

ASX RELEASE

28 December 2016

Caltex Australia notes Woolworths' announcement in relation to the sale of its fuels business

Caltex Australia Limited (ASX:CTX) notes the announcement today from Woolworths Limited that it has entered into an agreement to sell its fuels business and enter a strategic partnership with BP.

As previously disclosed, Caltex made a conditional and confidential proposal to Woolworths to acquire its fuels business and continue the successful fuel alliance. Caltex put forward a proposal which it believes represented full and fair value, taking into account the declining trend in supermarket fuel redemption volumes, the restrictive commercial terms to enable the ongoing provision of a fuel discount offer by Woolworths, and considering the fact that the Woolworths network is leased rather than owned. As indicated in the announcement on 18 October 2016, Caltex has retained financial discipline in this process and remains focussed on the creation of top quartile total shareholder returns driven by profitable, capital-efficient growth.

“Whilst we are naturally disappointed that the successful fuel alliance will come to an end, it is important that we exercise financial discipline in pursuing growth. That growth must be in the best interests of Caltex shareholders.” Mr Segal said.

As noted previously, Caltex's 3.5 billion litre fuel supply arrangement with Woolworths is linked to Woolworths' continued ownership of the business. As regulatory approvals will be required for the sale, any transaction remains uncertain and will take time to complete. Caltex will update the market following notice of any change to the Woolworths wholesale supply arrangement.

Until such time as regulatory approval is given and the transaction is complete, Caltex will continue to provide reliable and high quality fuel supply to Woolworths and its customers.

Mr Segal said “Caltex will continue to pursue profitable growth by securing new wholesale and retail volumes, such as the recent Milemaker and Gull acquisitions, and investing in our supply chain, including our retail network and core transport fuels infrastructure.

Caltex will now continue to pursue adjacent business opportunities, including our unique convenience retail offering, supply chain management, infrastructure services and product sourcing. This includes investing in capabilities and businesses that leverage our existing consumer and mobility assets, such as retail convenience.

Caltex remains focussed on delivering top quartile total shareholder returns by executing its well proven strategy.”

Caltex Australia

A proud and iconic Australian company, Caltex has grown to become the nation's leading transport fuel supplier, with a vast network of approximately 1,900 company-owned, franchised or affiliated sites. Caltex aims to be the market leader in complex supply chains and the evolving convenience marketplace, by delivering the fuel and other everyday needs of its diverse customers through its networks. With a history tracing back to 1900, Caltex has safely and reliably fuelled the needs of Australian motorists and businesses for more than a century. It operates as a refiner, importer and marketer of fuels and lubricants. It is listed as CTX on the Australian Securities Exchange.

For more information visit www.caltex.com.au

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