BY ELECTRONIC LODGMENT **ASX ANNOUNCEMENT**

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24 October 2003

Company Announcements Office
Australian Stock Exchange Limited

CALTEX AUSTRALIA LIMITED
REFINERY TOUR – PRESENTATION MATERIAL

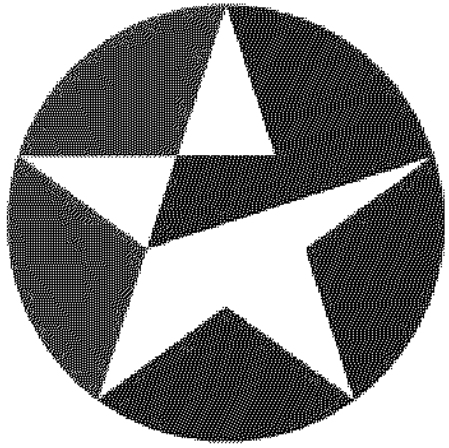
Caltex Australia Limited will be making the following presentations to analysts and investors during a tour of the Caltex Refinery at Kurnell to be held later today (24 October 2003):

- Clean Fuels Project
- Caltex Refining Performance
- Partnering with Employees
- Supply and Demand Overview

The slides for the presentations are attached for release to the market.

Helen Conway
Company Secretary

Attach.



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Clean Fuels Project

October 24, 2003

Basis of project

Purpose

- To enable Kurnell and Lytton refineries to meet clean fuels specifications from 1/1/06 and beyond.

Legislative basis

- The Federal Government mandated these changes in the following legislative instruments.
  - Fuel Quality Standards Act 2000
  - Fuel Quality Standards Regulations 2001
  - Fuel Standards (Petrol) Determination 2001
  - Fuel Standards (Automotive Diesel) Determination 2001

- All refineries in Australia and importers are required to meet these requirements

Clean fuels – fuel specifications

- National fuel standards have been regulated and are effective from 1 January 2002, with some specifications changing through to 1/1/06
- Key specifications driving major investment are:
  - 1% benzene in gasoline
  - 50 ppm (parts per million) sulfur in diesel.
- Other specifications which will impact operating costs are:
  - 18% olefins in gasoline
  - 150 ppm sulfur in gasoline.
- 10ppm sulfur diesel and 50 ppm sulfur PULP standards expected 2008-2010.
- Govt has announced incentives for the early introduction of 50ppm sulfur PULP in the years 2006 and 2007, and for 10ppm sulfur diesel in the years 2007 and 2008.

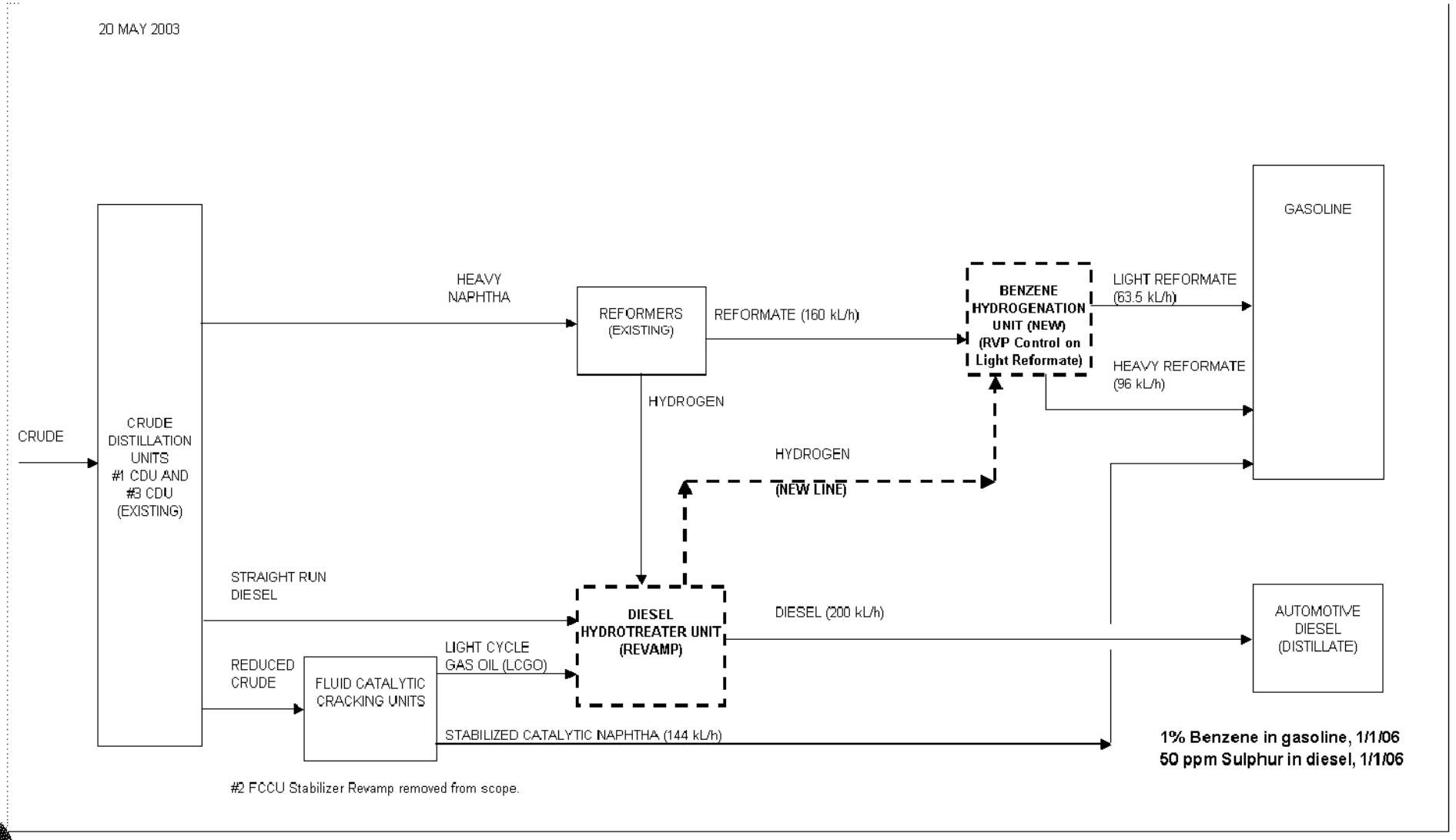
Refinery changes to meet clean fuel regulations through to 1 Jan 2006

- Approximately $250 million required to facilitate production of :
  - 50 ppm sulfur in diesel
    - new hydrotreaters at both refineries
  - 1% gasoline benzene
    - Install new reformate splitters and benzene saturation plants at both refineries
  - 18% olefins in gasoline
    - At Kurnell and Lytton, reformulate the fluid catalytic cracking unit (FCCU) catalysts and change blending practice
  - 150 ppm sulfur in gasoline
    - At Kurnell, change the FCCU fractionator operation

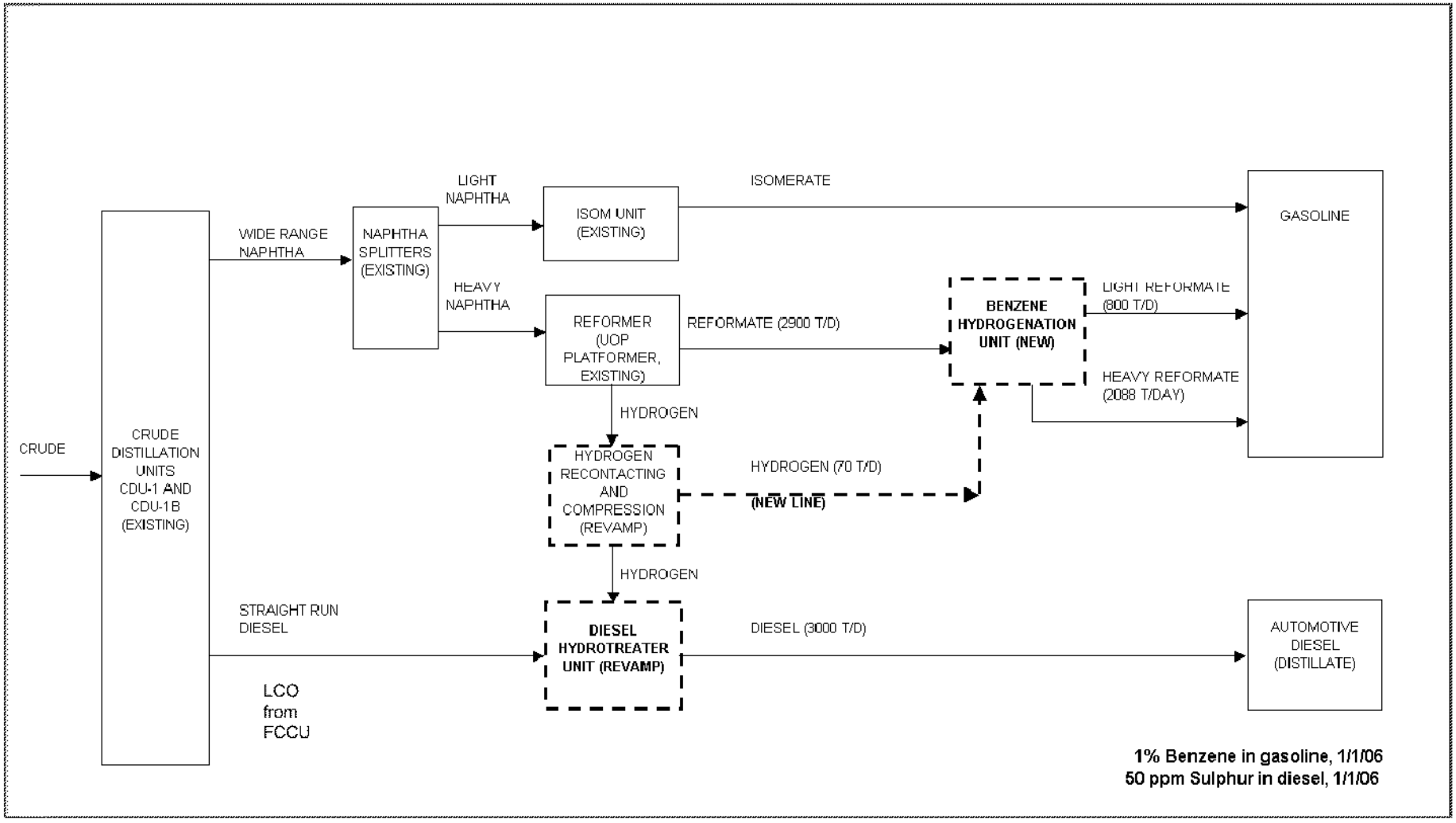
Early production of 10ppm sulfur under consideration

