BY ELECTRONIC LODGEMENT **ASX ANNOUNCEMENT**

CALTEX

CALTEX AUSTRALIA LIMITED

ACN 004 201 307

LEVEL 12, MLC CENTRE, 19-29 MARTIN PLACE
SYDNEY NSW 2000 AUSTRALIA

29 April 2004

Company Announcements Office
Australian Stock Exchange Limited

CALTEX AUSTRALIA LIMITED
2004 ANNUAL GENERAL MEETING

The 2004 Annual General Meeting for Caltex Australia Limited is being held at ***10.00 am*** today (29 April 2004).

The following material for the Annual General Meeting is attached for release to the market:

- the Chairman's formal address to shareholders by Dick Warburton (Chairman) (incorporating the Incident Free Operations Topic, the Chairman's Address, and Key Shareholder Issues);

- presentation slides for the addresses by Dick Warburton (Chairman) and Dave Reeves (Managing Director & Chief Executive Officer); and

- a summary of issues raised by shareholders prior to the Annual General Meeting and responses to these issues.

Helen Conway
Company Secretary

Attach.

CHAIRMAN'S SPEECH

INCIDENT FREE OPERATIONS TOPIC

One of Caltex's key strategic intents, listed in the charter that appears on the back cover of our Annual Report, is to achieve operational excellence and this includes safe operations.

As well as the moral and legislative obligations, it makes clear business sense to ensure that our employee's health and safety is protected. Workplace safety is a key indicator of the health of a company as well as the competence and commitment of management.

One of our top priorities, to which the Caltex Board, management and employees are strongly committed, is to achieve zero workplace accidents. A company that is operating with excellence will send all its people home to their families in the same condition they came to work or in an even better condition if that's possible.

Last year, we saw Caltex's new behavioural safety program, the Loss Prevention System and other safety measures starting to pay off with a small improvement in workplace safety performance.

[SLIDE – TTIFR]

One of the measures used for benchmarking is the total treated injury frequency. In 2003 in Caltex it was over 12.3 – which means that for every million hours of work that we do there were a little more than 12 incidents that injured an employee or contractor so severely that they needed medical treatment or were unable to work the next day. Three years ago our injury frequency rate was over 20.

We have made some progress but are neither satisfied nor complacent. Significant effort will continue to be focussed over the next few years on achieving incident free operations and zero injuries.

ADDRESS

Solid Achievement

I have pleasure in reporting that 2003 was a great year for Caltex. Profit was up, our debt continued to reduce substantially and we resumed payment of dividends.

With this reduction in debt the company significantly strengthened its financial foundations, it maintained its position as Australia's leading fuels refiner and made some strategic moves to position itself competitively for future growth.

[SLIDE – RCOP PROFIT 2002 VS 2003]

Caltex Australia's full year profit after tax on a replacement cost basis in 2003 was $200 million, 88% higher than the previous year. This result, which excludes the impact of international oil price movements, was mainly due to stronger refiner margins in the Asian region, particularly those for petrol, but it also benefited from robust marketing margins and record transport fuels sales.

On an historical cost basis, Caltex made an after tax profit of $198 million for the 2003 full year compared to $215 million for 2002. This included crude oil inventory gains of $13 million (before tax) compared to inventory gains of $173 million (before tax) in 2002.

[SLIDE – FULL YEAR HISTORICAL PROFIT AFTER TAX 2002 VS 2003]

This stronger performance, as indicated, has enabled a further substantial reduction in the company's level of debt. During 2003 Caltex cut its debt by a further 35% to $624 million at 31 December 2003. This had the effect of cutting our interest bill by $13 million before tax.

This debt level is 51% lower than it was at the end of 2001 and well ahead of our stated target for the end of 2003.

[SLIDE – DEBT REDUCTION IN 2003 WAS IMPRESSIVE]

There has also been a significant increase in Caltex's earnings per share.

[SLIDE – CALTEX DELIVERS EPS GROWTH]

The replacement cost of profit is the figure recognised by the Board as the primary measure in establishing dividend payments. The excellent result for 2003 led us to declare total dividends of 18 cents per share.

[SLIDE – DIVIDENDS]

We paid an interim dividend of 4 cents, a final dividend of 8 cents, and, in recognition of the debt reduction and our improved financial strength, a special dividend of 6 cents. This followed two harsh years of no dividends which helped achieve the turnaround and the shareholders can now have their patience repaid with a return to dividends – something we believe we can now continue consistently.

[SLIDE – TOTAL SHAREHOLDER RETURN]

The Board's objective is to pay dividends commensurate with Caltex's need to fund new investment out of existing cash flow. Our goal is to achieve a long term capital structure that will enable the company to withstand the peaks and troughs in this industry that occur with the rise and fall of oil prices and margins. I will be saying more about our dividend intentions later.

Market Recognition

Our excellent result and lower debt have been recognised by the market. During 2003 our share price rose 116% and this trajectory has continued in 2004. This week, the Caltex share price went over $8, which compares with a price of $2 just over 12 months ago.

[SLIDE – CALTEX SHARE PRICE]

Its progress has been remarkable, and has outperformed the Australian Stock Exchange average. It started 2003 below $3, and we have seen strong growth on the back of the half year profit and rising refiner margins.

It also reflects our proactive approach to investor relations. We now have a dedicated full time Manager Investor Relations and a strategy which is raising our profile and coverage by industry analysts.

Early in 2004 we held our first equity overseas roadshow, where our Managing Director Dave Reeves and Chief Financial Officer Simon Hepworth spoke to investors in Hong Kong and Singapore. Their response was extremely positive, and we now have a substantial Asian presence on our share register. This surge in interest by new shareholders and the announcement of our 2003 full year results have helped the share price rise further in 2004.

We also had very good news in February when Standard & Poor's Ratings Services announced that it had restored its long-term credit rating on Caltex to BBB+ from BBB, and its short-term rating affirmed at A-2 with a stable outlook.

The reasons Standard & Poor's gave included Caltex's achievement in halving its debt over the past two years, and its commitment to conservative financial policies and meeting its capital expenditure on major projects from internally generated cash flows. The upgrade was also underpinned by Caltex's leading domestic market position and strategic assets and was not dependent on Caltex's relationship with ChevronTexaco.

Regional and local market dynamics have been changing in favour of Caltex and other Australian refiners and marketers, as demand is catching up with refining capacity.

It is a very positive environment in which we have been focussing on Caltex's future. We have made decisions in both refining and marketing that will shape our success and strengthen our market position in the coming years.

Investment in the future

In February this year the Board approved a $295 million investment in our two refineries to equip them to produce cleaner petrol and diesel to meet future new national fuel standards. This is a big vote of confidence in the future of our refineries.

[SLIDE – CLEAN FUELS PROJECT]

The project is to build facilities that meet not only the new standards that come into effect on 1 January 2006 but also certain future standards that are expected to take effect later this decade.

This means Sydney and Brisbane and surrounding communities will have cleaner air as a result of Caltex's investment. Air pollution from motor vehicles is a problem in urban areas and we have a responsibility to help provide a solution.

We intend to continue to finance this from operating cashflow, as we will other capital improvement projects in our marketing retail network and distribution infrastructure, while at the same time during this period of relatively high capital expenditure, we expect to hold or even slightly reduce debt levels.

In 2003 we also laid an important Marketing cornerstone with the announcement of a proposed venture with the major retailer Woolworths to create a network of up to 450 co-branded sites offering discounts to Woolworths/Safeway and BIG W customers. I am pleased to announce that the Caltex/Woolworths venture was finalised yesterday. I will be saying more about this later in the meeting.

Our debt is under control and we are financially stable, but for continued success during the next two to three years we must concentrate on operational excellence in safety and other areas, successfully implement the Clean Fuels Project, reduce our unit operating costs, improve supply reliability and constantly review our marketing strategies.

There will be ongoing opportunities to capture value from the market place and we will be well positioned to take advantage of these.

Looking ahead, we expect refiner margins in Asia to remain sound in the medium term but we may see continuing high crude oil premiums and freight costs in the region.

Your Board and the Caltex management team are focussed on achieving operational excellence and fulfilling our aim of great performance through great execution. I believe that the company's future is promising and as long as we remain focussed on the controllables Caltex and its shareholders will benefit from the positive developments in both the Australian and Asian economic environments.

This will present us with the positive challenge of maximising future shareholder value. We are currently reviewing possible financial options and scenarios beyond the Clean Fuels investment horizon. Any decision in respect of capital management will have the goal of optimising total shareholder value for all our shareholders.

KEY SHAREHOLDER ISSUES

Ladies and Gentlemen, in seeking to address some key issues that have been raised before the AGM, I will say something on the following subjects:

- the Caltex/Woolworths venture
- our relationship with franchisees, and
- Caltex's likely future direction on dividends

Caltex Woolworths Venture

The Caltex Woolworths venture is a positive move that makes very good sense as a response to the competitive developments in our industry. Alliances between oil companies and supermarkets are a relatively recent phenomenon in Australia but the trend is well established overseas as consumers show a strong preference for quick, convenient discount fuel and shopping locations.

Caltex Woolworths is an enterprise that benefits from strong synergies as well as the added value of each company's special expertise and resources. We were delighted to announce yesterday that the long-term arrangement with Woolworths has been finalised. We are working to negotiate with franchisees arrangements that will allow for the rapid roll out of up to another 110 Caltex sites to join the co-branded network. These sites will be in addition to the 41 company and commission agency operated service stations already co-branded. And Woolworths will be converting to the Caltex Woolworths branding more than 300 of their own locations to make a total of up to 450 co-branded sites. It's a great expansion of the presence of the Caltex brand and with that there will continue to be a significant increase in our fuel sales volumes.

Achieving the deal has been a tremendous amount of hard work for teams on both sides. I would particularly like to congratulate Alex Strang, General Manager Planning, Supply and Corporate Services, for his leadership of the Caltex team in what was a very long and complex negotiation.

Franchisee Relations

The one unfortunate incident during the preparations for the venture was that internal memorandum suggesting employees deal with franchisees in a most inappropriate way. As you may have read in the media last weekend, we have acted decisively to deal with the issue and I am now confident employees will honour the Caltex value to treat all people with fairness, respect and dignity. That is essential if we are to achieve our vision to be the Australian oil refining and marketing company most admired for its people, partnership and performance.

I reiterate the comments Dave Reeves and I made in the *2003 Annual Report*: Caltex has the largest franchised network of service stations in Australia and the commitment, professionalism and entrepreneurial skills of our 330 franchisees that operate over 500 service stations are fundamental to the company's success.

In a separate development, Caltex is the subject of a court action by a small group of franchisees in relation to the rollout of Caltex Woolworths co-branded service stations. It is not appropriate that I comment on that action, but I would like to emphasise that Caltex is committed to working constructively and positively with our franchisees and to ensure a sustainable franchise model for all. We are confident that we are making progress in this and many other areas.

On the issue of whether franchisees are being disadvantaged by the venture there are several points worth noting. To date there has been:

- on average, an increase in fuel sales at sites that compete with co-branded sites

- similarly, on average, a small increase in shop sales at sites with the co-branded competition

We are continuing with our price support arrangements for all franchisees and where that support is not enough to keep the sites viable we will provide additional support providing the overall economics remain adequate for both the franchisee and the company. In the event a service station does become uneconomic then arrangements will be made to provide assistance enabling the franchisee to leave the site.

Future Dividend Policy

As I mentioned in my Chairman's address, last year ended a two-year absence of dividends. Shareholders naturally now want some indication of our intentions for future dividends.

In the past few years our key priority has been to bring our debt under control and strengthen our capital structure. We took this course because we know how inherently volatile this industry is and we needed to be well positioned to make the major capital outlay required for the Clean Fuels Project.

This strategy has succeeded. We have come a long way on debt reduction and the company is in far better financial health than it was two years ago.

Caltex Board and management now have three main objectives over the next 18 months, which take us up to the successful completion of the Clean Fuels Project in late 2005. These are:

- to fund the remainder of the $295 million clean fuels investment out of 2004 and 2005 operating income
- maintain and, if possible, slightly reduce our current level of debt, and
- pay consistent and reliable dividends

Your Board has every confidence that these three goals can be achieved. However, our industry can be notoriously volatile, especially in terms of refiner margins, which is a major driver of our profitability and cash flows. At this stage we are projecting quite strong refiner margins over the next 18-24 months, which means we should be in a position to pay reliable and consistent dividends to shareholders.

