BY ELECTRONIC LODGEMENT **ASX ANNOUNCEMENT**

CALTEX

CALTEX AUSTRALIA LIMITED
ACN 004 201 307

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SYDNEY NSW 2000 AUSTRALIA

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30 September 2005

Company Announcements Office
Australian Stock Exchange Limited

CALTEX AUSTRALIA LIMITED
2005 HALF YEAR REVIEW – SHAREHOLDER BROCHURE

The *2005 Half Year Review* is Caltex Australia Limited's report to shareholders for the half year ended 30 June 2005. The *2005 Half Year Review* is being mailed to shareholders over the next few days and is attached for release to the market.

Caltex Australia's results for the 2005 half year were released to the ASX on 26 August 2005. The *2005 Half Year Review*, the 2005 half year results information and other recent financial reports and presentations are available from our website (*www.caltex.com.au*).

Helen Conway
Company Secretary

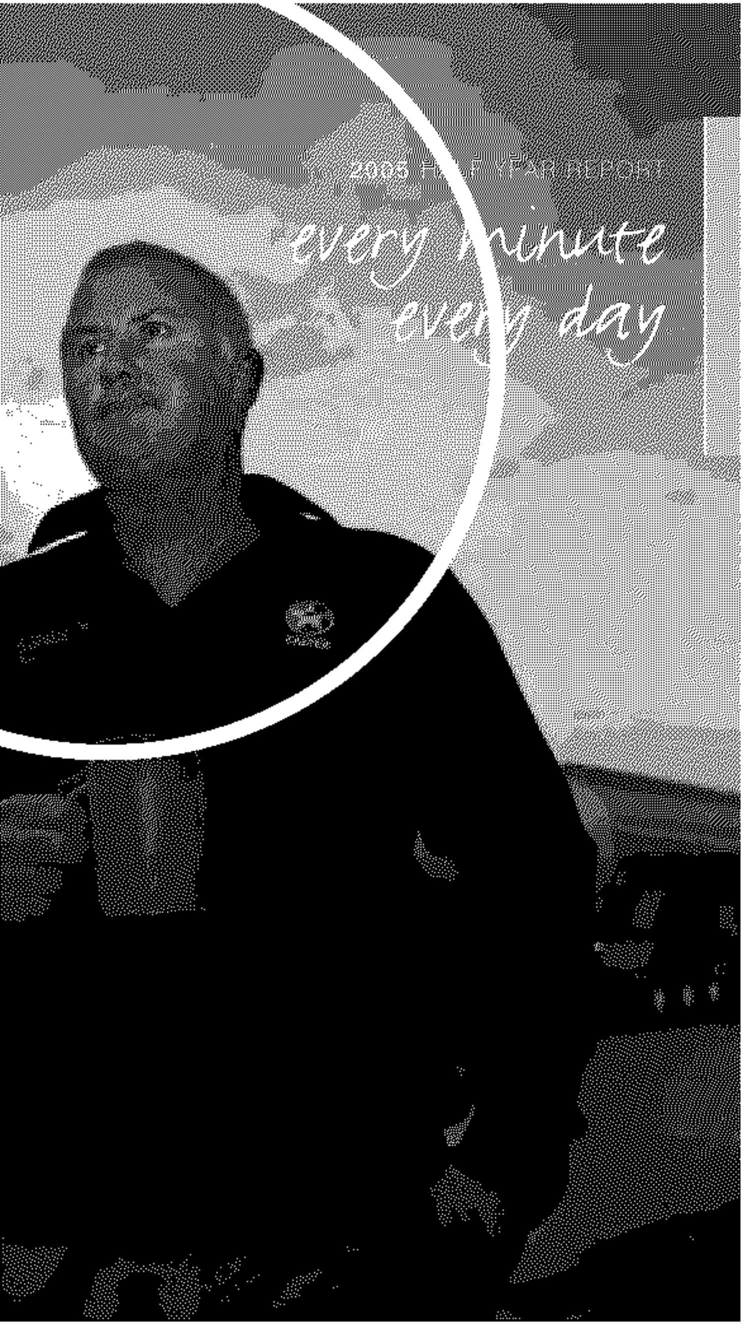
Attach.

