

Torrance Refinery

SCAQMD Presentation

April 1, 2017



Safe Harbor Statements

This presentation contains forward-looking statements made by PBF Energy Inc. and PBF Logistics LP (together, the “Companies”, or “PBF” or “PBFX”) and their management teams. Such statements are based on current expectations, forecasts and projections, including, but not limited to, anticipated financial and operating results, plans, objectives, expectations and intentions that are not historical in nature. Forward-looking statements should not be read as a guarantee of future performance or results, and may not necessarily be accurate indications of the times at, or by which, such performance or results will be achieved. Forward-looking statements are based on information available at the time, and are subject to various risks and uncertainties that could cause the Companies’ actual performance or results to differ materially from those expressed in such statements.

Factors that could impact such differences include, but are not limited to, changes in general economic conditions; volatility of crude oil and other feedstock prices; fluctuations in the prices of refined products; the impact of disruptions to crude or feedstock supply to any of our refineries, including disruptions due to problems with third party logistics infrastructure; effects of litigation and government investigations; the timing and announcement of any potential acquisitions and subsequent impact of any future acquisitions on our capital structure, financial condition or results of operations; changes or proposed changes in laws or regulations or differing interpretations or enforcement thereof affecting our business or industry, including any lifting by the federal government of the restrictions on exporting U.S. crude oil; actions taken or non-performance by third parties, including suppliers, contractors, operators, transporters and customers; adequacy, availability and cost of capital; work stoppages or other labor interruptions; operating hazards, natural disasters, weather-related delays, casualty losses and other matters beyond our control; inability to complete capital expenditures, or construction projects that exceed anticipated or budgeted amounts; inability to successfully integrate acquired refineries or other acquired businesses or operations; effects of existing and future laws and governmental regulations, including environmental, health and safety regulations; and, various other factors.

Forward-looking statements reflect information, facts and circumstances only as of the date they are made. The Companies assume no responsibility or obligation to update forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting forward-looking information after such date.

Our Commitment and Execution

- We are fully committed to safe, reliable, environmentally responsible operations and earning the right to operate in the communities that host us
- We have the full resources of PBF Energy available
- We have brought in experts to work with our teams on high priority projects to improve safety and reliability
- We have implemented high level cross-functional project reviews of all safety critical jobs

Operations Since the Acquisition

- Torrance Integrated into the PBF organization
 - Building relationships with our workforce
 - Promoting culture change by partnering with labor and encouraging more teamwork and enhancing communication
- Reviewed and enhanced our preventative maintenance programs
- Safely completed several large maintenance projects:
 - Purchased many critical spare pumps
 - Safely completed work on three steam boilers for inspection, repairs and re-permitting by the State of California
 - Completed overhaul and repair of our Gas Turbine Generator
 - Safely replaced the caustic scrubbing tower at the Alkylation Unit Acid Evacuation System
 - Overhauled a large Crude Unit compressor correcting an original manufacturing defect
- Empowering the workforce to review each task and if they feel a task is unsafe to **STOP THE JOB IMMEDIATELY AND REASSESS.**

Regulatory Agency Oversight

Torrance Refining Company is subject to many applicable laws and regulations and adheres to the highest standard of business conduct.

City of Torrance
 U.S. Environmental Protection Agency
 California Air Resource Board
 South Coast Air Quality Management District
 State and Local Water Control Boards
 Department of Toxic Substance Control
 Los Angeles County Fire Department
 Los Angeles County Police Department
 California Occupational Safety & Health Association
 California Energy Commission
 U.S. Department of Transportation
 Los Angeles County Sanitation District
 South Coast Air Quality Management District (SCAQMD)
 California Air Resources Board (CARB)
 United States Environmental Protection Agency (US EPA)