Beyond that, once the Clean Fuels Project is completed, we will be taking another close look at our dividend policy. Our aim will be to pay dividends that take into account our level of profitability and cash flow as well as shareholder expectations.

On the matter of special dividends, we were very pleased to pay a special dividend for 2003 as the results clearly justified it. But we will be facing a challenging period over the next two years and deem it prudent to pay for our investment in Clean Fuels out of cash flow as opposed to debt. However, if our results continue to show strength we will look again at the possibility of paying special dividends over this period.

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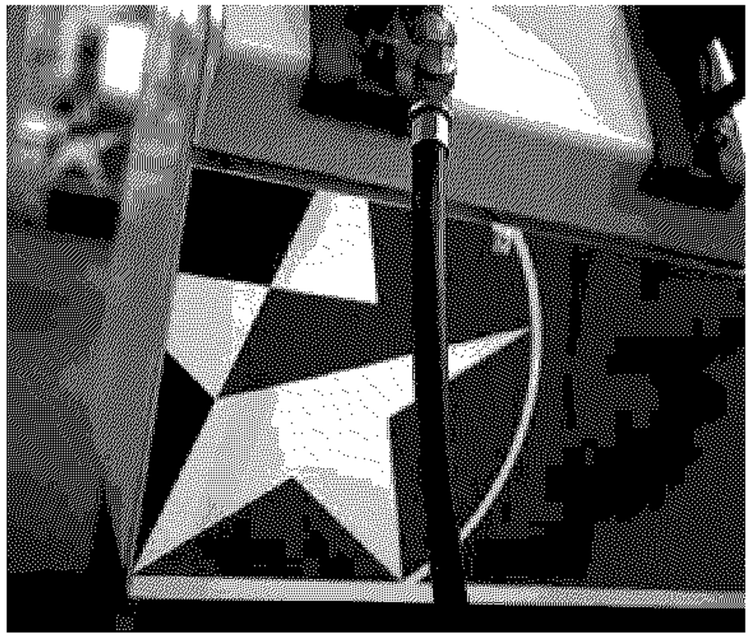
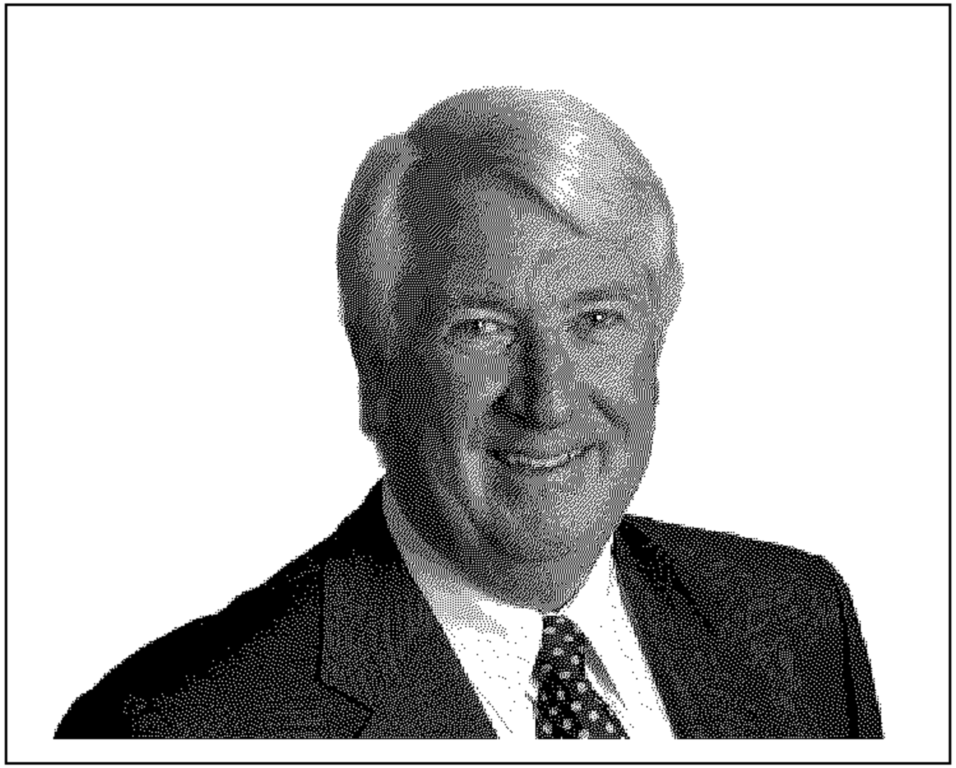
2004 Annual General Meeting



Your Board

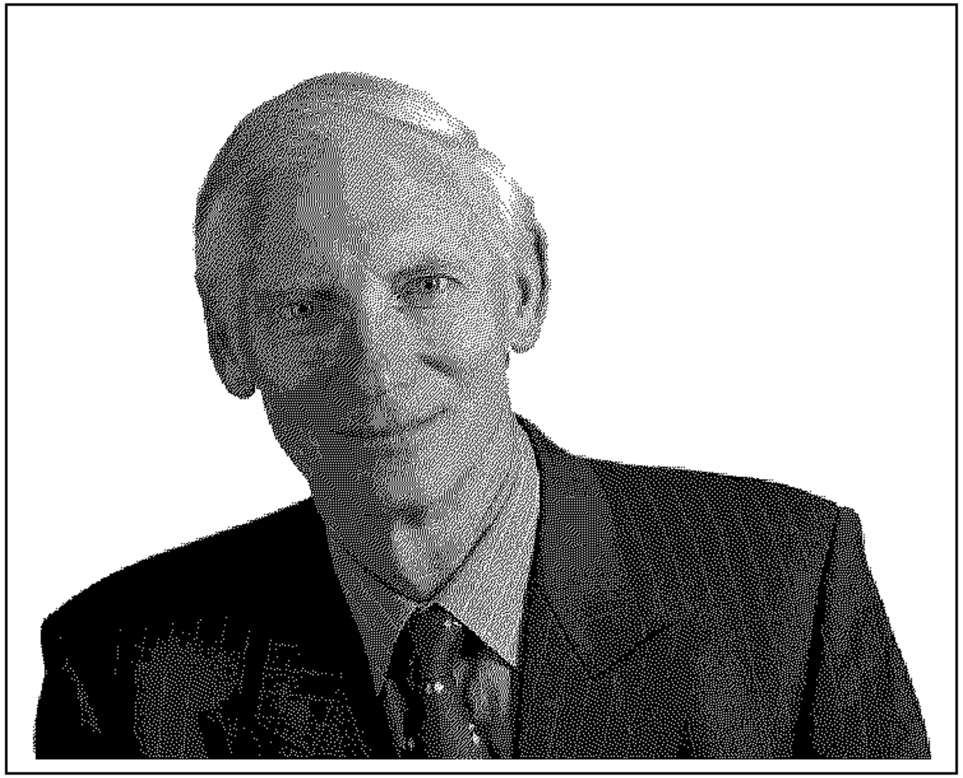


- **Mr Dick Warburton, Chairman**

Your Board

- **Mr Dave Reeves, Managing Director and CEO**

Your Board



- **Mr Ken Watson, Director (Non executive)**

Company Secretary and General Counsel

- Ms Helen Conway, Company Secretary and General Counsel

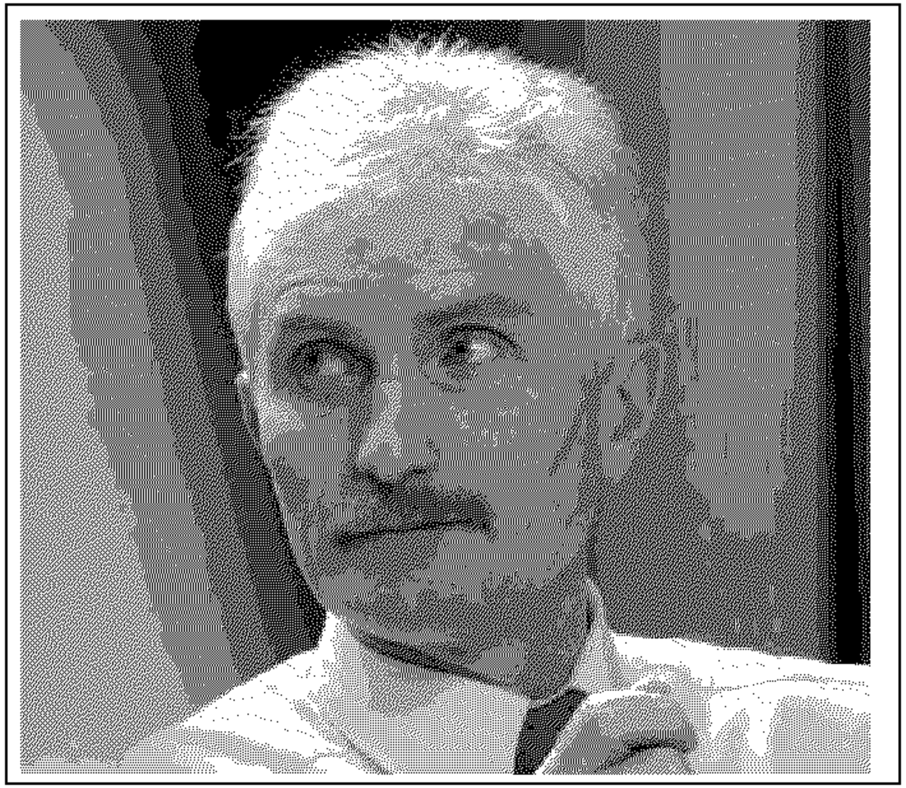
Your Board

- **Mr Martin Southern, Director (Non executive)**

Your Board

- Ms Elizabeth Bryan, Director (Non executive)
- <u>Not present</u>

Your Board



- Mr Leo Lonergan, Director (Non executive)
- <u>Not present</u>

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Notice of Annual General Meeting

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NOTICE OF AGM

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Caltex Australia Limited ACN 004 201 307

The 2004 Annual General Meeting (AGM) for Caltex Australia Limited will be held at 10.00 am on Thursday 29 April 2004 at the Wesley Conference Centre, 220 Pitt Street, Sydney New South Wales Australia.

BUSINESS OF THE AGM

1. Incident Free Operations Topic

The Chairman will present an incident free operations topic to the AGM.

2. Addresses

The Chairman and the Managing Director and Chief Executive Officer will make presentations to shareholders.

3. Key Shareholder Issues

The Chairman will discuss key issues raised by shareholders prior to the AGM and, during the discussion, will invite questions from shareholders regarding these key issues.

4. Financial Reports

The financial report, the directors' report and the auditor's report for Caltex Australia Limited (and the Caltex Australia Group) for the year ended 31 December 2003 will be laid before the meeting.

5. Board Remuneration Pool for Non Executive Directors

Shareholders will be asked to consider and, if thought fit, pass an ordinary resolution to approve an increase in the total annual remuneration pool available for Board fees paid to non executive directors of Caltex Australia Limited from $650,000 to $900,000 (an increase of $250,000), exclusive of statutory entitlements, with effect from 1 January 2004.

The Chairman will invite questions from shareholders on this resolution.

Voting Exclusion Statement

Caltex Australia Limited will disregard any votes cast on this resolution by:

- a director[1]; and
- an associate of a director[1].

However, Caltex Australia Limited will not disregard a vote if:

- it is cast by a director[1] as a proxy for a shareholder who/that is entitled to vote (in accordance with the directions on the proxy form or, if the proxy is left open, as the proxy decides); or
- it is cast by the director[1] chairing the AGM as a proxy for a shareholder who/that is entitled to vote (in accordance with the directions on the proxy form or, if the proxy is left open, as the proxy decides).

Note: 1 [illegible]

6. Election of Directors

6.1 Election of Martin B Southern

Shareholders will be asked to consider and, if thought fit, pass an ordinary resolution to elect Martin B Southern as a director of Caltex Australia Limited in accordance with, and on the terms set out in, the company's Constitution.

