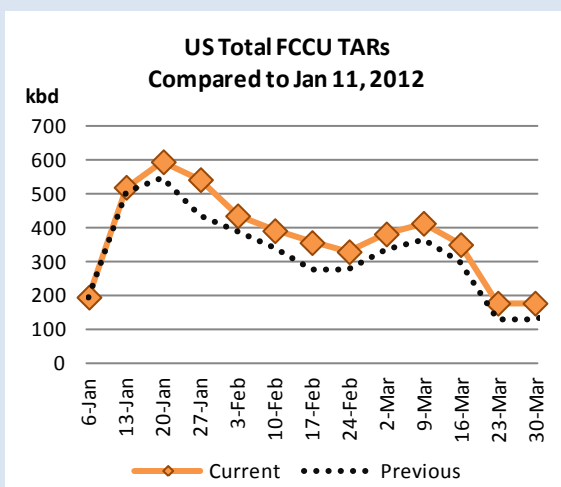
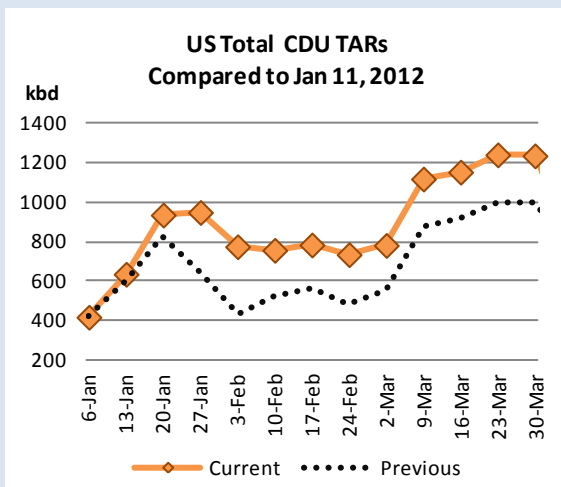


US Overview

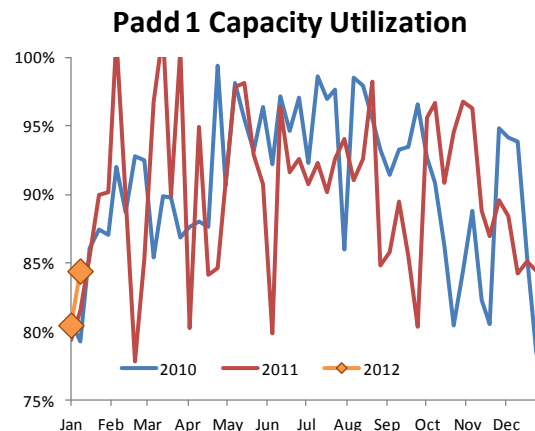
- US crude runs fell hard today as planned and unplanned maintenance activity has picked up. There has been a particularly big increase in week on week FCCU turnarounds in Padd 3 and 5.
- CDU turnarounds for the week of Jan 13 ended at 636kbd. TARs were 93kbd higher than this time last year.
- US turnarounds are set to increase by 301kbd during the week of Jan 20. Expect another step down in crude runs during next week's DOE stats.



IIR ENERGY Market Fundamentals for Energy Traders			
DOE Summary			
Inventory (kb)	6-Jan-12	13-Jan-12	Change
Crude	334,647	331,209	-3,438
Gasoline	223,803	227,520	3,717
Distillate	147,563	148,001	438
Refinery Runs (kbd)	6-Jan-12	13-Jan-12	Change
US	14,937	14,585	-352
Padd 1	857	899	42
Padd 2	3,620	3,424	-196
Padd 3	7,390	7,271	-119
Padd 4	577	572	-5
Padd 5	2,492	2,419	-73
IIR Turnarounds (kbd)			
CDU	6-Jan-12	13-Jan-12	20-Jan-12
US	441	636	937
Padd 1	190	190	190
Padd 2	0	30	70
Padd 3	200	268	428
Padd 4	0	0	0
Padd 5	51	149	249

Padd 1

Now that the Sun Philadelphia's hydrotreater problems are finally over, Padd 1 crude runs climbed back to the 900kbd benchmark. As we discussed last week, Padd 1 capacity utilization (after adjusting for refinery closures and turnarounds) is right on track for this time of the year.



The combination of improved margin from the Hovensa St. Croix closure, and very low turnarounds (no planned maintenance until Conoco Bayway takes a reformer down during

the week of Feb 3), will allow for improvement in Padd 1 crude runs over the next two weeks.

