

Northern Great Plains Mandan Refinery



TESORO

Forward Looking Statements

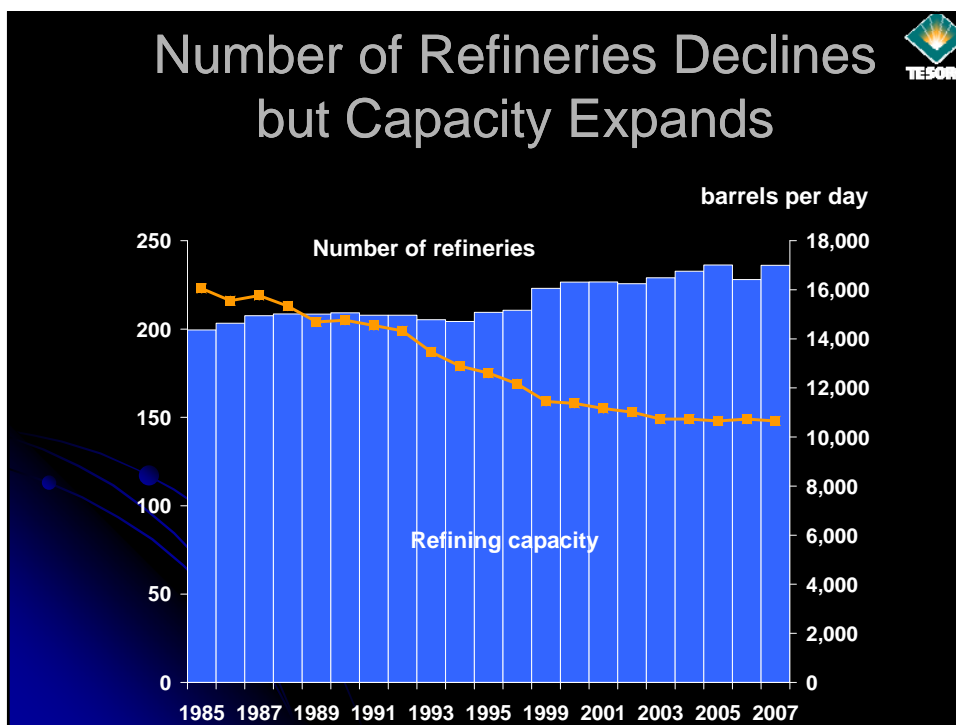


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Industry Fundamentals

- Demand is growing and will continue to grow
- Refining capacity is, effectively, fully utilized
- Markets are fragmented by government regulations
- Supply balance is tight
- Imports are growing



Considerations for Building New Refineries

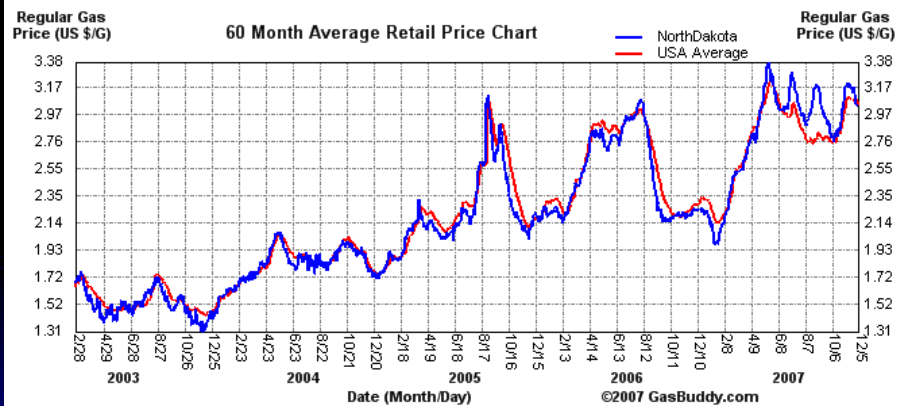


- Location
- Financing
- Federal, State and local permit process
- Crude oil supply and pipeline access (crude & products)
- Access to electrical, water, natural gas, etc.
- Community acceptance
- Will not help meet consumer demand in near term

