UTAH ENERGY DEVELOPMENT SUMMIT

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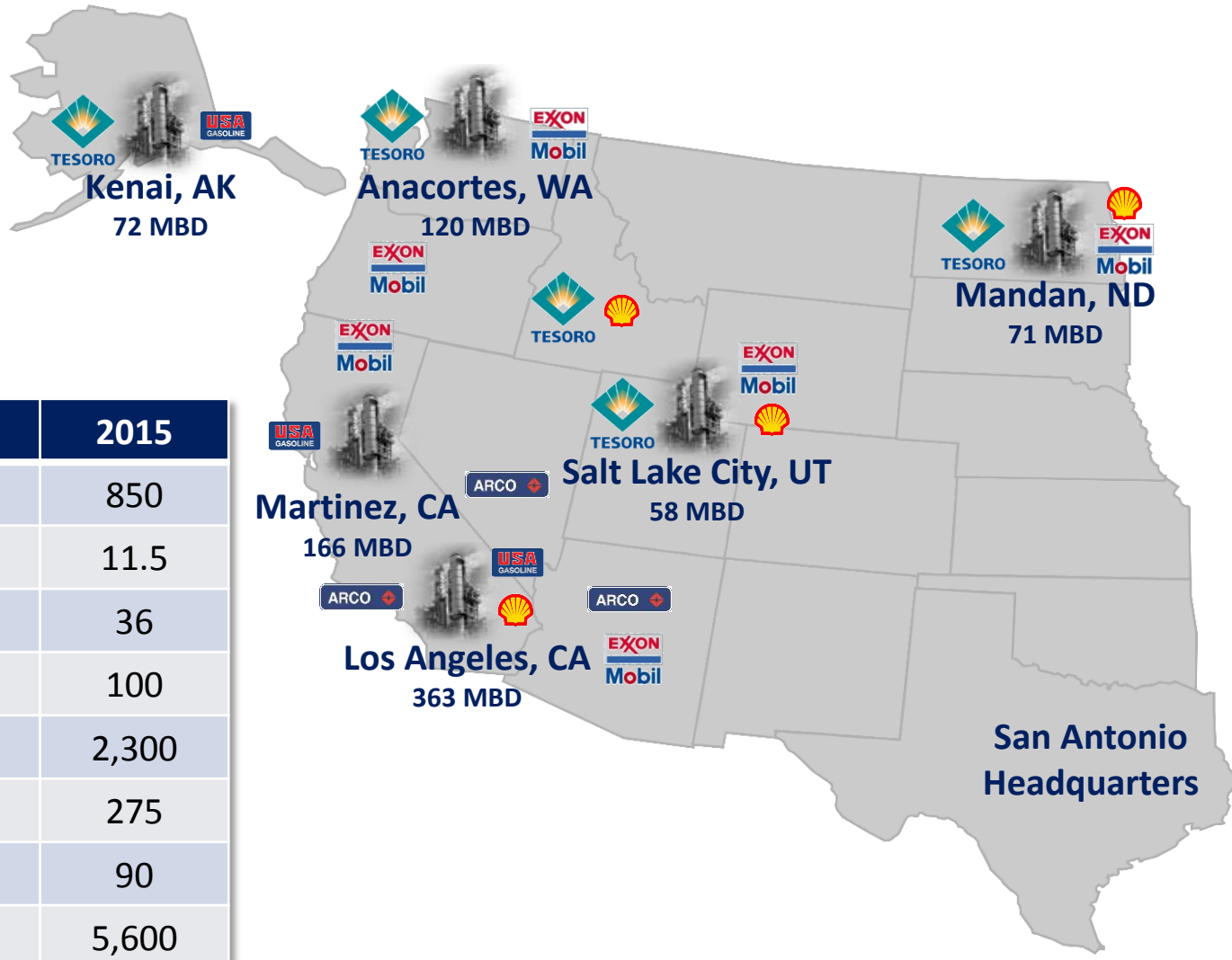
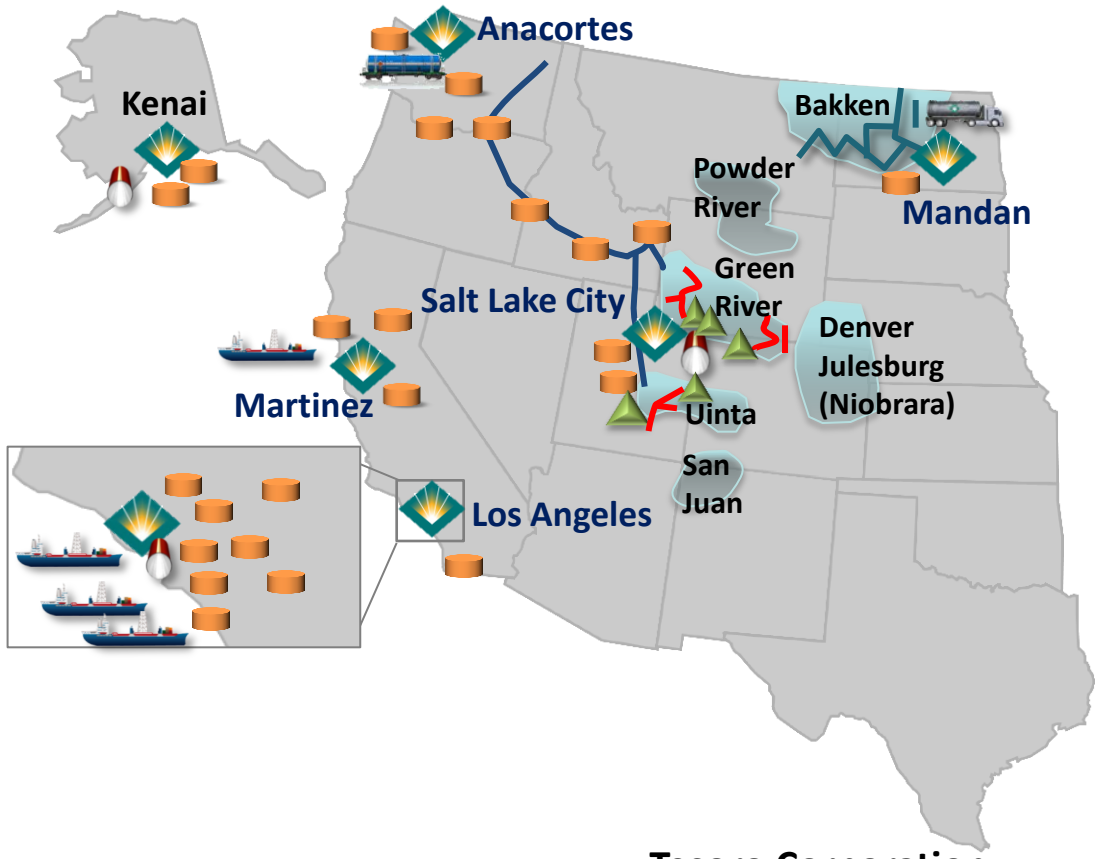
TESORO REFINING AND MARKETING



