

MARATHON SEES DIESEL FUEL IN FUTURE



Michael E. Leister
Fuels Technology Manager
Marathon Petroleum Company LLC

2007 DEER CONFERENCE

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**Marathon
Petroleum Company LLC**



DIESEL DRIVES AMERICA





MARATHON PETROLEUM COMPANY LLC

- ◆ PARENT-MARATHON OIL COMPANY
- ◆ FIFTH LARGEST US REFINERY (NEARLY 1 MILLION BBLS OF CRUDE CAPACITY)
- ◆ MAJOR MARKETS IN MIDWEST AND SOUTHEAST
 - SPEEDWAY/SUPERAMERICA (COMPANY OWNED AND OPERATED) IS THE FOURTH LARGEST NATIONAL CONVENIENCE STORE CHAIN
- ◆ LARGE FUEL WHOLESALER
- ◆ ONE OF THE LARGEST US ETHANOL BLENDERS
 - JOINT VENTURE WITH ANDERSONS BUILDING AN OHIO ETHANOL PLANT
- ◆ 50% OWNER OF PILOT TRAVEL CENTERS
 - LARGEST BLENDER OF BIODIESEL

An Ambitious Agenda



Detroit
**\$300 million expansion
complete**
(New FEED underway)



Garyville
\$3.2 billion expansion
Slated for Q4 2009



WHY BUILD A NEW REFINERY? REASONS NOT TO!