CALTEX

Caltex Australia Limited ACN 004 201 307

2005 HALF YEAR REPORT

every minute every day



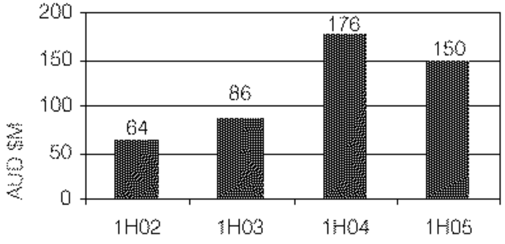
Highlights

Results summary		Six months ended 30 June 2005	2004*
Replacement cost of sales operating profit (RCOP)[1] after tax	⇩	$150 million	$176 million
RCOP earnings before interest and tax	⇩	$226 million	$275 million
RCOP earnings per share	⇩	55 cents	65 cents
Net debt	⇩	$533 million (23% gearing)	$536 million (27% gearing)
Dividend	⇧	15 cents	14 cents
Statutory net profit after tax (including inventory gains/losses and significant items)	⇩	$253 million	$336 million
Earnings per share	⇩	94 cents	125 cents

[1] The replacement cost of sales operating profit excludes the impact of the fall or rise in oil prices (a key external factor) and presents a clearer picture of the company's underlying business performance. It is calculated by restating the cost of sales using the replacement cost of goods sold rather than the historical cost, including the effect of revenue lags.

* 2004 comparative numbers have been adjusted for the transition to A-IFRS (Australian equivalents to International Reporting Standards).

FIRST HALF PROFIT TRENDS



RCOP NPAT
(replacement cost excluding significant items)

Dear Shareholder

The Caltex first half 2005 result reflected a strong operational performance across the business, with marketing strategies and refining improvement programs delivering further benefits. There were increased sales volumes and margins across all Marketing channels and refinery production rates were high outside planned maintenance shutdowns.

Refiner margins remained strong, offset by the negative pressure of a stronger Australian dollar and the effect of time lags in recovering significantly higher crude oil prices from the market.

The replacement cost of sales operating profit (RCOP) profit after tax and excluding significant items was $149.6 million for the first half of 2005, compared with $176.1 million for the first half of 2004.

The Board declared an interim fully franked dividend of $40.5 million, or 15 cents a share (first half 2004: 14 cents a share).

Caltex recorded significant gains in market sales volume and marketing margins compared with the first half of 2004. Petrol sales increased 5%, benefiting from the rollout of the Caltex Woolworths jointly branded network, and diesel and jet fuel sales rose by almost 7%.

Premium fuel sales increased by 34.4% compared with the first half of 2004, boosted by the NSW rollout of Caltex's new high octane premium unleaded petrol Vortex 98.

Non-fuel income increased by almost 10%. Caltex is now the number one convenience retailer in Australia with a 31% market share and shop sales that continue to grow.

In Refining, utilisation rates continued to increase, enabling production to be maintained in a year of significant planned shutdowns for both normal maintenance as well as for the Clean Fuels Project. During the first half of 2005, Lytton refinery successfully executed a total refinery shutdown of seven weeks, while Kurnell refinery undertook a 26-day maintenance shutdown of one of its two crude units.

Despite the shutdowns, Caltex's production of transport fuels for the first half of 2005 was marginally lower at 4.8 billion litres (1H04: 4.9 billion litres). The financial impact of the lower production was approximately A$7 million before tax.

On a US dollar basis, the Caltex Refiner Margin (CRM) was in line with the first half of 2004 at approximately US$7.28 per barrel (versus US$7.33 in 1H04). However, margins were negatively affected in the period by timing lags between a US$15 a barrel (or 39%) rise in the Tapis crude oil price during the six months ended June 2005 and the prices for refined product in the Australian market. The reverse effect occurs when crude oil and therefore product prices fall. The financial impact during the period of these pricing lags was about US$1.15 per barrel, which equates to approximately A$45 million before tax.

In addition to the pricing lags, the Caltex Refiner Margin was impacted by the stronger Australian dollar in 2005 versus 2004, an impact of approximately A$16 million before tax.

On an historical cost basis (including inventory gains, but excluding significant items), Caltex recorded an after tax profit of $231.8 million for the first half of 2005 compared with $222.9 million for the first half of 2004. This included inventory gains of $82.2 million after tax, compared with inventory gains of $46.8 million after tax in the first half of 2004.