Key Metrics	2015
Refining Capacity (MBD)	850
Refining Complexity	11.5
Tesoro Logistics LP (%)	36
Tesoro Logistics GP (%)	100
Branded Retail Stations	2,300
Retail Sales (1Q MBD)	275
Marketing Integration (%)	90
Employees	5,600

TESORO LOGISTICS LP

	Key Metrics
Crude Oil, refined product and Natural gas pipelines	3,500+ miles
Natural gas throughput capacity	2,900+ MMcf/d
Natural gas inlet processing capacity	1,500+ MMcf/d
High Plains pipeline throughput	100+ MBD
High Plains trucking volume	50+ MBD
Marketing terminal capacity	645+ MBD
Marine terminal capacity	795 MBD
Rail terminal capacity	50 MBD
Dedicated storage capacity	9,200+ MBBLS



Tesoro Logistics

Gathering

- High Plains crude oil pipelines
- Trucking
- Natural gas gathering pipeline

Processing

- Natural gas processing complex

Terminalling and Transportation

- Northwest Products System pipeline
- Crude oil and refined product terminal
- Marine terminal
- Rail unloading facility
- Pipeline

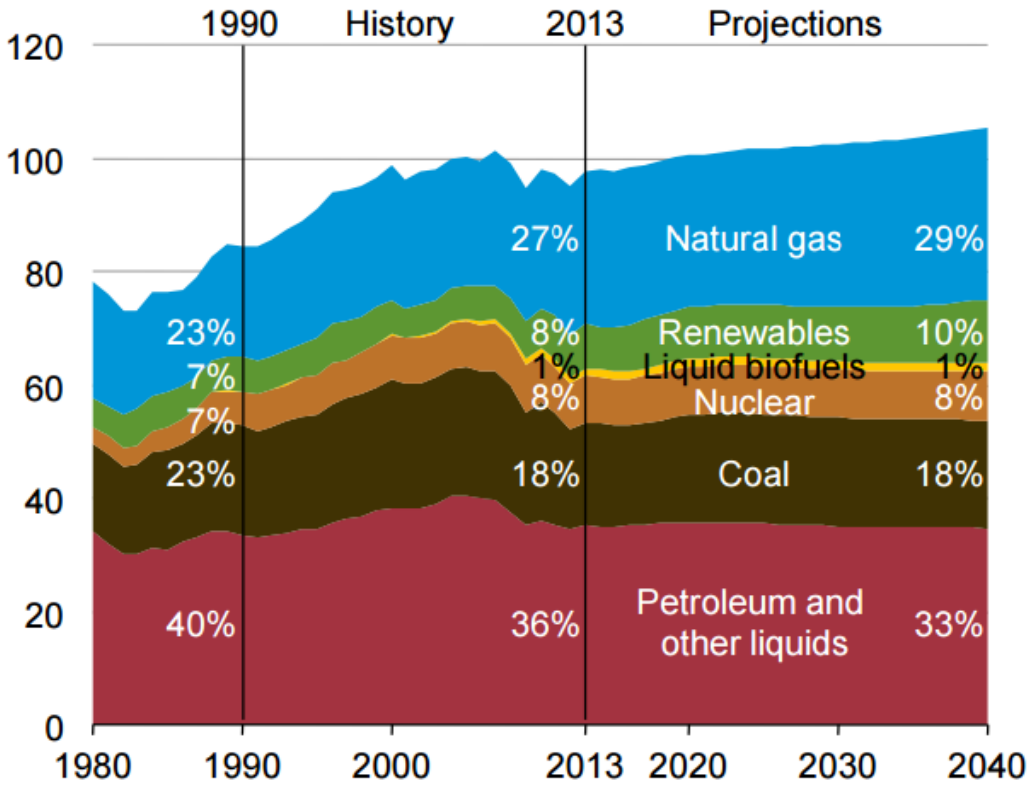
Tesoro Corporation

- Refinery

WHY FOSSIL FUELS ?

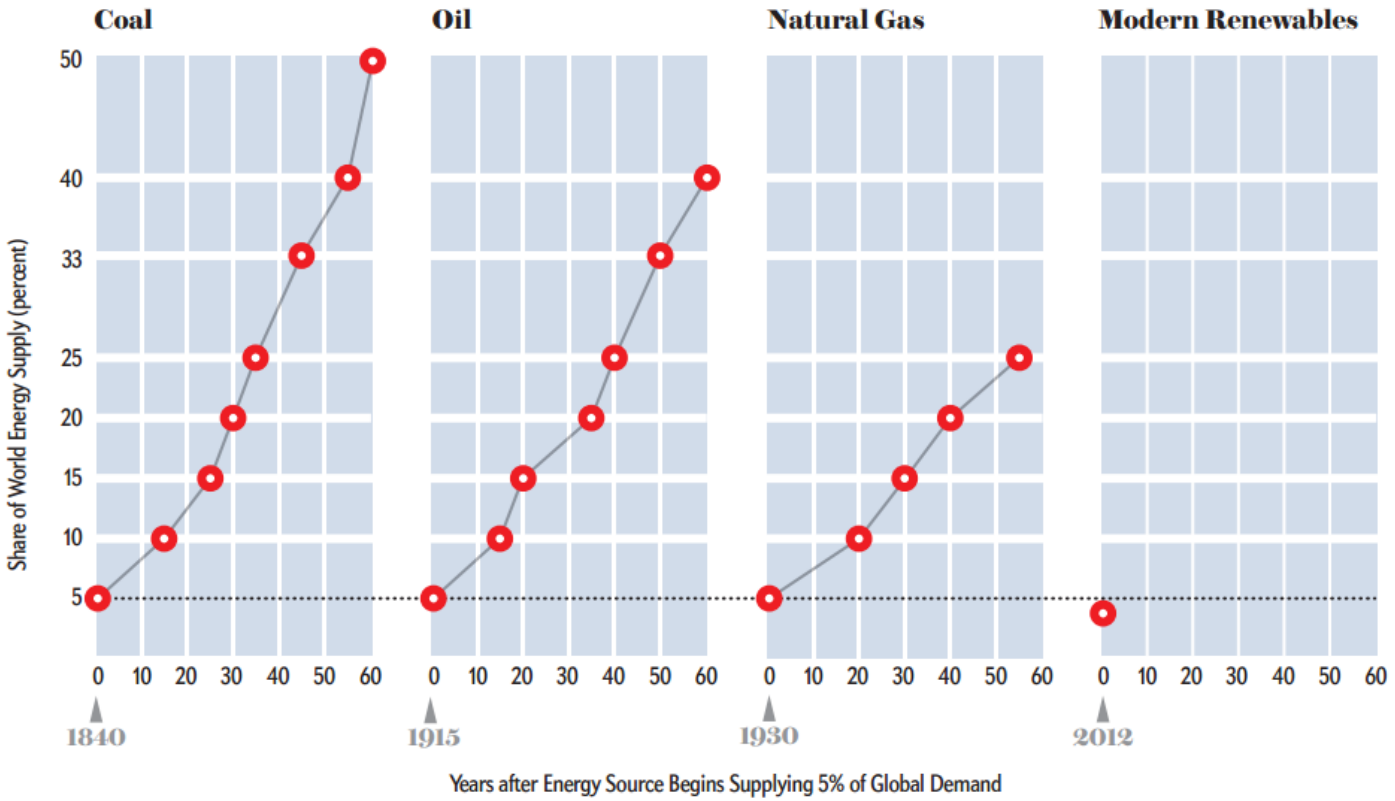
- Scale required to meet energy needs
  - Ongoing technology development enables production to keep up with growing demand
- High energy density
- Well-developed, efficient infrastructure in place
- Low relative cost