- Regulation of 10ppm diesel sulfur virtually certain in 2008-2010 timeframe
- Government commitment to production subsidy from 2007
- Vehicles designed for 10 ppm sulfur will be available from 2007
- Commercial customers increasingly seeking products with environmental benefits from cleaner fuels
- Infrastructure not in place to allow marketing of both 10 and 50 ppm
- Economics are attractive with modest additional investment in 2005 ahead of mandated investment 2-3 years later

Kurnell block flow diagram



Lytton Block Flow Diagram



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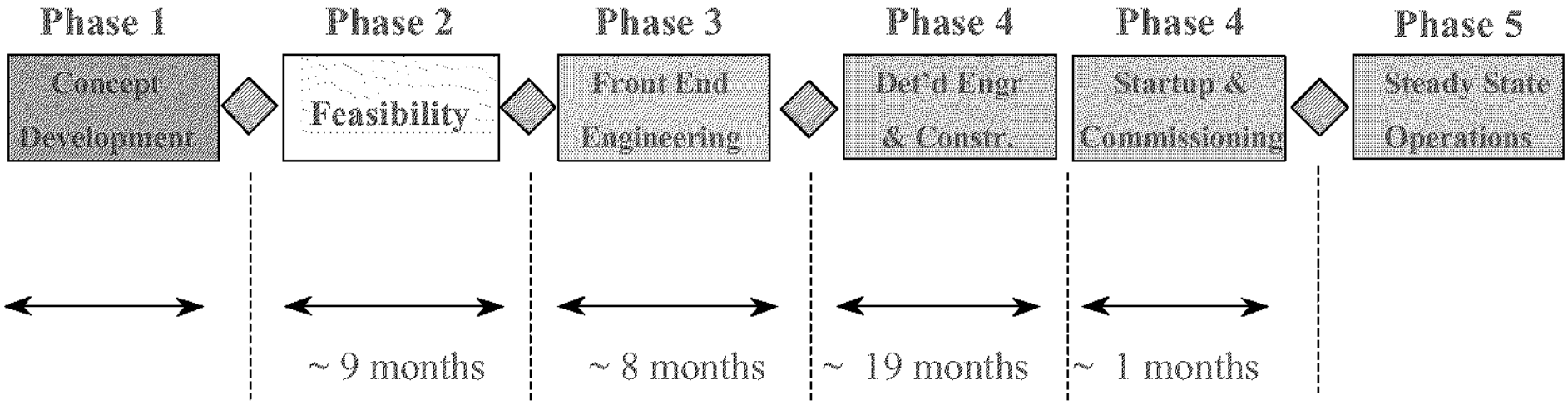
Project risks are low

- Proven technology that has been implemented in many plants around the world
- Significant leveraging off ChevronTexaco :
  - Experienced ChevronTexaco project manager
  - ChevronTexaco experts are on the team
  - Utilisation of ChevronTexaco project planning and implementation tools
- Experienced contractor have been appointed :
  - EPCM- Parsons Energy and Chemicals (USA) with sub contractor Shedden Uhde (Australia)
- Regular benchmarking by an independent project analysis company

Overall schedule



Date	10 Sept 2002	17 June 2003	End Feb 2004	30 Sept 2005	31 Oct 2005
Cumulative Cost	A$ 1 M	A$ 10 M	A$ 41 M		A$ 250 M +-25%

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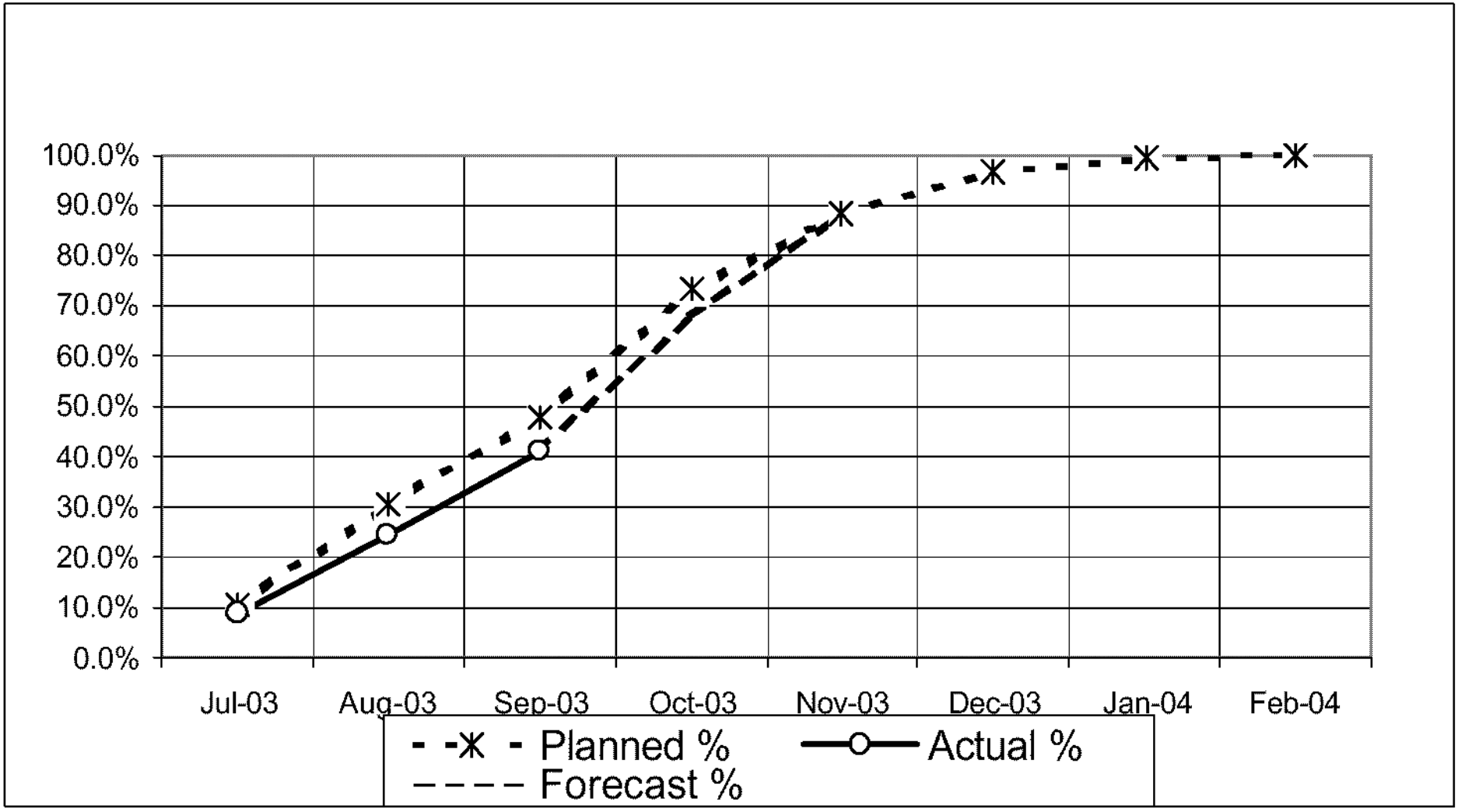
Engineering phase is on schedule



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Fuel standards outlook

- Motor Vehicle Environment Committee considering future vehicle emission standards and fuel quality standards
- Discussion paper circulated, submissions made, stakeholder forum held
  - Caltex strong support for cleaner fuels, production subsidies ahead of mandated standards
  - Caltex advocates 10 ppm sulfur diesel 2009, 50 ppm sulfur PULP 2009 - or later if vehicle emission standards deferred
  - cleaner fuels supported by car and truck manufacturers/importers
- Next step by MVEC is regulatory impact statement and public comment period
  - targeting March 2004 for fuel standards, May 2004 for emission standards
  - no wish to defer decisions because of uncertainties on future
- Preferred fuel quality option in RIS likely to be
  - 10 ppm sulfur diesel 2009
  - 10 ppm sulfur PULP 2008 or 2009
  - aromatics standard to remain at 42%
- 10 ppm sulfur PULP problematic
  - price risk if mandated v. need for engine technology to achieve agreed greenhouse target

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Caltex Refining Performance

Presentation

24 October, 2003

What will be covered

- Improvement strategy
- Current performance and goals
- Key actions to close the gap

Improvement strategy

Three key planks:-

- Right organisation
  - Clear roles, accountabilities, authorities
  - Particularly for performance of critical processes
  - Based on requisite organisation model
- Process thinking
  - Everything we do is a process
  - Improve the business by improving processes
  - Bring systems and processes under control then improve them.
- Best in class
  - Where it is critical, set ambitous goals
  - Strong accountability model