Balance sheet remains strong

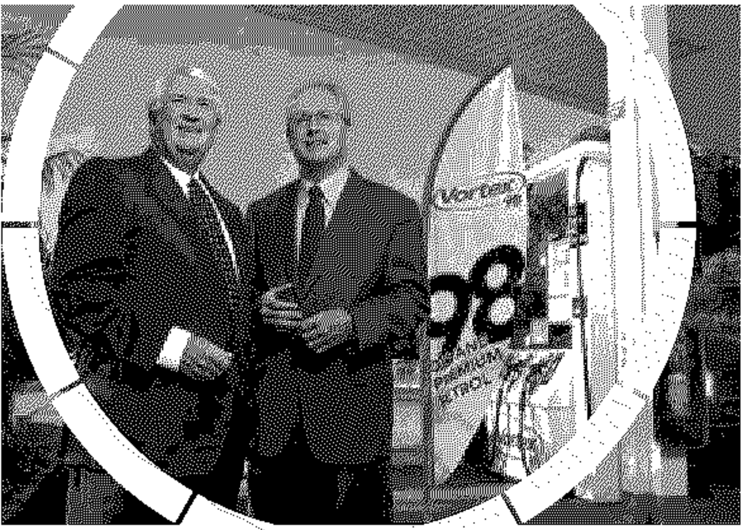
The company's share price continued to perform well, increasing 46% in the first six months of 2005. Caltex's share price performance was recognised in May by its inclusion in the Morgan Stanley Capital International's (MSCI) global share index for Asia Pacific (excluding Japan).

The company's balance sheet remains strong, with core debt remaining within the gearing target of 20–25%.

Market conditions and outlook remain favourable. The outlook for refiner margins for the remainder of 2005 is positive as global refining capacity remains tight.

RICHARD WARBURTON AO
Chairman

DAVE REEVES
Managing Director and CEO



Above Chairman Dick Warburton and Managing Director and Chief Executive Officer Dave Reeves

	Millions of dollars	2005	2004
1	Total revenue [1]	7,614	6,177
2	Total expenses [2]	(7,388)	(5,902)
3	**Replacement cost EBIT**	**226**	**275**
4	Net borrowing costs	(20)	(24)
	Income tax expense	(56)	(75)
	Replacement cost profit	**150**	**176**
5	Inventory gain – after tax	82	47
6	Significant items	21	113
	Historical cost net profit	**253**	**336**
7	Interim dividend per share	15c	14c
	Final dividend per share	N/A	25c
	Basic earnings per share		
	– Replacement cost – excluding significant items	55c	65c
	– Historical cost – including significant items	94c	125c

DISCUSSION AND ANALYSIS

1 Total revenue

⇧ 23%

Total revenue increased primarily due to:

- Higher product prices, driven by higher crude prices and strong refiner margins;
- Improved marketing margins; and
- Significant growth in marketing sales volumes of transport fuels and lubricants.

[1] Excludes interest revenue and significant items (if appicable)

[2] Excludes interest expense, inventory gains/(losses) and significant items (if applicable)

DISCUSSION AND ANALYSIS CONTINUED

2 Total expenses – replacement cost basis

↑ 25%

Total expenses increased primarily due to:

- Higher cost of sales, reflecting higher sales volumes and higher crude prices; and
- Higher operating expenses in absolute terms due to:
  - increased maintenance-related costs due to higher shutdown activity;
  - higher shipping costs; and
  - increased employee costs due to additional resources for the Refinery Performance Improvement Project.

However, on a per litre sold basis, operating expenses decreased by 3% compared with the same period in 2004, reflecting a 7% increase in total sales volume.

3 Replacement cost EBIT

↓ 18%

Reduction in Caltex's underlying performance resulted primarily from:

- lower AUD-denominated refiner margins, driven by a stronger AUD;
- lower production as a result of higher planned refinery shutdown activity;
- the unfavourable effect of time lags in recovering significantly higher crude prices from the market.

This profit reduction was partially offset by stronger marketing margins and significant growth in sales volumes of transport fuels and lubricants.

