

Liquid Fuels in Hawaii

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OCTOBER 2020

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THIS PRESENTATION CONTAINS NON-GAAP FINANCIAL MEASURES, SUCH AS ADJUSTED EBITDA, ADJUSTED NET INCOME (LOSS), AND LARAMIE ENERGY ADJUSTED EBITDAX. PLEASE SEE THE APPENDIX FOR THE DEFINITIONS AND RECONCILIATIONS TO GAAP OF THE NON-GAAP FINANCIAL MEASURES THAT ARE BASED ON RECONCILABLE HISTORICAL INFORMATION.

what we'll cover today

Who is Par Hawaii?

How is fuel produced?

How does fuel get to our customers?

What impact has Covid had on fuel producers?

What is the future of liquid fuels in Hawaii?

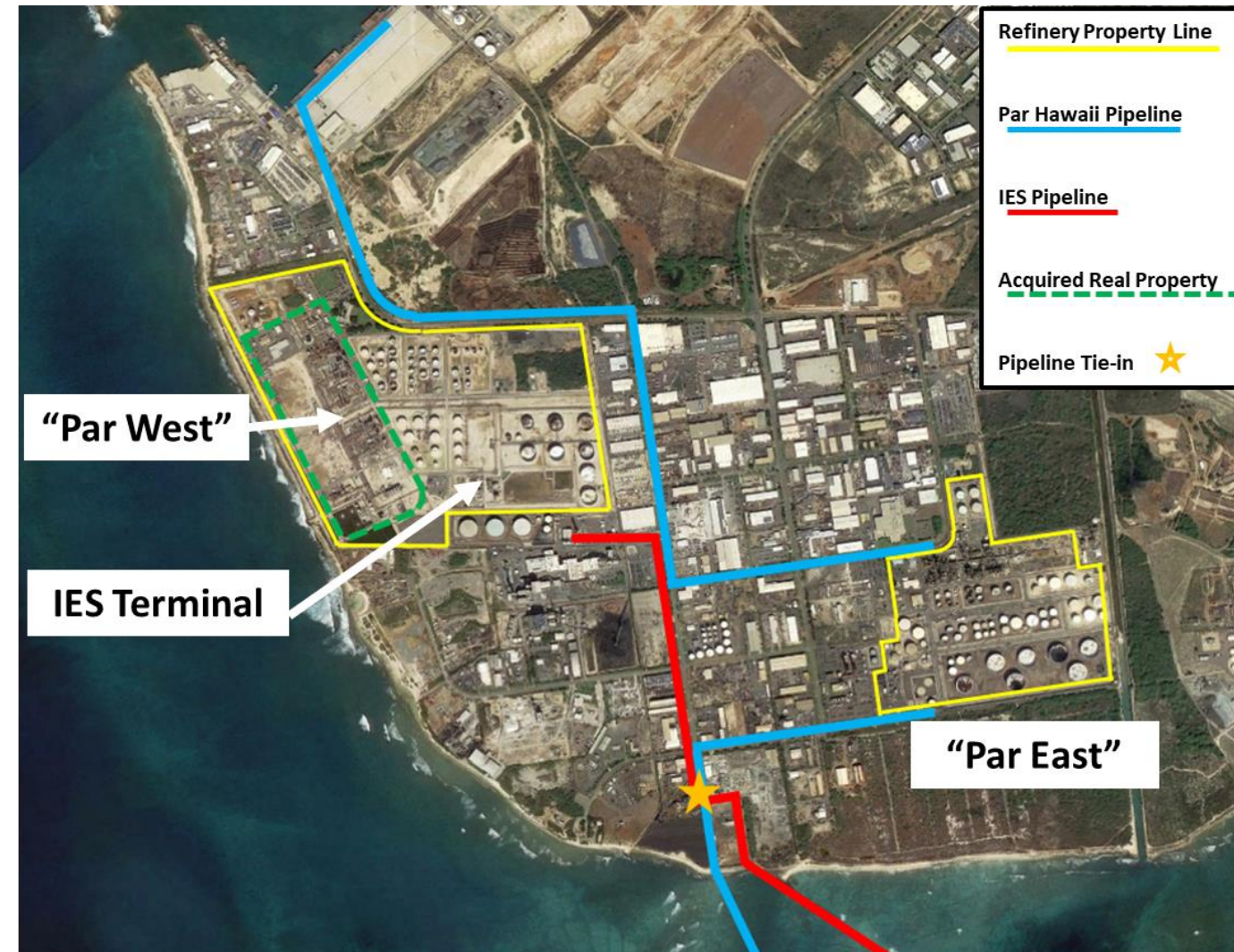
what is **refining**?