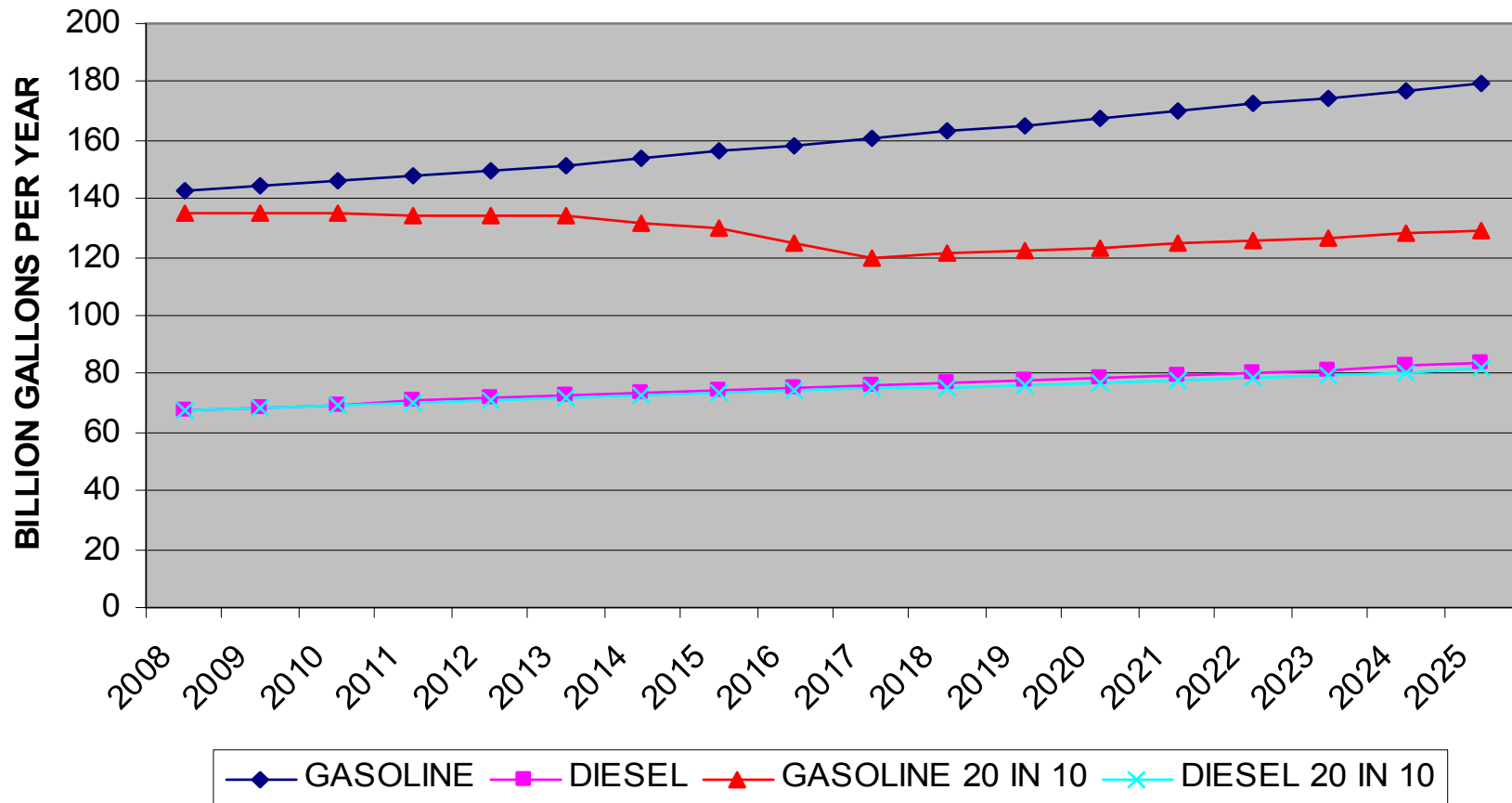


- ◆ **PRESIDENTS EXECUTIVE ORDER CALLS FOR 20% REDUCTION GASOLINE CONSUMPTION**
- ◆ **NEW CAFÉ STANDARDS WILL DECREASE GASOLINE DEMAND GROWTH**
- ◆ **CONGRESS HAS PROPOSED WINDFALL PROFITS ON REFINERY/OIL COMPANY PROFITS**
- ◆ **CRUDE OIL WILL BECOME MORE EXPENSIVE AND DIFFICULT TO PROCESS**
- ◆ **EUROPEAN REFINERY EXCESS GASOLINE PRODUCTION IS EXPECTED TO GROW**

GASOLINE AND DIESEL DEMAND FORECASTS



EIA PROJECTED GASOLINE AND DIESEL DEMAND



WHY BUILD A NEW REFINERY? REAL REASONS!