Los Angeles County Fire Department
 Los Angeles County Health Department
 Los Angeles County Sanitation District
 Los Angeles County Flood Control District
 Los Angeles Regional Water Quality Control Board (LARWQCB)
 Department of Transportation (DOT)
 Pipeline Hazardous Material Safety Administration (PHMSA)
 California Department of Water Resources (DWR)
 California Department of Toxics Substances Control (DTSC)
 California Department of Industrial Relations/Division of Occupational Safety and Health
 California Department of Health Services
 West Basin Metropolitan Water District (WBMWD)
 Federal Communications Commission (FCC)

Compliance Programs

Federal Air and Water Regulations
 State Air and Water Regulations
 SCAQMD Regulations

Federal and State Waste Regulations
 Federal and State Water Regulations
 Federal and State Release Reporting Regulations

Federal GHG and State Regulations
 Process Safety Regulations
 Personal Safety Regulations
 Torrance City Ordinances

Agency Inspections Since the Acquisition

Since the July 1, 2016 acquisition of the refinery, there have been eight inspections by seven agencies:

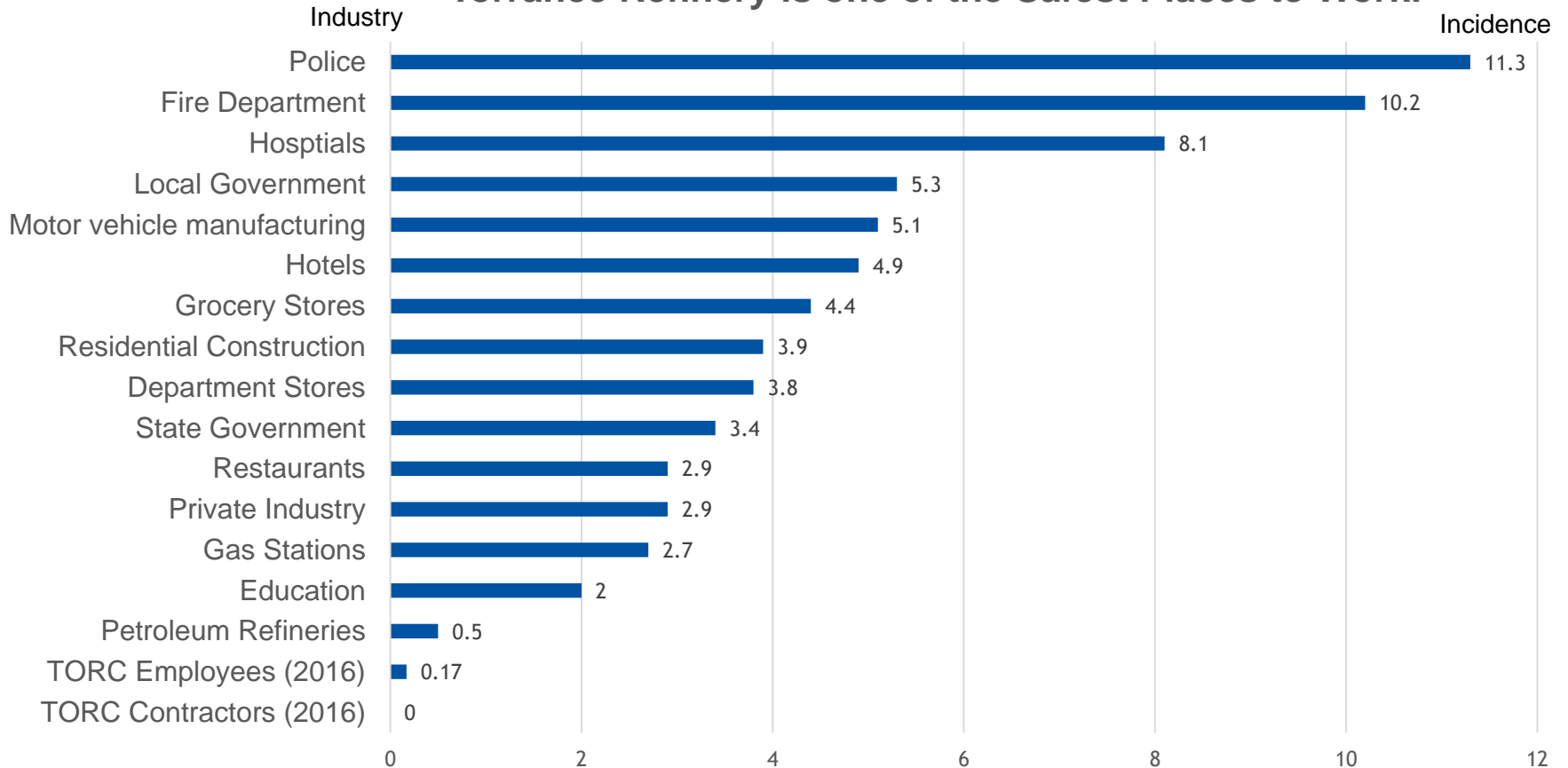
- Department of Homeland Security - Chemical Facility Anti-Terrorism Standards (CFATS)
- Department of Transportation - Rail Loading Rack Inspection
- Environmental Protection Agency - Department of Toxic Substances Control
 - ◆ Resource Conservation and Recovery Act
- Environmental Protection Agency - Risk Management Program (RMP)
- Los Angeles Fire Department - Waste Audit
- South Coast Air Quality Management District – Blue Sky Audits (2)
- Torrance Fire Department – Process Safety Management

