



Importance of PBF Energy and the Petroleum Industry to California's COVID-19 Recovery

COMMITTED TO CALIFORNIA—PBF Energy operates nine entities in California: PBF Energy Western Region LLC, Martinez Refining Company LLC, Martinez Pipeline Company LLC, Torrance Refining Company LLC, PBF Western Region Logistics Holding LLC, Martinez Terminal Company LLC, Torrance Logistics Company LLC, Torrance Basin Pipeline Company and Torrance Pipeline Company LLC.

Critical to State's Comprehensive Recovery

PBF Energy provides affordable, high-quality fuels needed to transport essential workers and critical supplies. Our products literally fuel California's economy and make modern life possible:

- PBF Martinez and Torrance refineries annually manufacture approximately:
 - 2.5 billion gallons of gasoline
 - 1.1 billion gallons of jet fuel
 - 251 million gallons of ultra-low sulfur diesel
 - 72 million gallons of ultra-low sulfur marine fuel (Torrance only: Ports of Los Angeles and Long Beach)
- PBF Martinez and Torrance refineries annually supply approximately:
 - 18% of California's cleaner-burning CARB gasoline
 - 30% of California's jet fuel
 - 8% of ultra-low sulfur CARB diesel
 - 80% of Ports of Los Angeles and Long Beach ultra-low sulfur marine diesel
- Industries dependent on the petroleum industry that are critical to recovery include:
 - Agriculture (fuels and sulfur for fertilizer)
 - Pharmaceuticals (prescriptions)
 - Medicines and botanicals (over the counter)
 - Plastics, materials and resins (product packaging)
 - Utilities: (electric power, water supply, sewage treatment)
 - Fabricated Metal Products (computers and electronics)
 - Transportation (cargo ships, trucking, railroad, emergency response)
 - Professional, Scientific and Technical Services (accounting, architectural, engineering, computer, consulting services)

Crude oil byproducts are used to make critical medical supplies needed including latex gloves, syringes, inhalers, band aides, electronics for medical equipment, rubber tubing and much more.

Critical to State's Economic Recovery

- PBF Energy funds government through taxes paid:
 - \$40.8 million in Property Taxes
 - \$130 million in Payroll Taxes
 - \$8.2 million in User Utility Tax to City of Torrance
- PBF Energy has ~1,400 fulltime staff, ~600 trade union contractors and up to ~1,800 additional union contractors working large maintenance turnarounds
- PBF Energy is the largest purchaser of indigenous crude oil from California producers that provides revenues to the state and other jurisdictions

Petroleum Industry Forecast

Currently, approximately 30 million barrels of imported crude oil await entry into the Western U.S. and more supply is en route.

The equivalent of several months of California crude oil production is idled offshore, waiting to be shipped to west coast refineries, which could lead to a decrease in the amount of indigenous production for the foreseeable future.

While demand for petroleum products is currently reduced, PBF Energy plans to be a strong leader in providing high-quality, affordable fuels and byproducts to assist with California's COVID-19 recovery and keep Californians on the move.



COVID-19 Impact on PBF Energy Operations

- Reduced refining throughput to match lower product demand.
- Despite reduced operating rates, all our employees have continued to work safely through the COVID-19 pandemic period as they are critical to running our business, which is identified as essential infrastructure because we continue providing high-quality fuels to Californians during the pandemic.
- Of PBF's ~1,400 employees working in California, there has been one confirmed, positive case of COVID-19 involving an employee who was telecommuting and contracted COVID-19 offsite, without being in the presence of any other employees for several weeks.

COVID-19 and Downturn in Petroleum Market

- Oil supply and demand typically balance one another, but when that balance is off, the market responds.
- Various COVID-19 pandemic "stay at home" orders have significantly decreased air and vehicular travel, contributing to significant decreases in global demand for jet fuel and gasoline.
- An economic war between Russia and Saudi Arabia occurred after Russia refused to cut production, leading to an excess in global supply of crude oil.
- With most of the world addressing COVID-19 through stay at home orders, a glut of crude oil, and most storage facilities filled, the market responded with negative \$37 per barrel crude rate, effectively paying people to take physical barrels of crude oil.

COVID-19 Impact on Industry

- The California oil and gas industry directly supports 152,100 jobs and indirectly supports an additional 365,900 jobs, which are now potentially at risk.
- With the economic slowdown, demand for all types of fuels has declined by more than 50 percent in California, including biofuels.
- The nation's largest refiner idled an entire facility in northern California in April due to demand destruction in the region.
- Oil field production activities have significantly decreased, with potential for shutting in fields and threatening the viability of these companies.
- There have been work furloughs and salary reductions across the industry.
- Non-essential infrastructure and business contract work has decreased by as much as 75 percent.
- Due to the decrease in contract work, many contract service companies, including many small businesses, have suffered a significant decrease in business.

COVID-19 Impact on Suppliers and Customers

- Due to decreased demand, many small upstream producers in the San Joaquin Valley are struggling to sell product; however, PBF Energy continues to purchase volumes contracted with our suppliers.
- Los Angeles Airport is currently operating at five percent of capacity compared to 2019.
- Business at the Ports of Long Beach and Los Angeles is down compared to last year at this time. Ships continue to call at significantly reduced rates.

PBF ENERGY COMMITTED TO CALIFORNIA