The persistent wildcard in Padd 1 remains the possible sale of the Conoco Trainer refinery and the pending shutdown at Sunoco Philadelphia. Earlier this week, we extended the turnaround at Conoco Trainer through the end of March (if not sold at that point in time, we will mothball the facility in our database). At Sunoco Philadelphia, we have not received any indication that the refinery will remain open past March, but at this point have not taken any action to close the facility in our database. We will continue to monitor both issues closely.

Padd 2

Today's drop in Padd 2 crude runs of 196 kbd can be attributed to unplanned turnarounds at CVR Wynnewood, Holly Tulsa and NCRA McPherson, the first winter weather blast of the season, and a natural pullback from last week's 10+ year high. Additionally, we heard many rumors of problems at Exxon Joliet, but we confirmed that the only disruption at the facility was to a small compressor associated with the plant's coker.

The unplanned turnarounds mentioned above were only short term, and should be resolved by the week of Jan 27 at the latest. Looking forward, Padd 2 CDU turnarounds do not show a major increase until Valero Memphis takes down 100kbd CDU for a six week turnaround during the week of March 2.

Padd 3

Padd 3 crude runs took a big step down due to the start of Marathon Garyville's two part turnaround, as confirmed by IIR on Jan 9, 2012:

"Marathon has begun its planned turnaround on Friday, December 6, at its 232,000 b/d Garyville, Louisiana refinery. Maintenance will be sequential on the 125,000 b/d Crude 10 Train A for About 10 days then Train B for 10 days and

associated downstream units maintenance is expected to last until January 27."

Other than the increase in CDU turnarounds, Padd 3 refineries continue to be slowed by an increase in planned and unplanned FCCU outages. FCCU outages climbed 178 kbd during the week of Jan 13.

