



**TESORO AND SAVAGE ANNOUNCE JOINT VENTURE
TO CONSTRUCT AND OPERATE CRUDE-BY-RAIL UNLOADING
AND MARINE LOADING FACILITY AT PORT OF VANCOUVER USA**

**Provides substantial economic benefits to the local community*

**Supports energy independence by facilitating transportation of North American crude to West Coast refineries*

**Combines capabilities, experience and resources of partners with strong safety and environmental commitments*

**Advances Port of Vancouver's strategic diversification and development goals*

Vancouver, Wash. – April 22, 2013 – Tesoro Corporation (“Tesoro”) and Savage Companies (“Savage”) today announced the formation of a joint venture between Tesoro Refining & Marketing Company LLC (a subsidiary of Tesoro) and Savage to develop and operate a new 120,000 barrel-per-day (bpd) crude-by-rail unloading and marine loading facility at the Port of Vancouver, Wash., subject to approval by regulatory agencies and Port Commissioners.

With access to rail and existing marine infrastructure, the Port of Vancouver is uniquely positioned to serve as a hub for the distribution of North American crude oil to West Coast refining centers. Tesoro and Savage are ideal partners for this project, having already operated in close partnership for almost ten years on the West Coast. The Tesoro-Savage Joint Venture’s combined capabilities, experience and resources are expected to create substantial benefits for the Port and the Vancouver community in the form of sustainable revenue to the Port and local jobs associated with the facility’s construction and operation.

“This is an exciting project, and we are pleased to be partnering again with Savage,” said Greg Goff, President and CEO of Tesoro. “Building upon the recent success of the rail unloading facility at our Anacortes, Wash., refinery, where we have been delivering Mid-Continent crude oil via unit train in an environmentally sound and cost-effective manner, this project is the ideal next step for Tesoro as we drive additional feedstock cost advantage to the remaining refineries in our West Coast system.”

“We are looking forward to bringing crude oil destination services to the Port of Vancouver,” said Kirk Aubry, President and COO of Savage. “This partnership solidifies Savage’s position as a leading provider of services in the crude-by-rail market to refiners, producers and marketers. More importantly, our collaboration with Tesoro will ensure that the facility is safe, productive and environmentally responsible.”

“The Tesoro-Savage Joint Venture is an ideal fit for what’s necessary to execute this project,” said Todd Coleman, Chief Executive Officer of the Port of Vancouver. “This project aligns with our strategic goals and our mission to provide economic benefits to our community through leadership, stewardship and partnership in marine and industrial development. The Port will benefit from Tesoro’s and Savage’s shared expertise, and we look forward to working with them to help support the local economy by further diversifying our cargo handling capabilities.”

The Tesoro-Savage Joint Venture will own the crude unloading and marine loading facilities and will enter into a land lease agreement with the Port for an initial period of ten years. Savage will oversee and manage the design, construction and operation of the facility on the Joint Venture’s behalf. The facility is expected to be operational in 2014 and will represent an investment of approximately \$75 to \$100 million, and will be designed to handle an estimated initial volume of 120,000 bpd with potential near-term expansion capability to 280,000 bpd.

About Tesoro

Tesoro Corporation, a Fortune 150 company, is an independent refiner and marketer of petroleum products. Tesoro, through its subsidiaries, operates seven refineries in the western United States with a combined capacity of approximately 675,000 barrels per day. Tesoro's retail-marketing system includes over 1,400 branded retail stations, of which over 595 are company operated under the Tesoro®, Shell® and USA Gasoline™ brands.

About Savage

Savage is an innovative supply chain solutions company, dedicated to creating value for customers by moving and managing critical materials and improving operational efficiency with worry-free consistency. With 170 locations and over 2,700 employees, Savage is a global leader in the creation and delivery of bundled supply chain management services that are tailored to meet the needs of customers. Savage serves many industries including; electric power generation, coal production, oil and gas, refining, agriculture, chemical, mining and manufacturing. With capabilities that span transportation, asset management and material handling and processing, Savage provides services and technology customized for each customer's unique supply chain challenge. For further information regarding Savage, please visit www.savageservices.com

About Port of Vancouver

Port of Vancouver USA is an economic engine for the entire southwest Washington region. The port provides quality jobs, international trade connections, a strong industrial land base and economic stability by producing revenue to our state and local services. Through the Columbia River and efficient national rail and road systems, the port connects our community to the global marketplace—a key factor in bringing community prosperity to Clark County.

This press release contains certain statements that are "forward-looking" statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements include statements concerning the expected completion of the facility construction, expected capital investment, estimated initial volumes and expansion capability, feedstock cost advantages, and other benefits arising from the construction and operation of the facility. For more information concerning factors that could affect these statements see Tesoro Corporation's annual report on Form 10-K filed with the Securities and Exchange Commission. Neither Tesoro Corporation nor Savage undertakes any obligation to publicly release the result of any revisions to any such forward-looking statements that may be made to reflect events or circumstances that occur, or which we become aware of, after the date hereof.

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