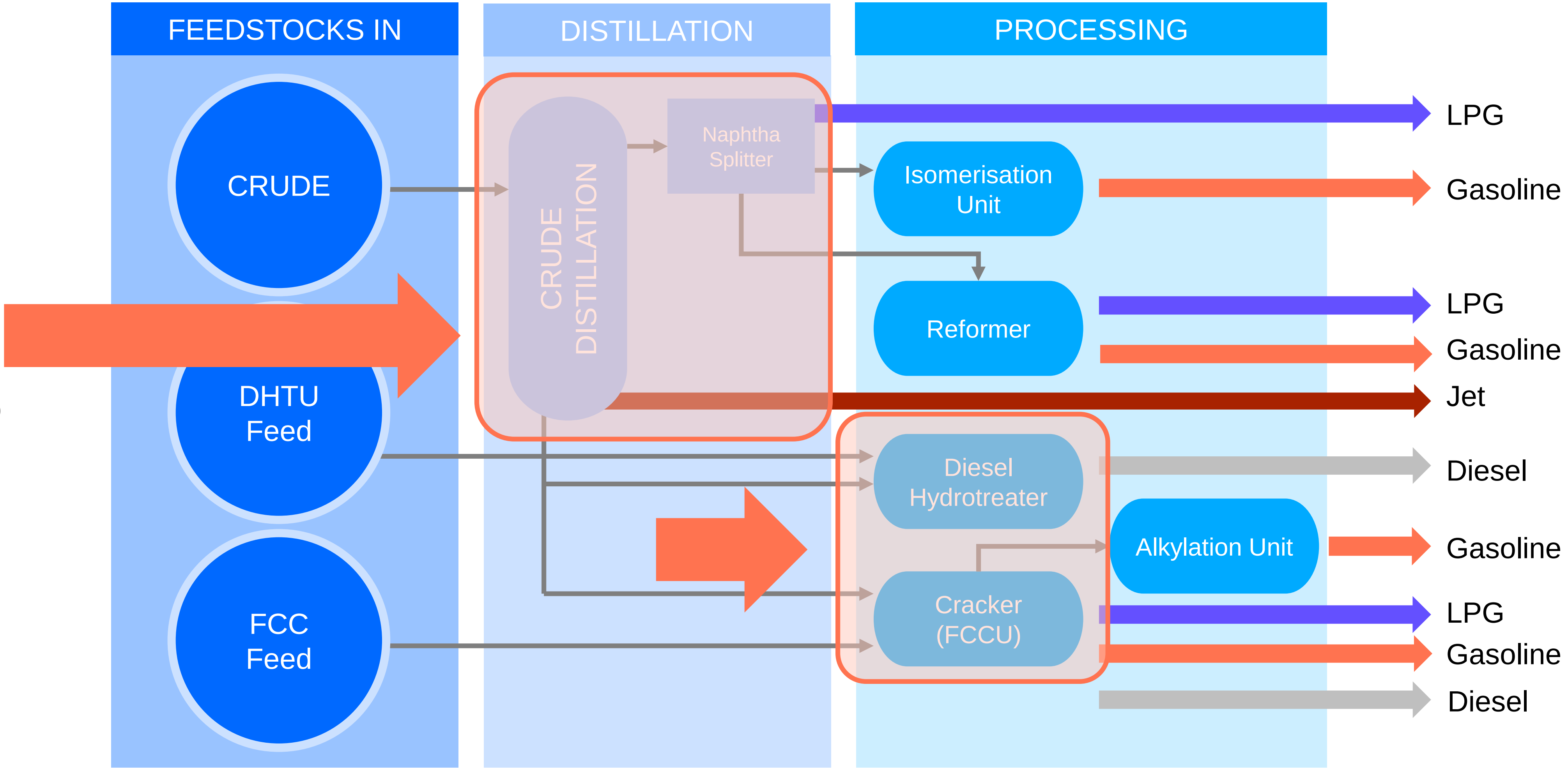
How the Lytton turnaround has been achieved (2)