Padd 4

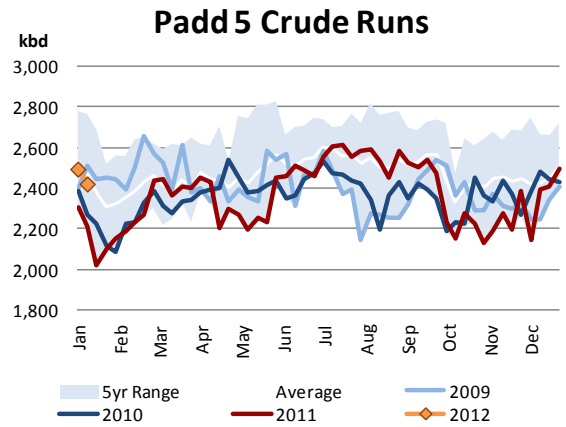
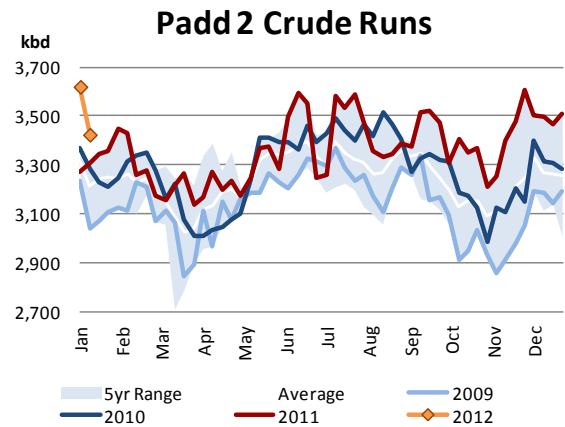
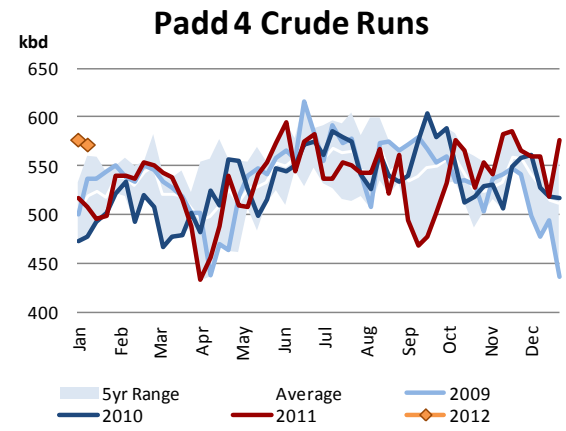
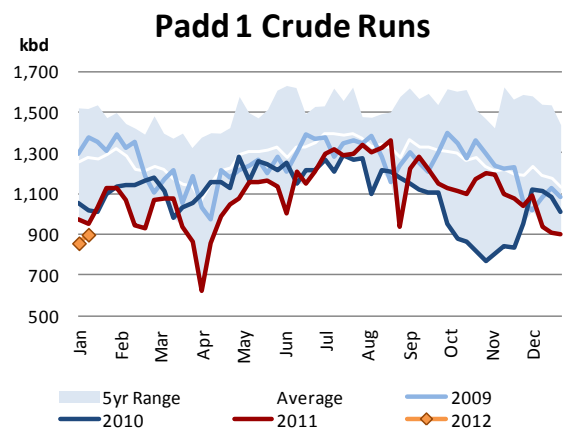
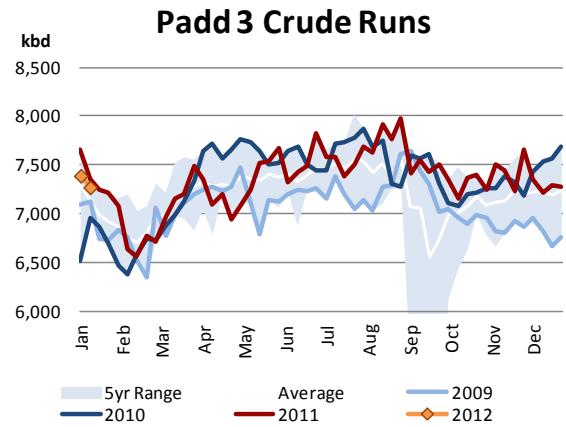
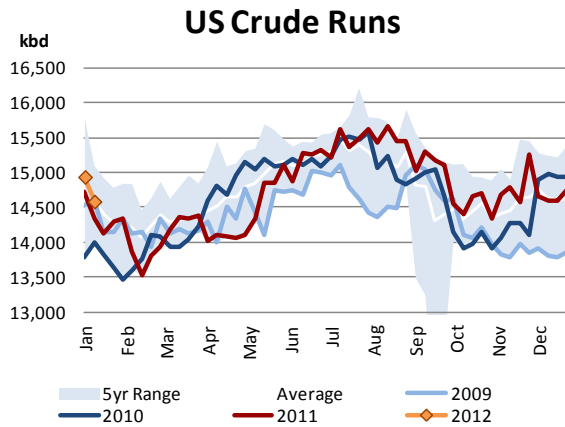
Although Padd 4 maintenance is very light at the moment, CDU turnarounds will pick up substantially in late March. At this point in time, Conoco Billings and Exxon Billings are scheduled to conduct planned work during this time. Until then, Padd 4 will continue to run at seasonally high levels.

Padd 5

Padd 5 CDU turnarounds climbed 100kbd since the previous report week, and are expected to increase another 100kbd by this time next week. Tesoro Golden Eagle and Valero Wilmington are the two refineries responsible for the increase in turnarounds. Additionally, Exxon Torrance's 100kbd FCCU was out for six days due to an unplanned event. Padd 5 crude runs responded to the onset of these TARs by falling 73 kbd on the week. We expect another decrease for the DOE week of Jan 20.

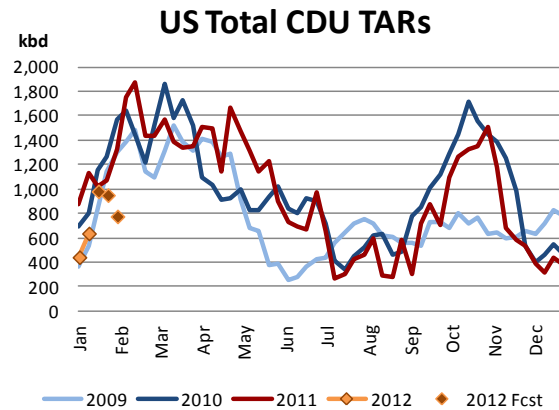
Elsewhere in Padd 5, IIR research has confirmed that Alon Paramount (51kbd CDU capacity) will remain offline until the end of March. The Paramount refinery has been offline since November 29, 2011.

