

Tesoro to acquire Flint Hills Resources' marketing and logistics assets in Alaska

November 23, 2015 3:05 PM CT

SAN ANTONIO, Texas, November 23, 2015 - Tesoro Corporation (NYSE: TSO), through its affiliate Tesoro Alaska Company LLC, has agreed to acquire Flint Hills Resources' (FHR) wholesale marketing and logistics assets in Anchorage and Fairbanks, Alaska.

"This investment represents our commitment to efficiently and reliably serve customers in the state of Alaska," said Greg Goff, Chairman, President and Chief Executive Officer of Tesoro Corporation. "We have been a part of the Alaska community since 1969, and over the last five years we have invested more than \$300 million dollars in our Alaska operations. We look forward to continuing our operations in the state."

This transaction includes:

- all FHR wholesale fuel marketing contracts in Alaska;
- an Anchorage terminal with 580,000 barrels of total in-service storage capacity, a truck rack, and rail loading capability;
- a Fairbanks airport terminal that includes 22,500 barrels of in-service jet fuel storage and truck rack; and
- a multi-year terminalling agreement at FHR's North Pole terminal, which will provide efficient rail offload capabilities and provide Tesoro access to Alaska's Interior.

The former FHR North Pole refinery is not part of this acquisition.

This transaction also improves Tesoro's ability to serve customers from its existing Anchorage terminal, as a result of Tesoro gaining access to rail loading capabilities located at the FHR Anchorage terminal. This extends Tesoro's ability to efficiently and reliably serve the Alaska interior. Tesoro expects to offer qualified third parties access to the FHR Anchorage terminal.

The transaction is expected to close within 60 days, pending completion of transition, planning and required consents and approvals.

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 expected completion of the transaction, enhancements to our ability to serve customers in the Alaska interior, continued growth of our business, and anticipated benefits of the transaction. 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.

TESORO CONTACTS:

Investors:

Sam Ramraj, Vice President, Investor Relations, (210) 626-4757

Media:

Tesoro Media Relations, media@tsocorp.com, (210) 626-7702

HUG#1968899