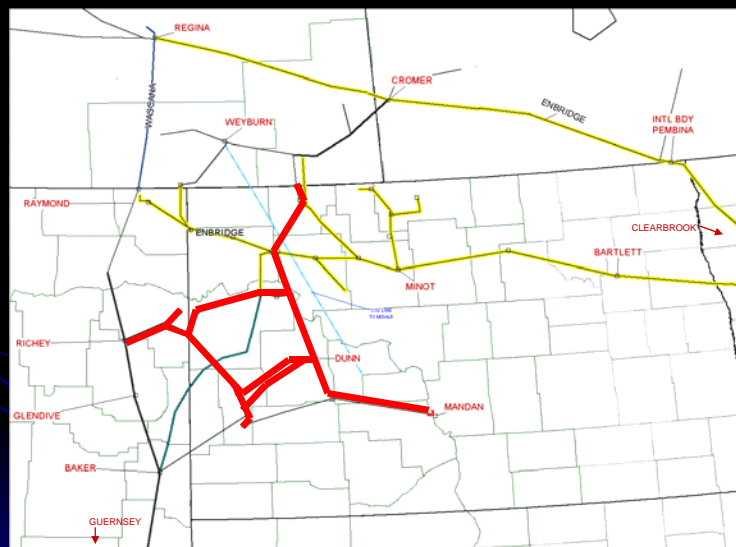
Refining Capacity: Why Expansion?

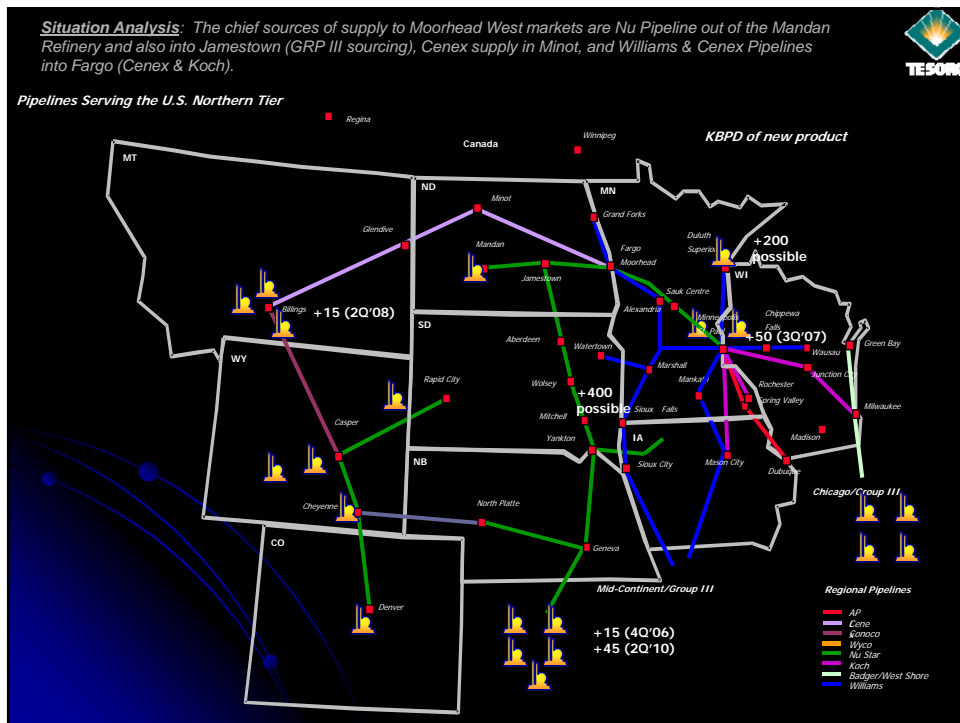
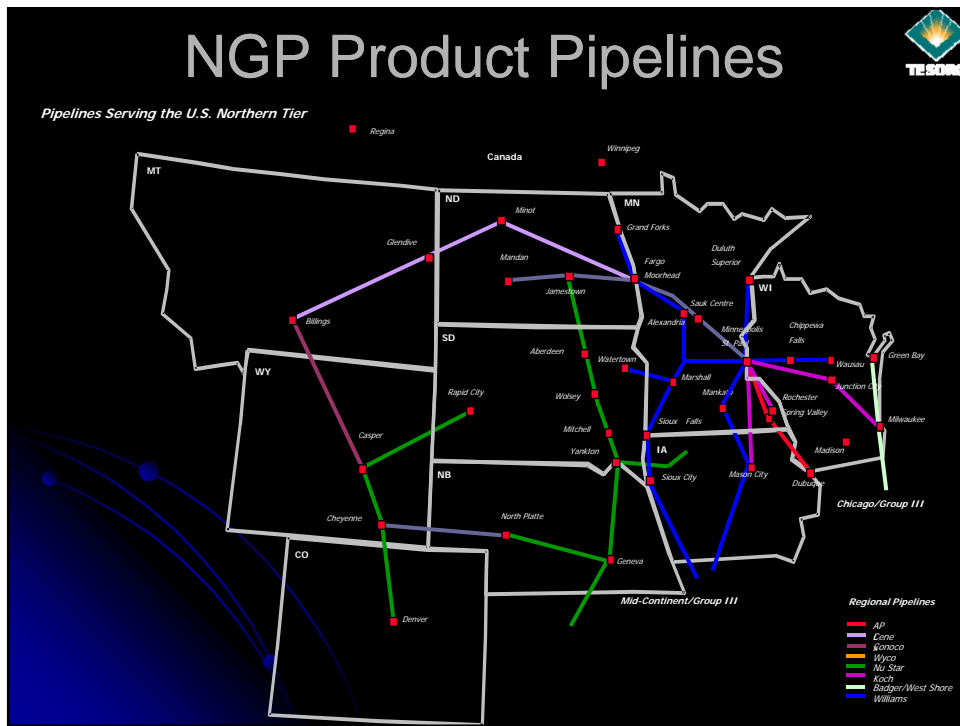


