BY ELECTRONIC LODGEMENT **ASX ANNOUNCEMENT**

CALTEX

CALTEX AUSTRALIA LIMITED
ACN 004 201 307

LEVEL 24, 2 MARKET STREET
SYDNEY NSW 2000 AUSTRALIA

22 June 2007

Company Announcements Office
Australian Stock Exchange Limited

CALTEX AUSTRALIA LIMITED
FIRST HALF 2007 PROFIT OUTLOOK

Caltex Australia Limited's first half 2007 profit outlook is attached for immediate release to the market.

Helen Conway
Company Secretary

Attach.

CALTEX

Caltex Australia

Media Release

For immediate release
Friday, 22 June 2007

Caltex first half 2007 financial results outlook

Results summary	Half year ended 30 June 2007 outlook	2006
Replacement cost of sales operating profit (RCOP)[1] result:	**$M**	$M
- after tax	**235 – 255**	174.7
- before interest and tax	**370 – 390**	270.0
Historical cost result (net profit after tax, including inventory gains)	**355 – 375**	276.7

Caltex Australia Limited announced today it expects an after tax profit in the range of $235 million to $255 million on a replacement cost of sales operating profit (RCOP) basis for the first half of 2007. This compares with $174.7 million for the first half of 2006, which was a period affected by the delay in the completion of the company's major Clean Fuels Project that had an estimated negative impact on the RCOP profit after tax of $80-100 million. (The RCOP figures exclude the impact of international oil price movements on cost of sales.) The expected result for the first half of 2007 is subject to audit and normal period end close processes.

The expected profit equates to between 2.4 and 2.7 cents per litre[2] on average for all petroleum products sold.

Total excise and GST on sales for the first half will be more than $3.4 billion.

The forecast profit has been achieved as a result of strong refining margins and higher production and sales volumes.

The Caltex refiner margin[3] averaged approximately US$11.40 a barrel in the first five months of 2007. (Same period 2006: US$9.33 a barrel.) The higher margin reflected tight regional supply, strong demand, and the impact of regional refinery maintenance shutdowns. The benefit of the higher US dollar denominated refiner margin was offset by the strengthening of the Australian dollar.

---

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

[2] This calculation is based on RCOP NPAT ($235 – 255 million) divided by the total Caltex sales including estimated sales to domestic refiners (9.6 billion litres) in the first six months.

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

Consumer fuel prices have been rising since late January 2007. Australian prices are linked to international prices which have reflected the growing regional and global demand and short supply for petroleum products as well as higher crude oil prices.

Caltex refinery production of high value transport fuels in the first five months of the year was 4.4 billion litres compared with 3.8 billion litres for the same period in 2006. Operating units at both refineries have achieved record throughput rates this year to date with utilisation for the first five months averaging 84.4% (comparable period 2006: 69.4%).

Refinery production in the comparative period in 2006 was affected by the delayed start-up of new clean fuels plants.

Total transport fuel sales volumes (petrol, diesel and jet) were 5.6 billion litres in the first five months of 2007, compared with 5.5 billion litres in the first five months of 2006. The main improvement was in diesel sales volumes, which have increased strongly compared with the same period last year. Petrol sales are also up on last year, but margins have been adversely impacted by the highly competitive retail environment. Non-fuel income, primarily from increased convenience store sales and card activity, has continued to grow.

On a historical cost profit basis (including inventory gains), Caltex expects an after tax profit in the range of $355 million to $375 million for the first half of 2007 compared to $276.7million for the first half of 2006, which was a period affected by the delay in the completion of the company's major Clean Fuels Project that had an estimated negative impact on the historical cost profit after tax of $80-100 million. The current half year forecast includes estimated crude oil inventory gains of approximately $120 million after tax compared to inventory gains of $102 million after tax for the first half of 2006 resulting from the rise in the price of crude oil.

Media contact
Richard Beattie
Group Manager Corporate Affairs
Phone 02 9250 5224
Pager 02 9214 1146

Analyst contact
Frank Boys
Manager Investor Relations
Phone 02 9250 5166
Email frboys@caltex.com.au