

23 December 2019

CALTEX ANNOUNCES INTENTION TO TRANSITION TO AMPOL BRAND

Caltex Australia Limited (ASX:CTX) today announces it has received a termination notice from Chevron Corporation regarding its current licence agreement for use of the Caltex brand in Australia. This follows 18 months of discussions with Chevron regarding the future of the licence agreement. Caltex today also announces it will proceed to implement existing plans to transition to the company-owned Ampol brand following a detailed brand strategy review.

Caltex's licence agreement provides a three year transition period consisting of a six month notice period and 30 month work out period. Caltex has continued exclusive use of the Caltex brand for the notice period and first 18 months of the work out period. Caltex will begin transition to Ampol on expiry of the six month termination notice period and will complete the transition across the full retail network within the next three years.

Managing Director and CEO of Caltex, Julian Segal, said the company is well advanced in preparations and the change to the Ampol brand better reflects the organisation's proud Australian history, independent operations and position as the country's leading transport fuels provider.

"Ampol is an iconic brand in Australia and reflects our deep Australian heritage and expertise. Our market research confirms that Ampol continues to be regarded as a high-quality and trusted brand by Australian consumers and resonates across our key customer segments.

"The transition to Ampol also supports our evolution into a growing regional fuels and convenience business and will allow us to invest and build equity in a company-owned brand as we continue the rollout of our retail strategy. This includes capturing benefits from cost synergies of rebranding during the rollout."

The transition will involve some additional marketing operating costs to relaunch the brand but will ultimately deliver cost savings from the removal of annual trade mark licence fees of between \$18m and \$20m. The licence fee savings would be additional to existing cost saving initiatives previously outlined to the market.

The transition will be undertaken in a capital disciplined way as part of the roll out of Caltex's broader branded network strategy, with an indicative capital cost of approximately \$165m over a three-year period. This estimate has the scope to be reduced by taking advantage of existing planned network investment and work to establish the extent of this reduction is ongoing.

Mr Segal said the change will allow Caltex the opportunity to move to its own fuel brand and continue to leverage its skills in the supply and development of its own high-quality fuels under this brand.

"We are proud of the high-quality products and services that we have safely and reliably supplied to our valued retail and business customers for more than 100 years. This includes the work we have done in leading the introduction of advanced high-quality premium fuels in Australia, and this product innovation will continue and strengthen under the Ampol brand."

Shareholder approval to change the registered company name will be sought at the Caltex Annual General Meeting in May 2020. Caltex will update the market on the Ampol brand proposition and on roll out in due course.

Authorised for release by: the Board of Caltex Australia Limited

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Caltex Australia

A proud and iconic Australian company, Caltex [ASX: CTX] has grown to become the nation's leading transport fuel supplier, with a network of approximately 1,900 Company-owned 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. Caltex has safely and reliably fuelled the needs of Australian motorists and businesses since 1900. It operates as a refiner, importer and marketer of fuels and lubricants. Follow us on LinkedIn, Twitter and Facebook, and for more information visit www.caltex.com.au.