TESORO

1st Quarter Earnings Slides

May 3, 2012

Forward Looking Statements

This Presentation includes and references “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These statements relate to, among other things, expectations regarding refining margins, revenues, cash flows, capital expenditures, turnaround expenses and other financial items. These statements also relate to our business strategy, goals and expectations concerning our market position, future operations, margins and profitability. We have used the words “anticipate,” “believe,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “predict,” “project,” “will,” “would” and similar terms and phrases to identify forward-looking statements in this Presentation, which speak only as of the date the statements were made.

Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate and the forward-looking statements based on these assumptions could be incorrect. Our operations involve risks and uncertainties, many of which are outside our control, and any one of which, or a combination of which, could materially affect our results of operations and whether the forward-looking statements ultimately prove to be correct.

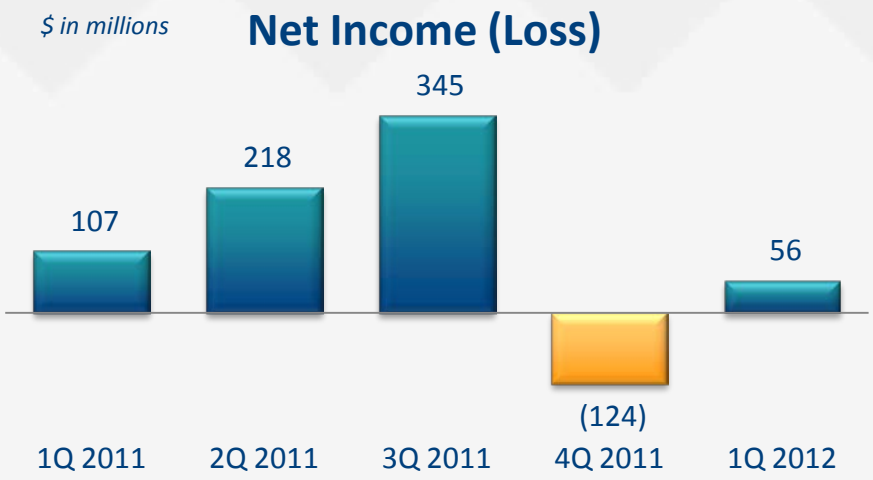
Actual results and trends in the future may differ materially from those suggested or implied by the forward-looking statements depending on a variety of factors which are described in greater detail in our filings with the SEC. All future written and oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the previous statements. We undertake no obligation to update any information contained herein or to publicly release the results of any revisions to any forward-looking statements that may be made to reflect events or circumstances that occur, or that we become aware of, after the date of this Presentation.

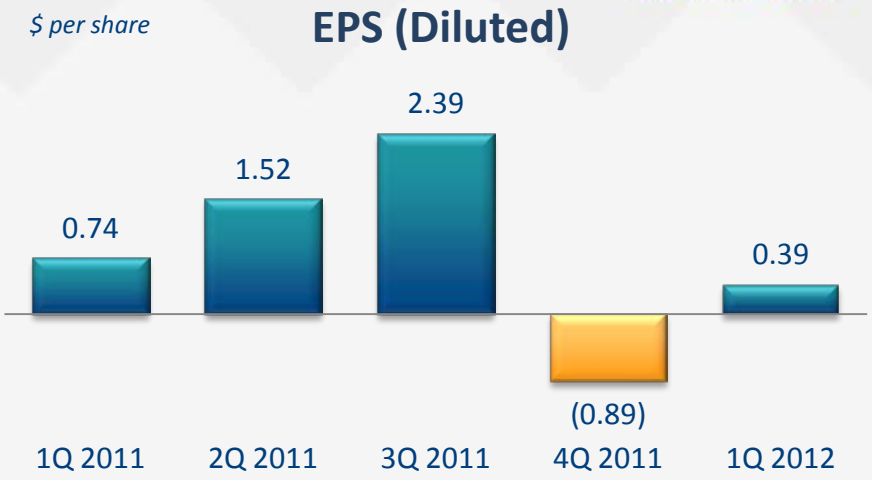
2Q 2012 Guidance

	Pacific Northwest	Mid-Pacific	Mid-Continent	California
Throughput *(mbpd)*	145-155	55-65	105-115	255-265
Manufacturing Cost *($/bbl)*	$ 3.95	$ 4.60	$ 4.25	$ 6.10

$ in millions, unless noted	Corporate/System
Refining Depreciation	$ 93
Corporate Expense *Before Depreciation*	$ 38
Interest Expense *Before Interest Income*	$ 37

Net Income (Loss)

