

Independent Audit Report to the members of Caltex Australia Limited

For the financial year ended 31 December 2006

Scope

We have audited the financial report of Caltex Australia Limited ("the Company") for the financial year ended 31 December 2006, consisting of the income statements, statements of recognised income and expense, balance sheets, statements of cash flows, accompanying notes 1 to 30 and the directors' declaration. The financial report includes the consolidated financial statements of the group, comprising the Company and the subsidiaries it controlled at the end of the year or from time to time during the financial year. We have audited specific information disclosed by the Company, as permitted by the Corporations Regulations 2001, about the remuneration of directors and executives ("remuneration disclosures"), required by Australian Accounting Standard AASB 124 Related Party Disclosures, within those sections identified as "Audited" in the "Remuneration report" forming part of the directors' report and not in the financial report. All other sections and information within the "Remuneration report" that have not been identified as audited are not subject to our audit. The Company's directors are responsible for the financial report and the remuneration disclosures. We have conducted an independent audit of the financial report and the remuneration disclosures in order to express an opinion on them to the members of the Company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement and that the remuneration disclosures comply with AASB 124. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report and the remuneration disclosures, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Australian Accounting Standards and other mandatory professional reporting requirements in Australia and statutory requirements so as to present a view which is consistent with our understanding of the Company's and the group's financial position, and performance as represented by the results of their operations and their cash flows and whether the remuneration disclosures comply with Australian Accounting Standard AASB 124.

The audit opinion expressed in this report has been formed on the above basis.

Audit opinion

In our opinion:

- (1) the financial report of Caltex Australia Limited is in accordance with:
 - a) the Corporations Act 2001, including:
 - i. giving a true and fair view of the Company's and the group's financial position as at 31 December 2006 and of their performance for the financial year ended on that date; and
 - ii. complying with Australian Accounting Standards and the Corporations Regulations 2001; and
 - b) other mandatory financial reporting requirements in Australia; and
- (2) the remuneration disclosures that are contained in those sections specifically identified as "Audited" within the "Remuneration report" report comply with Australian Accounting Standard AASB 124 Related Party Disclosures.

KPMG

Steven Gatt
Partner

Sydney, 23 February 2007