VANCOUVER ENERGY

ENERGY INDEPENDENCE | ECONOMY | SAFETY | ENVIRONMENT | COMMUNITY

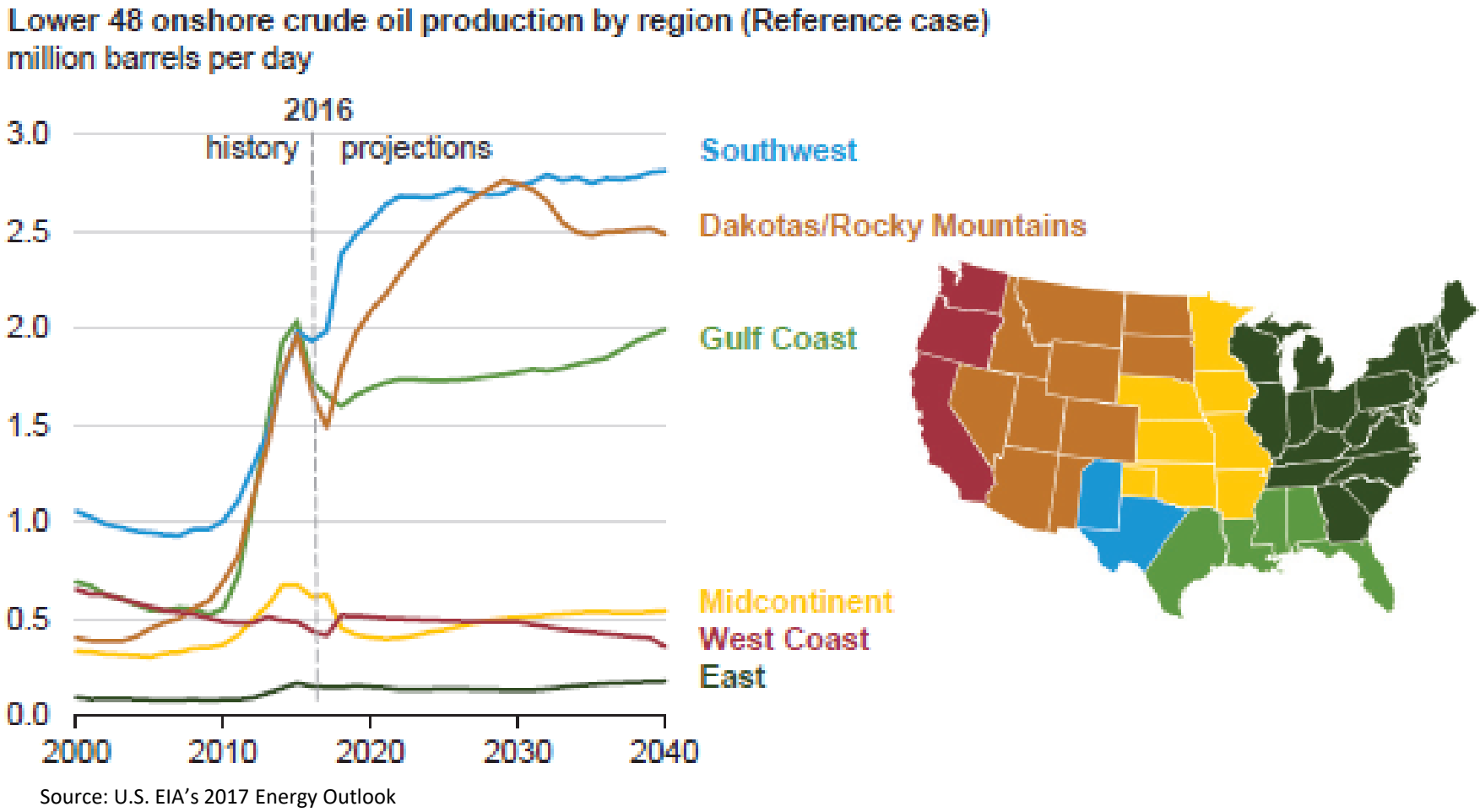
Vancouver Energy Update

Pacific Northwest Economic Region

Energy…the capacity to do work

Cheap, abundant, affordable energy, transported efficiently allows us all to work more effectively and efficiently.

