



NEWS

For Immediate Release
May 7, 2008

Contact: Aaron Richardson
415.749.4900 (office)

Air District reaches \$1.5 million civil penalty with Tesoro Refinery

SAN FRANCISCO - The Bay Area Air Quality Management District announced today that Tesoro Refining and Marketing Company has agreed to pay a \$1.5 million civil penalty to settle air quality violations at its Golden Eagle Refinery in Martinez, Calif.

The settlement covers violations which occurred over a three-year period, including failure to inspect tanks and equipment, air pollution releases that resulted from equipment malfunctions, and administrative and reporting violations.

"The Air District takes necessary enforcement action to ensure that facilities do not endanger the health of their neighbors," said Air District Executive Officer Jack Broadbent. "We will continue to ensure that Tesoro's operations meet legally required air quality standards."

"The Air District seeks penalties commensurate with the degree of non-compliance, in order to send a message that these violations will not be tolerated," added District Counsel Brian C. Bunger, Esq. "This \$1.5 million penalty does just that."

This settlement is the latest in a series of Air District actions intended to ensure the refinery maintains strict air quality standards in its operations. Tesoro has committed to undertake a number of capital improvement projects and equipment upgrades, some of which go beyond the minimum required by law. A number of outdated systems will be replaced with equipment that incorporates the best available pollution control technology.

Tesoro also agreed to retrofit heavy-duty diesel vehicles in and around the refinery with particulate traps to reduce the amount of particulate pollution they emit. Altogether, several thousand tons of pollutants will be reduced through these settlement agreements. These efforts should also help to address legacy issues left over from former owners of historical under-investment in pollution control equipment. The result will be a substantially improved environmental compliance record by Tesoro and better managed emissions.

The Bay Area Air Quality Management District regulates stationary sources of pollution in the nine-county Bay Area and enforces laws to protect the public's health and the environment. For more information, visit www.baaqmd.gov.

###