EPA Notice

- Inspection “preliminary findings” and request for information
- Not an enforcement action or violation
- We are reviewing their request for information and gathering appropriate data
- We plan to meet with EPA to discuss the preliminary findings

Employee Safety

Personal Safety Torrance Refinery is one of the Safest Places to Work!

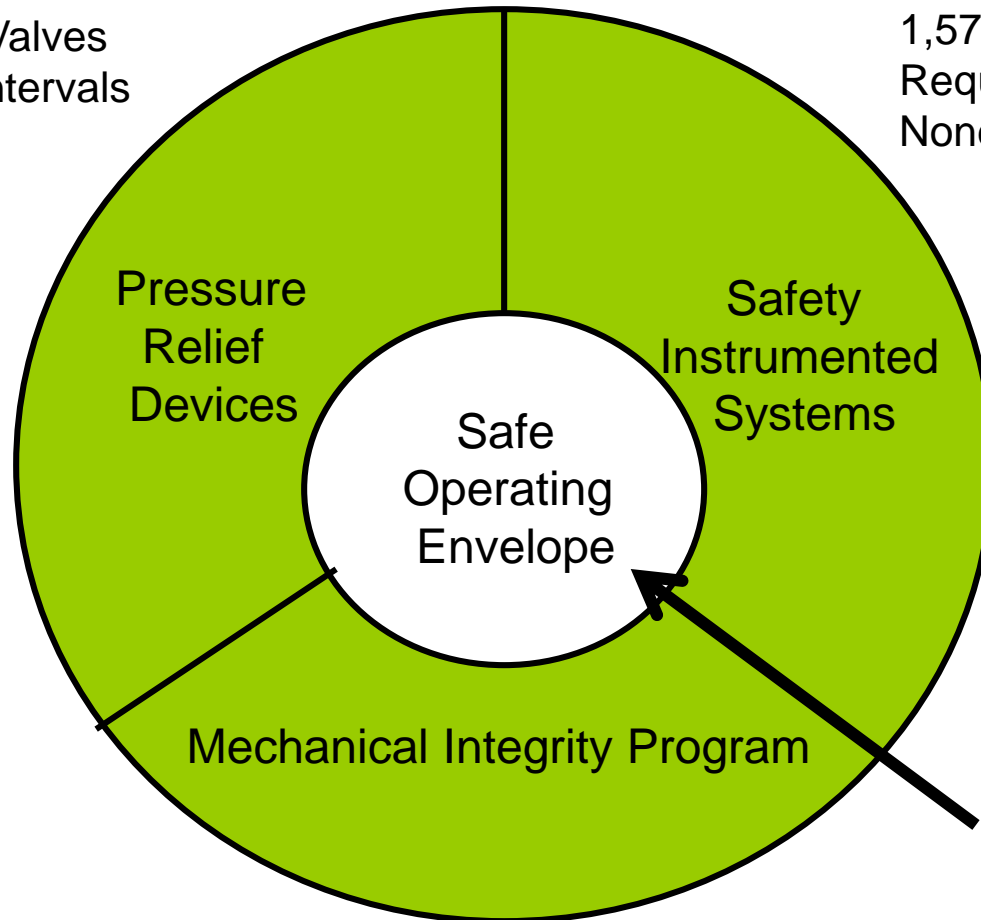


2015 OSHA recordable injury frequencies, # injuries per 100 workers per year

Assuring the Refinery is Safe to Operate