Lower 48 Onshore Petroleum Supply

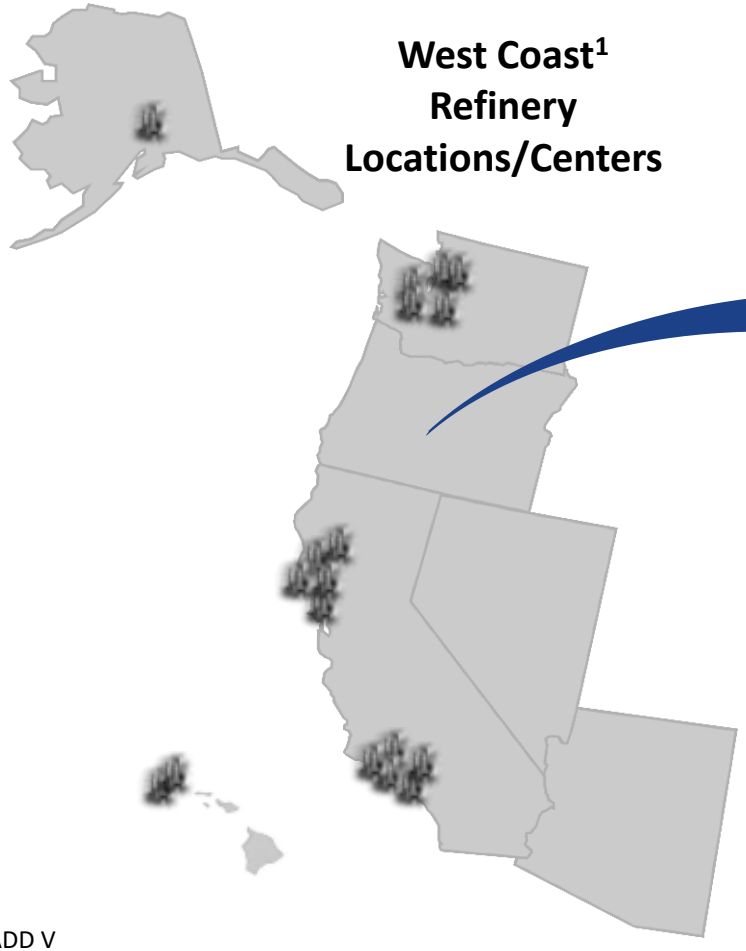


Source: U.S. EIA's 2017 Energy Outlook

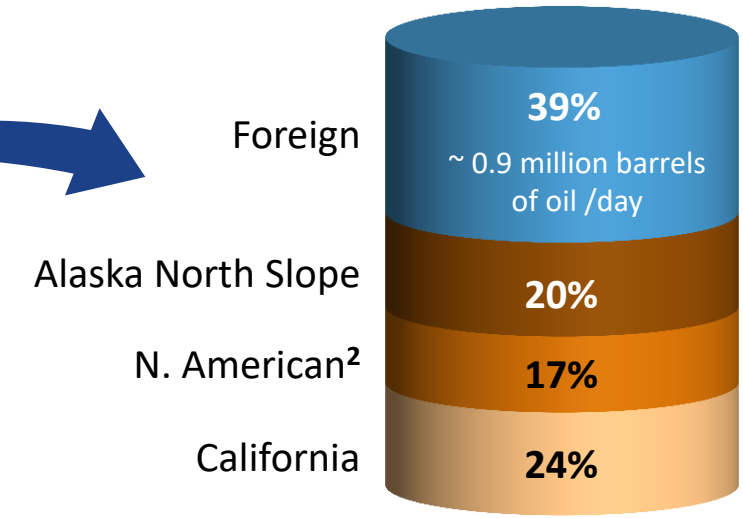
Sharp increase in crude oil production forecasted for Dakotas/Rocky Mountain region; Declines in West Coast