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



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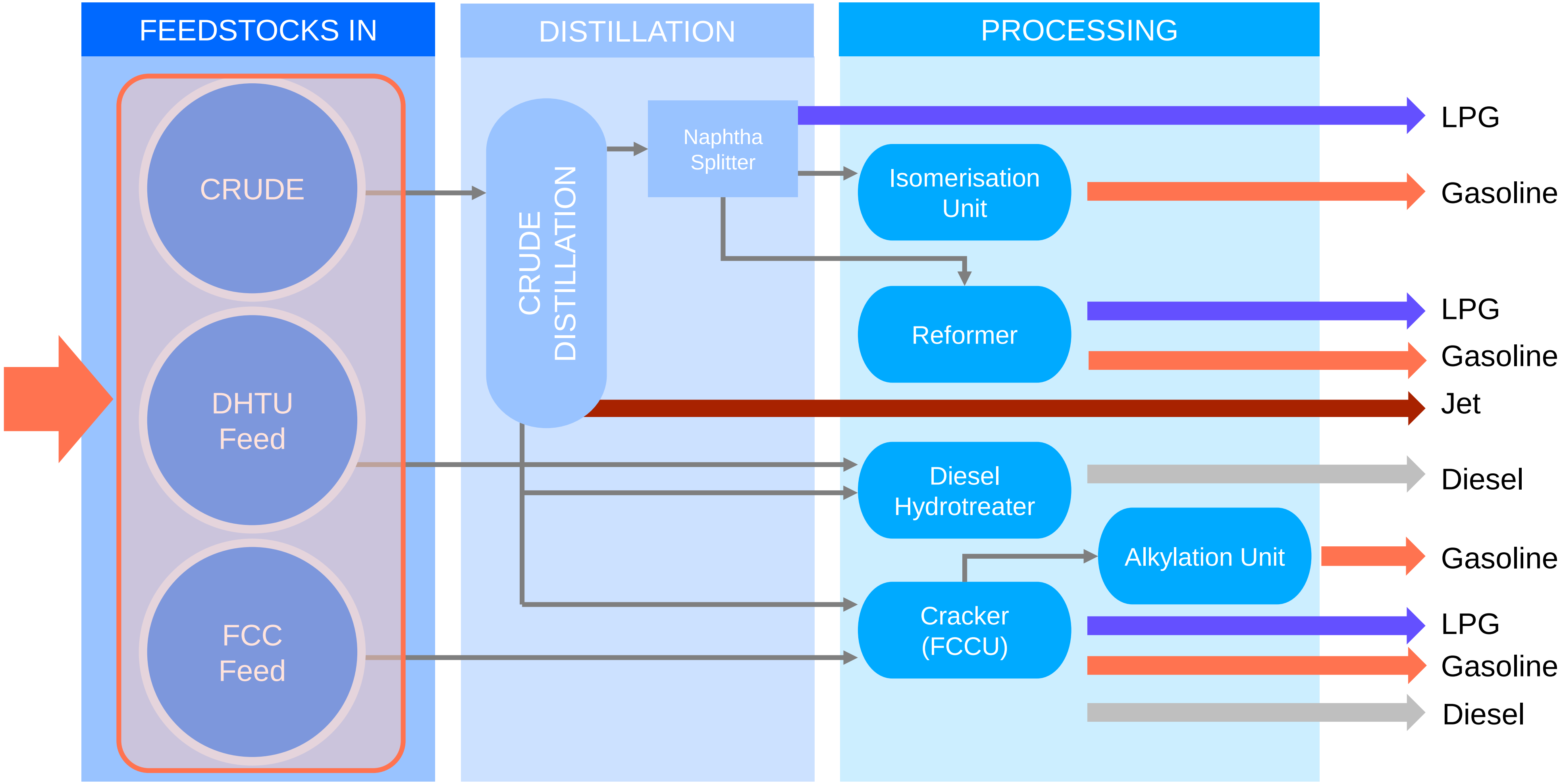
How the Lytton turnaround has been achieved (3)

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



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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

Focus Scenarios

POSSIBLE IMPACTS FOR LYTTON

+ Increase in Diesel premiums	− Higher premiums for light sweet crude oil
CATALYSTS	**MITIGANTS**
Diesel yield maximization steps	Broaden crude sourcing options

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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

What does it do?

- Sources crude and finished product to meet Caltex requirements
- Charters vessels for physical delivery
- Manages supply to Gull and Seaoil
- Optimises international sourcing by selling to others to maximise value for Caltex and to understand all of the market
- Manages Caltex commodity price risks

How Does it Create Value?

ACCESS LOWER COST OF SUPPLY

Uses relationships and market insights to increase margins for Caltex on sourcing and freight

REDUCES VOLATILITY

Risk management tools and market insights smooth pricing changes

THIRD PARTY SALES

Margin on sales to third parties, delivers synergies on international acquisitions

COMPETITIVE INSIGHTS

Direct access to experts in Asia's premier oil trading hub. Insights from purchases of crude and products

