



ACQUISITION OF BILLINGS REFINERY AND ASSOCIATED MARKETING & LOGISTICS ASSETS

# Forward-Looking Statements / Disclaimers

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This presentation contains non-GAAP financial measures, such as Adjusted EBITDA and Adjusted Net Income (loss). Please see the Appendix for the definitions and reconciliations to GAAP of the non-GAAP financial measures that are based on reconcilable historical information.

# Transaction Overview

## Acquisition of Billings refinery and associated marketing & logistics assets

- Par Pacific to acquire 63,000 bpd ExxonMobil Billings refinery and associated marketing and logistics assets
- Acquisition will enhance Par Pacific's fully integrated downstream network in the upper Rockies and Pacific Northwest
- \$310 million base purchase price, plus hydrocarbon and other inventory to be valued at closing
- Acquisition expected to be funded by cash on hand and existing credit lines, based on liquidity of approximately \$495 million on September 30, 2022, along with new working capital facility for inventory
- Expected to be immediately accretive to Adjusted Net Income and Free Cash Flow per share
- \$110 million in estimated midcycle Adjusted EBITDA contribution before synergies, including approximately \$35 million of logistics contribution
- Over \$30 million in estimated annual overhead, operating costs, and commercial synergies
- Transaction is expected to close in the second quarter of 2023



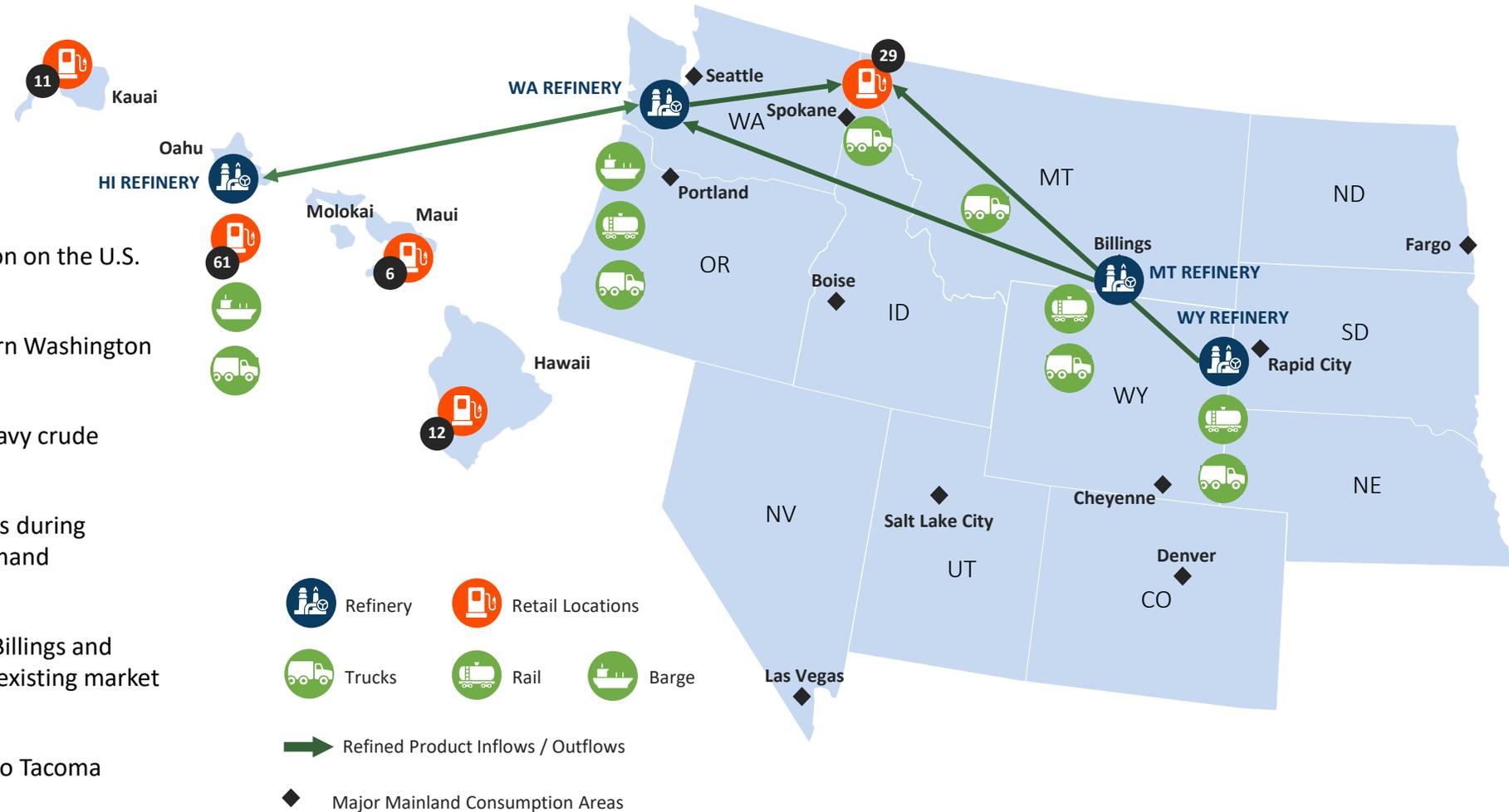
See Appendix for non-GAAP reconciliations.