West Coast Crude Oil Supply

West Coast[1] Refinery Locations/Centers



2015 West Coast[1] Crude Oil Supply

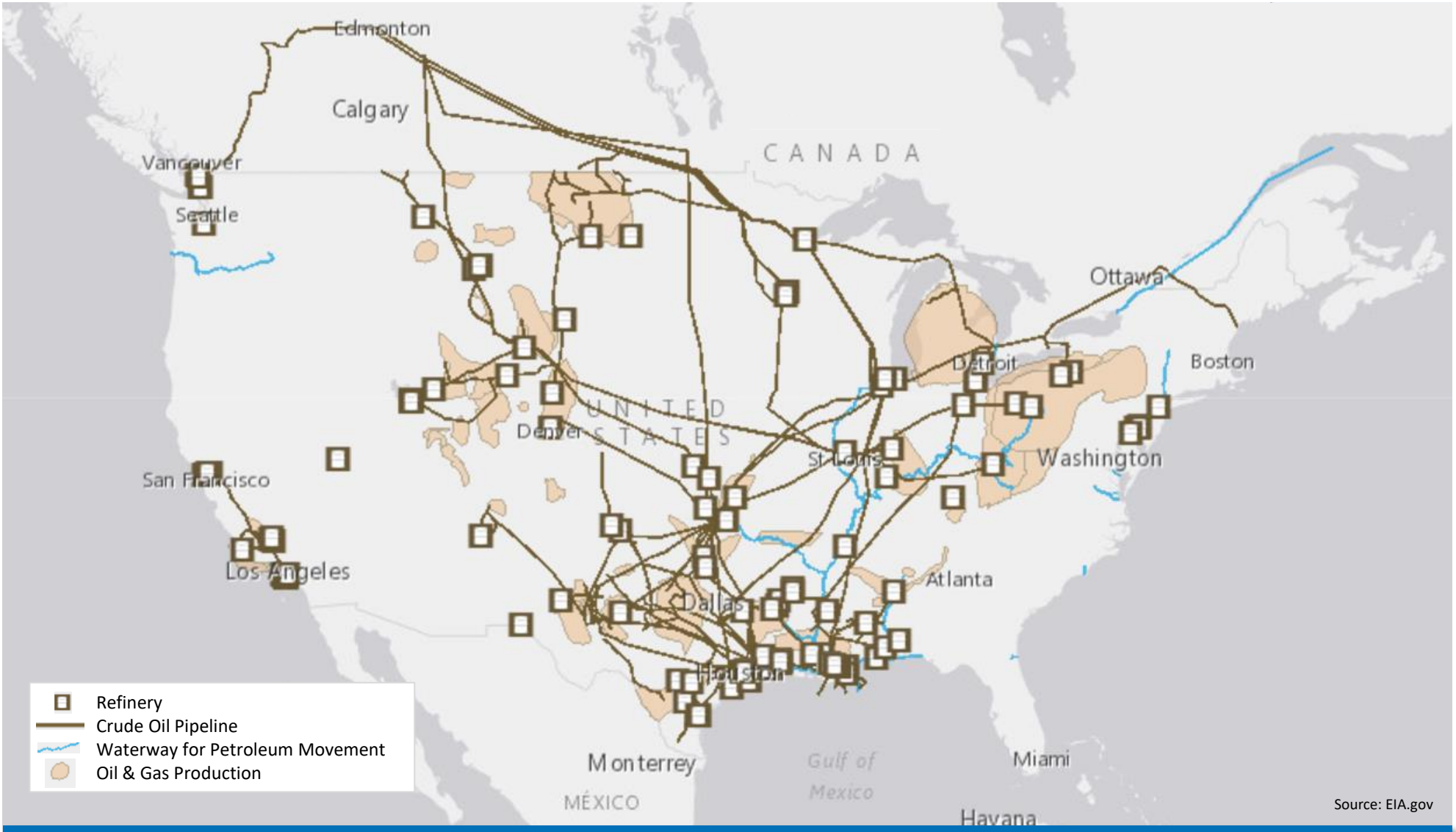


1. West Coast = PADD V
2. N. American = Canadian and U.S. crudes (excluding Alaska and California crudes)

Source: EIA data, Tesoro estimates. Imported estimates are non American crude oil and the estimated ranges can vary. One barrel = 42 gallons