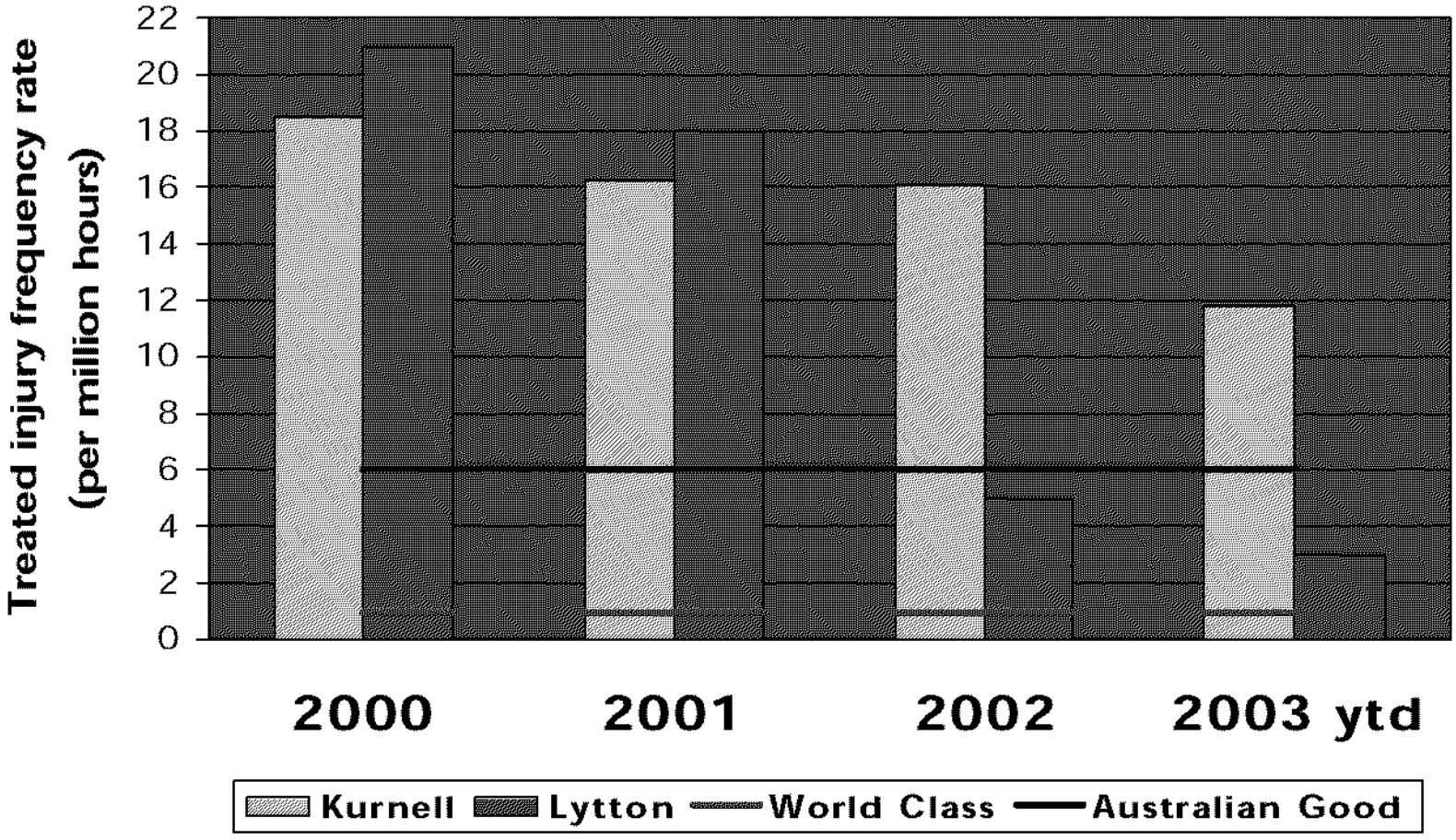
How this translates to refining

Key Priorities:

Embedding a “zero incident”culture

- Running our assets reliably
  - ensuring they are available when demanded by the market
- Maximising value by increasing the quantities processed
  - utilising the asset base
- Eliminating wasted effort and resources
  - key to reducing costs

Safety performance



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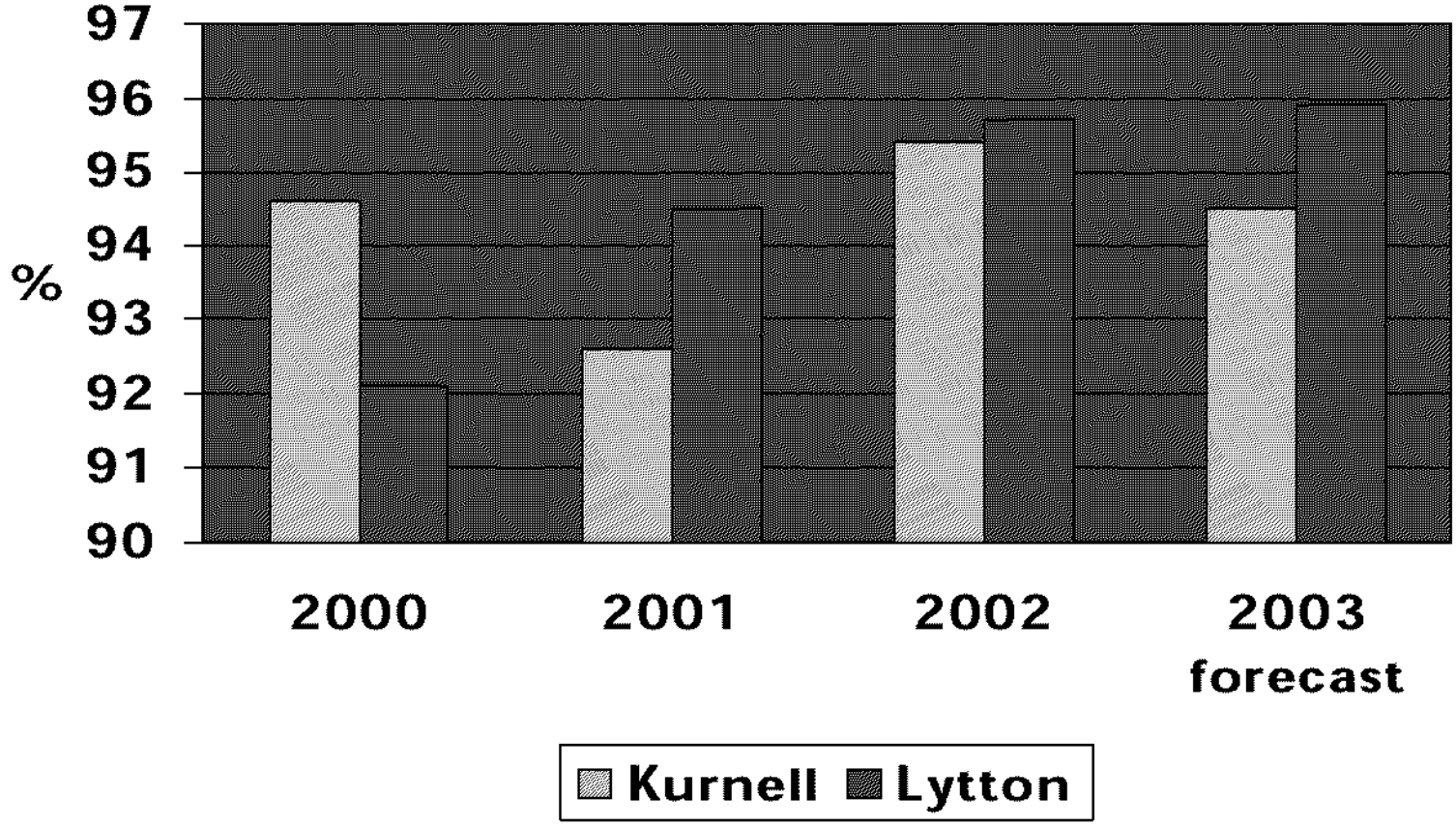
Operational availability

Availability is a measure of reliability ie are the units available when required by the market



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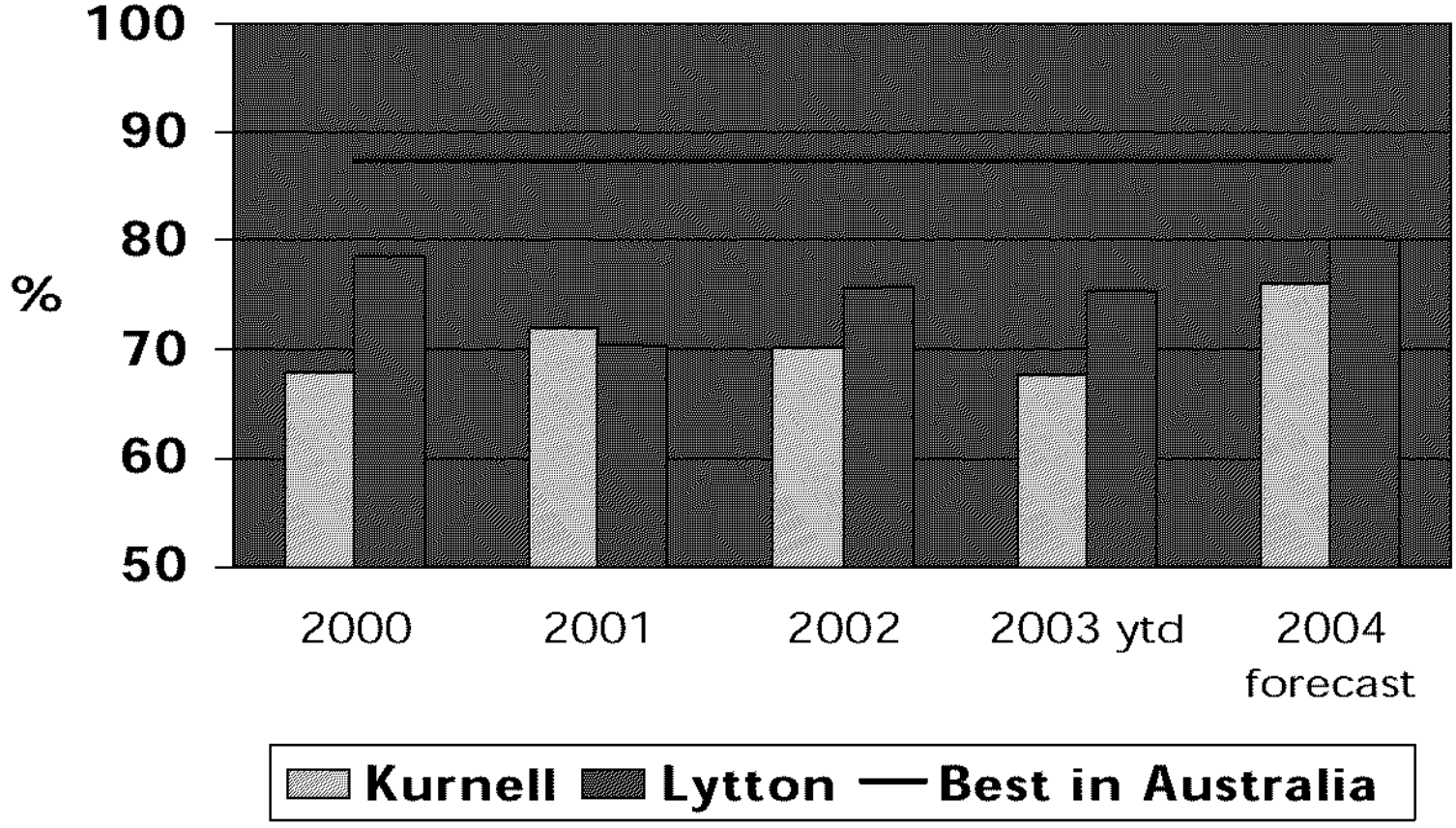
Utilisation