CALTEX

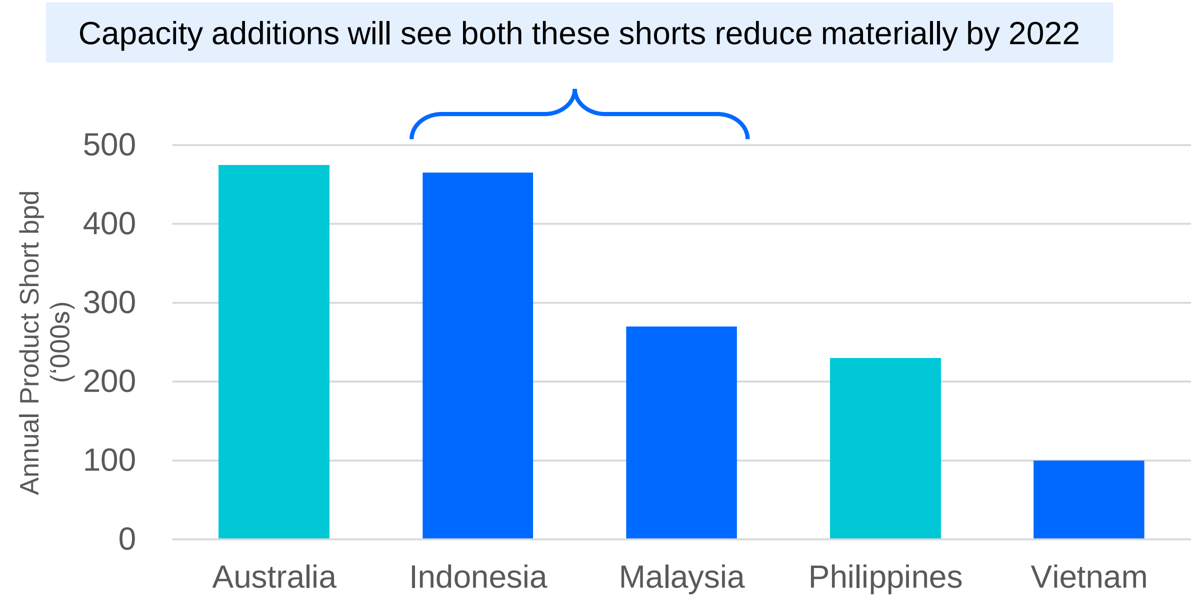
For many Asian refiners Australia is an attractive outlet

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



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

Scale Position

Ability to diversify supply sources, claim discounts, vary freight terms and retain talent

Supply Chain Capability

Australian logistics are challenging due to dispersed demand

Reliable Demand Profile

Supports term supply deals and underpins investments

Infrastructure Access

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* → Blending
- *SHIPPING OPTIMISATION* → Freight cost reduction
- *RISK MANAGEMENT* → Reduced volatility

NOW
Established Capability

- *GLOBAL SOURCING*, *MARKET INSIGHTS* → Improved pricing
- Use of break bulk Time chartering
- Flexibility in purchase timing
- Reducing volatility
- *3rd PARTY SALES* → Revenues

FUTURE
Growth Engine

- ✓ Grow international sales
- ✓ Support international assets
- ✓ Broaden sourcing options
- ✓ Optimise supply chain