Over 2,500 Relief Valves
Required Testing Intervals
None Overdue

1,570 Critical Safety Devices
Required Testing Intervals
None Overdue



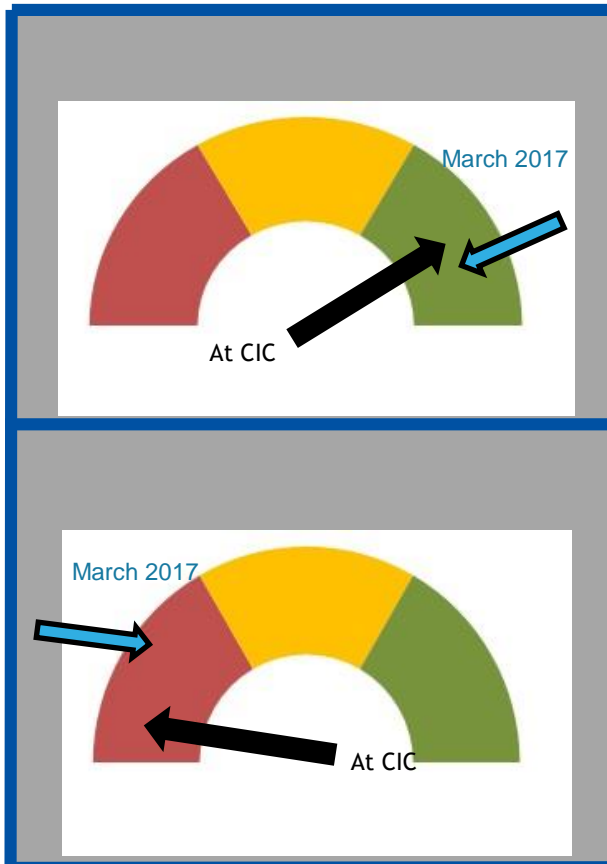
Over 300,000 thickness monitoring locations per API Standards
Required re-inspection or replacement dates
Program is overseen by Cal-OSHA
None overdue

Safe Operating Conditions

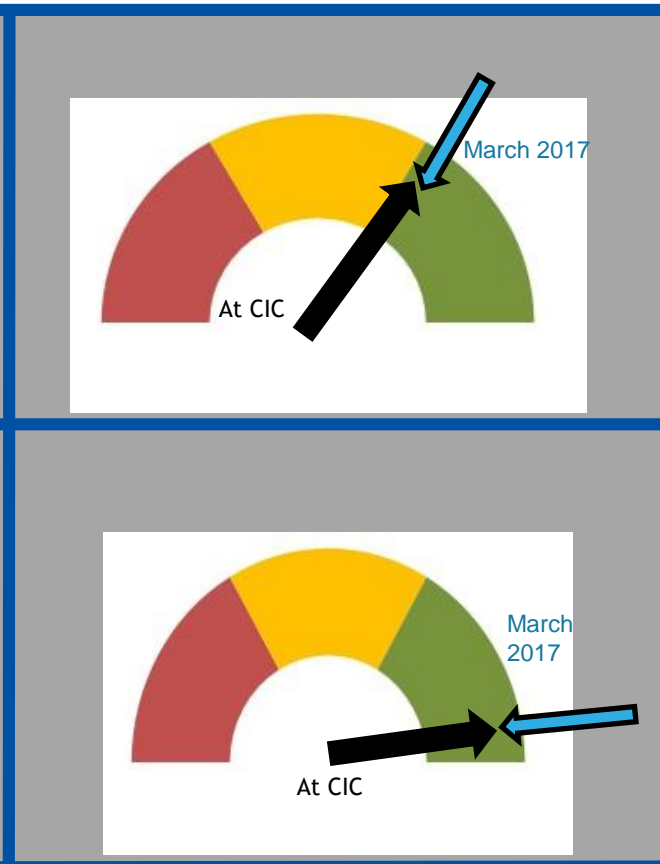
- Clearly Defined
- Continuously Monitored
- Pre-alarms
- Alarms
- Shutdowns