Martin will address shareholders before the resolution for his election as a director is put to the meeting and the Chairman will invite questions from shareholders in relation to Martin's election.

6.2 Re-Election of Leo Lonergan

Shareholders will be asked to consider and, if thought fit, pass an ordinary resolution to re-elect Leo Lonergan as a director of Caltex Australia Limited in accordance with, and on the terms set out in, the company's Constitution.

Leo will address shareholders before the resolution for his re-election as a director is put to the meeting and the Chairman will invite questions from shareholders in relation to Leo's re-election.

7. Forum for Shareholder Questions and Comments

The Chairman will open the AGM to shareholder questions and comments.

By order of the Board of Caltex Australia Limited

Helen Conway
Company Secretary

12 March 2004

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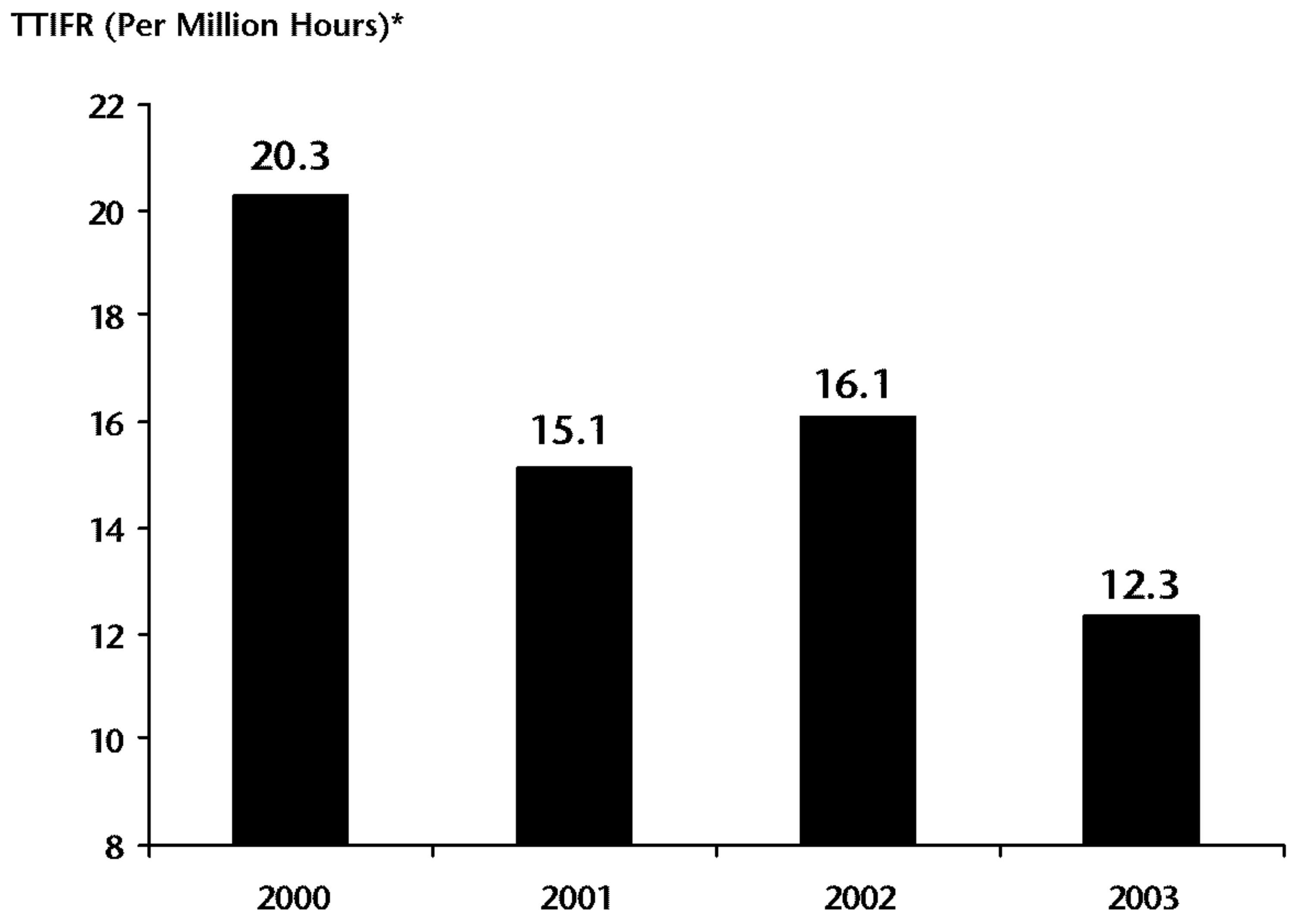
Item 1

Incident Free Operations Topic

Total Treated Injury Frequency Rate (TTIFR) is declining



* Includes employees of Caltex 100% owned distributors

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Item 2

Chairman's Address

Caltex Australia results

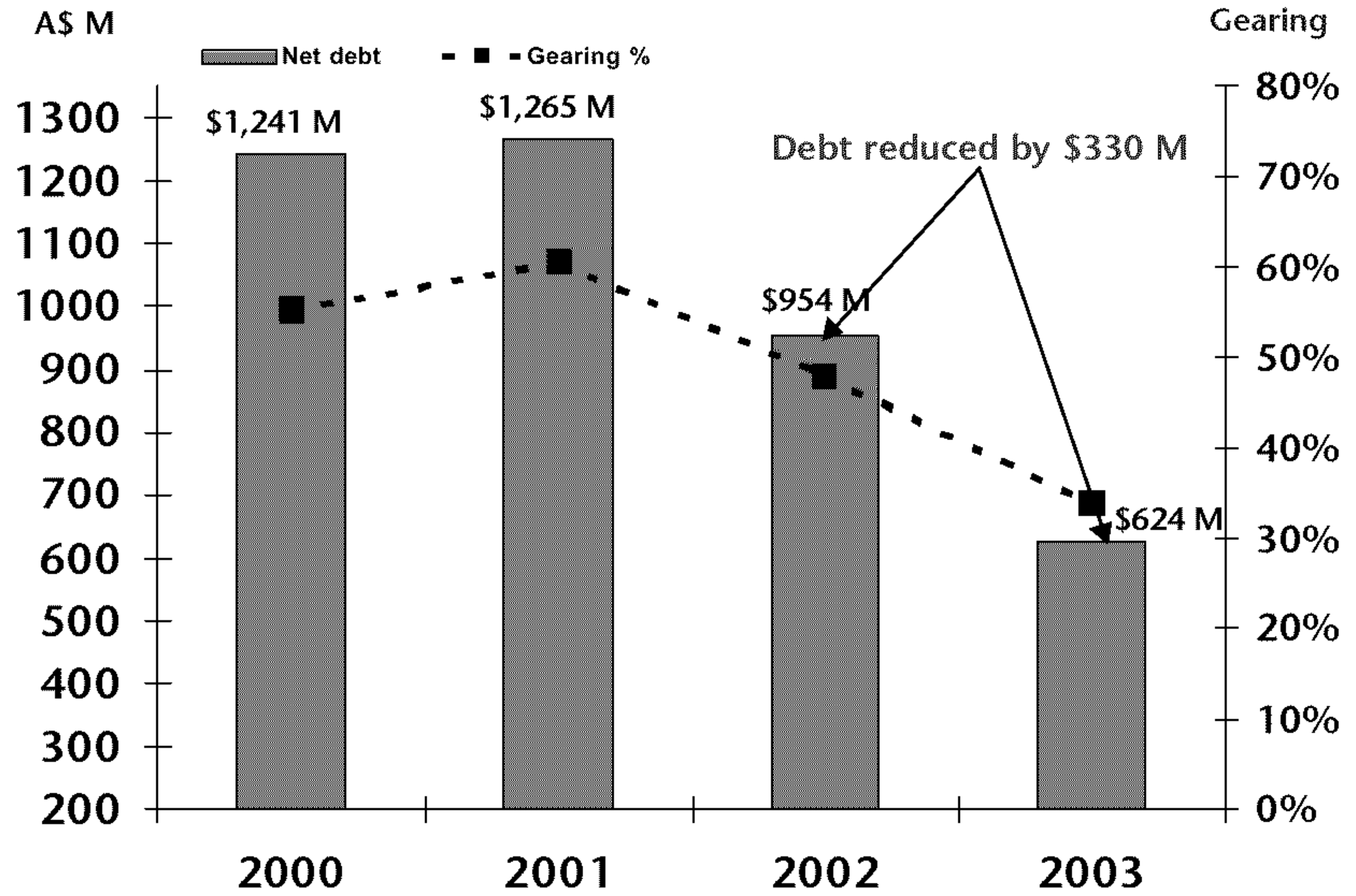
Underlying performance measured by replacement cost of sales profit after tax:

2002	2003
$106.1m	$199.7m

Full year historic profit after tax:

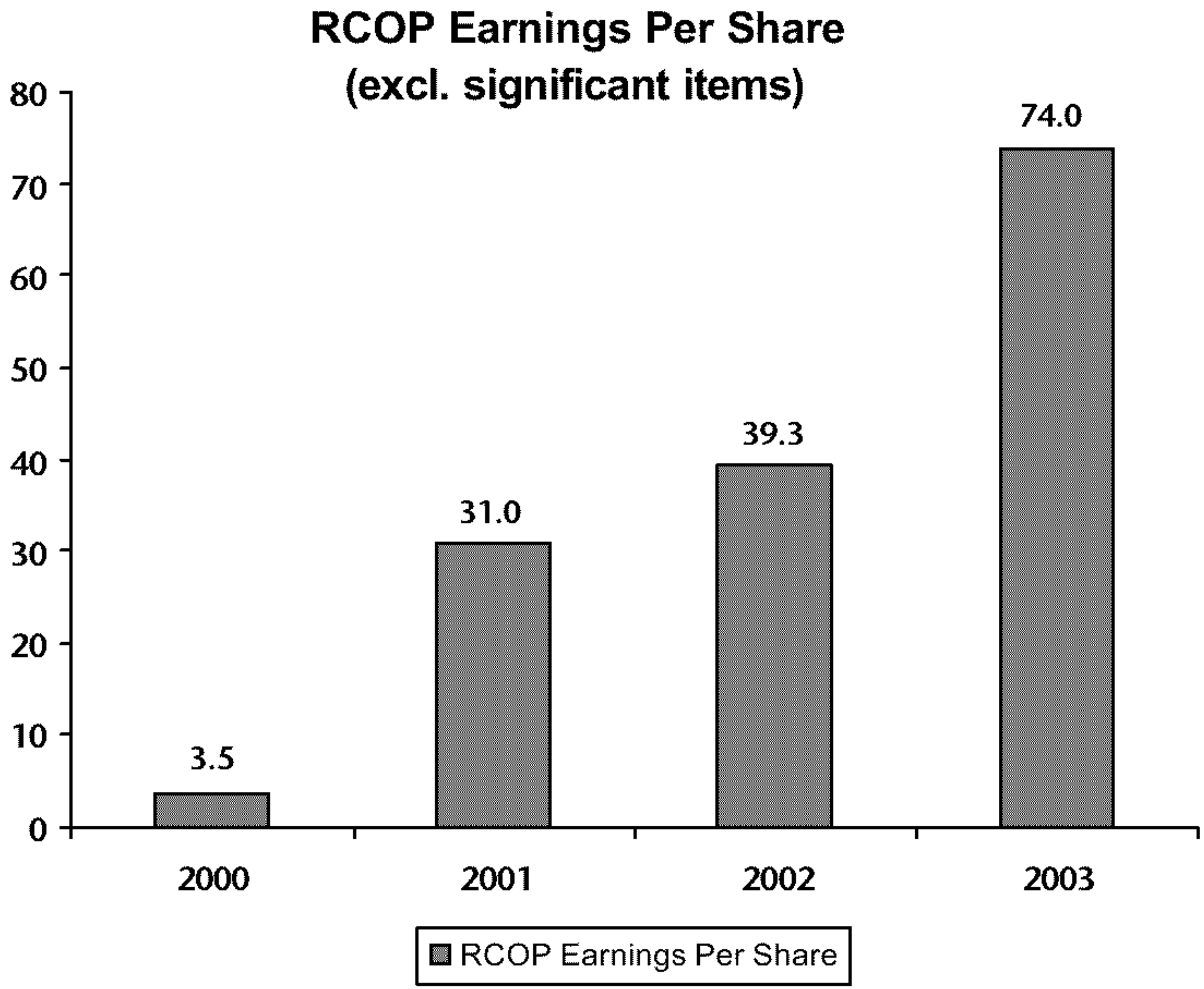
2002	2003
$215.2m	$197.5m

Debt reduction in 2003 was impressive



Gearing = net debt/(net debt + equity)