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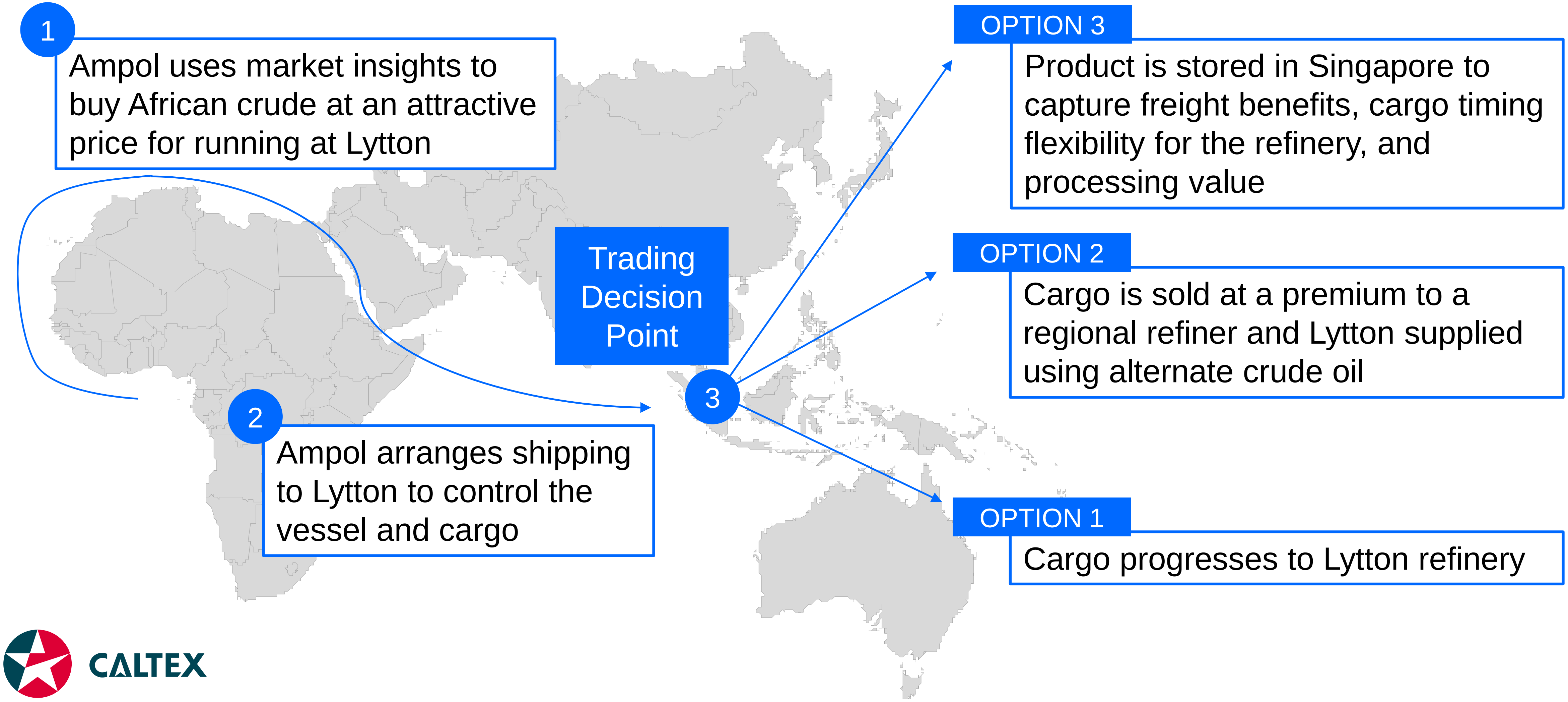
EXAMPLE: Dynamically managing crude purchases for Lytton

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



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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?

ATTRACTIVE 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*

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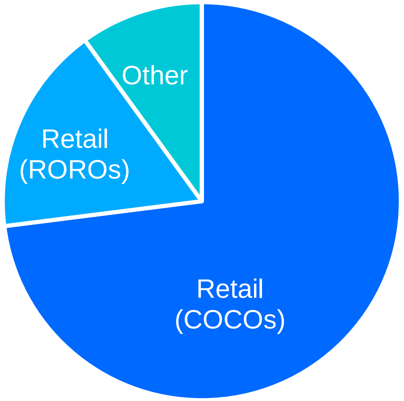
Gull New Zealand was Caltex's first international acquisition

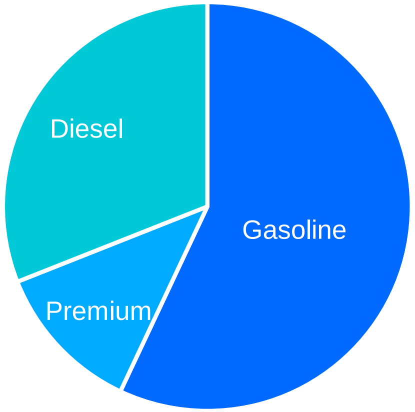
Transaction completed in July 2017

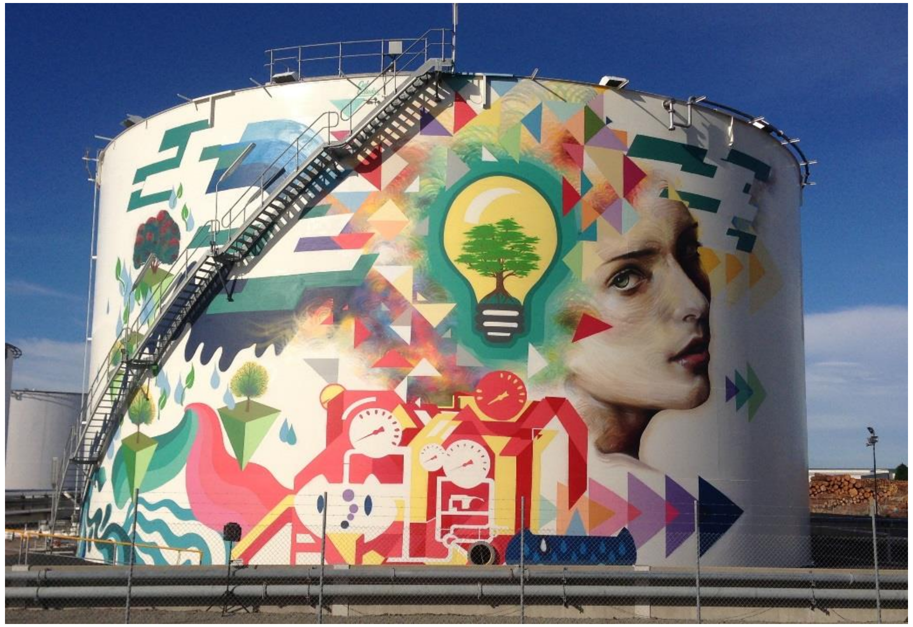
- 87 Gull branded retail sites across North Island
- Owner of New Zealand's only scale import terminal located at Mount Manganui (91ML capacity)
- Prominent discounter brand with strong customer engagement
- Expanding rapidly using innovative unmanned model