Utilisation is a measure of the match between plant capability and market demand



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Operating costs

	2000 (Base year)	2001	2002	2003	Ranking (Quartile)	Prize ($m)
Maintenance costs	100	105	108	118	4	$10-15m
Labour costs	100	116	120	127	3	$15-20m

Key actions of past few years

- Focus has been to invest to eliminate incidents
- Reflected in operational availability trends and based on improvements to infrastructure
  - Reliability of electricity supply to Lytton
  - Extensive refurbishment of lines at Kurnell
  - Up-grade of boilers at Lytton
  - Renewal of electricity distribution systems at Kurnell
- "softer" improvements
  - Right people in right roles
  - Application and accountability model
  - Operating philosophy tenets of operational excellence
  - Improved system

Next steps

- Time is right to move to next phase
- Improved maintenance practices
  - Rigorous application of world class turnaround management process
  - Disciplined planning and scheduling of maintenance work
  - Clearer accountabilities for maintenance tactics and performance monitoring
  - Rigorous analysis of productivity losses

Next steps

- Re-aligning the organisation to maximise value across both refineries
  - Elimination of duplication
  - Standardisation of practices
- Maximising value from crude oil processed
  - Increasing throughputs to match the proposed Caltex-Woolworths' JV needs
  - Review of gross margin and energy conservation opportunities
  - Involvement in best practice networks with ChevronTexaco

In conclusion

- Much has been done to stabilise the operation of the refineries
- The next phase of the improvement plan is to achieve a step-wise reduction in our costs
- This process is just beginning and the expectation is to observe improvement by the end of 2004

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Partnering with Employees

Presentation

October 24, 2003

What will be covered

- Where we have come from
- The present; work performed to date
- The future; Framework for going forward
- Outlook

Where we have come from

- Unsettled industrial relations environment
  - Number of stoppages relatively minor
  - But underlying unease about state of relationships
- Symptomatic of low levels of trust with consequential negative flow-ons to business performance
  - Considerable diversion of management effort
  - Withdrawal of discretionary effort

The present

- Proclamation of strategic intent to partner with employees;
  - partnering with employees and other stakeholders by engaging the hearts and minds of our employees through empowerment, respect and dignity, and by building mutually beneficial relationships.
- Actions and behaviours aligned with this intent

Actions and Symbols

- Significant; October 2002 successful negotiation of enterprise agreement with operators at Kurnell
- Bonus in form of 200 Caltex shares offered to employees for contribution to 2002 performance
  - Worth about $430 at time of offer, now worth $800
  - 95% of employees now shareholders
  - 70% are members of the 2003/2004 employee share scheme
- Behavioural standards and disciplinary/counselling processes introduced to clarify expectations at all levels
- Employees now have an opportunity to comment on any procedure before it is implemented

Actions and symbols

- Behavioural safety programme being implemented with extensive involvement of employees with resultant high level of commitment
- Processes perceived to be punitive re-designed to be supportive eg recertification of operator skills
- Expectations of how leaders should behave in various situations made explicit

Results to date

- EBAs negotiated without significant industrial action:
  - Kurnell

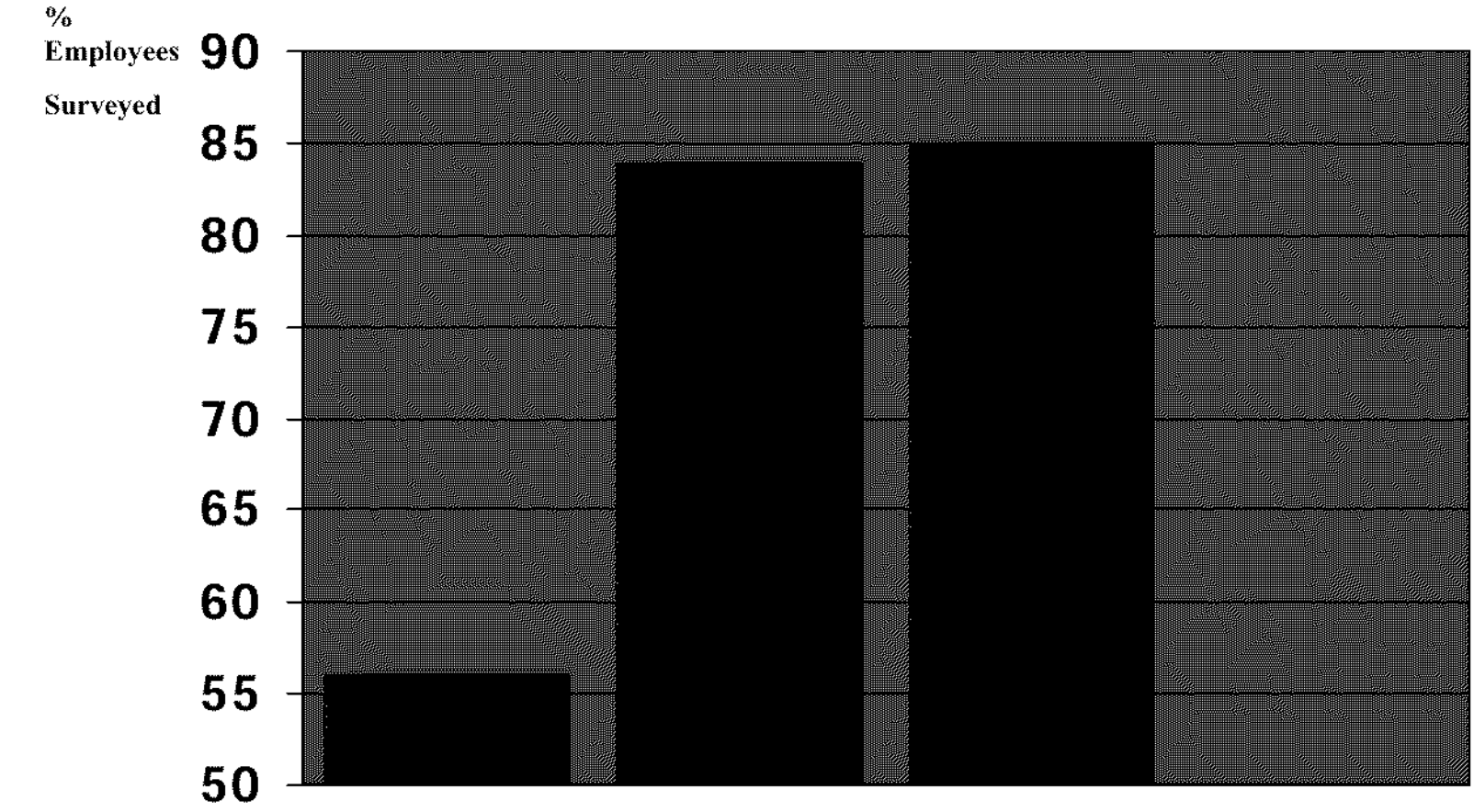
- Operators	2 years
- Mechanical trades	3 years
- E/I trades	3 years
- Contractors	3 years

  - Lytton

- Mechanical trades	3 years
- E/I trades	3 years
- Contractors	3 years

Results to date

Caltex employee satisfaction index from Climate Survey:



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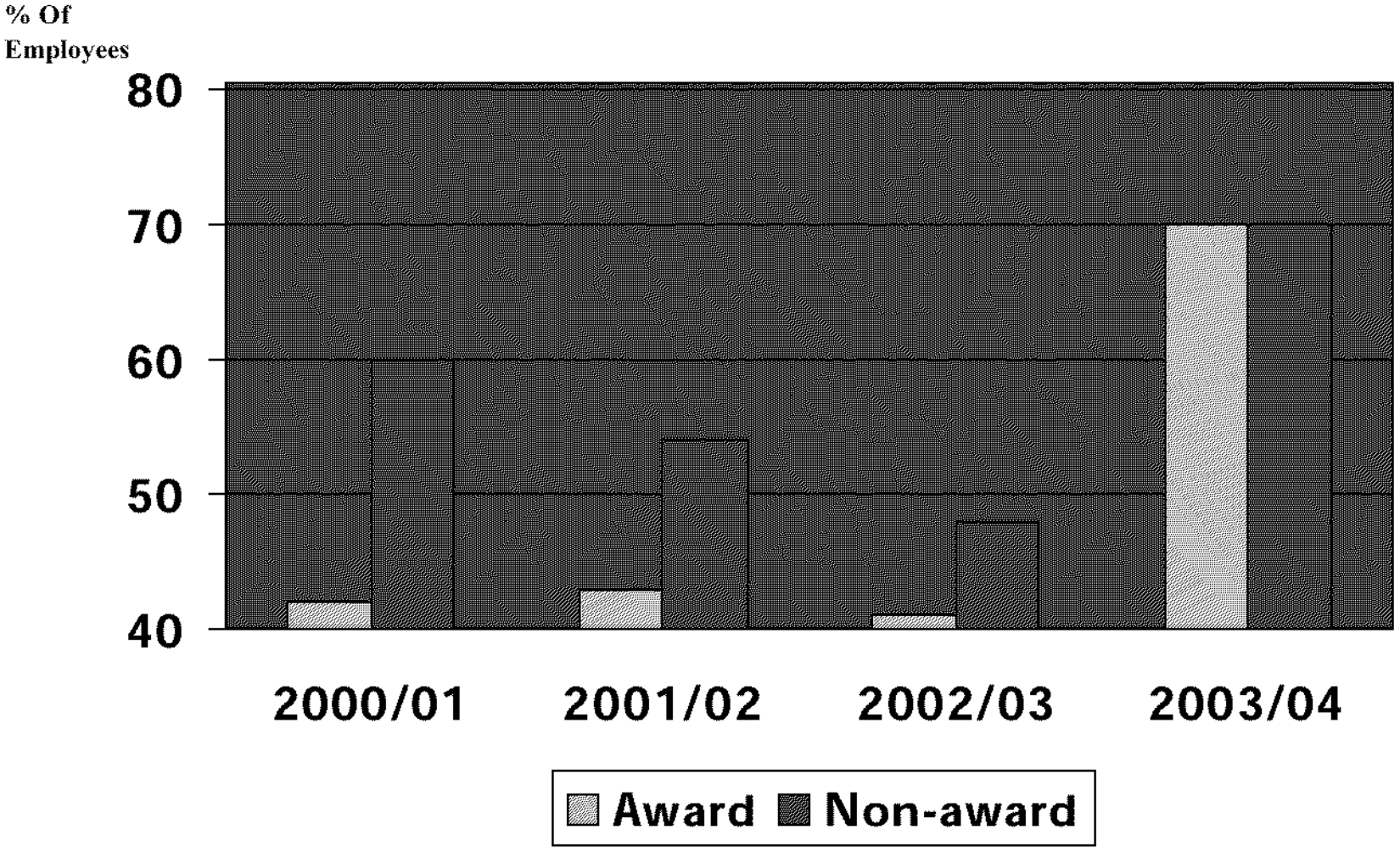
Participation in employee share scheme



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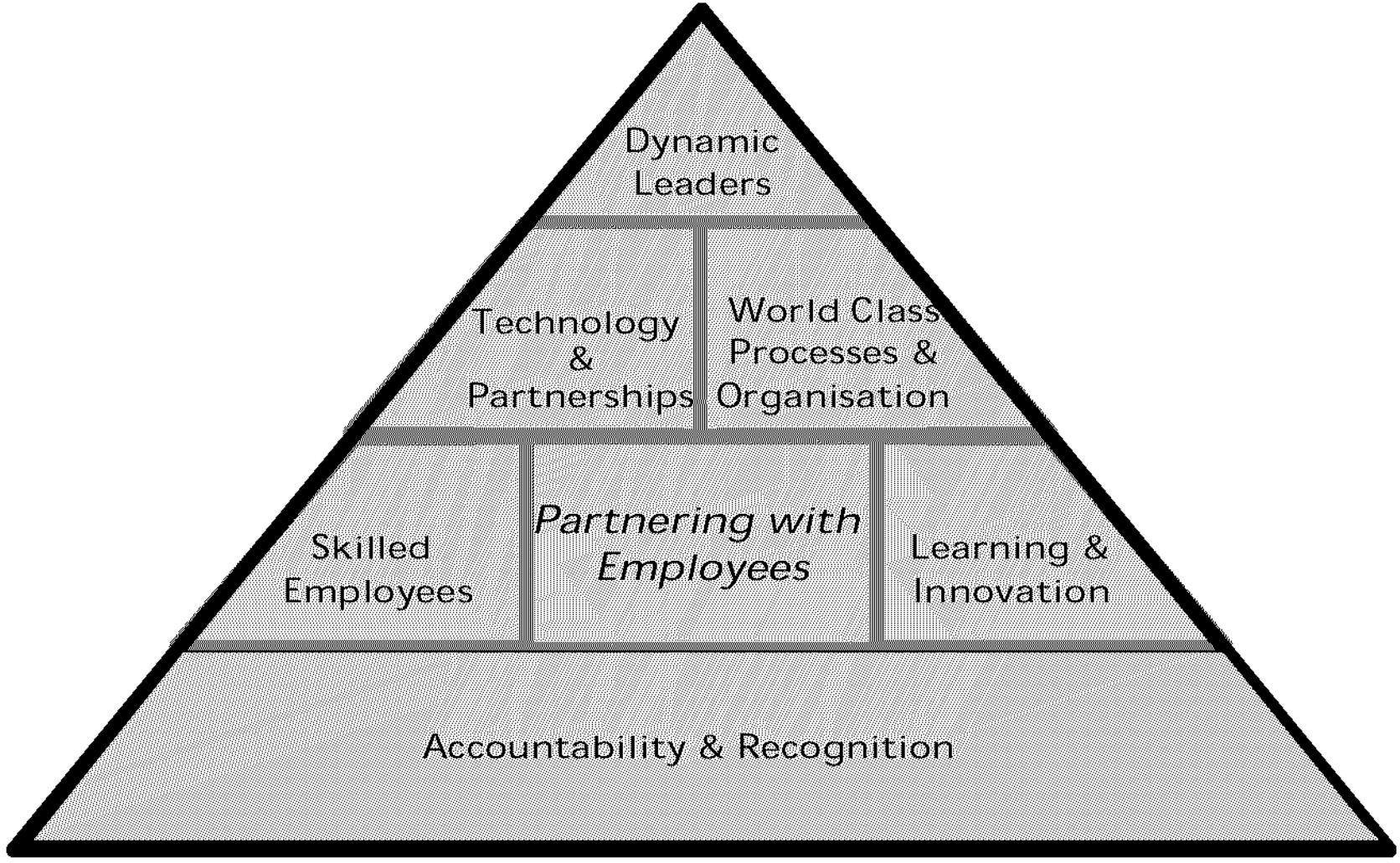
The future; framework for going forward

- Strategy based upon ChevronTexaco "six pack" model
- Critical success factor for implementation is alignment up and across the organisation:
  - Core team within refineries responsible for execution
  - Steering Committee includes MD/CEO, Group Manager HR oversees work
- Annual process of renewal and re-prioritisation to guarantee relevancy
- Gantt charts and accountable managers for priority projects

Six pack model



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Priorities for 2004

- Improving leadership and supervisory behaviours
  - Most especially, being able to give people feedback about their performance (5 positives to every negative) both speedily and appropriately
- Embedding our accountability model
  - Balanced scorecards that measure both business unit and individual performance
  - Regular review of performance
  - Strong linkage between performance and consequences
- Maximising leverage from our two refinery system
  - Standardising processes across
- Productivity enhancement

Outlook

- Much has been achieved
- But there is much more to be done
- We aim to achieve it by remaining true to the spirit of our partnering strategic intent

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Supply and Demand Overview

Presentation

October 24, 2003

Agenda

- Facts about Asia Pacific refining and supply
- Regional trends and outlook
- Domestic trends and outlook
- Product specifications
- Overall summary

Summary - APEC refining and supply facts

Asia/Pacific Refining (APEC)	21 MB/D	25% of world, National Oil Companies (NOCs) 42% Average capacity 130KB/D Process crude from outside the region
Australian Refining	0.8MB/D	1% of world Average capacity 110KB/D
Market Comparison		Asia is diesel and fuel oil while Australia is heavily oriented to petrol production
Australian Product Prices		Key drivers • Singapore margins • Australian quality • Australian supply/demand balance

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Regional refinery statistics

Economies	Refineries	Capacity (MB/cd)
US PADD 5, Canada (BC)	38	3.1
Chile, Peru, Mexico	14	1.9
SUB TOTAL AMERICAS	**52**	**5.0**
Singapore*	3	1.3
Malaysia	6	0.5
Japan	35	4.8
Korea*	6	2.6
China North	22	2.1
China South*	10	1.1
Taipei, Hong Kong*	4	0.9
Thailand*	4	0.6
Australia, New Zealand	11	0.9
Philippines	4	0.5
Indonesia, Brunei, PNG	9	1.0
SUB TOTAL ASIA	**114**	**16.3**
Total	**166**	**21.3**