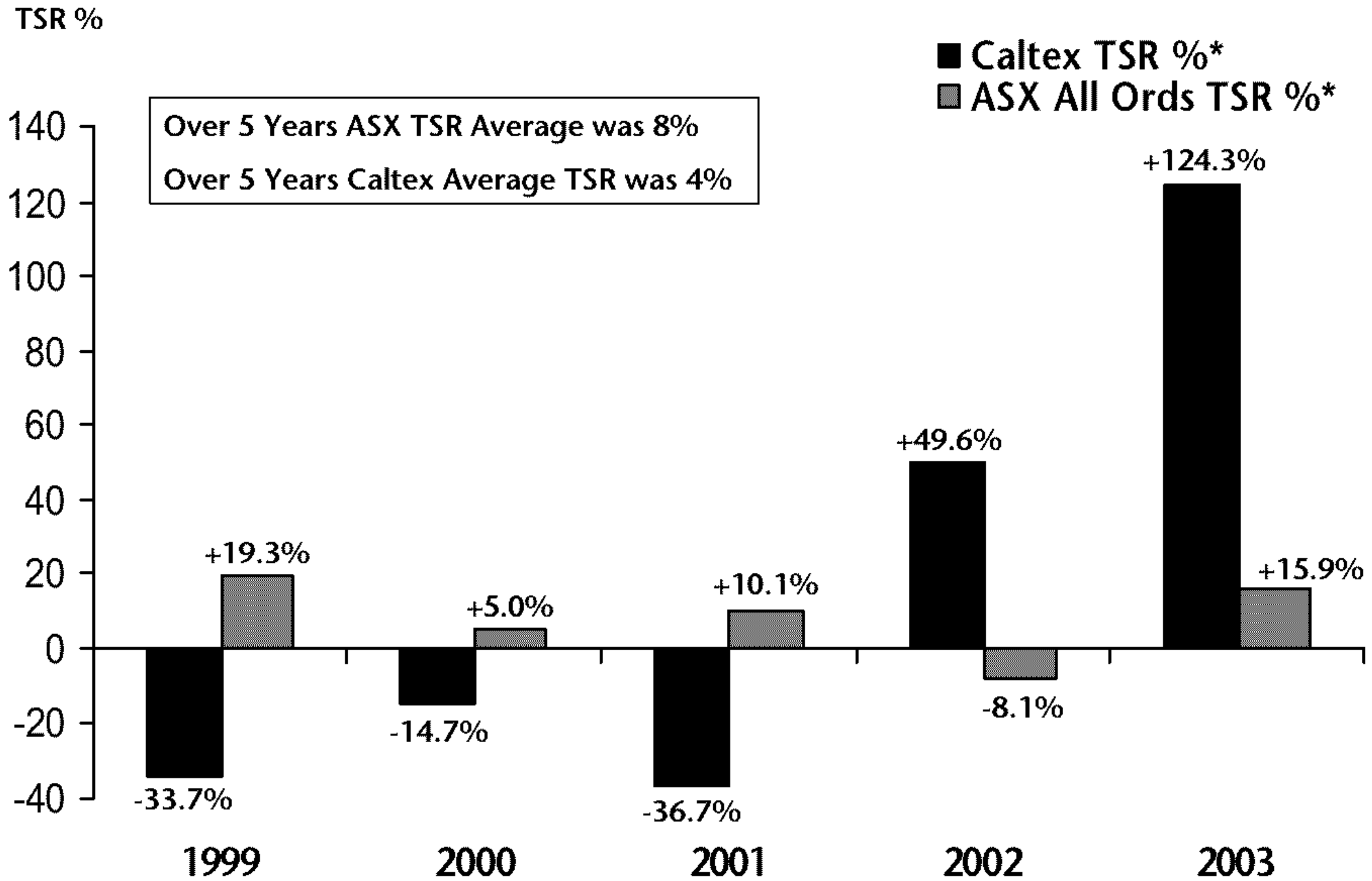
Caltex Australia delivers EPS growth



Caltex pays a final dividend of 14 cps for 2003, including a special dividend of 6 cps

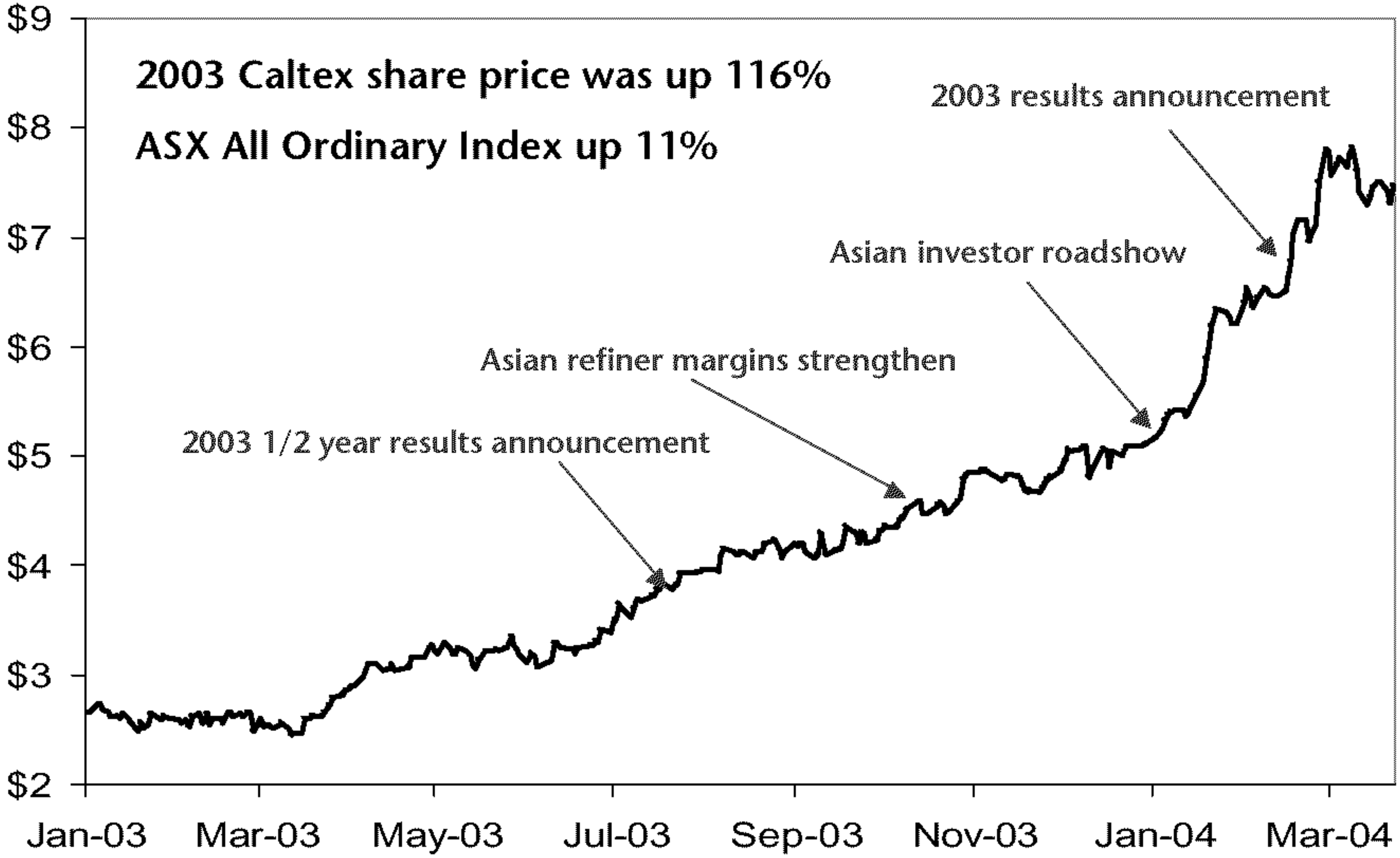
- In August, Caltex returned to paying dividends with an interim dividend of 4 Cents per share
- The Board has declared a final dividend in respect of 2003 of 14 cents per share, including a special dividend of 6 cents per share
- The special dividend reflects the very strong debt reduction and robust 2003 RCOP performance
- All dividends will be fully franked

Industry fundamentals have improved, so have Caltex returns to shareholders

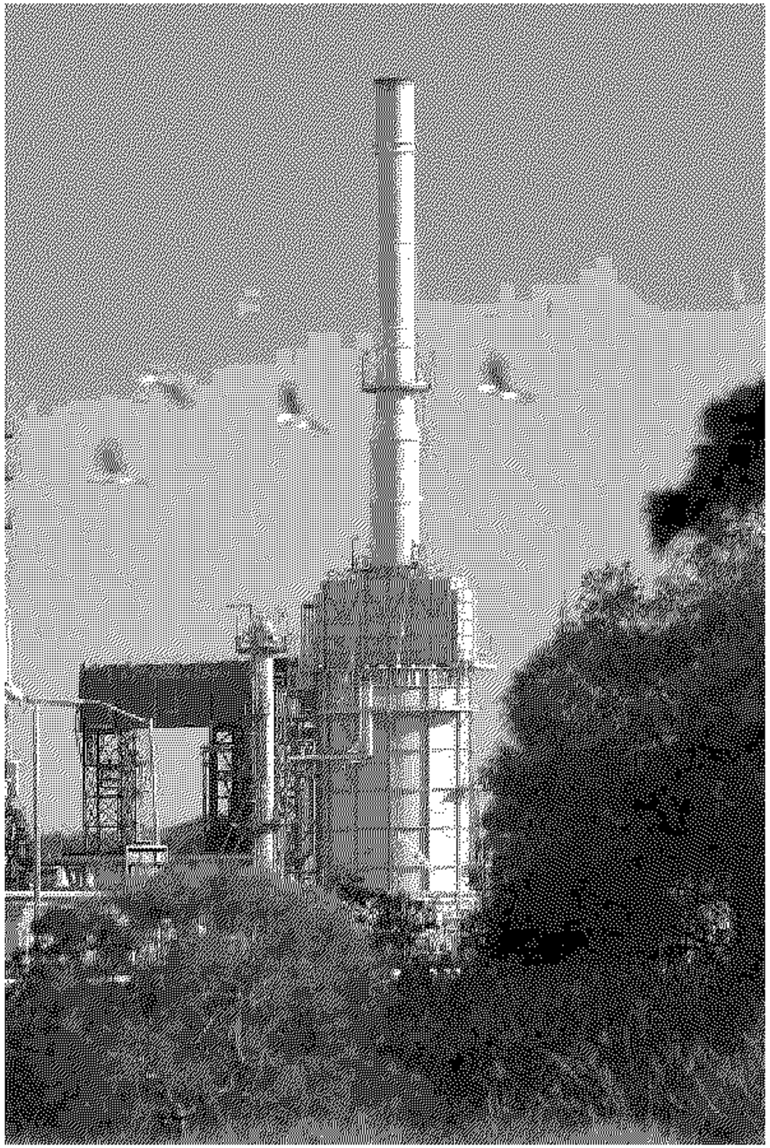


*TSR=Total Shareholder Return: (capital gains+dividend income)

Caltex has outperformed the ASX index



The Clean Fuels Project



- The Board approved on 25 February, 2004, the decision to go ahead with the Clean Fuels Project

- A total of \$295 million (+/- 10%) will be incurred by the time production begins on 1 January 2006

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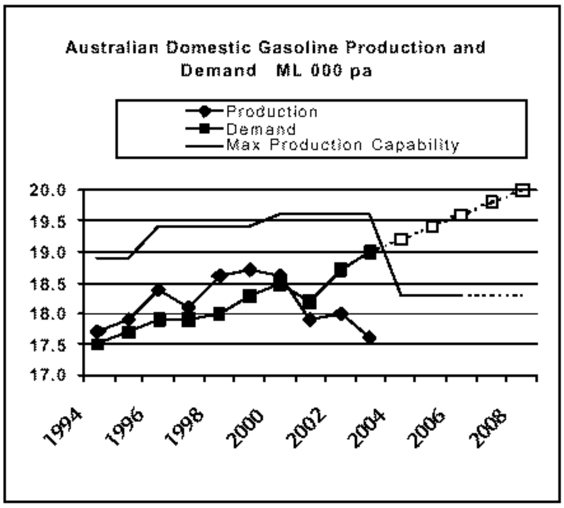
Item 2

Managing Director and CEO Address

- **Caltex is benefiting from significantly improved industry conditions**

Australia is now importing petrol to meet demand



- Consistent demand growth
- Closure of Port Stanvac refinery
- Caltex is well positioned to benefit

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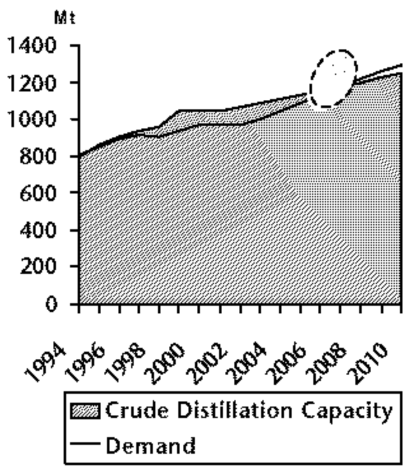
•This slide sets out the recent history of both supply and demand for petrol in Australia.