Volumes by Channel



Volumes by Product





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What makes Gull successful

Despite being smaller, Gull retains a number of key advantages

70% of market's supply is via the single NZ refinery. Small scale imports are competitive with this benchmark

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.

Sourcing

Refining

Distribution

Wholesale

Retail

Owns largest import terminal in New Zealand. Able to leverage Caltex supply chain to secure competitively priced fuel

Closest import location to Auckland urban area. Efficient access to two thirds of NZ's population.

Unmanned model reduces overheads, site capex and broadens real estate development options.

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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

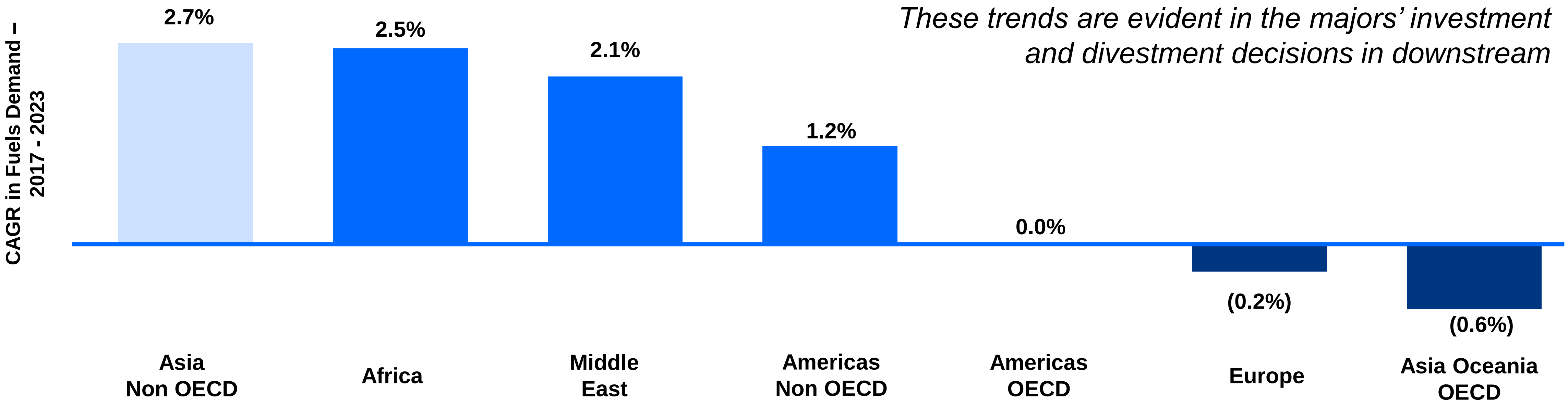
	On Acquisition		*FY18 Forecast*	
Fuel Volumes	**300ML**	→	**360ML**	*+20%*
EBITDA (standalone)	**NZ$41.5m**	→	**NZ$55m**	*+33%*

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



	Asia Non OECD	Africa	Middle East	Americas Non OECD	Americas OECD	Europe	Asia Oceania OECD
Market Size (mbpd)	25.8	4.3	8.3	6.6	24.9	14.3	8.2

SOURCE: IEA

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The Philippines is an attractive market in multiple ways