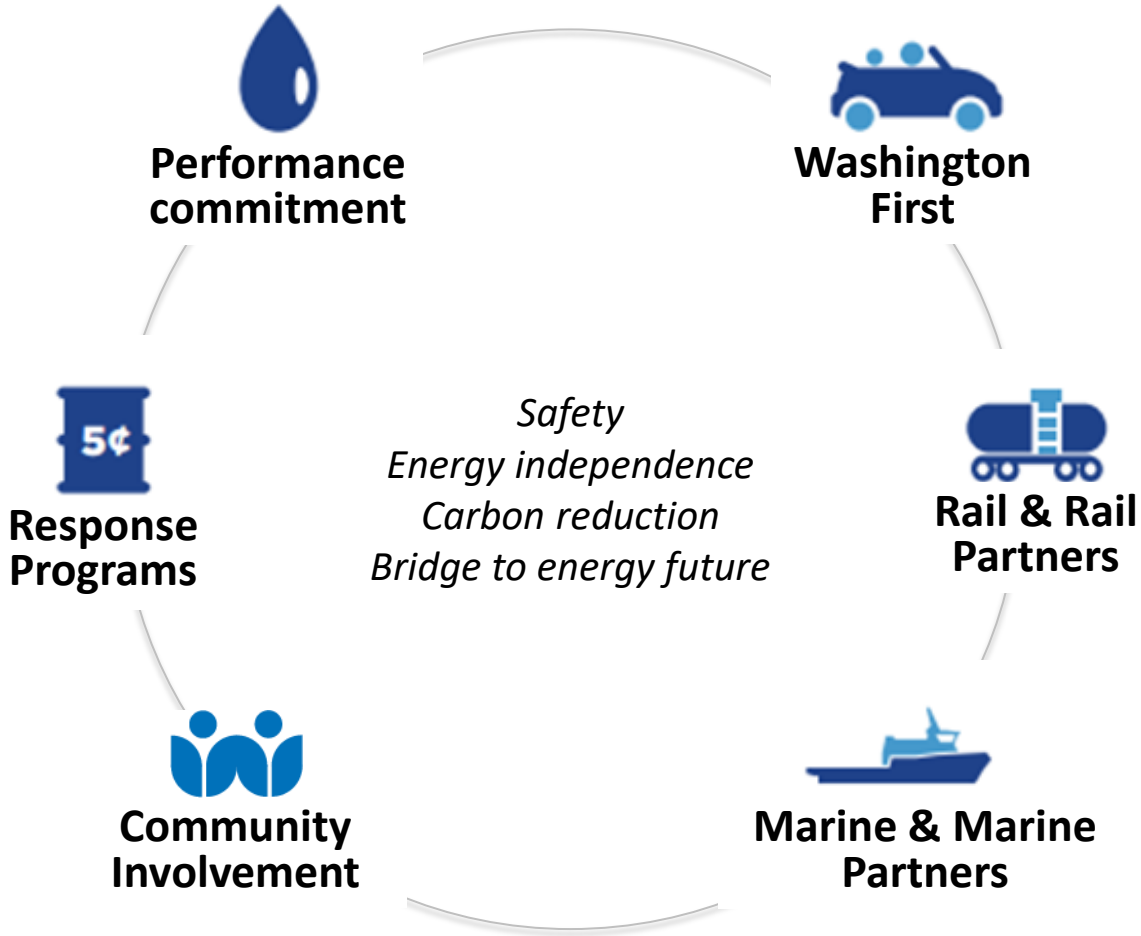
Nearly 40 percent of the crude oil used for transportation fuels on the West Coast is from foreign sources.

West Coast is an “Energy Island”



Rail is necessary for West Coast access to midcontinent crude oil.

Partnership – with supply chain partners and State



We strive to be a leader creating the safest, most efficient supply chain possible.

EFSEC Permitting Process – What's Next?

Nothing to date indicates the project is not permittable or will not provide the forecasted economic benefits.

Vancouver Energy Investment

$210 Million

Construction Investment

Local Economic Benefits

$2 Billion in Economic Value

- **$1.6 Billion** — Labor Income
- **$44 Million** — Port of Vancouver Revenue
- **$22 Million** — One-time Tax Payment
- **$7.8 Million** — Tax Revenue Annually