•For many years post the Asian crisis, Australia had been long in petrol. This long position combined with depressed refiner margins in Singapore has prevented Australian refiners from earning a decent return on refining assets.

•However, the combination of consistent petrol demand growth in Australia and the closure of Mobil's Adelaide refinery has caused Australia to be a net importer of petrol.

•We are fortunate at Caltex to have two refineries located in both Queensland and NSW, which on balance are currently about 1 Billion litres short in petrol. These two states also enjoy above average demographic and GDP growth.

Asia Pacific demand set to catch up with refining capacity



Source: Wood Mackenzie 2002

- Asia Pacific demand had been rising rapidly through the 1990's until the Asian crisis of 1997
- High demand growth in China is boosting regional demand, especially for petrol

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•The chart was produced in 2002 by Wood McKenzie, who are an independent petroleum consulting company. The slide maybe a little dated especially given the demand growth we have witnessed recently

•However, this chart goes some way to explain the company's improved financial performance in 2003

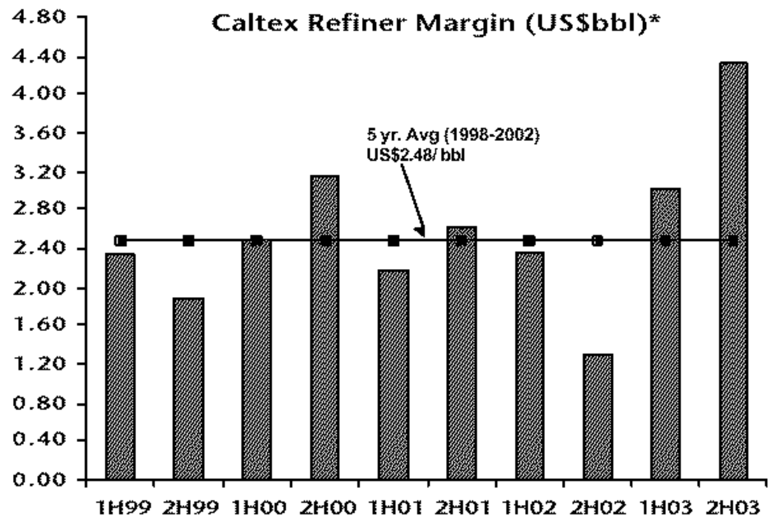
•In 1998 the Asian crisis hit. Capacity additions already under way were completed, creating an oversupply situation and depressing margins.

•Today much of that capacity is being used and supply and demand is closer to balance.

•The effect, especially the impact on petrol refiner margins, has been quite dramatic, with Singapore petrol margins in 2003 averaging US$4.33, compared to US $2.26 in 2002.

•It is more important than ever we focus on refinery reliability under these circumstances.

In both 1H03 and 2H03 Caltex Refiner Margin was above the previous 5 year average



*CRM represents the difference between the cost of importing a standard basket of products to Eastern Australia and the cost of importing the crude required to make that product basket. It is a proxy for the gross margin available to refineries in Eastern Australia before processing costs. Because it is based on a standard basket of products it does not include any premiums that might be paid for product that complies with specific state or national quality regulations.

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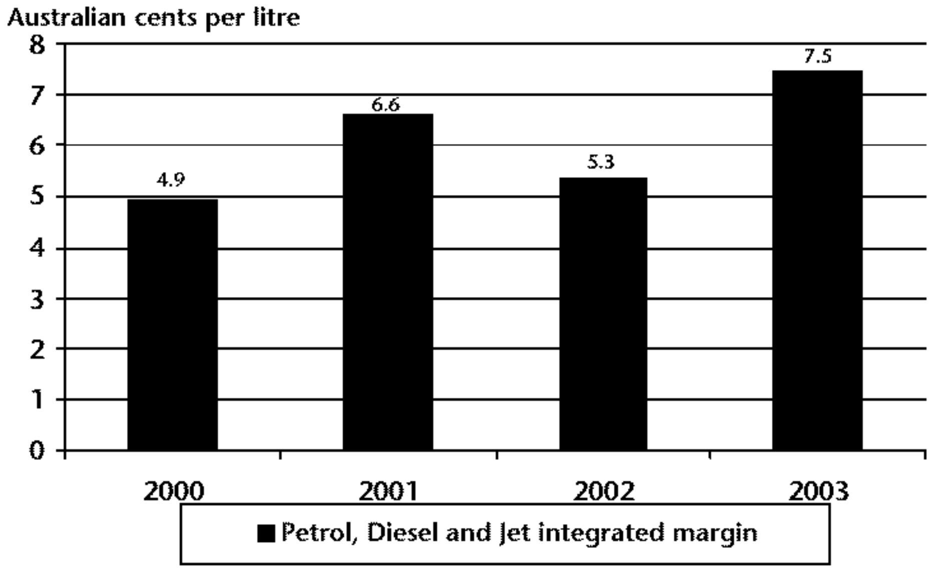
- The Caltex Refiner Margin is a proxy for the margin realised by Caltex's refineries. The margin is based on the Singapore weighted average refiner margin, adjusted for product freight, crude freight, crude premiums or discount and the average product yield at our refineries
- The average Caltex refiner margin for 2003 was US$3.68 per barrel, compared to US$2.35 per barrel in 2002. Note that the Caltex Refiner Margin was higher in each half of 2003 than the average for the previous 5 years.This has continued in the first quarter of 2004.

Integrated total transport fuel margin continues to improve



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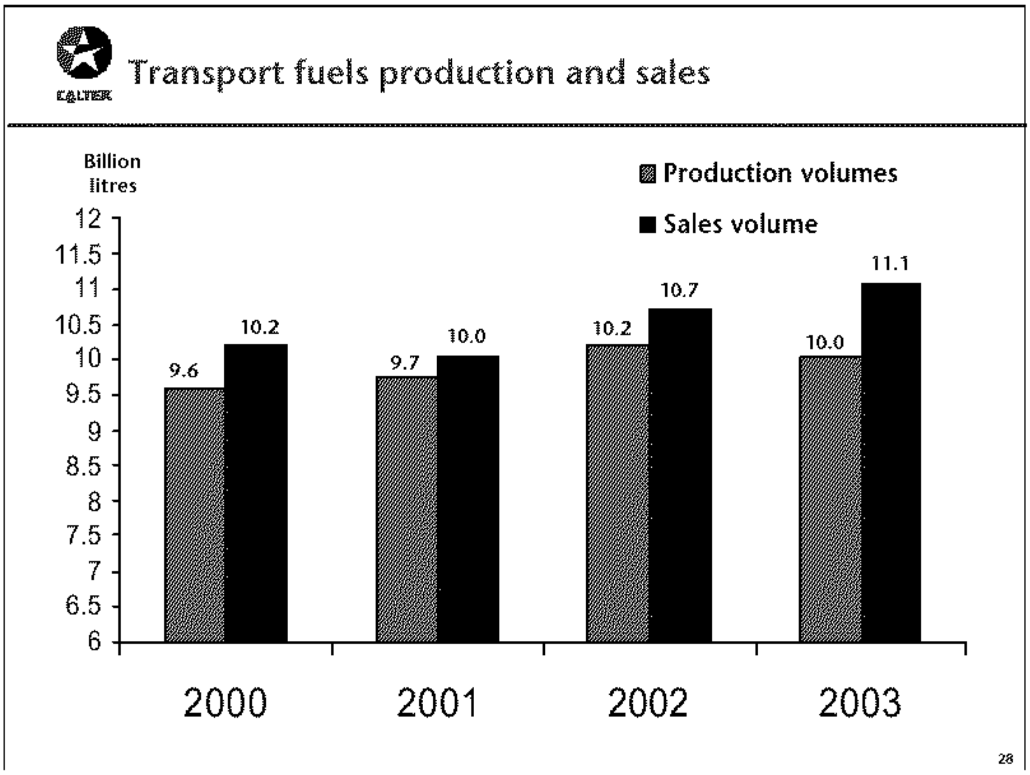
•This slide shows the integrated transport fuel margin realised by Caltex in Australian cents per litre.

•2003 saw a major improvement in the integrated margin to 7.5 CPL from 5.3 CPL in 2002. I have already touched on some of those reasons

•Margins have firmed over the years reflecting the changing market conditions, as Australia has moved into a net import situation, and improved execution by Caltex in our key retail and commercial markets.



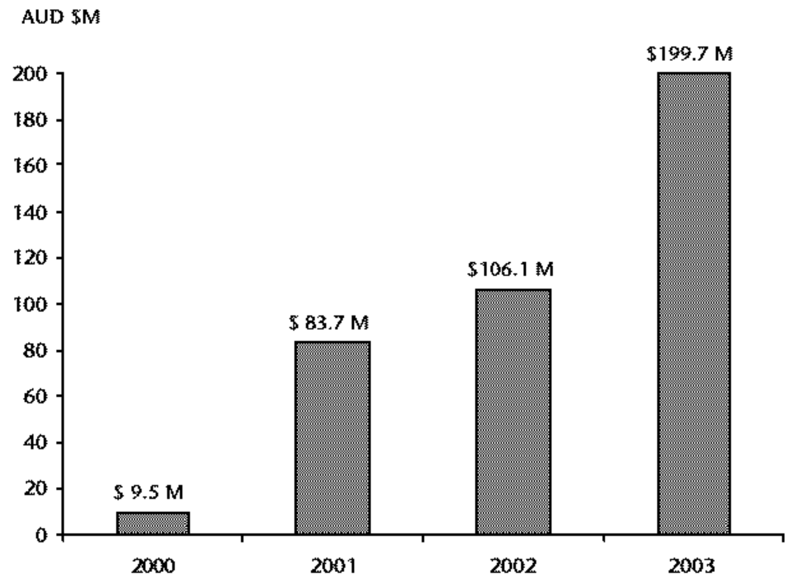
- This slide sets out both the sales and production of transport fuels, comprising petrol, diesel and jet

• As can be seen, we have always been a net purchaser of transport fuel. This net purchase is made from domestic refiners under buy/sell arrangements and also imports of finished product.

• In 2003, we purchased a net 1.1 Billion Litres due, in part, to an extended crude unit turnaround at our Kurnell refinery.