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

SEAOIL

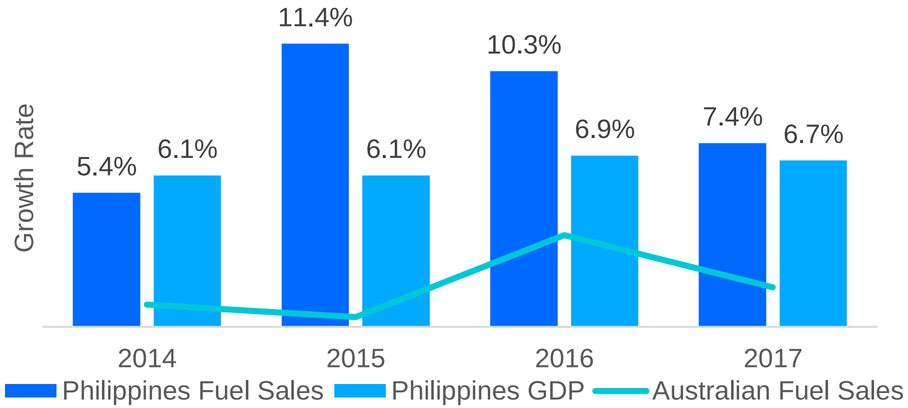
Deregulated Market

- ✓ Freely competitive market
- ✓ Open to foreign investment
- ✓ No government owned player
- ✓ Vibrant independent sector

SEAOIL TOTAL PETRON ptt CALTEX

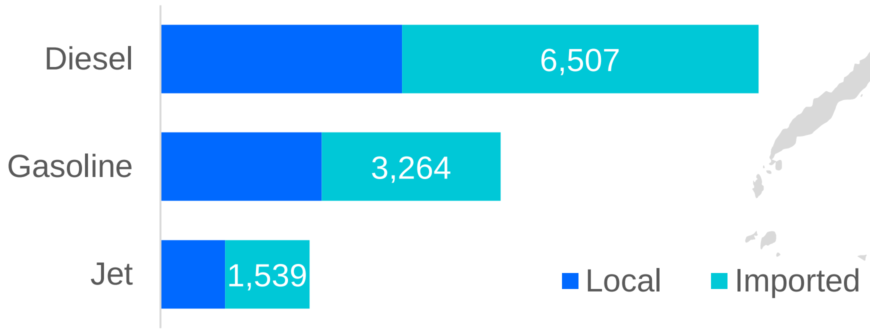
Fast Growing Market

Industry and National Growth Rates



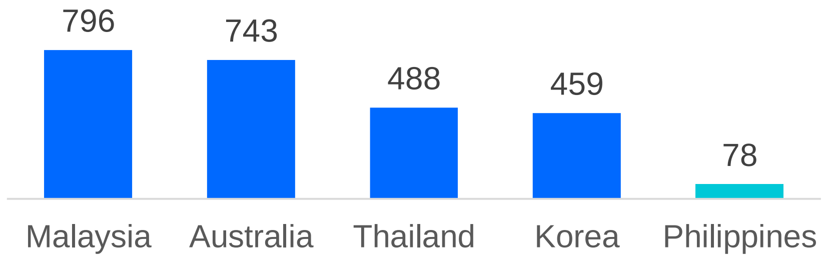
Short Market Offers Trading Opportunity

Trade Balance for Major Fuel Products (ML)



Scope for Further Growth

Registered vehicles per 1000 people



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SOURCE: Philippine Statistic Authority, Philippines Department of Energy Statistics. GDP figures in Philippines Peso at constant 2000 prices, Asian Development Bank

Seaoil provided an alternative model for growth

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

SEAOIL

316 branded retail sites

10 strategically located terminals

Volumes **1.4** BnL pa

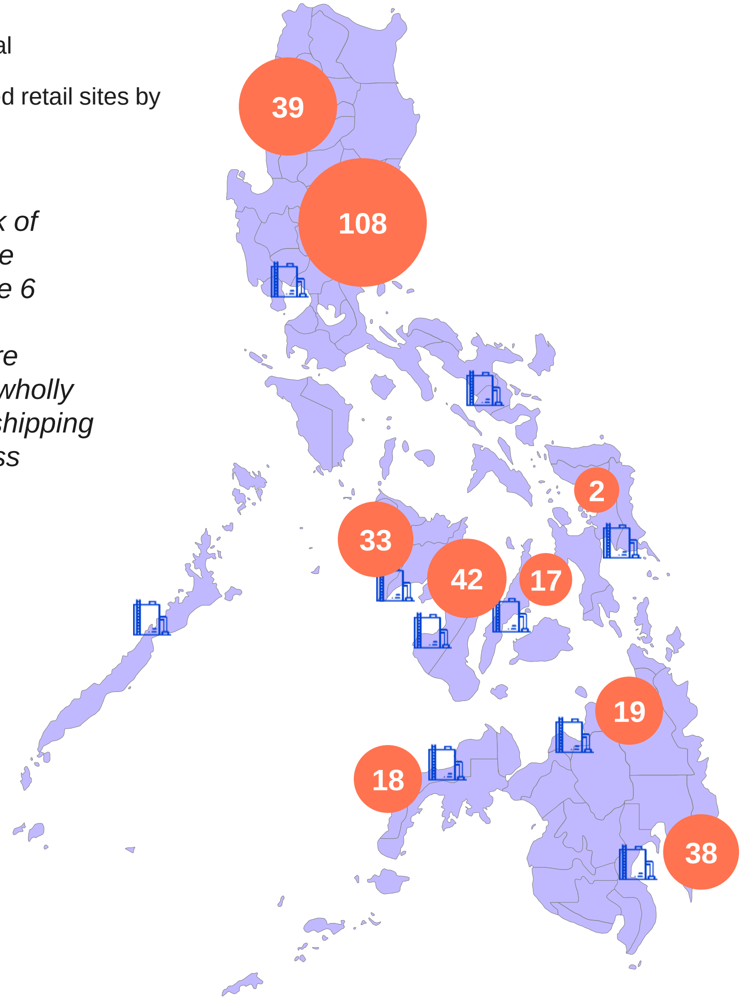
- Strategic partnership commenced in March 2018 following acquisition of a 20% interest
- Other shares held by family founders
- Seaoil is a leading independent with ~6% market share
- The company is aiming to double its retail network and terminal storage capacity in the next ~5 years
- Ampol sources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