# Par Pacific Strategic Impact

Acquisition will enhance our fully integrated downstream network

## Strategic Rationale

- Increased scale and geographic diversification on the U.S. mainland
- Enhanced commercial visibility across eastern Washington and PADD IV
- Increases systemwide Western Canadian heavy crude exposure to approximately 20%
- Allows efficient access to alternative markets during periods of refinery outages and supply / demand imbalances
- Opportunity to produce renewable fuels in Billings and access Washington LCFS market, leveraging existing market position in Tacoma and Spokane
- Ability to move intermediates from Billings to Tacoma
- Potential to expand retail and marketing footprint in eastern Washington and Idaho with a guaranteed supply source from Billings



# Par Pacific Financial Impact

## Pro-Forma Midcycle Earnings Uplift <sup>1</sup>

<i>\$ millions</i>	Par Pacific Midcycle	Billings Assets Midcycle	Par Pacific Pro-Forma
Refining	230	75	305
Logistics	80	35	115
Retail	50	-	50
Corporate & Other	(60)	-	(60)
Expected Synergies <sup>2</sup>	-	30	30
<b>Adjusted EBITDA</b>	<b>\$ 300</b>	<b>\$ 140</b>	<b>\$ 440</b>
Normalized Maintenance & Turnaround Capex	60	35	95
<b>Adjusted EBITDA less Capex</b>	<b>\$ 240</b>	<b>\$ 105</b>	<b>\$ 345</b>

1. Midcycle Adjusted EBITDA and Normalized Maintenance & Turnaround Capex based on management estimates and expectations. See appendix for non-GAAP reconciliations.
2. Expected synergies over \$30 million.