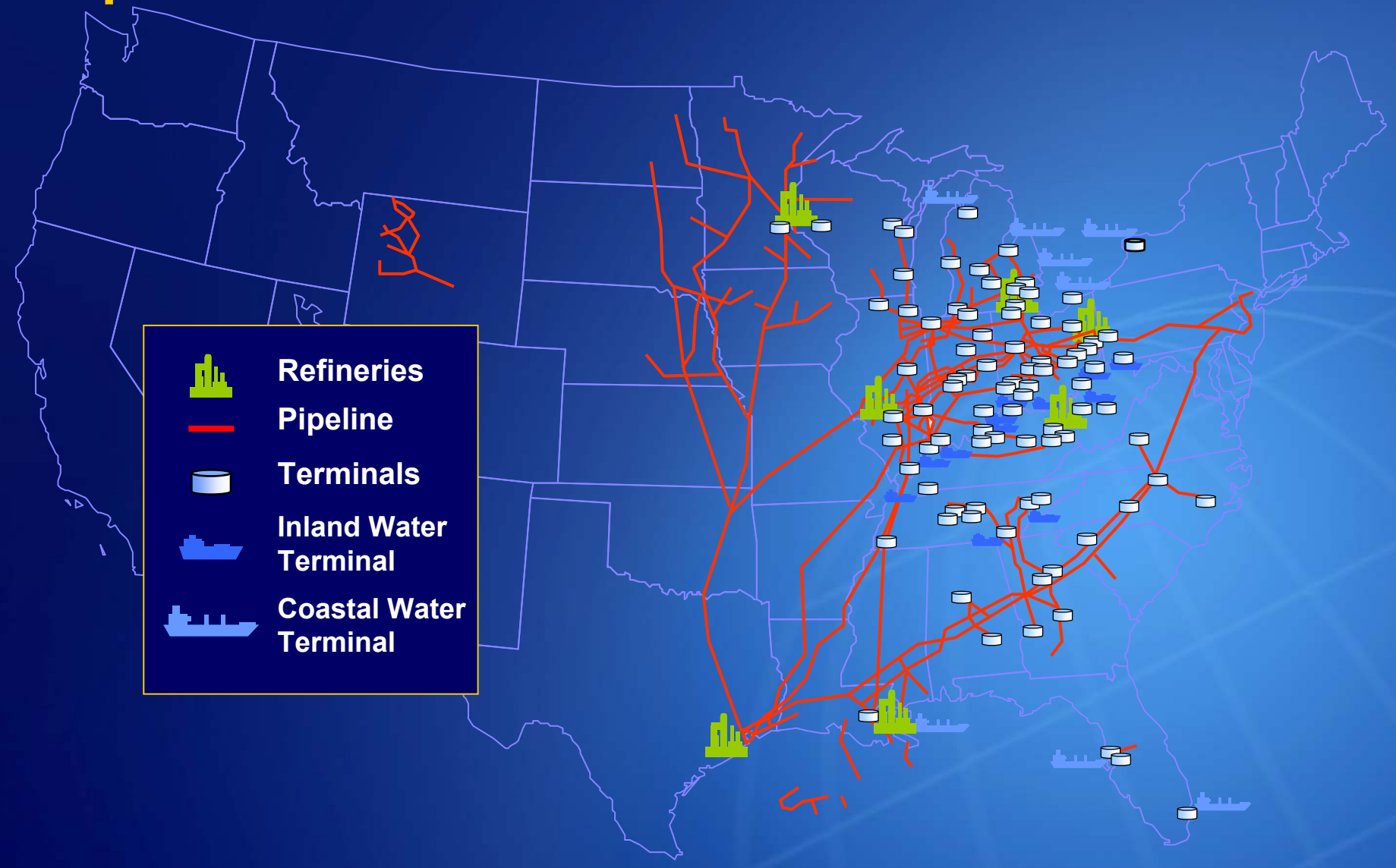
- ◆ **US AND WORLD TRANSPORTATION FUEL DEMAND WILL CONTINUE TO RISE**
- ◆ **NEW REAL WORLD CAFÉ STANDARDS WILL BE LOWER THAN THOSE DISCUSSED AND TAKE 15 YEARS TO BECOME COMPLETELY EFFECTIVE**
- ◆ **CANADA IS THE LARGEST IMPORTER OF CRUDE OIL TO US AND WILL BECOME EVEN LARGER WITH NEW OIL SANDS DEVELOPMENT**
 - **LOW TRANSPORTATION COSTS**
 - **CAN BE CONFIGURED TO SPECIFIC REFINERIES**
- ◆ **EUROPEAN REFINERY SYSTEM WILL NOT MEET PROJECTED DIESEL DEMAND**
- ◆ **WORLDWIDE DIESEL IS THE PRIMARY TRANSPORTATION FUEL**



WHY BUILD A NEW REFINERY? MORE REASONS!



- ◆ **CORN BASED ETHANOL DOES NOT DISPLACE VERY MUCH IMPORTED CRUDE OIL (1-3%) AND IS A VERY EXPENSIVE REPLACEMENT FOR CRUDE OIL (\$200-300 PER GALLON ABOVE CRUDE OIL)**
- ◆ **CELLULOSIC ETHANOL TECHNOLOGY IS AT LEAST 10 YEARS AWAY FROM ECONOMIC PRODUCTION AND ONCE IT REACHES PRICE PARITY WITH CORN BASED ETHANOL WILL HAVE THE SAME ECONOMIC DISADVANTAGES**
- ◆ **RENEWABLE DIESEL PROCESSED THROUGH REFINERY UNITS IS MUCH MORE COST EFFECTIVE THAN FAME BIODIESEL PRODUCTION**
- ◆ **THE REALITY IS THAT THE WORLD AND THE US WILL NEED MORE REFINERIES AND MORE BIOFUELS PRODUCTION TO MEET TRANSPORTATION FUEL DEMAND GROWTH.**