Figure 18. Primary energy consumption by fuel in the Reference case, 1980-2040 (quadrillion Btu)



Source: EIA Annual Energy Outlook 2015

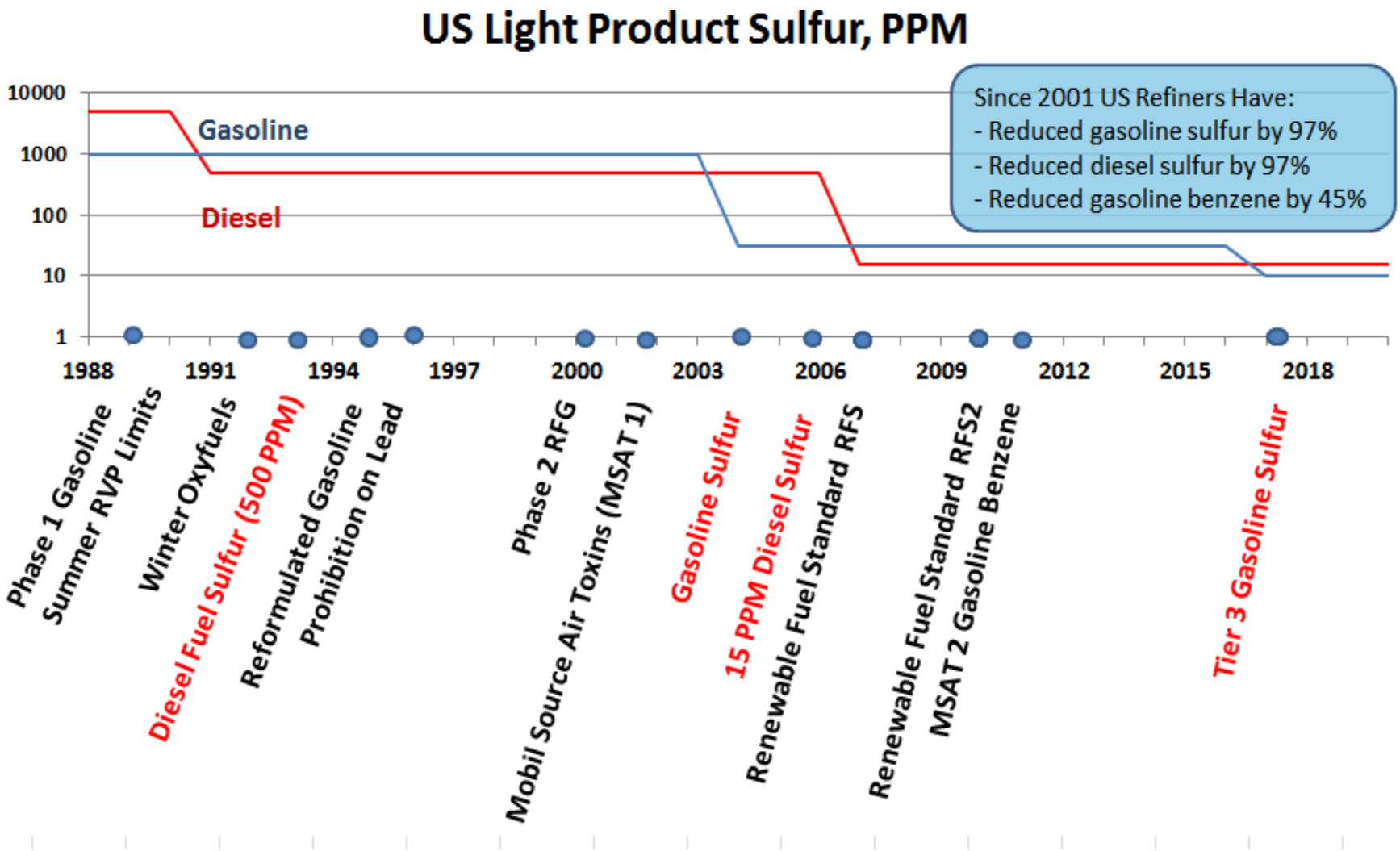
LARGE-SCALE CHANGE IS INCREMENTAL



- Primary global energy source change take 50+ years
- Oil has not reached the same dominance as coal, nor has natural gas
- Renewable energy entry into the market is in the infancy stage

Source: Scientific American, January 2014, "The Long Slow Rise of Solar and Wind" by Vaclav Smil