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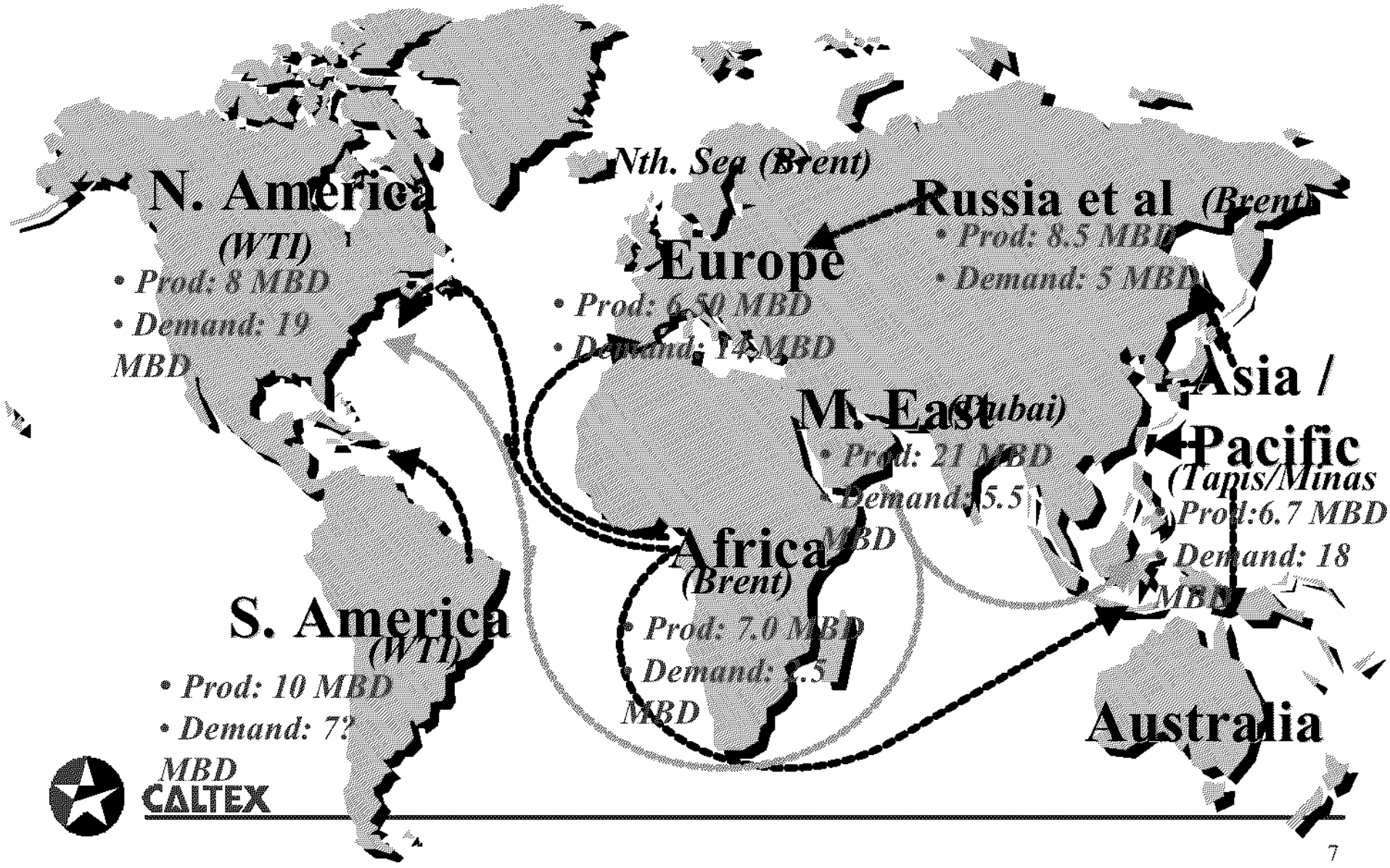
Source: Hart 2002

* Export refineries

APEC refineries primarily process crude from outside the region



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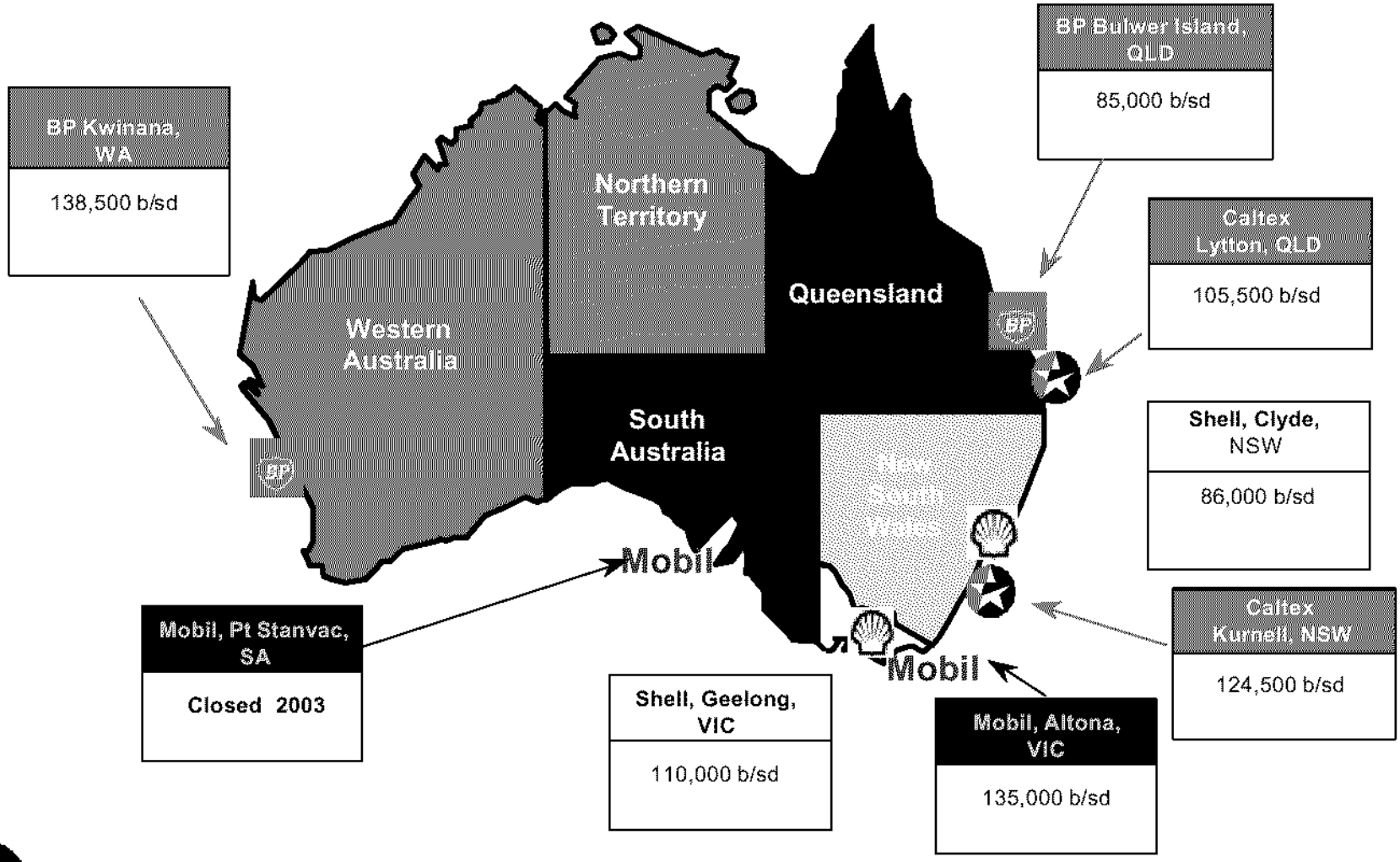
Australia has seven fuels refineries each with nameplate capacity of 100,000 B/D +/- 30%



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Asia is a diesel and fuel oil market
Australia is heavily oriented to gasoline

	Asia Pacific %	Australia %
Light Distillates (incl. Petrol)	24	41
Middle Distillates	39	41
Fuel Oil	20	2
Other	17	16

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Drivers of Australian product prices

- Australian pricing is formulated as follows:
  - Singapore marker with least basis risk
  - Adjust for quality to Australian grade
    - cost to ship & land at Australian port from Singapore
    - Opportunity cost of infrastructure/risk/credit etc
  - Discount or premium for supply/demand balance
- Australian refinery economics assessed on this basis

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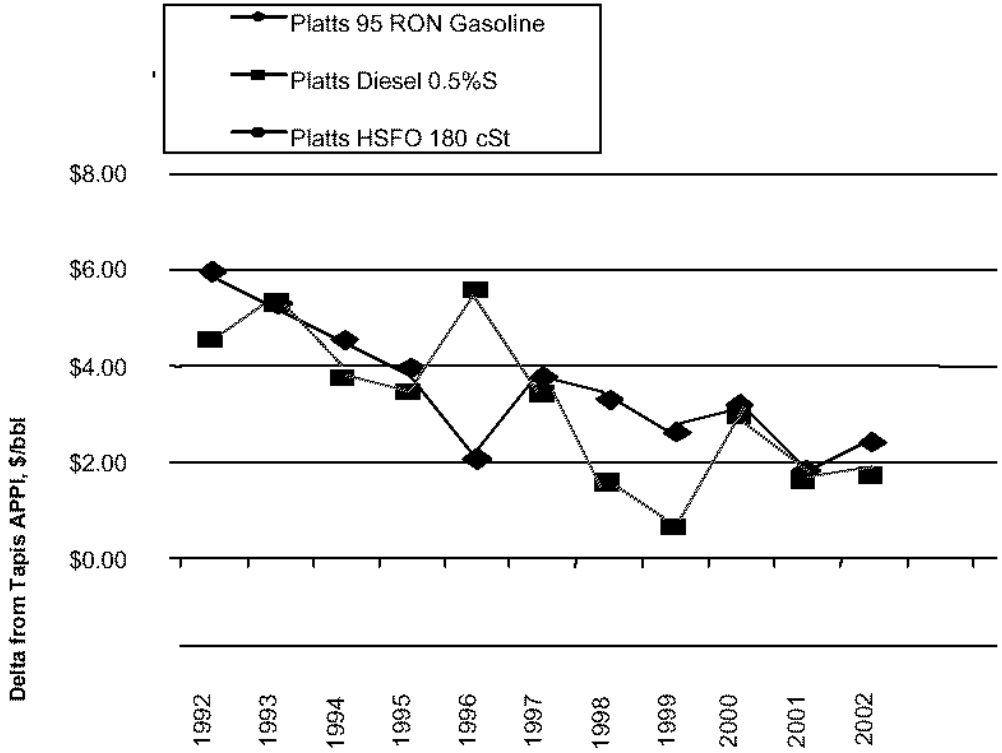
Agenda

- Facts about APEC refining
- **Regional Trends & Outlook**
  - **Singapore product prices**
  - **Regional supply/demand**
  - **Outlook**
- Domestic Trends and Outlook
- Product Specifications

Singapore product prices have trended down through the 90s but have stabilised since the low point of 1999



- Singapore product margins trended down in the 1990s due to region moving from deficit to surplus
- 1999 was low point for margins but margins have stabilised
- Over the long term diesel and gasoline margins are approximately equal. However, in short term there can be large variances