WE MAKE THE PRODUCTS THAT

- Turn the lights on
- Take your kids to school each day
- Power farmers and food systems
- Fuel jet travel for Hawaii residents and visitors alike
- Support US military operations in the Pacific
- Drive your fishing trip
- Keep tiki torches burning and grill your ahi

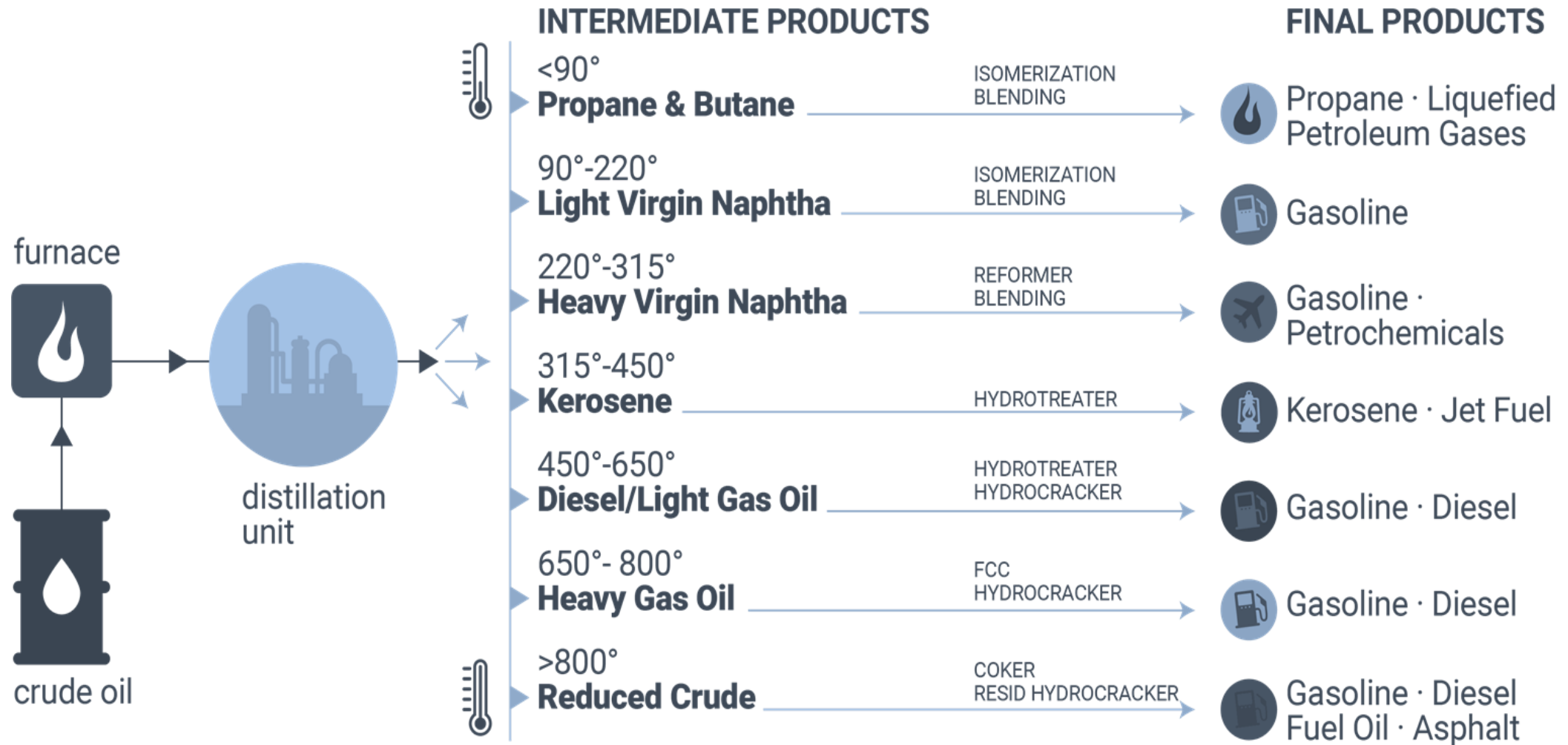
our organization



ABOUT OUR ORGANIZATION

- Par East is among newest US refineries (1972)
- Grew out of The Gas Company
- Custom configuration to produce the fuels that are used in Hawaii
- Approx. 675 employees statewide
- Integrated statewide system that reaches customers on all Hawaii islands
- Retail fuel outlets and convenience stores under Hele and 76 brands
- Publicly traded company (NYSE:PARR)

how do we make it?