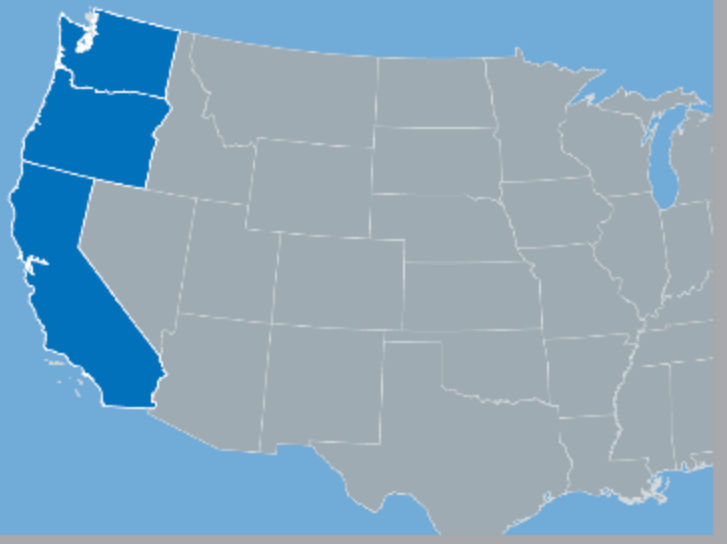
1,000 Jobs

Direct, Indirect and Induced

- **320** — Construction Jobs
- **176** — On-site Jobs

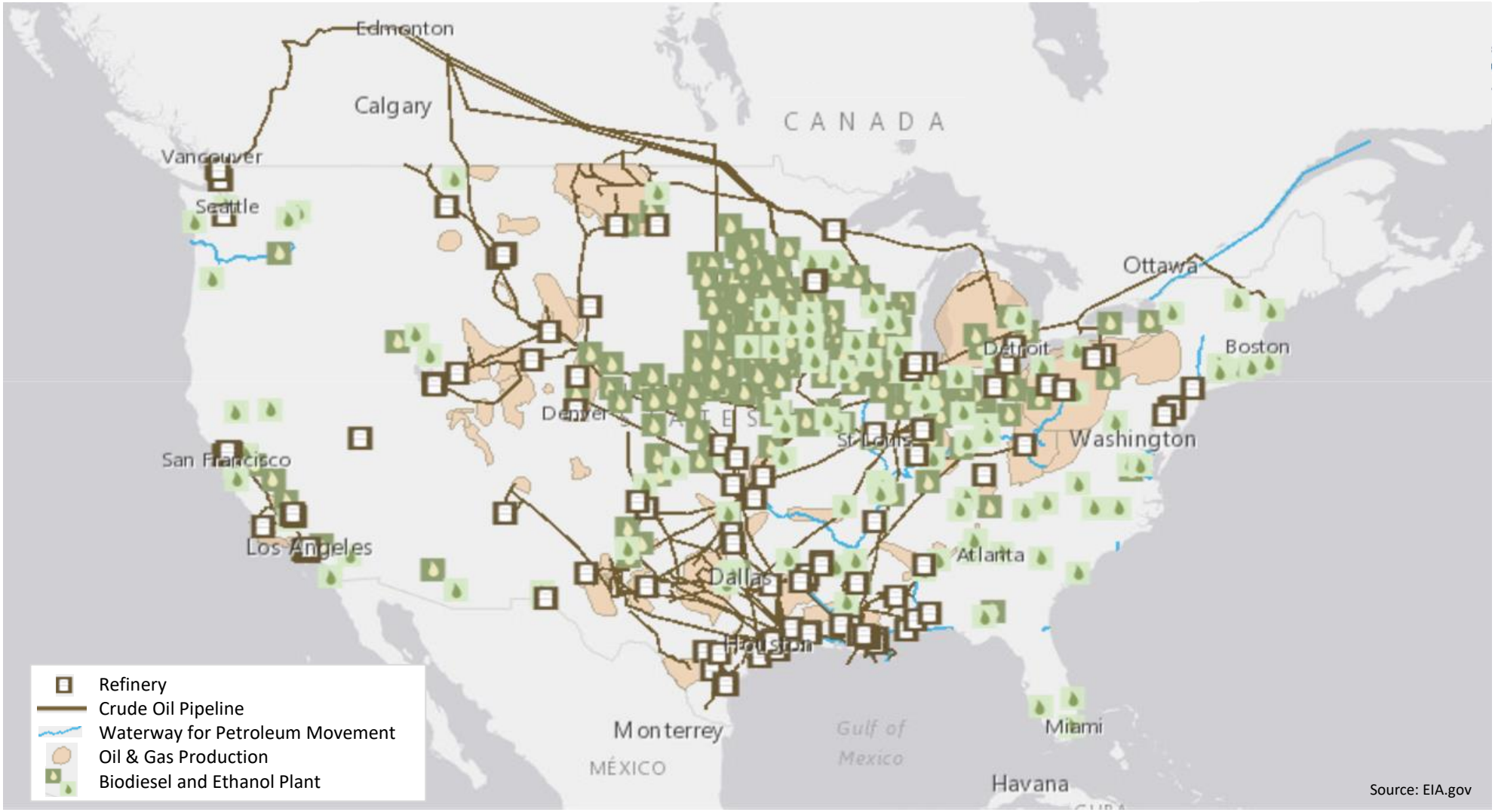
Regional Benefits

- Energy Independence
- Energy Security
- Supply Chain Improvements
- Increase in Economic Development
- Increase in Jobs



Source: Analysis Group, "Assessment of Vancouver Energy Socioeconomic Impacts: Primary Economic Impacts," July 2013

What does the future hold?



The West Coast remains an "Energy Island" without critical liquid fuel infrastructure.