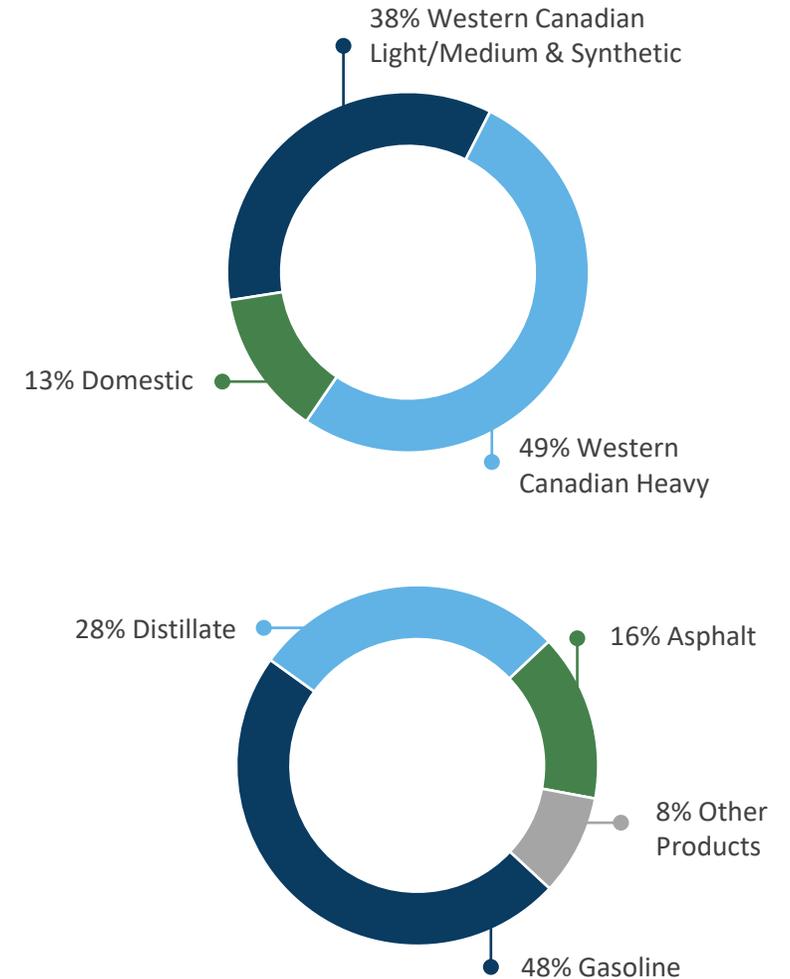
# Billings Refining Highlights

## Refining Highlights

- 63,000 bpd high-conversion, complex refinery (10.8 Nelson Complexity Index)
- Hydrocracking, hydrotreating, coking, and fluidized catalytic cracking (FCC) capacity
- Processes low-cost Western Canadian and other regional crude oils, including approximately 49% Western Canadian heavy crude oils
- Products include gasoline, diesel, asphalt, VGO and LPG
- Ability to increase distillate production up to 31% of total product yield
- 65% ownership in adjacent cogeneration facility
- Par Pacific is evaluating renewable fuels opportunities to supplement the refinery's conventional fuel production and leverage the company's market position in Washington



## Crude Slate & Product Yield <sup>1</sup>



1. Based on 2020-2021 average crude slate and product yield.

# Billings Logistics Highlights

## Logistics Highlights

- Expansive network of crude and product midstream assets
- Seven terminal facilities provide advantaged access to key market areas throughout Upper Rockies and Pacific Northwest
- 40% ownership in Yellowstone Pipeline, serving attractive clean product markets from Billings, Montana to eastern Washington
- Owned and operated 55,000 bpd capacity Silvertip crude oil pipeline and related network allows refinery to access low-cost Canadian and Rocky Mountain crude oil grades
- Silvertip pipeline is connected to the Express Pipeline allowing crude supply flexibility and direct access to nearly all western Canadian crude from Hardisty and Edmonton trading hubs
- Transaction includes 40,000 bpd of dedicated line space on Express Pipeline



Logistics Asset	Ownership Share	Total Capacity (Mbbls)
Silvertip Pipeline	100%	55 Mbd
Yellowstone Pipeline	40%	65 Mbd
Billings Tankage	100%	2,848
Bozeman Terminal	100%	89
Helena Terminal	100%	89
Missoula Terminal	50%	368
Thompson Falls Terminal	50%	140
Spokane Terminal	100%	350
Moses Lake Terminal <sup>1</sup>	0-100%	171