SEAOIL retail and terminal network footprint

Seaoil terminal

Seaoil branded retail sites by region

Seaoil's network of owned and lease terminals include 6 import capable terminals and are supported by a wholly owned coastal shipping logistics business



SOURCE: Seaoil, figures for calendar year end 2017

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Our approach to further international investments

Further investments will remain highly targeted

EVALUATION CRITERIA

1. Market or asset is capable of growing faster than Australian fuels market
2. Unregulated market structure which does not hinder businesses reaching full potential
3. Country risk is acceptable and understood
4. Meets financial return thresholds (ROCE targets, value accretive)
5. Synergies available through supply from Ampol or other Caltex operations
6. Caltex’s capabilities are at least equal to or better than the market leader

Generating additional growth engines through adjacencies

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

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Fuels & Infrastructure wrap

Louise Warner

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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

F&I’s 2019 Deliverables

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

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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

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Thorough asset optimisation review focused on maximising shareholder value

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

Criteria

01 **Operating impact**
- Current operations, flexibility and future growth

02 **Financial impact**
- P&L, balance sheet (AASB16), credit rating and funding impacts

03 **Value impact**
- Upfront and future value

Process

01 Considered various transaction/ownership alternatives
- Asset perimeter, monetisation options and ownership structures

02 Assessed the operating and financial impacts internally and via external advisors

03 Soft sounded sophisticated investors to determine value impact

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)

Structures evaluated

- 2 primary sale and leaseback cases considered
  1. Full take-or-pay tariff
  2. Capacity charge with exclusive use arrangement
- Various asset perimeters tested, both including and excluding Lytton storage and JV assets
- Minority sale was also considered as well as variations on the above

Key assumptions

- 20 year lease term
- Weighted average tariff range of 1-3cpl across portfolio escalated at CPI
  - 1cpl = c.$100m p.a. tariff charge
  - 3cpl = c.$300m p.a. tariff charge

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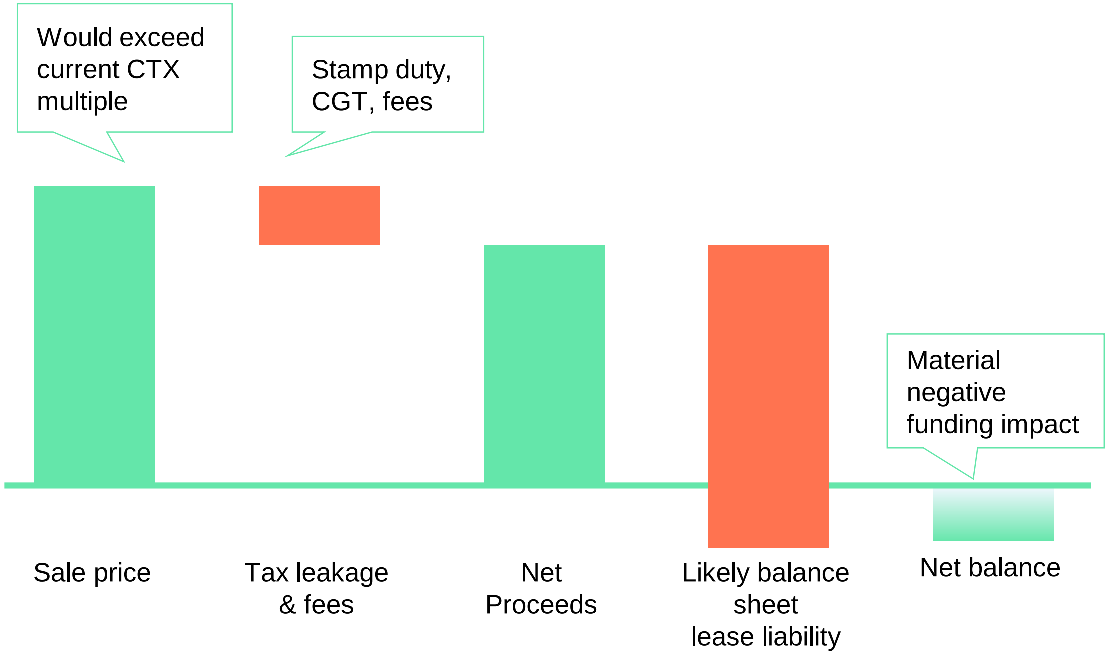
Infrastructure assessment (cont.)