- Expansions can help meet demand more quickly
 - Up to 10 years for new; 3 years for expansion
- More cost-effective
 - ~ \$24K p/daily barrel v. \$ 15K
- Community established
 - Less NIMBY
- Infrastructure in place



Crude Supply

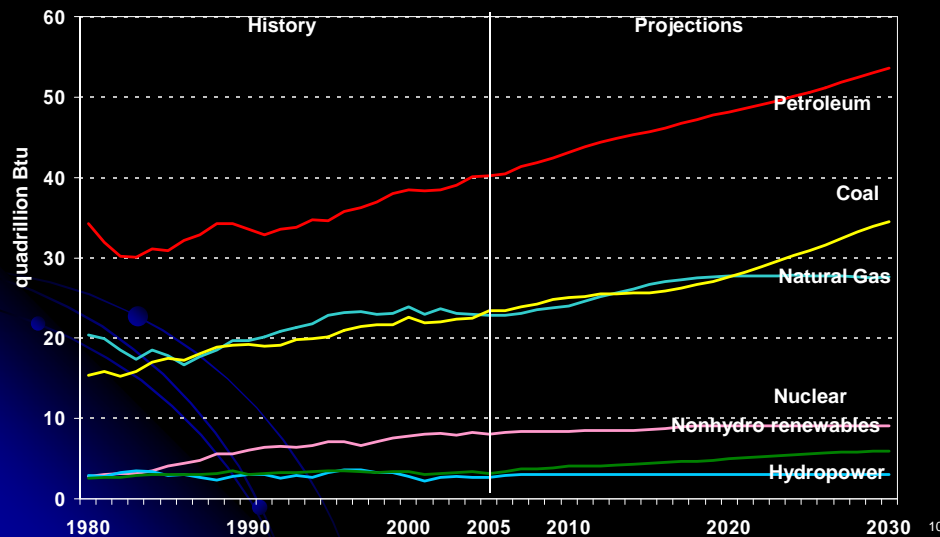




Future U.S. Energy Demand



- The U.S. will consume 28 percent more oil and 19 percent more natural gas in 2030 than in 2005.



Source: EIA, AEO 2007

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✓ Q&A

✓ Web addresses

✓ www.eia.doe.gov

✓ www.gasbuddy.com

✓ www.api.org

✓ www.factsonfuel.org

✓ www.fueleconomy.gov/feg/byfueltype.htm