Marathon Petroleum Company Operations



	Refineries
	Pipeline
	Terminals
	Inland Water Terminal
	Coastal Water Terminal

Garyville 180,000 B/D Expansion



- ◆ 1.5 billion gallons of gasoline a year
- ◆ 1.2 billion gallons of distillate
- ◆ Leverages our most efficient and profitable downstream asset
- ◆ Significant process configuration synergy with existing refinery
- ◆ Competitive returns across the refining margin cycle
- ◆ Access to world markets for crude supply and product distribution

Unit Design Size

44,000 b/d coker

70,000 b/d hydrocracker

65,000 b/d reformer

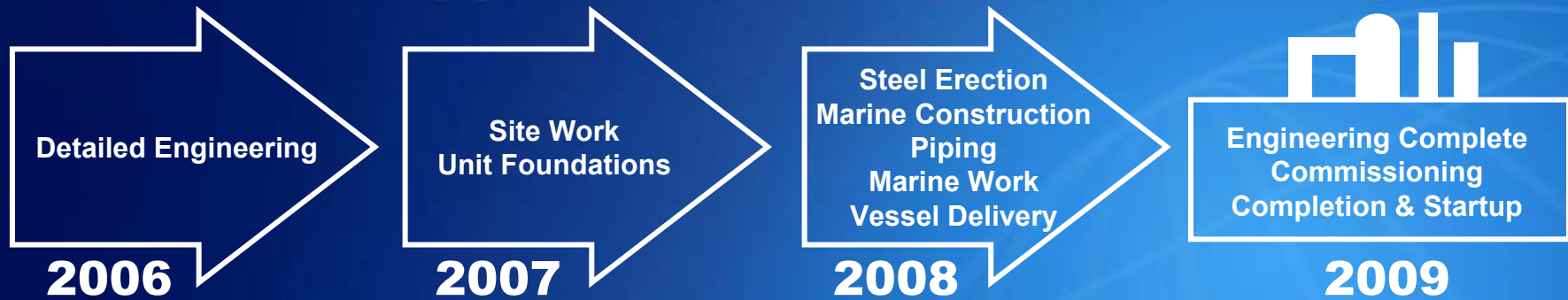
47,000 b/d kero hydrotreater



Garyville Critical Path



Market Assessment • Project Feasibility
Front-end Engineering and Design
Logistics Systems Study
Vendor Negotiation and Letters of Intent
Heavy Vessel Fabrication Orders
Permit Applications • Bond Financing



Job Fair/Skill Needs • Stakeholder Meetings
Hearings • Site Preparation • Dock Modifications
Catalyst Selection • Vendor Contracts
Schedule Fabrication Yards • Board Sanction
Secure Construction Labor • Tankage
Sulfur Disposition • Labor and Material

Strategic Growth

Garyville Major Expansion



- ◆ FEED estimate completed
- ◆ Project sanctioned
- ◆ Air permit received
- ◆ Reactors and early lead time vessels ordered
- ◆ Finalizing engineering, procurement and starting construction

Value creation with long-lived, non-depleting assets



Garyville Major Expansion

Project features

- ◆ **Heavy/medium sour crude**
 - Complete residue conversion via new coker
- ◆ **Large new heavy gas oil hydrocracker and reformer**
 - Complements existing refinery configuration
- ◆ **Balanced incremental gasoline/distillate output**
- ◆ **Expanded refinery (base + new) cash operating cost structure ~35% lower than U.S. average**
- ◆ **Relatively low capital requirements for logistics, infrastructure, and tankage**



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