fuel market in **Hawaii** before **Covid**

Fuel Type	Demand (bpd)	Outlook
Jet Fuel	48,000	Growing
Utility Fuels (Fuel Oil, Diesel & Naphtha)	33,000	Flat to Declining
Gasoline	30,000	Flat
Ultra Low Sulfur Diesel	9,000	Growing
High Sulfur Marine Grades	4,000	Declining
Propane & Other	3,000	
Total Demand	127,000	



neighbor **island supply**

Fuel Barge



Maui Terminal

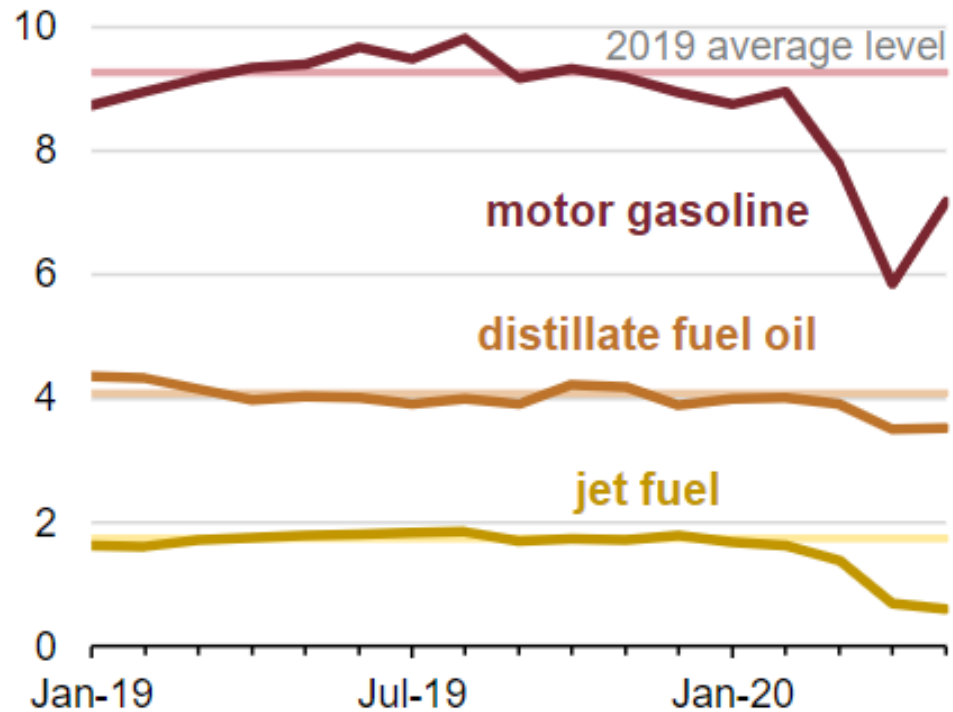


covid impact

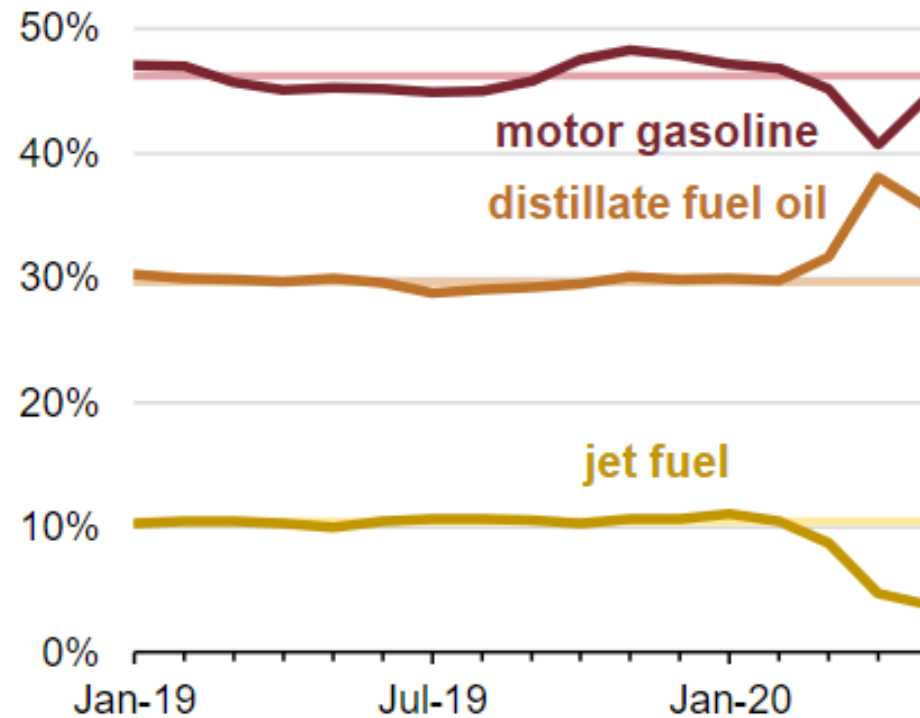
U.S. product supplied and refinery yield of selected petroleum products (Jan 2019–May 2020)