US Crude Runs



Below is a **SAMPLE** charts

Full report will show charts for crude runs, CDU, FCCU and other upgrading unit turnarounds



Below is a **SAMPLE** table

Full report will show a comprehensive table of US turnarounds

IIR Turnaround Table						Capacity Offline				
Padd	Owner	Plant	Unit Type	Outage Type	Capacity	29-Sep-11	6-Oct-11	13-Oct-11	20-Oct-11	27-Oct-11
1	ConocoPhillips	Trainer Refinery	Distillate Hydrocracker	Unplanned	24	0	21	24	24	24
1	ConocoPhillips	Trainer Refinery	FCCU (Fluid Catalytic Cracker)	Unplanned	50	0	43	50	50	50
1	ConocoPhillips	Trainer Refinery	Distillate Hydrotreater	Unplanned	26	0	22	26	26	26
1	Delaware City Refining Company	Delaware City Refinery	Distillate Hydrocracker	Planned	18	18	10	0	0	0
1	Delaware City Refining Company	Delaware City Refinery	Distillate Hydrocracker	Unplanned	18	0	0	15	10	0
1	Paulsboro Refining Company	Paulsboro Refinery Comp	Distillate Hydrotreater	Planned	45	45	19	0	0	0
2	BP Products North America Inc	Whiting Refinery	Atmospheric Distillation	Unplanned	90	51	13	0	0	0
2	Husky Energy Incorporated	Lima Refinery	Distillate Hydrocracker	Planned	26	26	11	0	0	0
2	Northern Tier Energy LLC	Saint Paul Park Refinery	Semiregen/Cyclic Reformer	Planned	11	0	0	11	11	5
2	Valero Refining Company	Memphis Refinery	Atmospheric Distillation	Unplanned	80	40	11	0	0	0
3	ExxonMobil Corporation	Baton Rouge Refinery	Atmospheric Distillation	Planned	210	60	0	0	0	0
3	Flint Hills Resources LP	Corpus Christi Refinery -	Atmospheric Distillation	Planned	178	0	153	178	178	178
3	Lyondell Houston Refining LP	Houston Refinery	Delayed Coker	Unplanned	42	21	21	21	21	0
3	Motiva Enterprises LLC	Norco Refinery	FCCU (Fluid Catalytic Cracker)	Unplanned	112	48	0	0	0	15
3	Motiva Enterprises LLC	Norco Refinery	Distillate Hydrocracker	Planned	40	0	6	40	40	40
3	Pasadena Refining System Inco	Pasadena Refinery	CCR(Continuous Catalytic Refo	Unplanned	24	0	24	24	24	24
3	Pasadena Refining System Inco	Pasadena Refinery	Delayed Coker	Unplanned	13	0	13	13	13	13
3	Pasadena Refining System Inco	Pasadena Refinery	Atmospheric Distillation	Unplanned	100	0	100	100	100	100
3	Total Petrochemicals USA Inco	Port Arthur Refinery	Delayed Coker	Unplanned	60	4	0	0	0	0
4	Big West Oil LLC	Flying J Refinery	CCR(Continuous Catalytic Refo	Planned	10	0	0	0	0	10
4	Silver Eagle Refining Incorporat	Woods Cross Refinery	Atmospheric Distillation	Unplanned	13	4	4	4	4	4
4	Silver Eagle Refining Incorporat	Woods Cross Refinery	Vacuum Distillation	Unplanned	6	2	2	2	2	2
4	Sinclair Oil Corporation	Sinclair Refinery	Atmospheric Distillation	Unplanned	28	28	28	28	28	28
5	BP Products North America Incc	Cherry Point Refinery	Delayed Coker	Planned	55	0	0	28	28	28
5	BP Products North America Incc	Cherry Point Refinery	Semiregen/Cyclic Reformer	Planned	50	0	7	50	36	0
5	BP Products North America Incc	Cherry Point Refinery	Semiregen/Cyclic Reformer	Planned	11	0	0	0	2	11
5	Shell Oil Products US	Puget Sound Refinery	Vacuum Distillation	Planned	60	60	60	60	60	60
5	Shell Oil Products US	Puget Sound Refinery	Distillate Hydrotreater	Planned	28	28	28	28	28	28
5	Tesoro Northwest Company	Anacortes Refinery	FCCU (Fluid Catalytic Cracker)	Unplanned	42	0	36	42	42	36
5	Tesoro Petroleum Corporation	Los Angeles Refinery	Delayed Coker	Planned	41	0	0	0	0	35
5	Tesoro Petroleum Corporation	Los Angeles Refinery	Distillate Hydrocracker	Planned	32	0	0	0	0	27