



TESORO

Tesoro Alaska

F A C T S H E E T

Tesoro Alaska

Producing Fuels that Alaskans Demand

Refinery. Tesoro Alaska's Kenai refinery is located on the Cook Inlet 70 miles southwest of Anchorage. Opened in 1969, the Kenai refinery has been under Tesoro's operations longer than any of the other refineries. With the capacity to process up to 72,000 barrels of crude oil per day, the Kenai refinery produces ultra low sulfur gasoline, jet fuel, ultra low sulfur diesel (USLD), heating oil, heavy fuel oils, propane and asphalt. Crude oil is delivered by double-hulled tankers and through eastern Cook Inlet and Kenai Peninsula pipelines.

Distribution. A 71-mile common-carrier products pipeline with a capacity of 40,000 barrels per day delivers jet fuel, gasoline and diesel from the refinery to the Port of Anchorage and the Anchorage International Airport. Wholesale delivery of refined products occurs at proprietary terminals at Kenai and Anchorage, a third-party terminal in Fairbanks and Tesoro's Nikiski dock next to the refinery.

Retail. Tesoro operates 31 company-owned 2Go Tesoro retail stores throughout Alaska and has branding agreements with 54 independently owned Tesoro Alaska stations.



Employing 575 full-time workers, Tesoro Alaska generates

\$37.8 million*

annually in employee salaries and wages and property taxes in the state of Alaska

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* Based on 2008 data. All numbers are approximate.

About Tesoro Corporation

Tesoro Corporation, headquartered in San Antonio, Texas, is a Fortune 100 and a Global 500 company with approximately 5,600 employees. As a leading independent refiner and marketer of petroleum products, Tesoro, through its subsidiaries, operates seven refineries primarily in the western United States with a combined crude oil capacity of more than 665,000 barrels per day. The seven refineries are located in:

- ◆ Anacortes, Wash. ◆ Kapolei, Hawaii ◆ Kenai, Alaska
- ◆ Mandan, N.D. ◆ Martinez, Calif. ◆ Salt Lake City, Utah ◆ Wilmington, Calif.

Tesoro's retail marketing system includes over 870 branded retail stations, of which more than 380 are company operated under the Tesoro®, Shell®, Mirastar® and USA Gasoline™ brands. Tesoro's commercial marketing system includes sales of jet and marine fuels.





Environment

Operating a refining and marketing system in Alaska's sensitive environment requires a commitment to be the best possible stewards of the environment. Tesoro Alaska has demonstrated this commitment in many ways:

- In cooperation with the Cook Inlet Region Citizens Advisory Council, Tesoro has helped develop Geographic Response Strategies in Alaska, including all of Prince William Sound, Central Cook Inlet and Kachemak Bay.
- In February 2007, Tesoro deployed an assist tug in the Cook Inlet to strengthen marine operational safety.
- In May 2007, our refinery became the sole producer of ultra low sulfur diesel (ULSD) in Alaska, through the completion of a Distillate Desulfurization Unit.
- Tesoro Alaska worked with the Alaska Department of Fish and Game and the Municipality of Anchorage to help restore a salmon run to Anchorage's Chester Creek. During the summer of 2006, we rerouted a section of our products pipeline to allow for a deeper fish passage into the creek.

Health and Safety

Tesoro's vigilant safety programs have contributed to continuing improvement in employee safety. This can be seen in our 45 percent reduction in the injury rate since 2004. In 2008, we posted, for the third year in a row, the lowest Occupational Safety and Health Administration recordable incident rate in our history.

Over the past four years, Tesoro Alaska has received numerous National Petrochemical and Refiners Association (NPRA) awards for its commitment to safe practices. In 2006, 2008 and 2009, the refinery received the prestigious Gold Award for outstanding safety performance. In September 2007, the 2Go Tesoro retail store employees achieved an exceptional safety milestone, exceeding one million hours without a day away from work due to injury.

The refinery also received an NPRA Safety Achievement Award in 2009 for recording more than 2 million man hours without a Day Away From Work (DAFW) injury.

Community

Tesoro Alaska employees are strong contributors to programs and activities that benefit Kenai Peninsula communities. We actively support a wide range of local events and programs—from the United Way to local youth sports.

- Tesoro's *Gallons for Grades*[™] program, which rewards academic achievement by awarding Tesoro gift cards to qualifying students, was first introduced in Alaska and has since expanded to retail gas locations operated by Tesoro in other states.
- Tesoro Alaska provides funding to hundreds of community organizations, such as the Challenger Learning Center's *Starbase* program, which allows all sixth-grade classes on the Kenai Peninsula to participate in a simulated space flight mission.
- Our employees support the Muscular Dystrophy Association (MDA) of Alaska and the March of Dimes. In 2008, we raised more than \$37,000 for MDA and \$24,000 for March of Dimes.
- Tesoro Alaska is the title sponsor of the *Tesoro Iron Dog*, the world's longest snow machine race.
- In 2008 Tesoro joined as co-sponsor the "Caring for the Kenai," a nationally-recognized environmental contest for Kenai Peninsula high school students.

As a testament to Tesoro Alaska's involvement and commitment to community, the refinery has been managed by only four people since 1969. All four still reside on the Kenai Peninsula.