product supplied (proxy for consumption)
million barrels per day



refinery yield
percent

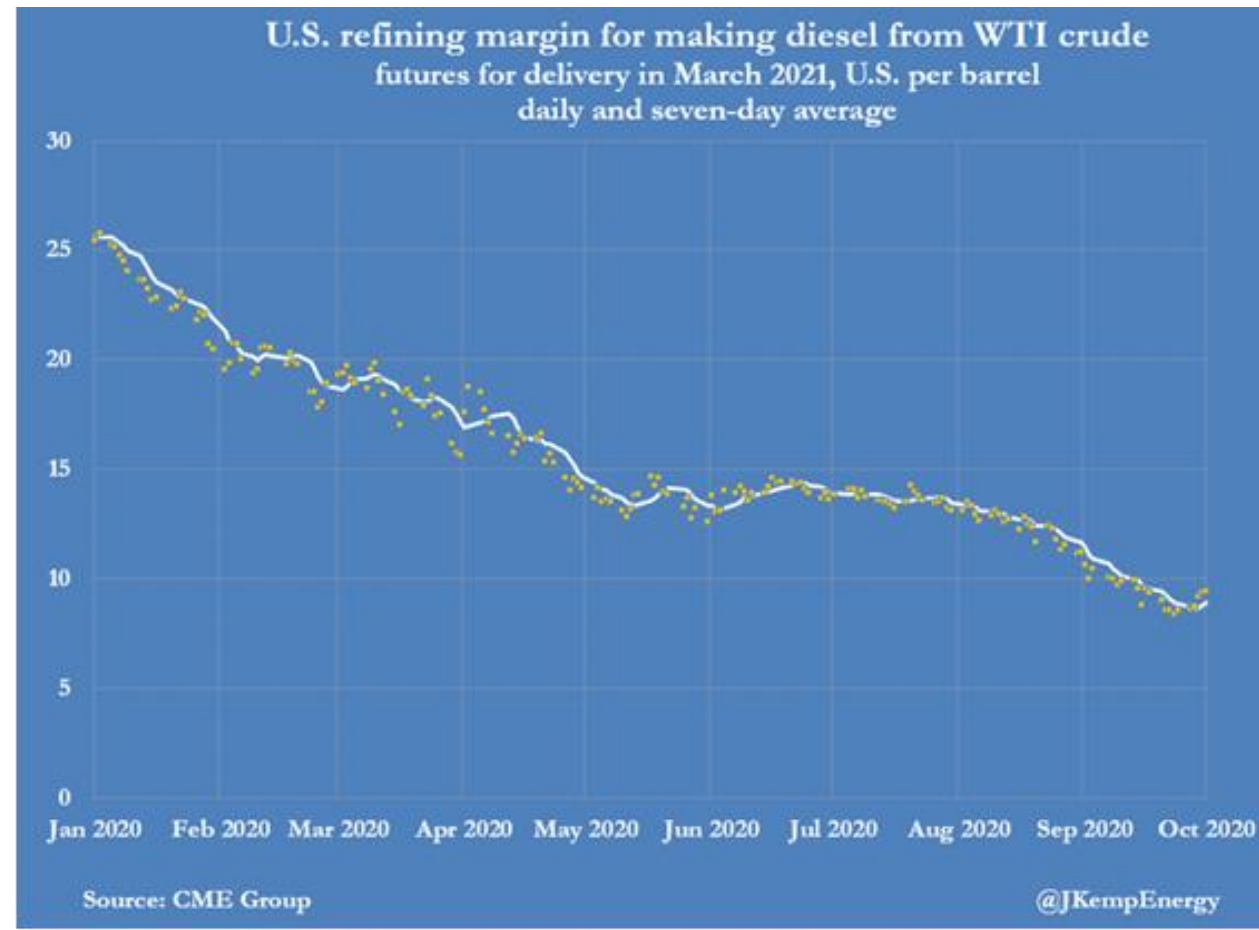
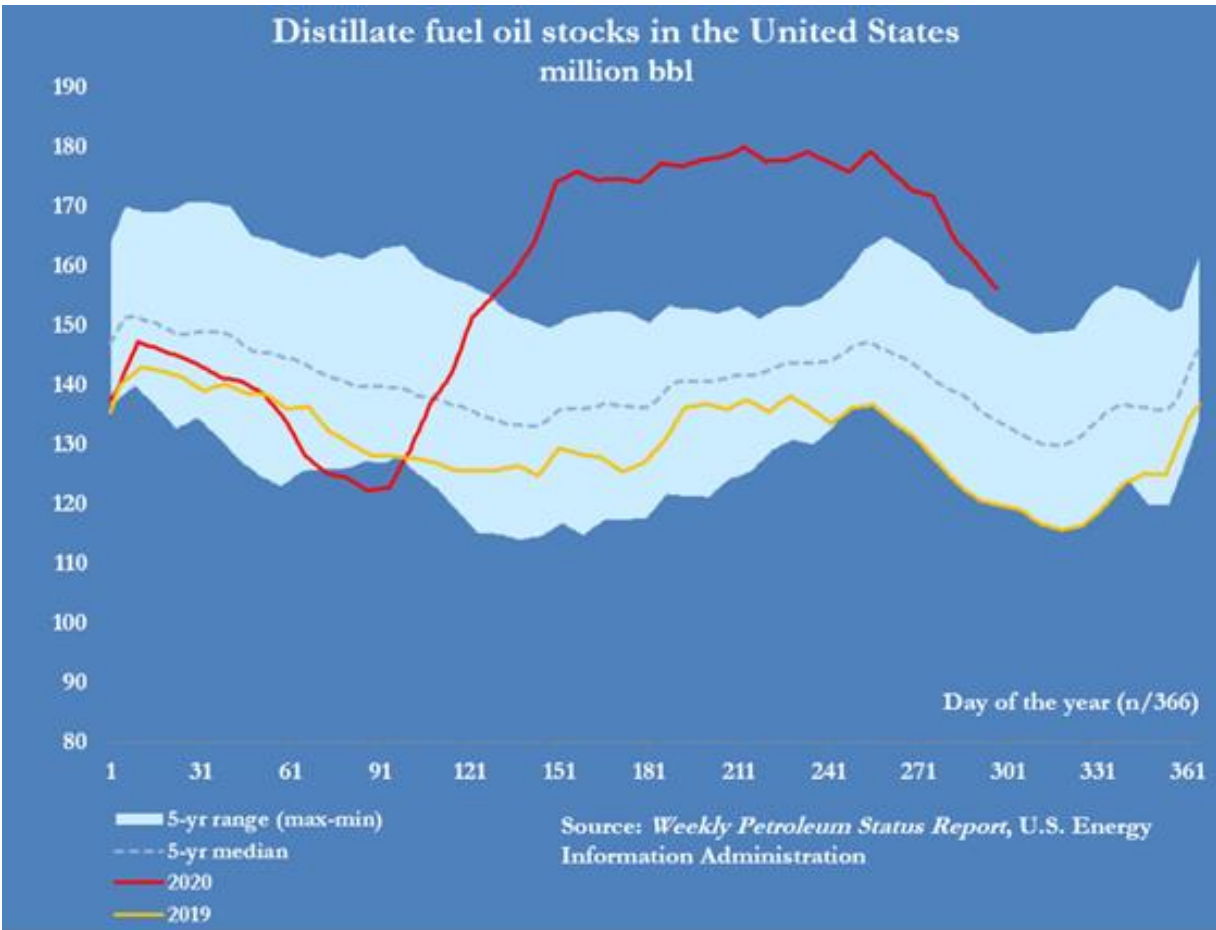


Source: U.S. Energy Information Administration, *Petroleum Supply Monthly*



Par Hawaii

covid impact



Liquid fuel alternatives: **biofuels**

- Ethanol
- Biodiesel
- Renewable diesel
- Sustainable aviation fuel

liquid fuels outlook in Hawaii

- HECO will continue transition away from fuel oil and diesel
- Continuing role for biodiesel in power generation
- Electric vehicle adoption will take market share from ICE vehicles, but at a measured pace
- Traditional diesel will remain important for commercial, industrial, marine and military applications
- Sustainable aviation fuel has limited availability and only at a significant price premium

Par Hawaii's **role**

- ✓ Serve as a source of knowledge and other input to policy makers.
- ✓ Help design workable plans to transition the state to its desired future.
- ✓ Partner with the state to improve security and reliability of energy.
- ✓ Participate where appropriate in producing or distributing renewable fuels.