Breakdown of replacement cost EBIT is detailed below:

RCOP EBIT breakdown

Caltex refiner margin (CRM)

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

CRM was in line with 1H04 at US$7.28/bbl (US$7.33/bbl for 1H04). However, margins were negatively affected by timing lags between a US$15 a barrel (or 39%) rise in the Tapis crude oil price during the six months ended June 2005 and prices for refined product in the Australian market. The reverse effect occurs when crude oil and therefore product prices fall. The financial impact during the period of these pricing lags equates to approximately A$45 million before tax. In addition to the pricing lags, the CRM was impacted by the stronger Australian Dollar in 2005 versus 2004, an impact of approximately A$16 million before tax. Higher planned refinery shutdown activity resulted in production of transport fuels falling from 4.9 billion litres in 1H04 to 4.8 billion litres in 1H05.

Transport fuels marketing margin

Transport fuels comprise petrol, diesel and jet. The transport fuels marketing margin is based on the average net margin over Import Parity Price in Australia.

- The average transport fuels marketing margin was 5% higher than 1H04. Additionally, transport fuels sales volumes increased overall by 6% across all products.

Lubricants and specialties margin

[illegible]

Lubricants and specialties products include finished lubricants, base oils, liquified petroleum gas, petrochemicals, bitumen, wax and marine fuels.

- Specialties volumes grew overall by 17% mainly due to improved demand for refinery grade propylene and marine fuels.

Non fuel income

[illegible]

Non fuel income includes convenience store income, franchise income, royalties, property, plant and equipment rentals, Starcard income and share of profits from non controlled equity distributors.

- Non fuel income increased by almost 10% compared with the same period last year.

Operating expenses

[illegible]

Operating expenses in this caption include refining and supply, marketing, corporate and other operating expenditure.

- Operating expenses increased in absolute terms, but on a per litre sold basis, decreased by 3% compared with 1H04.

Other

[illegible]

Other comprises a number of components including miscellaneous income, pipeline and charter revenue and net exchange impacts.

Total RCOP EBIT

[illegible]

DISCUSSION AND ANALYSIS CONTINUED

4 Net borrowing costs

↓ 16%

While net debt increased to $533 million at 30 June 2005 (compared with $447 million at 31 December 2004), average net debt over the course of 1H05 was almost 15% lower than for 1H04. The lower average net debt level resulted in borrowing costs decreasing by 16%.

5 Inventory gain after tax

↑ 74%

Regional crude oil prices rose significantly in 2005, (averaging US$54.14/bbl in June 2005 compared with US$39.03/bbl in December 2004). This increase resulted in net inventory gains of $82 million (after tax) compared with net inventory gains of $47 million (after tax) in 1H04.

6 Significant items

$21m gain

As a result of tax consolidation legislation passed in 2005, Caltex recognised a significant one-off tax credit of $21 million with a corresponding reduction in deferred tax liabilities. The initial legislation, passed in 2004, resulted in a one-off tax credit of $113 million in the first half of 2004.

7 Interim dividend

15 cps

The Board declared an interim fully franked dividend of $40.5 million or 15 cents per share. The dividends have a franking credit of 100%. The record date is 9 September 2005, with the dividend payable on 30 September 2005.

Balance Sheet

As at 30 June 2005

	Millions of dollars	June 2005	December 2004	change $m
1	Working capital	559	451	108
2	Property, plant and equipment (PP&E)	1,813	1,684	129
3	Net debt	(533)	(447)	(86)
4	Other non current assets and liabilities	(24)	(52)	28
	Total equity	1,815	1,636	179

DISCUSSION AND ANALYSIS

1 Working capital

↑ $108m

The increase in working capital is primarily due to:

- Higher crude and product prices; and
- Lower income tax liability because current year tax instalments have increased at a higher rate than the underlying earnings.

2 PP&E

↑ $129m

The increase in property, plant and equipment is due to:

- Capital expenditure and major cyclical maintenance of $201 million, including $117 million relating to the Clean Fuels Project for Caltex's two refineries;

Partly offset by:

- Depreciation of $61 million; and
- Net disposals of $11 million.

3 Net debt

↑ $86m

Net debt has increased to $533 million at 30 June 2005, an increase of $86 million from 31 December 2004. As a result, Caltex's gearing (net debt to net debt plus equity) was 22.7%, slightly up from 21.5% at 31 December 2004.