• Our challenge is to increase refinery utilisation so that we capture the higher margins on fuel we refine ourselves

RCOP net profit after tax



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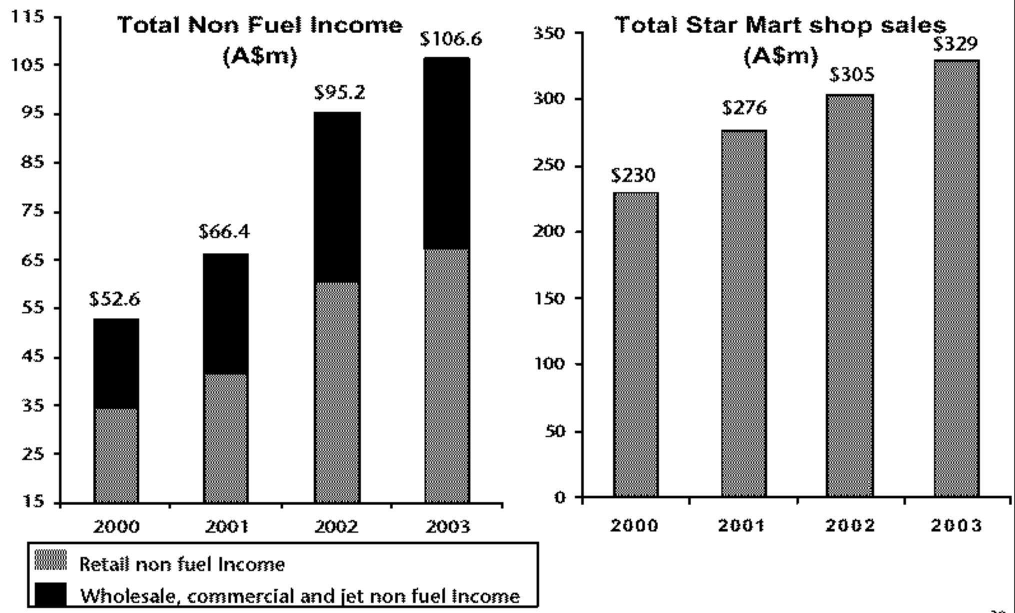
•Improved margins and sales volumes are the primary drivers behind the higher Replacement Cost Net Profit after Tax in 2003

Continued improvement in both retail non fuel income and convenience store sales



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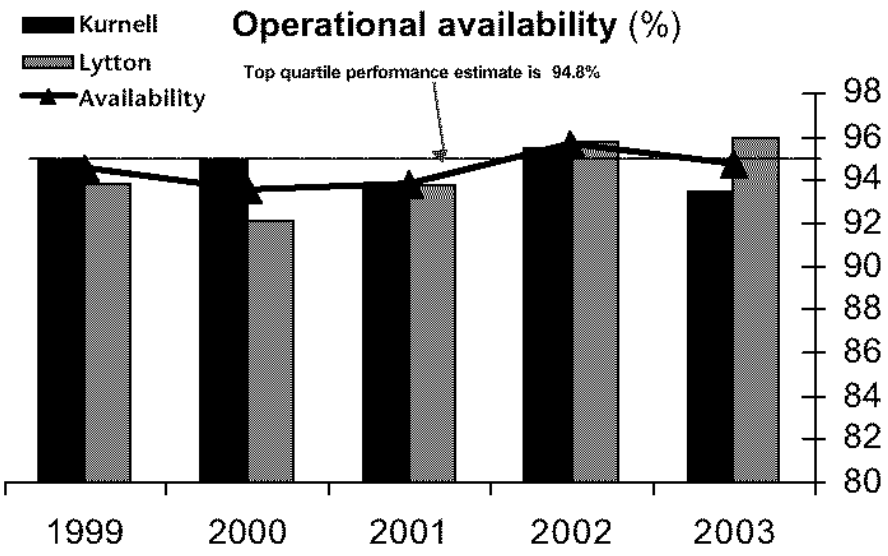
- However, it was by no means the only reason for our performance improvement. As shown here on the left, non fuel income has grown significantly over the last several years as Caltex invested to diversify our revenues

- The convenience store program represented by the green bar on the left side chart contributed $67.5 m to Retail non-fuel income, up 11.4% from 2002.
- Most of the growth in Non fuel income has come from Retail. However, the red bar shows non fuel income generated by channels other than Retail. This comprises revenue from our fleet card, pipeline and airport refuelling assets.
- Total StarMart shop sales shown here by the chart on the right, which is our large stores, was $329m for 2003, up $7.9% on 2002.

Lytton very strong, Kurnell a setback in 2003



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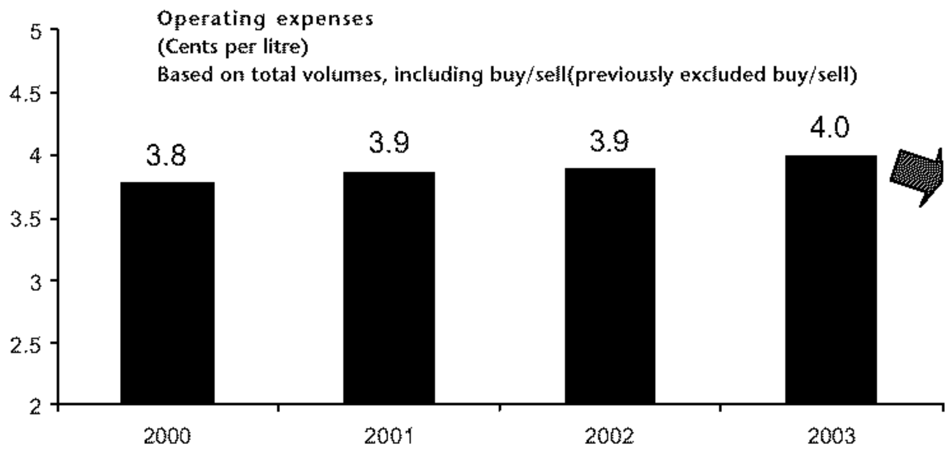
- Consistent with the key objective of our refining group, we have come a long way to eliminate unplanned incidents. However, in 2003 our Kurnell plant did experience some problems which impacted operational availability. There was minimal impact on profitability.
- Once again, this is a key operating area that we must improve in order to take advantage of the improving market conditions in Australia.

2004 is the year to lower unit operating costs



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- Unit operating cost increases in 2003 have been mainly in line with inflation, with specific increases related to:
- Increased contribution to the Company's defined benefit scheme as equity markets fell;
- Higher planned maintenance costs, a critical investment in refinery reliability;
- Establishment of a remediation provision relating to the roll out of a Tank Replacement Program throughout our Retail network.
- With the higher sales available to us and the improving refinery production volumes we anticipate our unit costs are going to decline beginning in 2004. This is, of course, critical for our continued long term competitive position.

Great performance ⟺ great execution

- Caltex is benefiting from improving industry dynamics
  - debt is under control and we are now financially stable
  - clean fuels investments will be met out of operating cash flows
- Regardless of the more positive outlook for external drivers, ultimate long term success will be driven by our focus on:
  - continued improvement in safety;
  - successful implementation of clean fuels project;
  - reduction in unit operating cost;
  - superior refinery operational availability and utilisation

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•Caltex is benefiting from improving industry dynamics

•debt is under control and we are now financially stable

•clean fuels investments will be met out of operating cash flows

•Regardless of the more positive outlook for external drivers, ultimate long term success will be driven by our focus on:

•continued improvement in safety;

•successful implementation of clean fuels project;

•reduction in unit operating cost;

•superior refinery operational availability and utilisation

Item 3: Key Shareholder issues

- Caltex/Woolworths venture
- Our relationship with franchisees
- Caltex's likely future direction on dividends

Item 4: Financial Reports

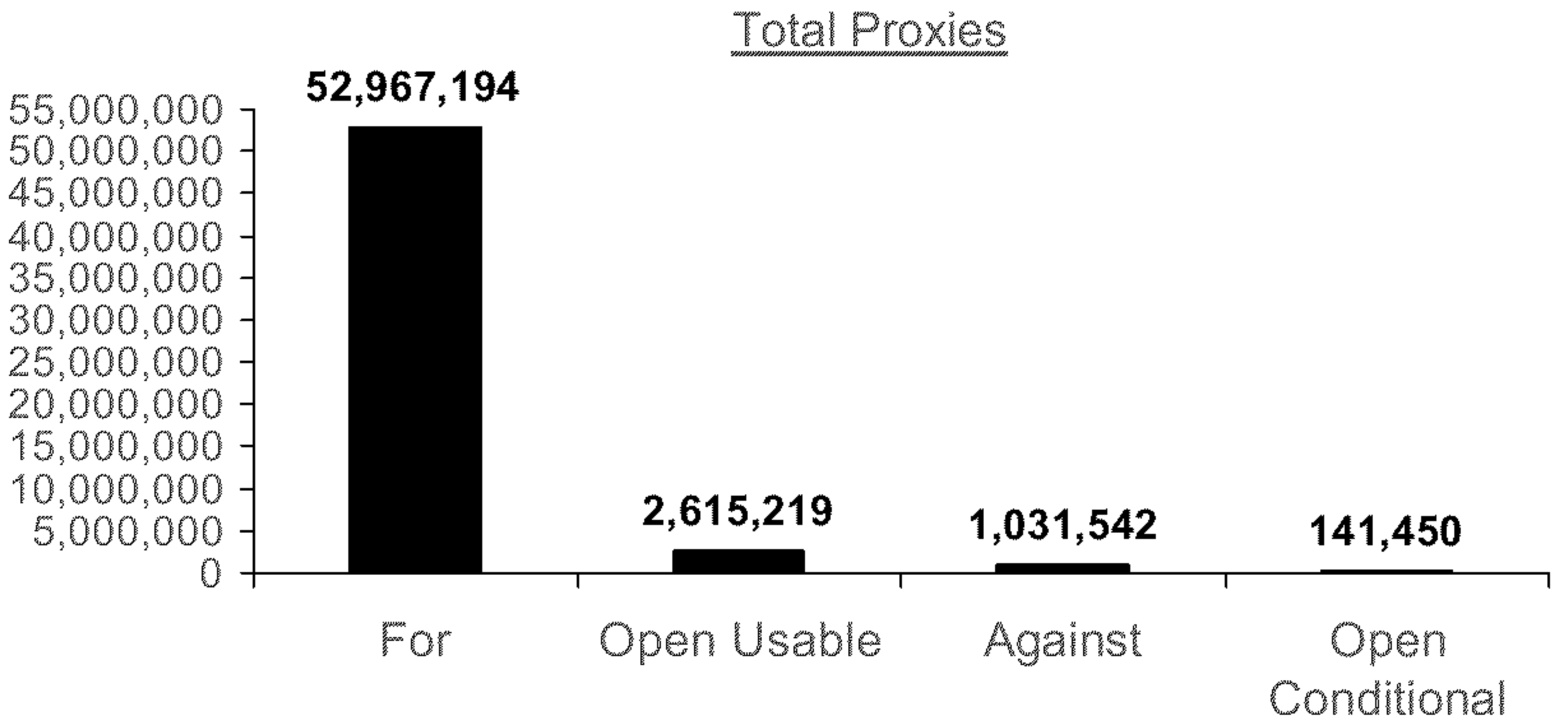
- The financial report, the directors' report and the auditor's report for Caltex Australia Limited (and the Caltex Australia Group) for the year ended 31 December 2003 are laid before the meeting

Item 5: Board Remuneration Pool for Non Executive Directors

- **Shareholders are asked to consider and , if thought fit , pass an ordinary resolution to approve an increase in the total annual remuneration pool available for Board fees paid to non executive directors of Caltex Australia Limited from $650,000 to $900,000 (an increase of $250,000), exclusive of statutory entitlements, with effect from 1 January 2004**

- The votes of the following directors are to be disregarded on Item 5:
  - Mr Dick Warburton
  - Mr Dave Reeves
  - Ms Elizabeth Bryan
  - Mr Leo Lonergan
  - Mr Martin B Southern
  - Mr Ken Watson

