

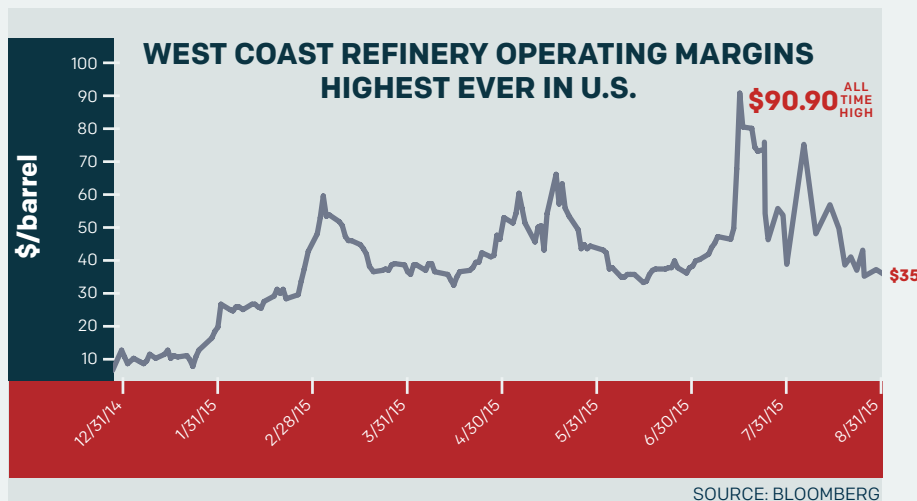
WEST COAST REFINERIES ARE MAKING RECORD PROFITS AT THE EXPENSE OF WEST COAST CONSUMERS

THE REALITY IS SIMPLE. Consumers and businesses buy refined products, not crude oil. Refineries buy crude oil. The cost savings U.S. refiners gain from buying cheaper, export-restricted domestic crude and selling refined products at the world market price go straight into the pockets of refinery owners. The savings are not passed on to U.S. consumers.

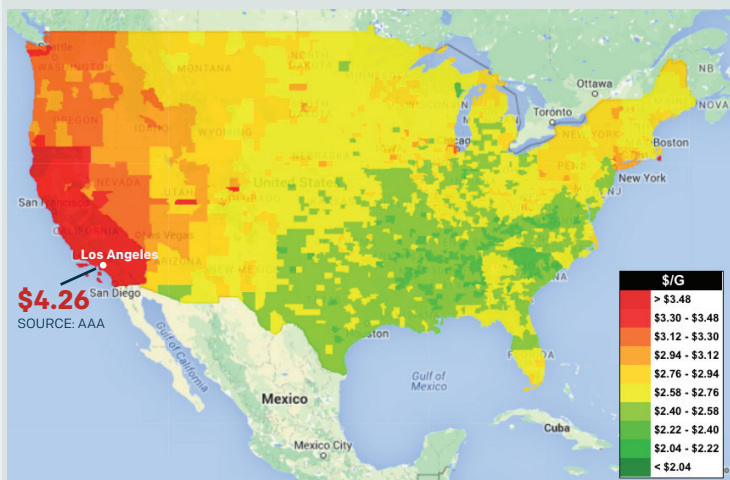
WEST COAST CRACK SPREADS: LOS ANGELES GASOLINE SURGING ON TIGHTENING SUPPLY/DEMAND BALANCE

Wild ride on L.A. gasoline cracks last week, starting last Monday at \$38/bbl, surging to \$85/bbl on Thursday before settling at \$74/bbl on Friday. Thursday's margin was the highest crack spread ever in the US by a wide margin, having previously reached just over \$50/bbl in both 2005 (Gulf Coast post-Hurricane Katrina) and in 2007 (California at the bull cycle peak), and recently at \$57/bbl in L.A. from the YTD 2015 supply tightness.