PRODUCT CHANGES OVER TIME

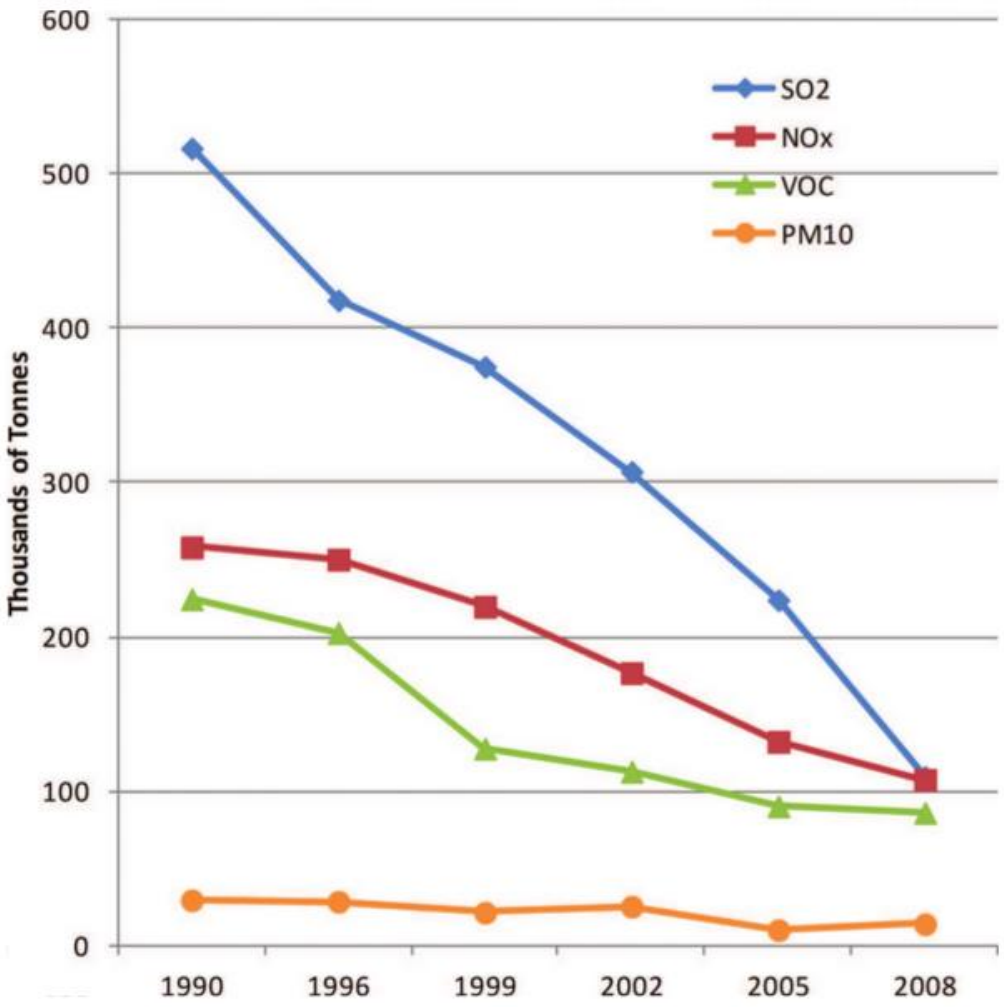


Source: US EPA

TIER 3 GASOLINE

- Regulation passed (2014) reducing sulfur content of gasoline from 30 ppm to 10 ppm by 2017 for large refineries, 2020 for small refiners
- Increases efficiency of catalytic converters, reducing tailpipe emissions
  - NO_X emissions will be reduced by about 260,000 tons, or about 10% of emissions from on-highway vehicles in 2018
  - Standard allows for credits to achieve compliance
  - Tesoro has committed to meet the 10 PPM limit in Salt Lake City without credits
- Industry compliance capital estimated at $9.8 billion
  - Total annual compliance cost of $2.4 billion (including capital recovery)
  - Higher operating cost equates to 6 to 9 cents per gallon in increased gasoline costs for the American motorist

