



## Tesoro launches plan to support development of renewable biocrude for its refineries

**SAN ANTONIO, Texas, January 20, 2016** - Tesoro Corporation (NYSE: TSO) today announced its plan to foster the development of biocrude made from renewable biomass, which can be co-processed in its existing refineries, along with traditional crude oil.

Converting renewable biomass into biocrude is expected to enable existing refining assets to produce less carbon-intensive fuels at a significantly lower capital and operating cost than competing technologies. This approach could lower Tesoro's compliance costs with the federal renewable fuel standard and California's low carbon fuel standard by generating credits, while producing less carbon-intensive fuels which are fully compatible with the nation's existing fuel infrastructure as well as current vehicle fleet warranties.

In order to support the development of biocrude, Tesoro is working collaboratively with several renewable energy companies to advance biomass-to-fuels technology, including:

- **Fulcrum BioEnergy, Inc.:** Fulcrum plans to supply biocrude produced from municipal solid waste to Tesoro Refining & Marketing Company LLC ("TRMC") to process as a feedstock at its Martinez, California Refinery. An estimated 800 barrels of biocrude per day will be produced at Fulcrum's Sierra BioFuels Plant in Reno, Nevada, which is expected to be operational in early 2018.
- **Virent, Inc.:** Tesoro and Virent are working to establish a strategic relationship to support scale-up and commercialization of Virent's BioForming technology which produces low-carbon, biofuel and chemicals.
- **Ensyn Corporation:** Ensyn has applied for a pathway with the California Air Resources Board to co-process its biocrude, produced from tree residue – called Renewable Fuel Oil™ - in TRMC's California refineries.

"We've established relationships such as those with Fulcrum, Virent, and Ensyn, to progress technologies which would enable our existing fuel manufacturing infrastructure to help meet the demand for low-carbon, advanced biofuels. Working with these companies, Tesoro seeks to create shared value that will benefit our communities, consumers and the environment, while allowing us to supply biofuels at a competitive price," says CJ Warner, Executive Vice President of Strategy and Business Development at Tesoro.

### 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 875,000 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™ 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 concerning the expected benefits of converting renewable biomass into biocrude, including production of renewable fuels at lower capital and operating costs than competing technologies, and lowering compliance costs; the establishment or furthering of these strategic partnerships; the ability to use our existing fuel manufacturing infrastructure to produce low-carbon advanced biofuels; and our ability to sell biofuels at a competitive price. 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. 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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