The increase is due primarily to higher working capital requirements driven by crude oil price increases and funding requirements for the Clean Fuels Project.

Balance Sheet

As at 30 June 2005 continued

4 Other non current assets and liabilities

↓ $28m

Other non current assets and liabilities have decreased primarily as a consequence of entry into the new tax consolidation regime which resulted in a $21 million decrease in deferred tax liabilities. For more information refer to the Profit and Loss, Discussion and Analysis, Item 6: "Significant items".

Cash Flows

For the half year ended 30 June 2005

	Millions of dollars	2005	2004	change
	Receipts from customers	8,353	6,594	1,759
	Payments to suppliers and employees	(5,841)	(4,235)	(1,606)
	Payments for excise and GST	(2,170)	(2,060)	(110)
1	Borrowing costs paid	(22)	(27)	5
2	Other net operating activities	(145)	(90)	(55)
	Net operating cash inflows	**175**	**182**	**(7)**
3	Purchases of property, plant and equipment (PP&E) and major cyclical maintenance	(186)	(56)	(130)
	Other investing cash flows	(7)	1	(8)
	Net investing cash outflows	**(193)**	**(55)**	**(138)**
4	**Net financing cash inflows/(outflows)**	**35**	**(153)**	**188**
	Net increase/(decrease) in cash held	**17**	**(26)**	**43**

DISCUSSION AND ANALYSIS

1 Borrowing costs

↓ $5m

While net debt increased to $533 million at 30 June 2005 (compared with $447 million at 31 December 2004), average net debt for 1H05 was almost 15% lower than for 1H04. The lower average net debt level resulted in decreased borrowing costs ($5 million).

2 Other operating activities

↑ $55m

Income tax instalments are increasing in line with higher profitability.

3 Purchases of PP&E and major cyclical maintenance

↑ $130m

The increase in capital expenditure in 2005 related primarily to the Clean Fuels Project and higher turnaround and inspection reflecting higher shutdown activity for 1H05.

4 Net financing cash inflows

↑ $188m

The increase in net financing cash inflows reflects the increase in net debt, which is driven by:

- Higher Clean Fuels Project expenditure;
- Higher cyclical maintenance work due to higher shutdown activity.

Directors

As at 30 August

The Board of Caltex Australia Limited comprises a team of directors with different backgrounds, skills and experience who bring independent judgement and review of Caltex's business and management performance and knowledge of the petroleum business. The Board comprises:

DICK WARBURTON, AO
Chairman (Non-executive/Independent)

DAVE REEVES
Managing Director and Chief Executive Officer

ELIZABETH BRYAN
Director (Non-executive/Independent)

BILL HAUSCHILDT*
Director (Non-executive)

JOHN THORN
Director (Non-executive/Independent)

KEN WATSON
Director (Non-executive/Independent)

PETER WISSEL
Director (Non-executive)

*Brant Fish serves as an alternate director for Bill Hauschildt

CORPORATE GOVERNANCE

The Board is committed to best practice in corporate governance where these practices are appropriate and add value to Caltex Australia.

Caltex Australia has established a corporate governance centre on the Caltex web site (www.caltex.com.au) to provide information about our corporate governance practices. The site contains links to our Board and committee charters and policies, shareholder reports, full year and half year results announcements, ASX announcements, notices of shareholder meetings (and explanatory material) and corporate information.

Financial Calendar*

2005 full year results and dividend announcement
Friday 24 February 2006

Record date for 2005 full year dividend entitlement
Friday 10 March 2006

2005 full year dividend payable
Friday 31 March 2006

2006 Annual General Meeting
Thursday 27 April 2006

2006 half year results and dividend announcement
Friday 25 August 2006

Record date for 2006 half year dividend entitlement
Friday 8 September 2006

2006 half year dividend payable
Friday 29 September 2006

*These dates may be subject to change

Above The Clean Fuels Project under construction.

CALTEX

Caltex Australia Limited ACN 004 201 307

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Helen Conway
Company Secretary & General Counsel

Diane Brown
Assistant Company Secretary

Investor Relations
Harvey Ward
Manager Investor Relations

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