- Diesel net imports to region:
  1995 540,000 B/D
  2001 60,000 B/D

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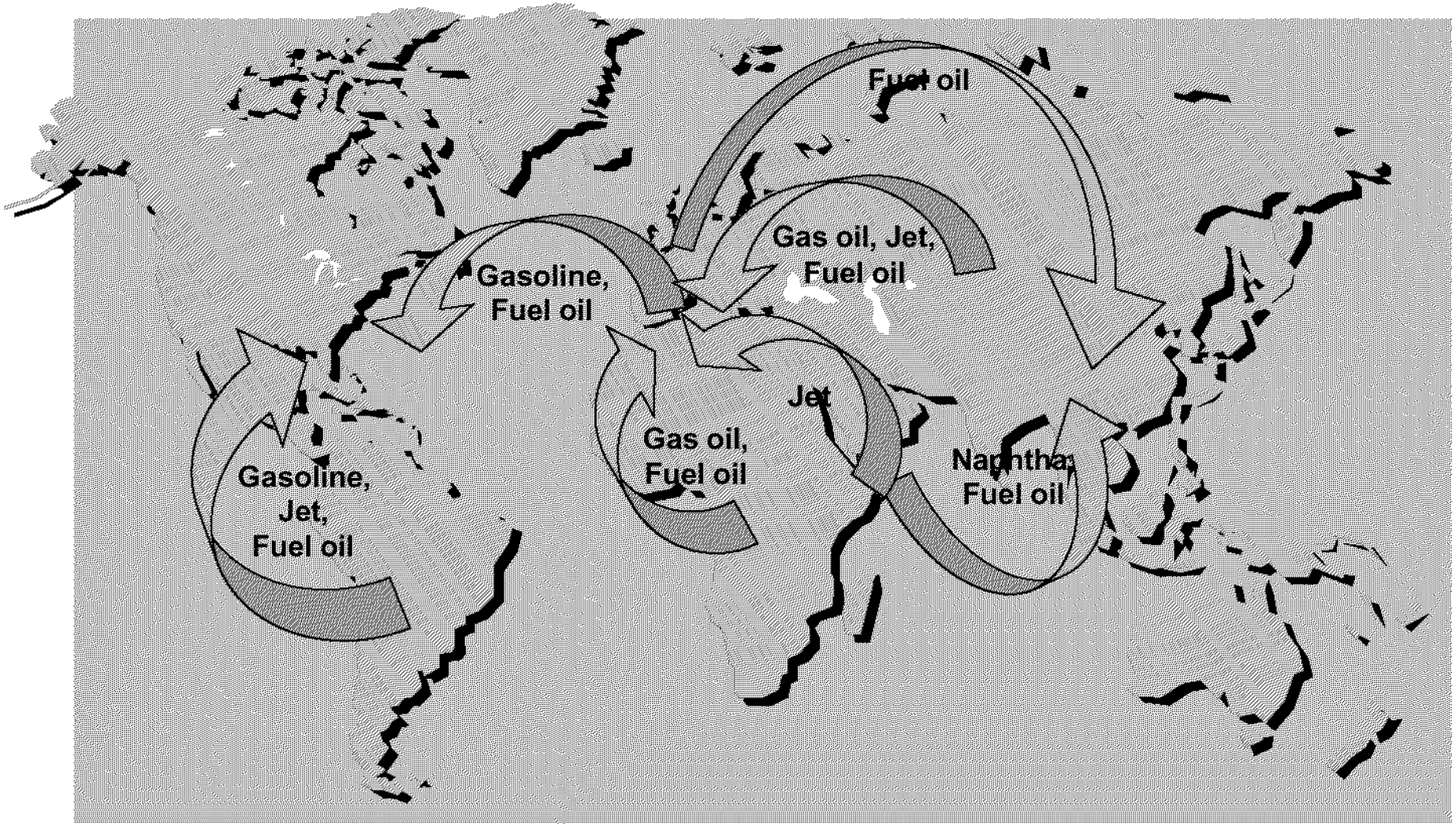
Shortfalls in the Asia Pacific would be filled from India, the Middle East and Europe



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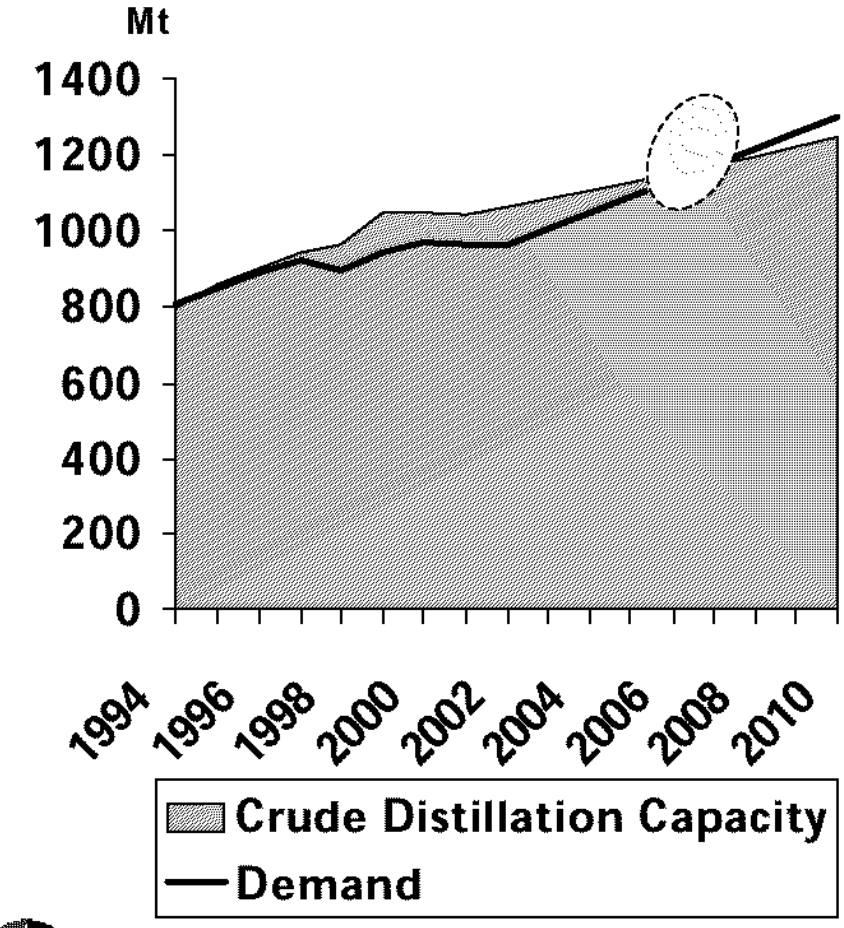
Source: Wood Mackenzie 2002

Asia Pacific demand set to catch up with refining capacity



- Asia Pacific demand had been rising rapidly through the 1990's until the Asian crisis of 1997.
- Singapore refining capacity utilisation bottomed at 61% 2001/2002.
- Refinery utilisation rates will reach maximum levels and new capacity (creep, expansion or grassroots) is likely to come on stream post 2005.

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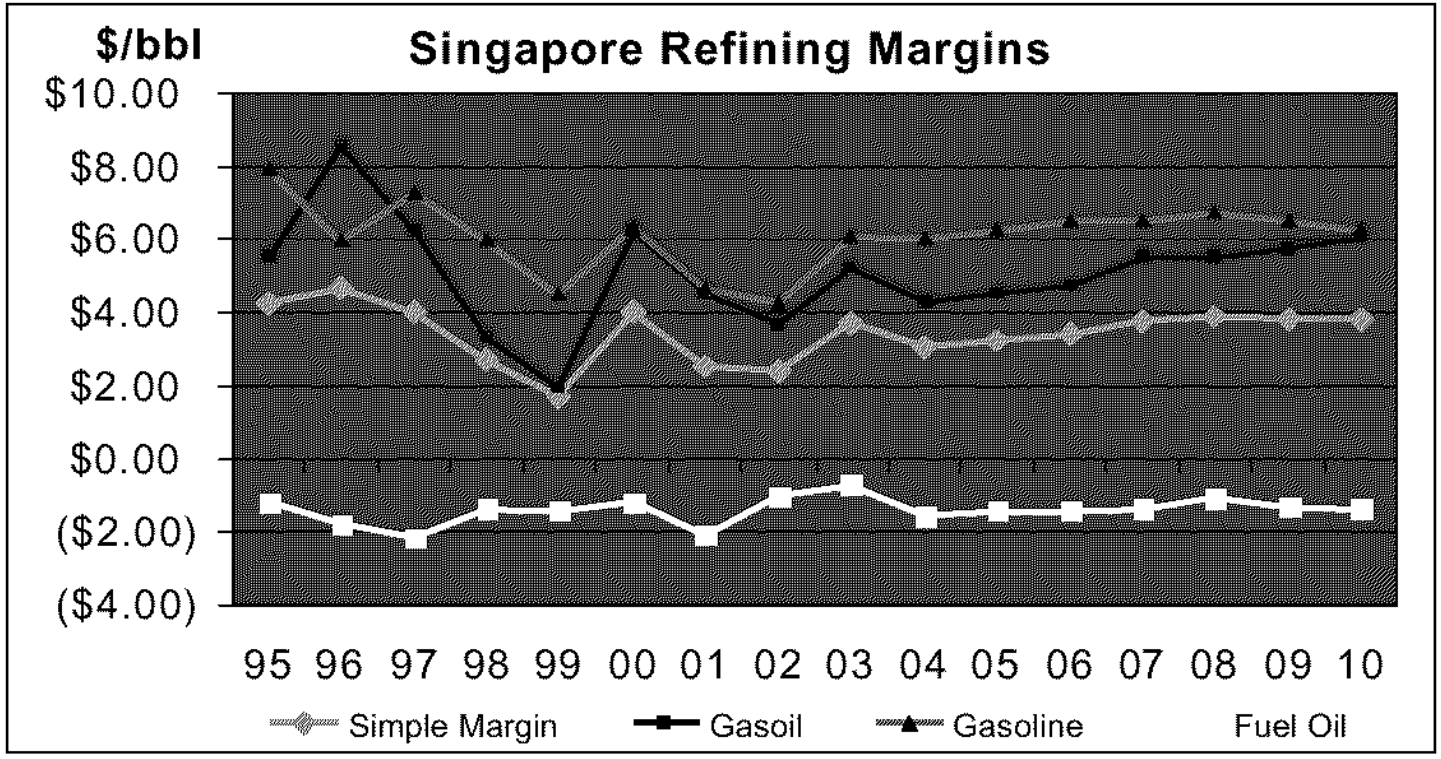
Source: Wood Mackenzie 2002

Singapore refinery product prices are expected to slowly improve (versus Dubai*)



*Tapis-Dubai, currently approx US$2/bbl

Historical Tapis-Dubai spread in the range US$1-4/bbl. Average 1991-2003 US$2.60/bbl.