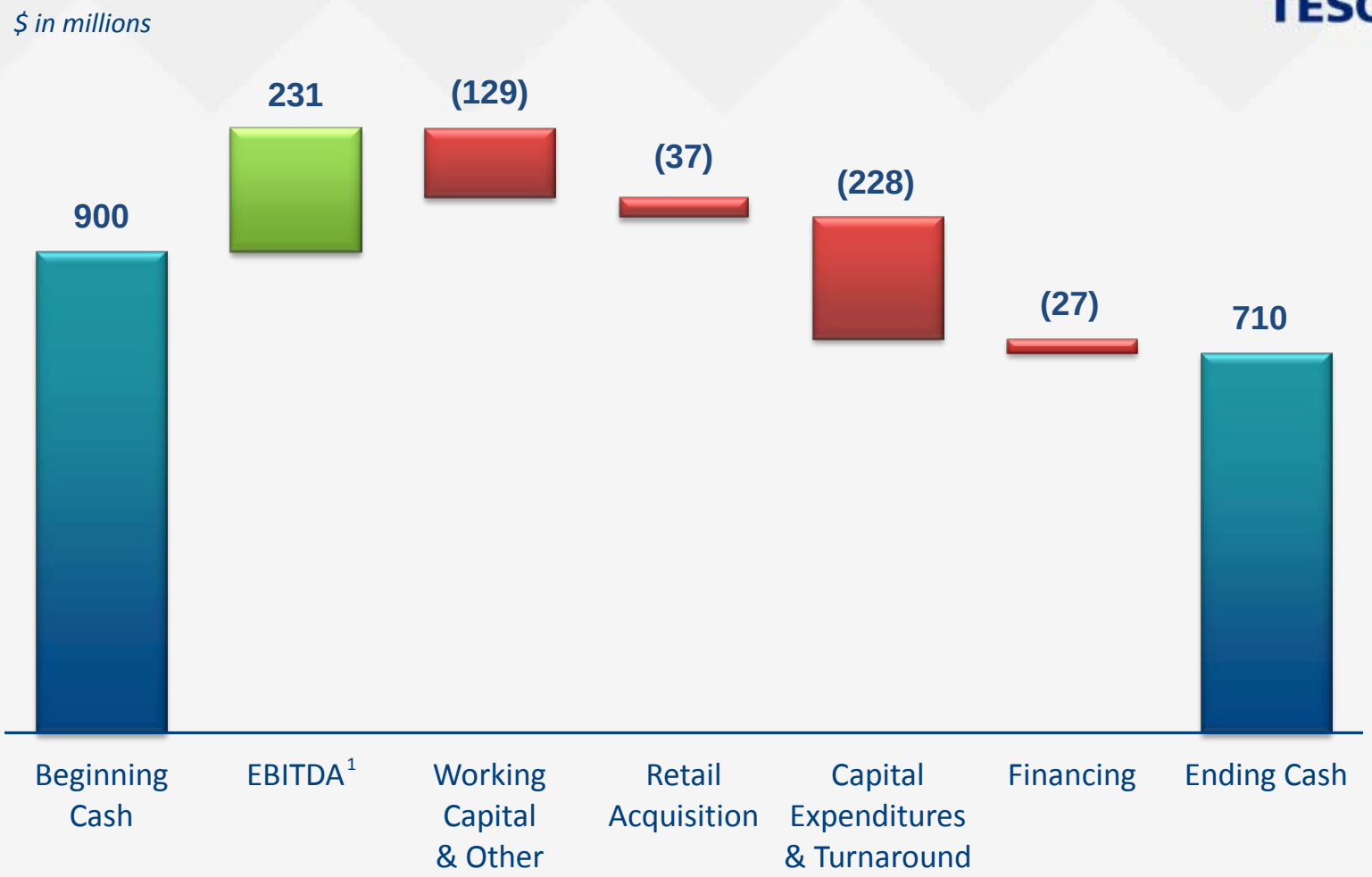




$ in millions, except per share amounts	1Q 2011	2Q 2011	3Q 2011	4Q 2011	1Q 2012
Refining	$ 303	$ 399	$ 600	$ (123)	$ 191
Retail	2	38	22	27	(4)
Corporate and Unallocated	(86)	(18)	(25)	(59)	(53)
Interest and Financing Costs[1]	(42)	(62)	(38)	(37)	(36)
Interest Income and Other Income (Expense)[2]	-	-	3	1	1
Income Tax (Expense) Benefit	(70)	(135)	(210)	73	(37)
Less net income attributable to non-controlling interest	-	(4)	(7)	(6)	(6)
Net Income (Loss) attributable to Tesoro Corporation	$ 107	$ 218	$ 345	$ (124)	$ 56
EPS (Diluted)	$ 0.74	$ 1.52	$ 2.39	$ (0.89)	$ 0.39