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

Take-or-pay



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

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Real estate assessment

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

	Convenience Retail owned portfolio	**Defined broadly Representative Portfolio**
# owned sites	423	~80
Market rent ($m)	110 – 120	~26
Value ($b)	~2.0	~0.5
WALE (years)	n/a	~14

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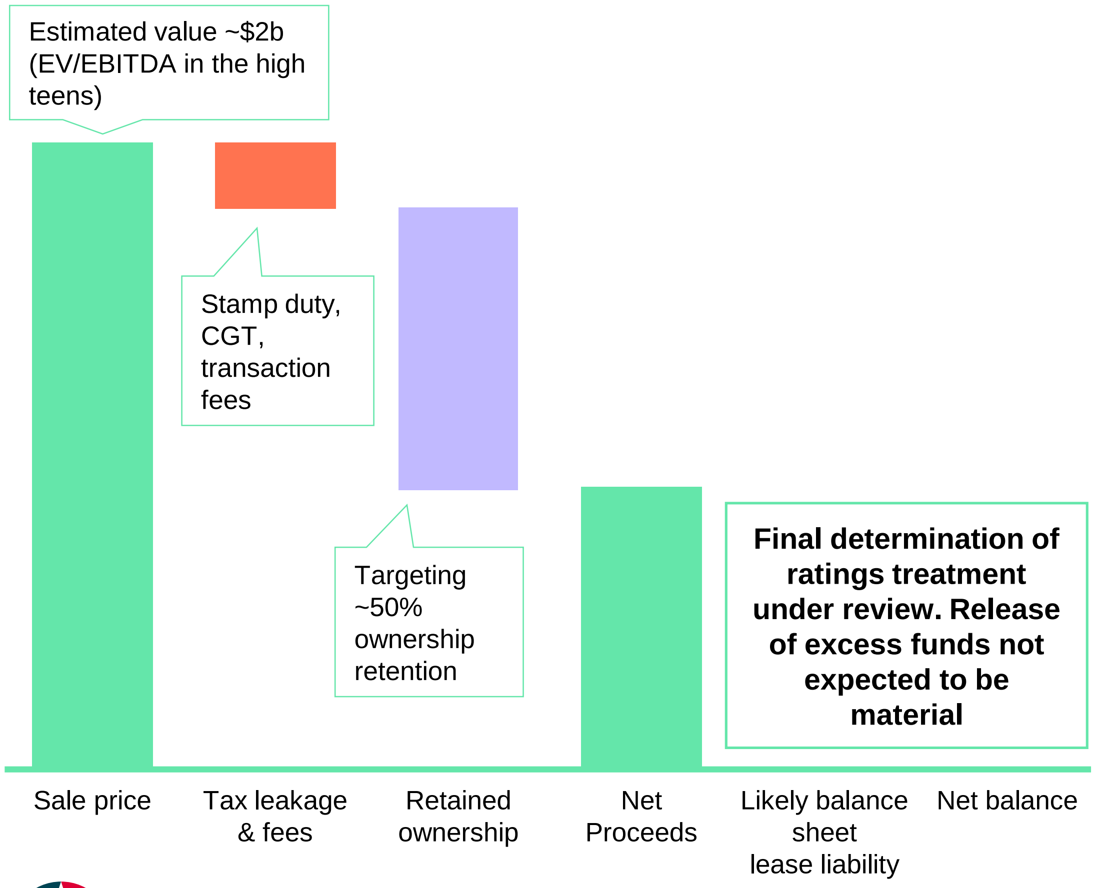
Real estate assessment (cont.)

Tested the market via real estate investors, REIT managers, SWFs – formal sale process now well-progressed

Illustrative financial & value impact based on 100% sale



Key takeaways

01 Caltex real estate portfolio appears undervalued – estimated market value of ~$2b

02 Strong investor demand for the real estate assets

03 Opportunity to create value with partner, via continued joint ownership

04 Retains operational flexibility

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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