Item 5: Board Remuneration Pool for Non Executive Directors

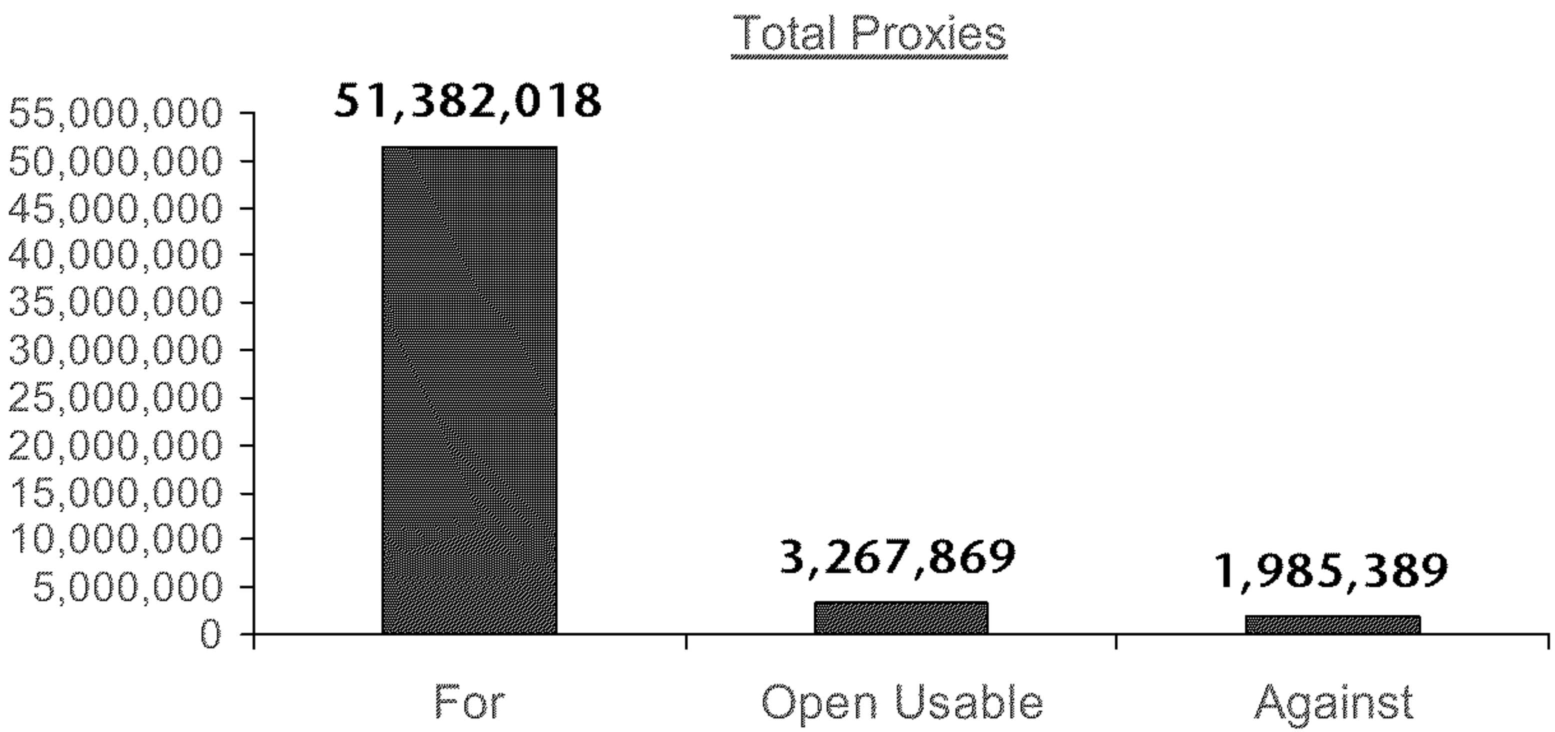


93.32% 4.61% 1.82% 0.25%

Item 6.1: Election of Martin B Southern

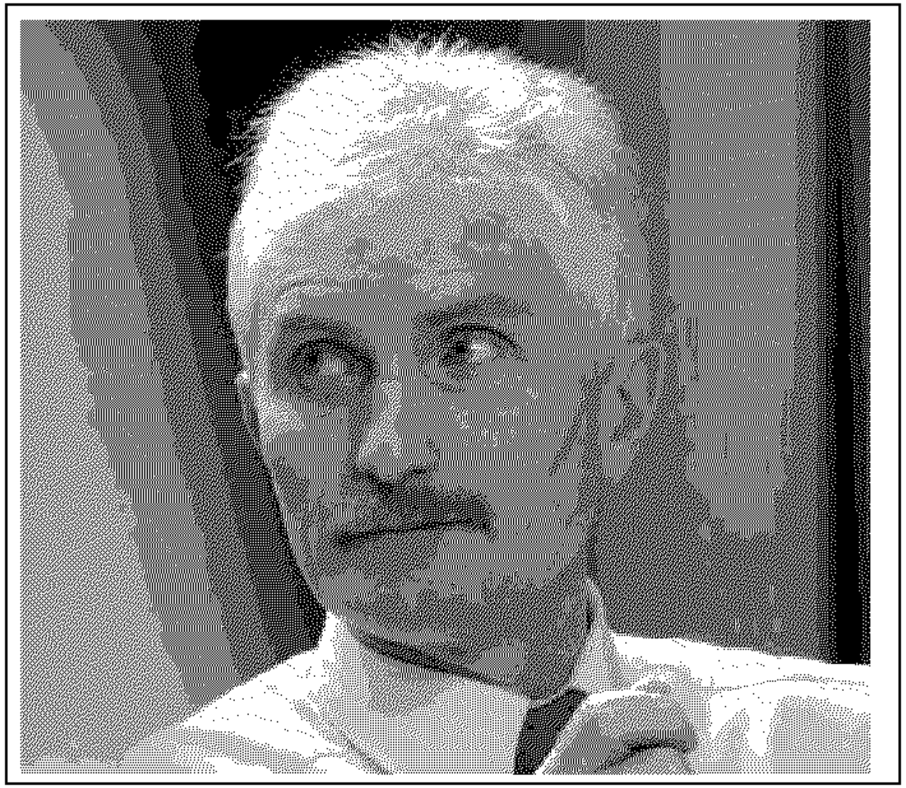
- Shareholders are asked to consider and , if thought fit, pass an ordinary resolution to elect Martin B Southern as a director of Caltex Australia Limited in accordance with , and on the terms set out in , the company's constitution

Election of Martin B Southern-Proxies



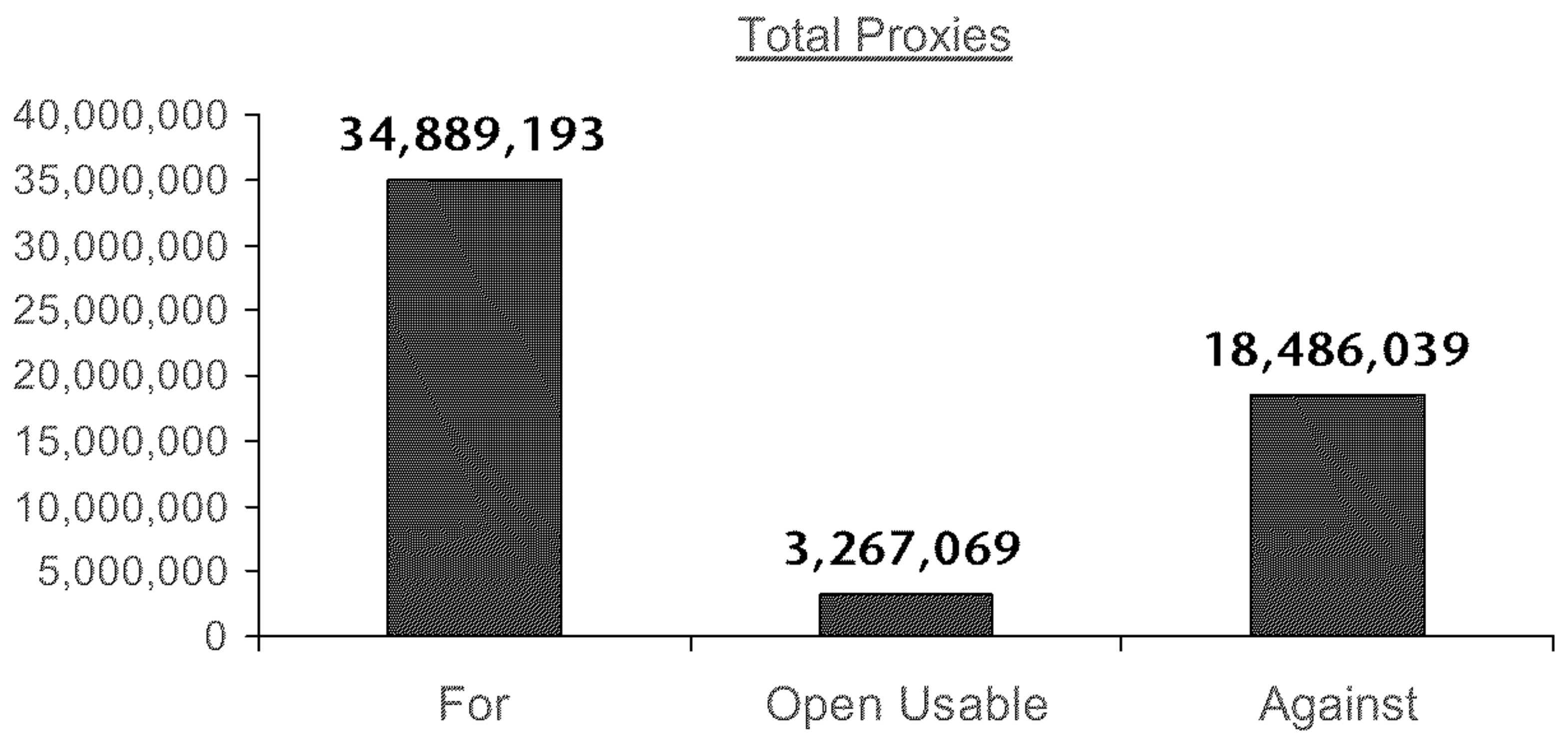
90.72% 5.77% 3.51%

Item 6.2: Re-Election of Leo Lonergan



- Shareholders are asked to consider and , if thought fit, pass an ordinary resolution to re-elect Leo Lonergan as a director of Caltex Australia Limited in accordance with , and on the terms set out in , the company's constitution
- Not Present

