The Winners and the Losers

Who Wins?

- Companies with retail operations that exceed their refining capacity
- Companies that control the distribution of gasoline and diesel downstream of their refineries

The attached chart* shows the beneficiaries of large retail networks in 2015 – the super majors and even CITGO, which is owned by the socialist regime in Venezuela. In effect, three of the four largest beneficiaries are foreign-owned companies – Royal Dutch Shell, British Petroleum and Citgo.

The chart does not show who owns large distribution facilities, but those companies generally have midstream master limited partnerships.

Who Loses?

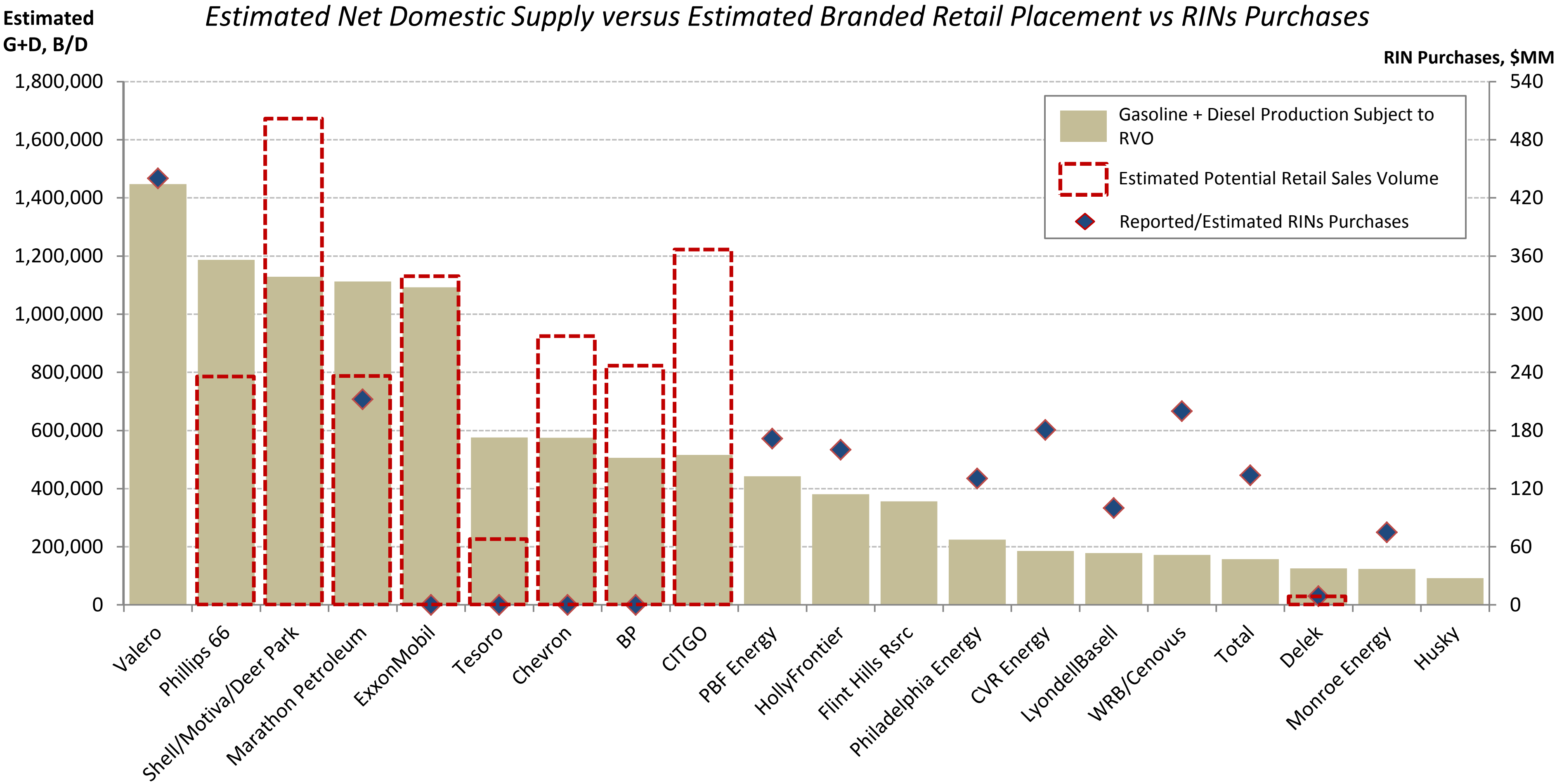
Clearly, the losers are the independent merchant refiners and small refiners.

**Data provided by Baker & O'Brien*

Summary of RIN Analysis: Absolute RIN Purchases

Top 20 U.S. Gasoline (G) and Diesel (D) Producers (2015)

Estimated Net Domestic Supply versus Estimated Branded Retail Placement vs RINs Purchases



Company Notes:

PSX: Likely a purchaser relative to obligation

XOM: Noted as balanced in 2013 – has since sold 2 refineries

Shell: Large retail network relative to refining production

CVX: Noted as long in 2013

BP: Noted as long in 2013

CITGO: Large retail network relative to refining production

FHR: No retail but sizeable marketing and terminal presence

Total & Husky: Likely purchases entire RIN obligation due to no retail/rack

Sources: EIA, Company Reports, Baker & O'Brien *PRISM*™