Our Reliability is Improving

Vessels & Piping
No Overdue Inspections



Pumps & Compressors
Industry Average Run Length



Electrical Reliability
Improved SCE Coordination
SCE Upgrade Project

Relief & Critical Safety Devices
No Overdue Inspections

Operating Events Since Acquisition

- 7/11/16 - Several units shut down during planned maintenance due to a software issue
 - Changed maintenance practices
- 9/19/16 & 10/11/16 – SCE Power outages resulted in refinery shutdowns
 - PBF and SCE have improved coordination and working practices
 - PBF and SCE are working together on a project to improve electrical reliability
- 11/15/16 – A fire occurred while replacing piping
 - Improved planning, review and approval of process equipment opening
- 2/1/17 – A fire occurred in an underground concrete drain box while repairing drain line damage caused by heavy rains and a sink hole
 - Quickly extinguished by refinery emergency response team
 - No visible fire or smoke, no injuries, no offsite impacts
- 2/18/17 – A pump bearing failed and connected piping began to leak, resulting in a fire
 - Pump was quickly shut down by unit operators
 - Fire was quickly extinguished by refinery emergency response team
 - No injuries, no offsite impacts

Operating Strengths

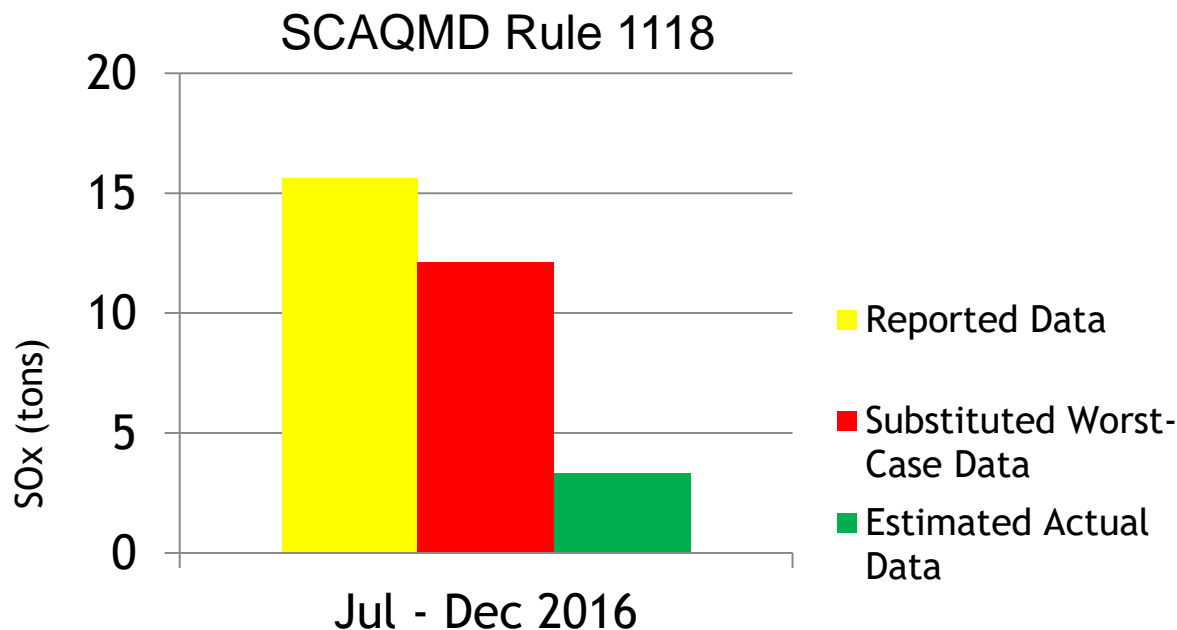
- Well trained, experienced, highly competent and dedicated workforce
 - ♦ Our employees are the backbone of what we do, and both we and they take their safety seriously
- Employees work well in cross-functional teams
 - ♦ Operators, technicians and engineers
- Robust Refinery Programs
 - ♦ Programs to monitor the process safety and reliability of our equipment
- Operating decisions made by local management team
- Employee engagement – connecting the hearts and minds of field personnel to core business objectives of Safe-Stable-Reliable operation
- Strong corporate support to enhance the refinery reliability, infrastructure and performance
- Partnering with the USW, IBEW, Building Trades, Laborers and other skilled, well-trained crafts to enhance the safety and quality of work at the refinery