EMISSIONS REDUCTION FROM US REFINERIES

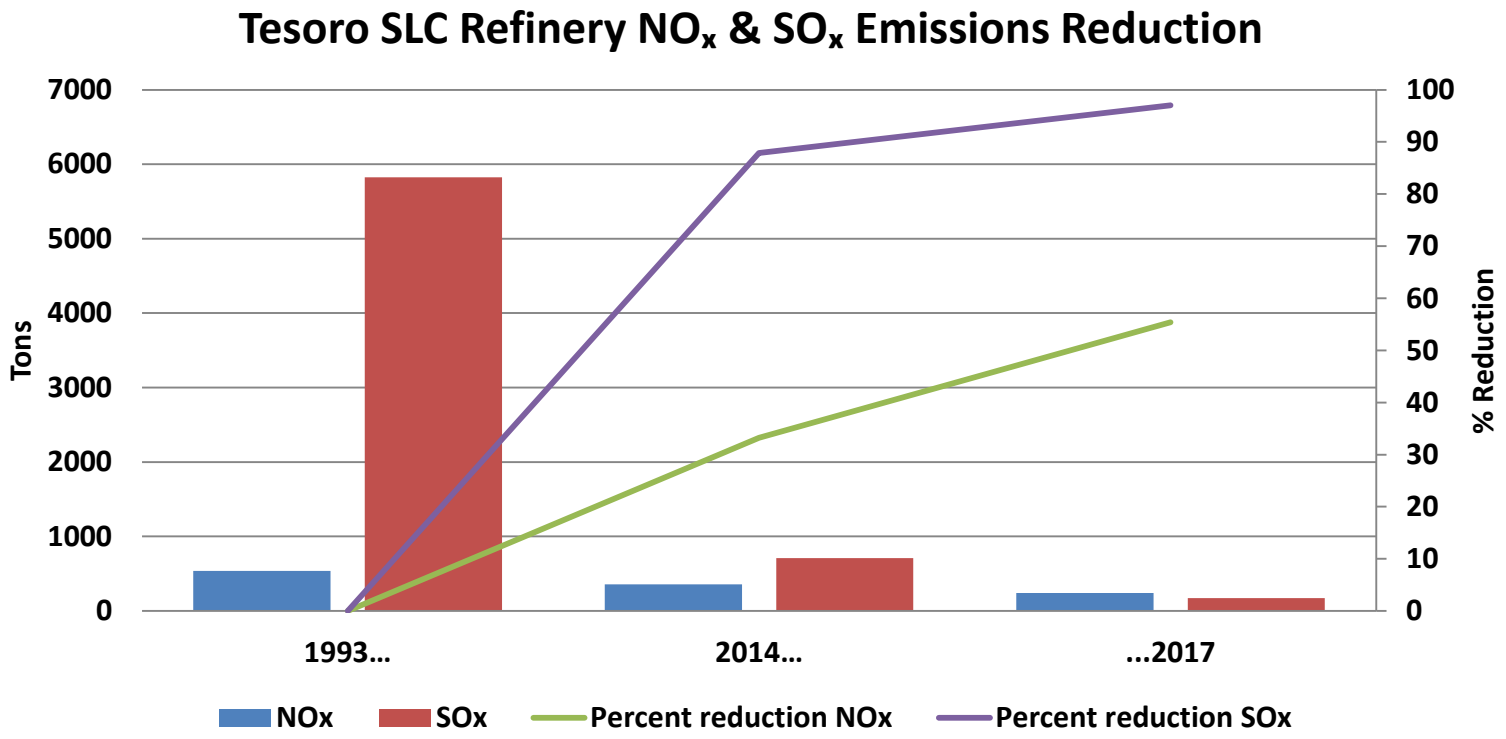


In the past 25 years U.S. refineries have:

- Decreased emissions of Hazardous Air Pollutants (HAPs) by 64%
- Reduced emissions of criteria air pollutants (sulfur dioxide, nitrogen oxides, volatile organic compounds, and particulate matter) by 80%
- Decreased emissions of chemicals monitored under the Toxic Release Inventory (TRI) by 35%

Source: "An Examination of Historical Air Pollutant Emissions from US Petroleum Refineries", Thomas P. Nelson, February 2012

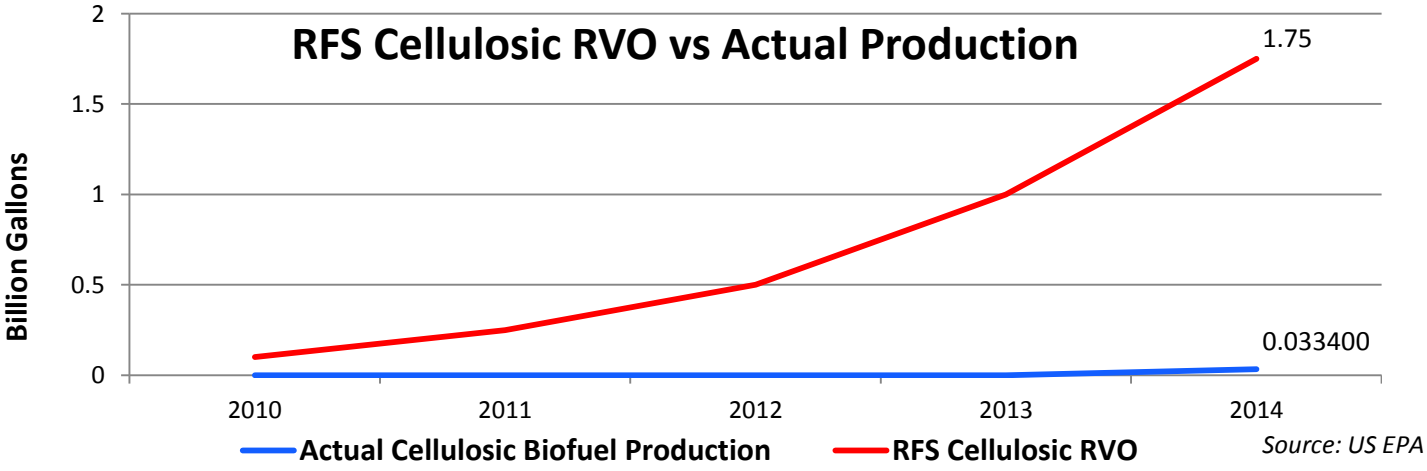
REDUCED REFINERY EMISSIONS



Capital projects including Flare Gas Recovery and FCC Flue Gas Scrubber to drive further reductions in emissions

IMPACT OF RENEWABLE FUELS

- Renewable Fuels Standard
  - Requires up to 36 billion gallons of renewable fuels by 2022
  - Virtually all U.S. gasoline contains 10% ethanol
  - Current production well below regulated standard due to slower than expected commercialization of cellulosic technologies
- Integration of refineries into renewable fuel value chain
  - Refineries have existing capability to produce transportation fuel from crude feedstocks
  - Refineries are connected to transportation fuel infrastructure
  - Significant opportunity to reduce capital and operating costs of renewable fuel production through production of renewable feedstocks



Source: US EPA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