*Tudor Pickering Holt Energy Thoughts
July 13, 2015*



WEST COAST CONSUMERS PAYING HIGHEST GASOLINE PRICES IN NATION

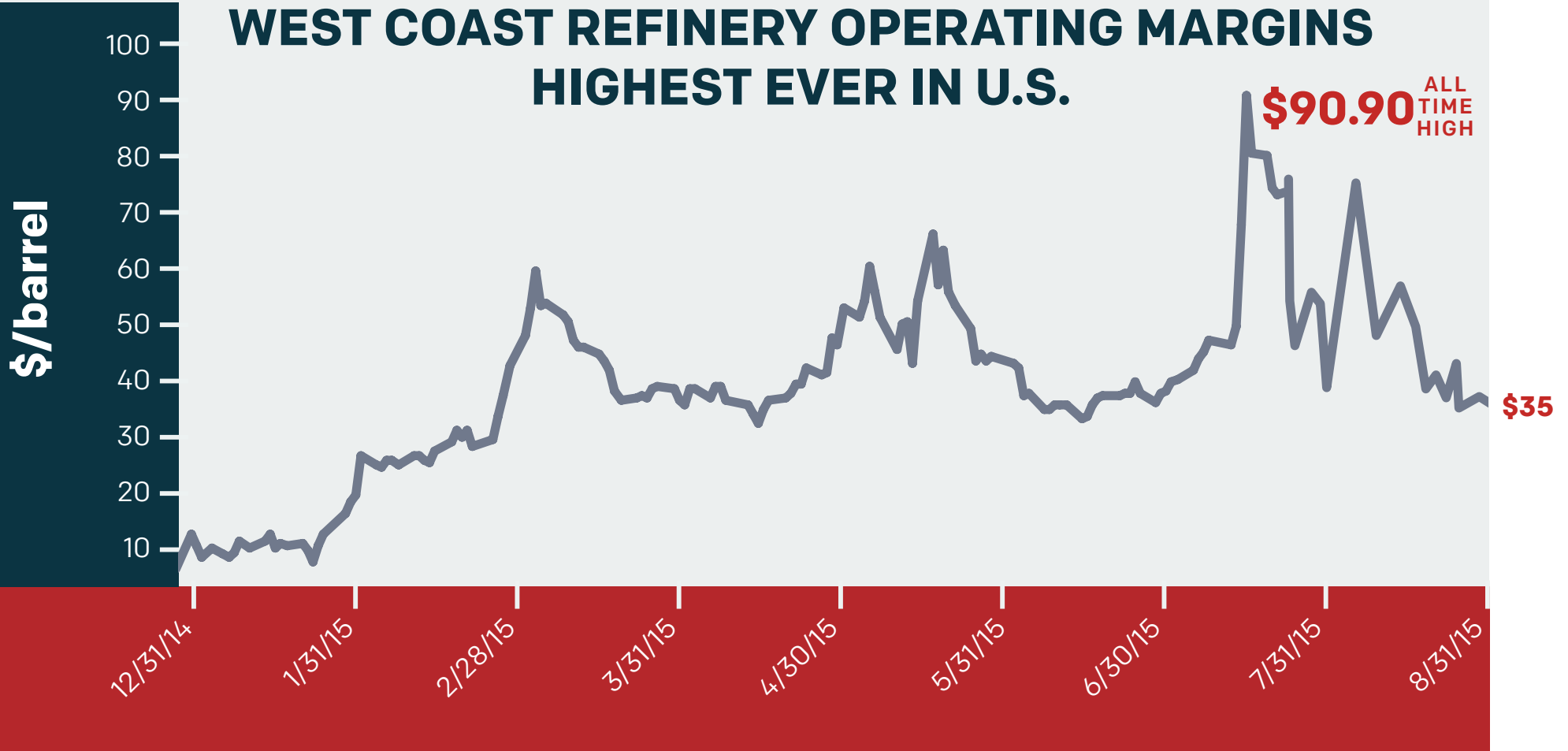


SOURCE: GASBUDDY

CONGRESS MUST LIFT THE BAN ON U.S. CRUDE OIL EXPORTS.

The best science and the smartest minds all agree that allowing U.S. producers to get their crude oil to market regardless of geography will lower domestic gasoline and refined product prices. In addition, crude exports will help stabilize world energy markets while contributing to growth in U.S. middle class jobs and the broader economy. By lifting the ban, Congress will finally pass on the benefits of our energy renaissance to American consumers, instead of subsidizing foreign oil producers and domestic refiners.

WEST COAST REFINERY OPERATING MARGINS HIGHEST EVER IN U.S.



SOURCE: BLOOMBERG