2017 Turnaround Highlights

- Beginning in early April, multiple units at the refinery will be shutdown in succession and cleaned, inspected, and repaired
- Work involves the following:
 - ◆ 84 vessels, drums and towers
 - ◆ 2 furnaces
 - ◆ 57 exchangers
 - ◆ 18 heaters
 - ◆ 279 piping circuits
 - ◆ 388 valves
 - ◆ 15 machinery-related jobs
 - ◆ 149 instrumentation loops
 - ◆ 56 major electrical components
- Investment of over \$100 million
- Types of work include:
 - Opening, inspecting and repairing and/or upgrading of process heaters, heat exchangers, drums/towers/vessels
 - Changing catalyst in 6 reactors; inspecting and repairing these reactors
 - Various valve inspections, repairs, calibrations and replacements
 - Replacing baseplates, motors, seals and rotors

Refinery Flares

- We are committed to minimizing flaring
- The flare is an essential safety relief system that helps maintain safe operations
- We will be submitting permit applications to the SCAQMD for projects that will improve analyzer and meter reliability and reduce hydrogen flaring



Refinery Electrical Reliability Project

- ✓ The permanent solution will address approximately 90% of SCE's electrical supply issues
- ✓ SCE will install and connect to their system via two new 220 KV underground cables to new 220kV switching station on refinery property
- ✓ The SCE 220 KV system connection is on SCE right of way
- ✓ The refinery will install new 220 KV cables and transformers connecting the new SCE switching station to the existing refinery electrical distribution system. This **Phase I** is expected to address and improve SCE's reliability by approximately 50%
- ✓ **Phase II** will involve refinery infrastructure upgrades and will improve electrical reliability by an additional 40% for total of approximately 90% reliability improvement over SCE's current system. This will require new local substations and upgrades/modifications to the refinery electrical distribution system, which will have to be synchronized with future unit shutdowns
- ✓ The Refinery is currently working with the City of Torrance on permits that will be needed for this project

Improving MHF Safety at Torrance Refinery

Although Torrance Refinery's alkylation unit includes many layers of protection, the Torrance Refinery plans to further improve process safety by:

1. Providing a direct signal from the refinery's alkylation unit MHF leak sensors to the Torrance Fire Department.
 - i. SCAQMD already has this feature
2. Evaluating potential changes to the water spray systems
3. Hiring a risk evaluation expert such as BakerRisk to update the Torrance Refinery Modified Hydrofluoric Acid Alkylation Risk study. The current risk assessment stated that the Torrance MHF unit is greater than 24 times safer than a comparable sulfuric acid unit
4. Conducting and upgrading MHF training for employees and emergency responders