Re-Election of Leo Lonergan-Proxies

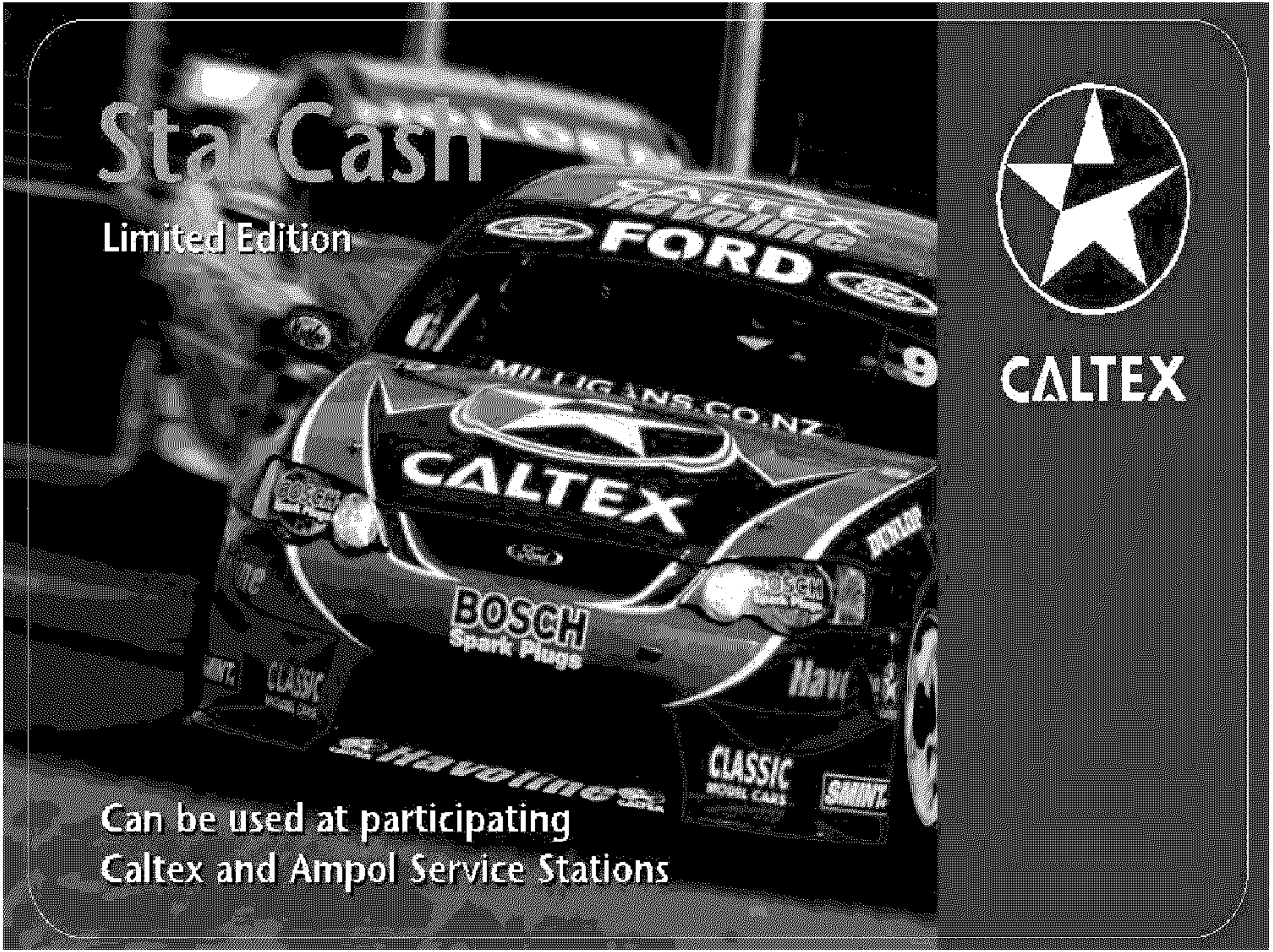


61. 59% 5.77% 32.64%

Item 7

Forum for shareholder questions and comments

CALTEX


Sta Cash
Limited Edition
FORD
MILLIGANS.CO.NZ
CALTEX
BOSCH
Spark Plugs
CLASSIC
Can be used at participating
Caltex and Ampol Service Stations
CALTEX

SHAREHOLDER ISSUES & RESPONSES

KEY SHAREHOLDER ISSUES

Issue: ***Caltex Woolworths Venture***

Response: **From the Chairman's speech to shareholders at the AGM**

The Caltex Woolworths venture is a positive move that makes very good sense as a response to the competitive developments in our industry. Alliances between oil companies and supermarkets are a relatively recent phenomenon in Australia but the trend is well established overseas as consumers show a strong preference for quick, convenient discount fuel and shopping locations.

Caltex Woolworths is an enterprise that benefits from strong synergies as well as the added value of each company's special expertise and resources. We were delighted to announce yesterday that the long-term arrangement with Woolworths has been finalised. We are working to negotiate with franchisees arrangements that will allow for the rapid roll out of up to another 110 Caltex sites to join the co-branded network. These sites will be in addition to the 41 company and commission agency operated service stations already co-branded. Woolworths will be converting to the Caltex Woolworths branding more than 300 of their own locations to make a total of up to 450 co-branded sites. It's a great expansion of the presence of the Caltex brand and with that there will continue to be a significant increase in our fuel sales volumes.

Achieving the deal has been a tremendous amount of hard work for teams on both sides. I would particularly like to congratulate Alex Strang, General Manager Planning, Supply and Corporate Services, for his leadership of the Caltex team in what was a very long and complex negotiation.

Issue: ***Relationships with Franchisees***

Response: **From the Chairman's speech to shareholders at the AGM**

The one unfortunate incident during the preparations for the venture was that internal memorandum suggesting employees deal with franchisees in a most inappropriate way. As you may have read in the media last weekend, we have acted decisively to deal with the issue and I am now confident employees will honour the Caltex value to treat all people with fairness, respect and dignity. That is essential if we are to achieve our vision to be the Australian oil refining and marketing company most admired for its people, partnership and performance.

I reiterate the comments Dave Reeves (Managing Director & Chief Executive Officer) and I made in the *2003 Annual Report*: Caltex has the largest franchised network of service stations in Australia and the commitment, professionalism and entrepreneurial skills of our 330 franchisees that operate over 500 service stations are fundamental to the company's success.

In a separate development, Caltex is the subject of a court action by a small group of franchisees in relation to the rollout of Caltex Woolworths co-branded service stations. It is not appropriate that I comment on that action, but I would like to emphasise that Caltex is committed to working constructively and positively with our franchisees and to ensure a sustainable franchise model for all. We are confident that we are making progress in this and many other areas.

On the issue of whether franchisees are being disadvantaged by the venture there are several points worth noting. To date there has been:

- on average, an increase in fuel sales at sites that compete with co-branded sites
- similarly, on average, a small increase in shop sales at sites with the co-branded competition

We are continuing with our price support arrangements for all franchisees and where that support is not enough to keep the sites viable we will provide additional support providing the overall economics remain adequate for both the franchisee and the company. In the event a service station does become uneconomic then arrangements will be made to provide assistance enabling the franchisee to leave the site.

Issue: ***Likely Future Direction on Dividend***

Response: **From the Chairman's speech to shareholders at the AGM**

As I mentioned in my Chairman's address, last year ended a two-year absence of dividends. Shareholders naturally now want some indication of our intentions for future dividends.

In the past few years our key priority has been to bring our debt under control and strengthen our capital structure. We took this course because we know how inherently volatile this industry is and we needed to be well positioned to make the major capital outlay required for the Clean Fuels Project.

This strategy has succeeded. We have come a long way on debt reduction and the company is in far better financial health than it was two years ago.

Caltex Board and management now have three main objectives over the next 18 months, which take us up to the successful completion of the Clean Fuels Project in late 2005. These are:

- to fund the remainder of the $295 million clean fuels investment out of 2004 and 2005 operating income
- maintain and, if possible, slightly reduce our current level of debt, and
- pay consistent and reliable dividends

Your Board has every confidence that these three goals can be achieved. However, our industry can be notoriously volatile, especially in terms of refiner margins, which is a major driver of our profitability and cash flows. At this stage we are projecting quite strong refiner margins over the next 18-24 months, which means we should be in a position to pay reliable and consistent dividends to shareholders.

Beyond that, once the Clean Fuels Project is completed, we will be taking another close look at our dividend policy. Our aim will be to pay dividends that take into account our level of profitability and cash flow as well as shareholder expectations.

On the matter of special dividends, we were very pleased to pay a special dividend for 2003 as the results clearly justified it. But we will be facing a challenging period over the next two years and deem it prudent to pay for our investment in Clean Fuels out of cash flow as opposed to debt. However, if our results continue to show strength we will look again at the possibility of paying special dividends over this period.

OTHER SHAREHOLDER ISSUES

Issue: ***Fees paid to Non-Executive Directors***

Response: All non-executive directors of Caltex Australia Limited are paid at the same rate. Directors receive a base fee and may receive additional fees based on membership of the Board's standing committees (the Audit Committee and the Human Resources & Nomination Committee). The Board Chairman receives a chairman's fee, which is inclusive of committee fees.

Fees to non-executive directors are paid in accordance with directions given to Caltex Australia Limited. For administrative efficiency, it is the practice of non-executive directors who are ChevronTexaco employees to direct Caltex to pay directors' fees to ChevronTexaco.

Issue: ***Board Composition – Independence & Expertise***

Response: Caltex Australia Limited has five non-executive directors and one executive director*. Three non-executive directors (Dick Warburton (Chairman), Elizabeth Bryan and Ken Watson) are considered by the Board to be independent based on the thresholds for director independence, as set out in the *Charter of Director Independence* (the charter was approved by the Board on 25 February 2004). There are two further non-executive directors (Leo Lonergan and Martin Southern) who are not considered by the Board to be independent. Under Caltex Australia Limited's Constitution, the Board Chairman does not have a casting vote at Board meetings.

The Board is conscious of the increasing demands being placed on the directors and is reviewing the composition and membership of the Board. The Board proposes to appoint an additional independent director, with a financial background, to bring additional expertise to the Board, achieve a majority of independent directors and allow the Board to better allocate its workload.

(* Dave Reeves, Managing Director & Chief Executive Officer, is an executive director)

Issue: ***Effect of movements in the Australian dollar against the US dollar on Caltex***

Response: There are two main impacts from a movement in the Australian dollar (AUD) against the US dollar (USD):

- on our purchases of crude and holding inventory of crude; and
- on the Caltex refiner margin.

Purchases of crude and holding inventory of crude

The impact on purchases of crude and holding inventory of crude has two components:

- Crude oil is purchased on 30 day terms. This means that, from the date of purchase to final settlement, any exchange rate movement will affect the final purchase price of that crude in $AUD. In 2003, Caltex benefited from a rising AUD against the USD by an amount of AUD $67 million (approximately). This is disclosed in the notes to the *2003 Financial Report*, which forms part of the *2003 Annual Report*.
- Caltex carries on average 30-40 days (approximately) of inventory, with the vast majority being crude and work in progress. The wholesale price for the refined product is based on Singapore prices, which are expressed in USD. The USD price is converted into AUD using the current exchange rate and adjustments are made to reflect Australian market conditions. As the AUD strengthens against the USD, the AUD revenue generated by the sale of that crude is reduced. However, if the crude payable terms match the inventory holding period, Caltex enjoys a natural hedge (note – there may be some timing variations, but usually the impact on crude payable and on crude inventory cancel out over time).

Impact on the Caltex refiner margin

As the refiner margin is expressed in USD, its impact is sensitive to exchange rate movements. If the AUD strengthens (as it did in 2003), the AUD refiner margin decreases. The reverse occurs if the AUD weakens. To illustrate this, had the average exchange rate for 2002 applied in 2003, it is estimated that the AUD refiner margin would have been AUD $70 million (approximately) higher in 2003.

Issue: ***Method of payment of dividends and dividend reinvestment plan***

Response: Dividends declared by Caltex Australia Limited are paid by:

- ***cheque***, by sending a cheque to the shareholder's address (as recorded in the share register); and
- ***direct debit***, by depositing the dividend into the shareholder's bank account (in accordance with a direction for payment, as received by our share register).

Caltex does not have a dividend reinvestment plan and the Board is not currently evaluating a plan of this type. This matter will be referred to the Board for consideration in 2004.

Issue: ***2003 Annual Report – glossy presentation of report, small and faint print, picture showing rust on Kurnell furnace***

Response: Caltex reviews the design and layout of our *Annual Report* each year before preparing for the production of the new report. Feedback from our shareholders is included in this process and we appreciate your comments.

This year we have made a cost and work saving by producing a single document for shareholders (the *2003 Annual Report*), instead of the two reports published in previous years (the *Annual Review* and the *Full Financial Report*).

To differentiate the front of the *2003 Annual Report* from the financial information at the back, Caltex printed the front half on gloss paper similar to that used previously in the *Annual Review* to achieve the best reproduction of the photographs, including the pictures of directors. The difference in the cost of printing on either glossy or matt paper stock is negligible.

Caltex regrets any difficulty shareholders may have experienced when reading the *2003 Annual Report* and will take comments into consideration when we plan the *2004 Annual Report*.

The picture of the Kurnell furnace (at page 11 of the *2003 Annual Report*) shows rust affecting the appearance of the furnace. The nature of refining is such that rust on the surface of processing equipment is an anticipated outcome that occurs inevitably when heavy steel plate is subject to high temperatures, occasional cooling and constant exposure to the elements. The refineries are checked regularly for any excessive corrosion to ensure that health, safety and environment issues do not arise. Unfortunately, it is not possible to avoid the surface rust that appears on processing equipment because to paint it would create a hazard – paint could catch fire due to the high operating temperature of the equipment.

Issue: ***Shareholder suggestion – in 2006, a silver anniversary loyalty certificate and bonus shares for shareholders who have held shares since 1981***

Response: The Board has not specifically considered the issue of a loyalty certificate or bonus shares for shareholders who have held shares since 1981 (when Caltex Australia Limited was listed on the Australian Stock Exchange). These matters will be referred to the Board for consideration in 2004. It should be noted, however, that it is unlikely that the Board would issue bonus shares to shareholders who have held shares since listing on that basis alone. Indeed, there may be legal impediments to a bonus issue of this nature.