

Tesoro to Acquire Strategic Logistics Assets in the Bakken

December 8, 2015 7:00 AM ET

SAN ANTONIO, Texas, December 7, 2015 - Tesoro Corporation (NYSE: TSO) ("Tesoro") has agreed to acquire Great Northern Midstream LLC ("Great Northern Midstream"), a crude oil logistics provider which owns and operates high-quality, recently constructed crude oil pipeline, gathering system, transportation, storage and rail loading facilities in the Williston Basin of North Dakota.

The transaction includes the 97-mile BakkenLink crude oil pipeline, which connects to several third-party gathering systems, as well as a proprietary 28-mile gathering system in the core of the Bakken, supported by acreage dedication. In addition, the transaction includes a 154,000 barrel per day rail loading and a 657,000 barrel storage facility in Fryburg, North Dakota which can provide outbound deliveries to the West, East and Gulf Coasts.

This acquisition, which is in close proximity to the Tesoro High Plains Pipeline system, builds upon Tesoro and Tesoro Logistics' existing capabilities to provide efficient, flexible and cost-effective integrated logistics services to customers in the Bakken region. Once integrated with the Tesoro High Plains Pipeline system, it is expected to provide Tesoro's West Coast facilities with cost-effective access to advantaged crude oil and provide producers additional market access.

"Our acquisition of Great Northern Midstream is aligned with our strategy to grow our logistics business, supply advantaged crude oil to our refineries, and make these assets available to third-party customers," said Greg Goff, Chairman, President and Chief Executive Officer of Tesoro Corporation. "Combining the Great Northern Midstream assets with our Tesoro High Plains Pipeline will create a leading crude oil pipeline system in the most prolific region of the Bakken."

The acquisition price represents 5-6 times Tesoro-estimated future EBITDA for the Great Northern Midstream business and is expected to be immediately accretive. The transaction is subject to customary closing conditions, including regulatory approval, and is expected to close in the first quarter of 2016.

"We expect the enhanced system to serve as an additional platform for growth and we intend to offer the business for sale to Tesoro Logistics in 2016," said Goff.

ABOUT TESORO

Tesoro Corporation, a Fortune 100 company, is an independent refiner and marketer of petroleum products. Tesoro, through its subsidiaries, operates six refineries in the western United States with a combined capacity of over 850,000 barrels per day and ownership in a logistics business which includes an interest in Tesoro Logistics LP (NYSE: TLLP) and ownership of its general partner. Tesoro's retail-marketing system includes over 2,200 retail stations under the ARCO®, Shell®, Exxon®, Mobil®, USA Gasoline(TM) and Tesoro® brands.

This press release contains certain statements that are "forward-looking" statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. You can identify forward-looking statements by the use of words such as "may," "should," "could," "estimates," "predicts," "potential," "continue," "anticipates," "believes," "plans," "expects," "future" and "intends" and similar expressions which are intended to identify forward-looking statements. These forward-looking statements include statements concerning the anticipated benefits of the acquisition, continued growth of our logistics business, the expected accretiveness of the acquisition, the expected completion of the transaction and the anticipated offer of the business to Tesoro Logistics. For more information concerning factors that could affect these statements see our annual report on Form 10-K and quarterly reports on Form 10-Q, filed with the Securities and Exchange Commission (the "SEC"). We undertake no obligation to publicly release the result of any revisions to any such forward-looking statements that may be made to reflect events or circumstances that occur, or which we become aware of, after the date hereof.

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