MHF Myth vs. Fact

- There has been inaccurate and misleading information presented about the refinery by others
- On Thursday, March 30, 2017, the refinery held the first of many anticipated “Myth vs. Fact” presentations
- Presenters were true industry experts with each having about 30 years or more of actual first hand experience in the risk and alkylation industries
- The March 30th presentation will be posted at TorranceRefinery.com
- New Myth vs. Fact

Myth:

“MHF is 98.2 percent HF” – Source: Op Ed, Daily Breeze, March 31, 2017

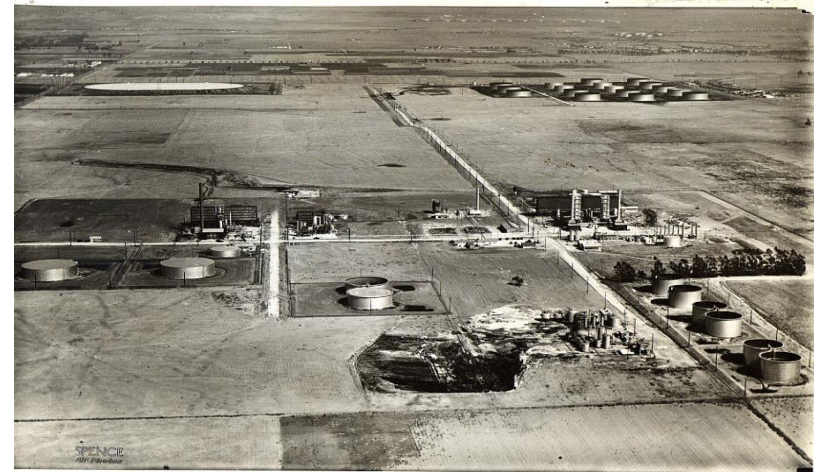
Fact:

Typical Unit Composition – 80 wt% HF, 7 wt% Additive, 3 wt% ASO,
3 wt% H₂O, 7 wt% Hydrocarbons

Based on sample data provided to TFD monthly

Torrance Refinery Economic Impacts

- Operating in City of Torrance since 1929
- 600+ employees / 500+ contractors
- Average annual wages and benefits for refinery workers in California is \$128,000
- Every refinery job produces 9 more jobs in the economy



Source: **Company Profile 2015**

Taxes

- Pay \$16 million in annual property tax
- Pay \$18 million in other taxes

Economic Impact

- \$122 million spent in salaries, wages and benefits
- \$125 million spent in city of Torrance
- \$400 million spent in Los Angeles County

Torrance Community Engagement

- **Workforce Involvement Program**

Our community engagement goes beyond philanthropic donations and event sponsorships; our team gets personally involved in the community where we operate



- **We partner with the city and local nonprofits to make a positive impact:**

- Vibrant Employee Volunteer Program – Education, Environment, United Way
 - Assist teacher in the classroom mentoring students
 - Provide teachers an opportunity to apply for STEAM grants (\$100K)
 - Sponsor Community Earth Day and lead plantings activities at Madrona Marsh
 - Sponsor and fundraise for HomeWalk to provide housing/support services for homeless
- Management Involvement Program – Leading by example; personal time & talent
 - Pediatric Therapy Network
 - Torrance Cultural Arts Foundation
 - Volunteer Center
 - Friends of Madrona Marsh
 - Torrance Education Foundation
 - Switzer Learning Center

Path Forward

- Safely complete the upcoming major turnaround, investing more than \$100 million in the facility during the next three months
- We are committed to minimizing flaring in our operations
- We are working to resolve electrical reliability issues that have caused flaring in the past
- We will continue to improve the safety systems at our MHF Alkylation Unit
- We are fully committed to working through the AQMD rule-making process
- Achieve safe, reliable and environmentally responsible operations and earn the right to operate in the communities that host us