1. Varying degrees of ownership across six Moses Lake tanks.

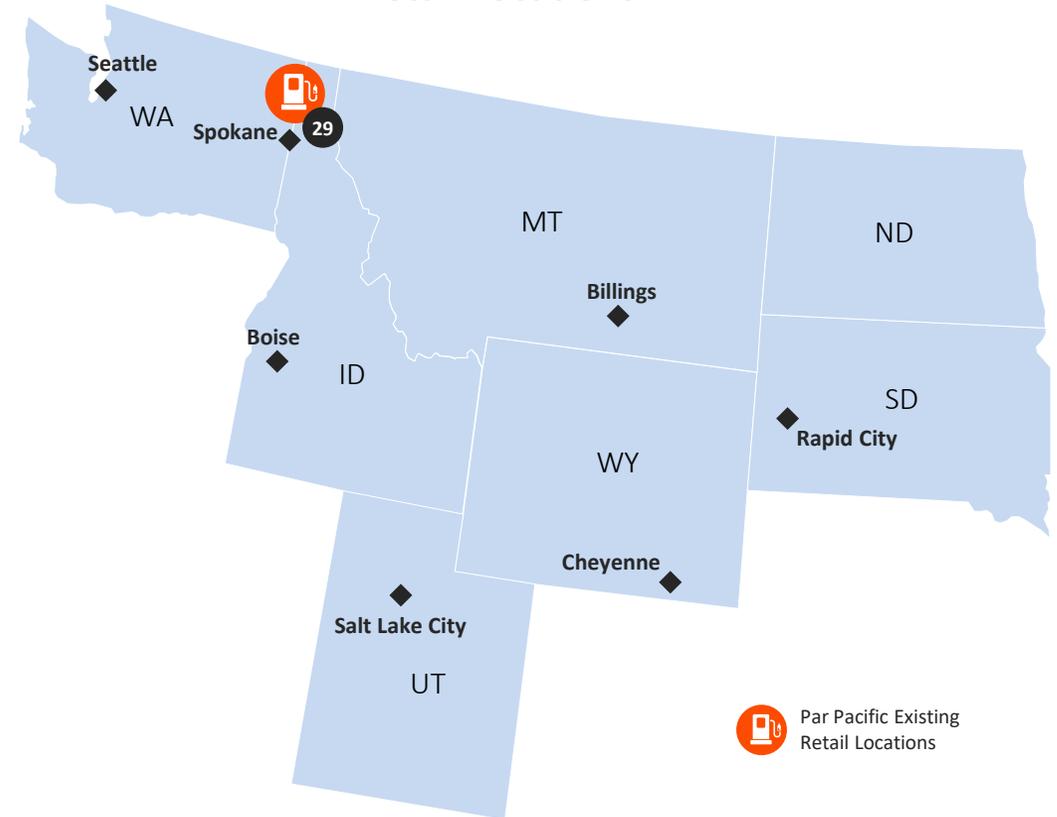
# Billings Marketing Highlights

## Marketing Highlights

- Retail (branded wholesale) and wholesale (unbranded) fuels marketing business
  - Attractive long-term ExxonMobil-branded fuels market arrangement, supplying approximately 300 retail locations
  - 73% of clean product sales supplied to ExxonMobil-branded locations
  - Unbranded fuels sold to regional resellers at terminal rack locations



## Supplying Approximately 300 ExxonMobil-Branded Retail Locations



# Par Pacific Highlights

## Improving Refining & Logistics Position

- Improving regional market fundamentals
  - Benefiting from regional refining closures and improving global mobility trends
  - Industry-leading distillate production of approximately 50% <sup>1</sup>
- Expect 20% system-wide exposure to attractive Western Canadian heavy crude
- Logistics assets serve as essential energy infrastructure to fulfill refined product demand
- Actively pursuing decarbonization opportunities across Hawaii and mainland refineries

## Strong Retail Franchise

- Steady earnings from retail segment balances refining cyclicality
- Successful rebranding of Northwest retail locations to nomnom brand with four new stores scheduled and expanded food service offerings
- Expanding food service offerings provides opportunity for increased margin capture
- ExxonMobil wholesale exclusive arrangement with approximately 300 locations

## Financial Profile

- Strong liquidity position with significant free cash flow generation expected
- Expected to be within targeted gross debt level after Billings acquisition completion in 2023
- \$1.6 billion in tax attributes enhances cash flow
- Improving fundamentals in minority-owned interest in Laramie Energy

1. Including LSFO.

# Appendix



# Non-GAAP Financial Measures

<i>\$ million's</i>	Par Pacific Midcycle	Billings Assets Midcycle <sup>2</sup>	Par Pacific Pro Forma
<b>Net Income</b>	<b>\$165</b>	<b>\$95</b>	<b>\$260</b>
Add: Depreciation and amortization expense	100	45	145
Add: Interest Expense	35	-	35
Add: Income Tax Expense	-	-	-
<b>Adjusted EBITDA <sup>1,3</sup></b>	<b>\$300</b>	<b>\$140</b>	<b>\$440</b>

1. Midcycle Adjusted EBITDA based on management estimates and expectations.
2. Billings Assets Midcycle Adjusted EBITDA includes \$30 million in annual synergies based on management estimates.
3. We believe Adjusted EBITDA is a useful supplemental financial measures that allow investors to assess: (1) The financial performance of our assets without regard to financing methods, capital structure or historical cost basis, (2) The ability of our assets to generate cash to pay interest on our indebtedness, and (3) Our operating performance and return on invested capital as compared to other companies without regard to financing methods and capital structure. Adjusted EBITDA should not be considered in isolation or as a substitute for operating income (loss), net income (loss), cash flows provided by operating, investing and financing activities, or other income or cash flow statement data prepared in accordance with GAAP. Adjusted EBITDA presented by other companies may not be comparable to our presentation as other companies may define these terms differently.