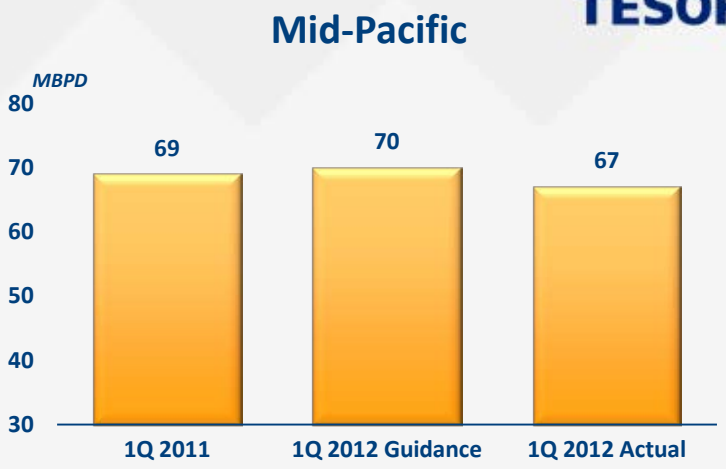
[1] **Interest and financing costs include foreign currency gains and losses.**
[2] **Represents net amount of interest income and other income (expense), as reported.**

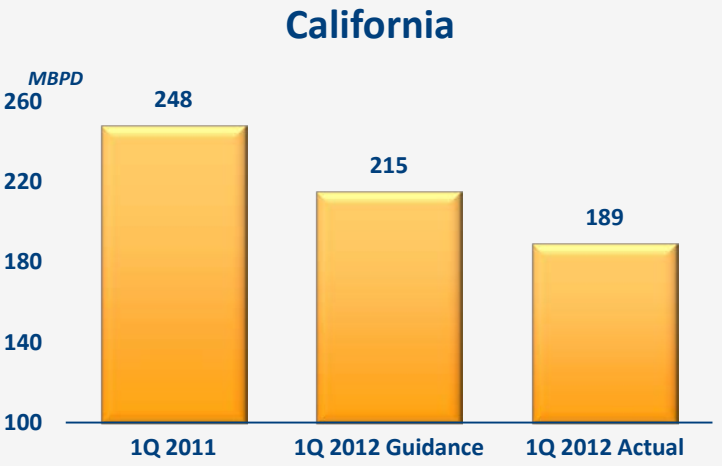
1Q 2012 Cash Flow



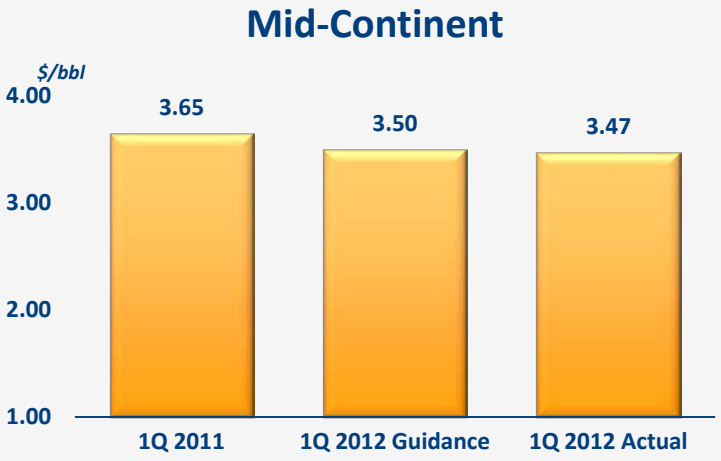
[1] A reconciliation of EBITDA, a non-GAAP financial measure, to net income is included in the press release issued on May 2, 2012, which can be found on our website at www.tsocorp.com.

Throughput by Refining Region





Operating Expense by Refining Region



Stock-Based Compensation

$ in millions	Q2 2011	Q3 2011	Q4 2011	Q1 2012
Stock appreciation rights	(13)	(12)	17	12
Phantom stock options	(5)	(5)	4	0
Restricted common stock, units and stock options	3	4	3	3
Market/performance units and share awards	2	3	4	6
Total Stock-Based Compensation Expense (Credit)	**(13)**	**(10)**	**28**	**21**
Change in Tesoro stock price during quarter	**$(3.92)**	**$(3.44)**	**$3.89**	**$3.48**