Source: ESAI 2003

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Agenda

- Facts about APEC refining
- Regional Trends and Outlook
- **Domestic Trends and Outlook**
  - **Australian Supply/Demand**
- Product Specifications

Summary - domestic trends & outlook

Supply/Demand

- Australia has had surplus gasoline production capability
- Demand now exceeds supply
- Caltex refineries are located in deficit state (NSW) and balanced state (Qld)
- Market clearing prices will likely be set by import parity

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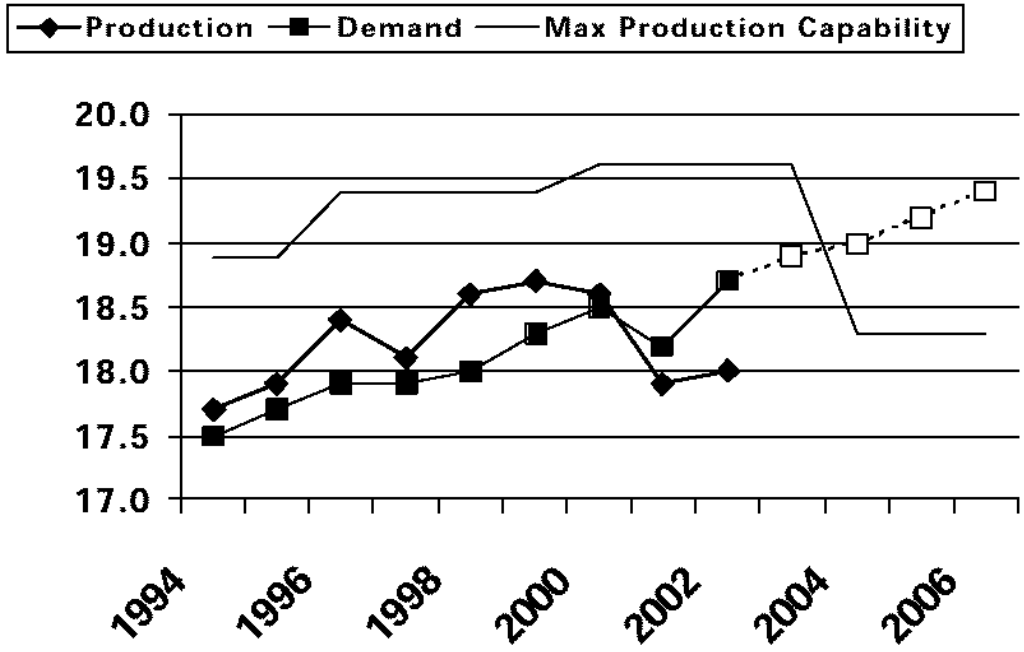
Gasoline in Australia has firmly shifted from surplus to deficit

- In early 1990's refinery margins encouraged investment to increase production capability.
- In 2001/2 poor/negative gasoline margins have slowed production.
- Consistent demand growth has worked to reduce the surplus
- Closure of Stanvac in 2003 has reduced production capability, by approx 9%
- Investment for clean fuels is more likely to reduce capability than to increase it.

Australian Domestic Gasoline Production and Demand ML 000 pa



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Australian supply and demand - gasoline 2003

	Market Size	Surplus/(Deficit)	
	Mlpa	Mlpa	% of Market
QLD	4100	200	5
NSW	6200	(1200)	(20)
Vic/Tas	5400	800	15
SA	1400	(1400)	(100)
WA	1900	1000	53
Total Market Demand	**19,000**	**(600)**	**(3)**

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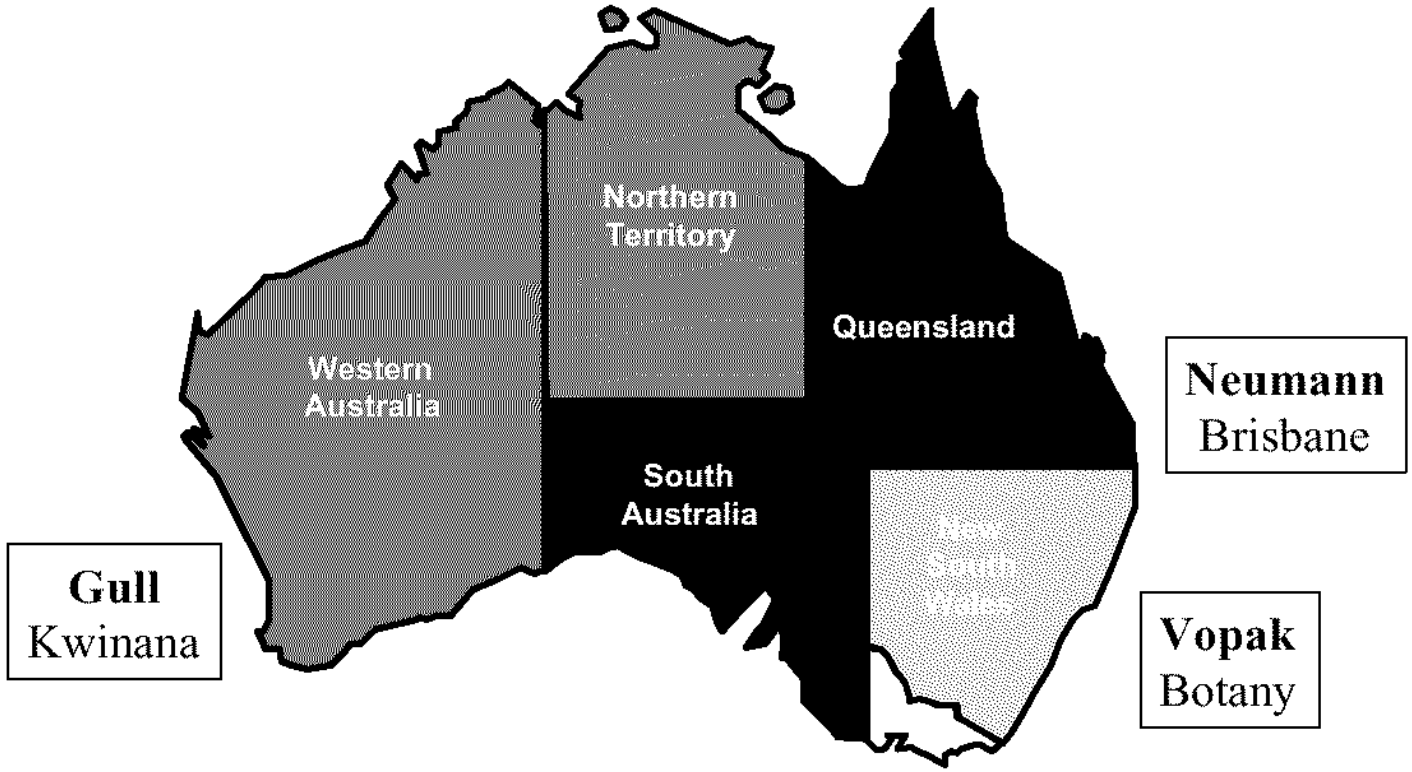
Source: Caltex

Independent import terminals are located in or near major markets



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Agenda

- Facts about APEC refining
- Regional Trends and Outlook
- Domestic Trends and Outlook
- **Product Specifications**
  - **Future Australian standards**

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Summary - product specifications

- Australia is moving to more stringent product quality standards
- Australian grade quality gasoline will be available but less readily from the region
- Australian grades are likely to enjoy higher premia
- These higher premia are likely to persist for a number of years
  - Minor refinery changes <1 year
  - Refinery investment lead time 3 years

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Australia is moving to more stringent quality standards with incentives for early introduction

	2004	2005	2006	2007	Later
Gasoline					
MTBE %	<1				
Benzene %			<1		
Sulfur ppm		150	I for 50 (PULP)*		50 (PULP)*
Diesel					
Sulfur ppm	500 I for 50		50	I for 10	10

I = Incentive available

*** = premium unleaded gasoline (95 RON +)**

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Australian fuel quality availability

Gasoline

- Aromatics, olefins and benzene limits without MTBE will make Australian grade PULP more difficult to manufacture
- The key marginal exporter is China
- Chinese gasoline is high olefin, low octane and without MTBE cannot currently be a source for import into Australia from 2004
- With the change in MTBE from 2004, we expect that pricing will at least partly reflect the cost of shipping from the Middle East, ie the freight arbitrage between the regions
- We expect to see significant volatility in quality premia for spot trades

Diesel

- 50 ppm sulfur diesel will be available in the region

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Overall summary - outlook for key drivers

• Singapore margins	- Slowly improving trend - (Moving from bottom of long term cycle)	⇒Margins better
• Australian supply/demand balance	- Has improved and likely to remain short - (long term structural improvement)	⇒utilisation improved
• Australian product quality-2006 specifications	- Positive	⇒Improved margins for a number of years
• Relative cost of crude	- Likely to be worse due to factors driving improved Singapore margins and product quality	⇒Partly offset margin improvements
• Freight protection	- Currently mid cycle	⇒Neutral

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