



# Holly Corporation

Fall 2009  
Update



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## *Holly Corporation Disclosure Statement*

Statements made during the course of this presentation that are not historical facts are “forward-looking statements” within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements are inherently uncertain and necessarily involve risks that may affect the business prospects and performance of Holly Corporation and/or Holly Energy Partners, L.P., and actual results may differ materially from those discussed during the presentation. Such risks and uncertainties include but are not limited to risks and uncertainties with respect to the actions of actual or potential competitive suppliers and transporters of refined petroleum products in Holly’s and Holly Energy Partners’ markets, the demand for and supply of crude oil and refined products, the spread between market prices for refined products and market prices for crude oil, the possibility of constraints on the transportation of refined products, the possibility of inefficiencies or shutdowns in refinery operations or pipelines, effects of governmental regulations and policies, the availability and cost of financing to Holly and Holly Energy Partners, the effectiveness of Holly’s and Holly Energy Partners’ capital investments and marketing and acquisition strategies, the possibility of terrorist attacks and the consequences of any such attacks, and general economic conditions. Additional information on risks and uncertainties that could affect the business prospects and performance of Holly and Holly Energy Partners is provided in the most recent reports of Holly and Holly Energy Partners filed with the Securities and Exchange Commission. All forward-looking statements included in this presentation are expressly qualified in their entirety by the foregoing cautionary statements. Holly and Holly Energy Partners undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.



# Holly Investment Highlights

## Pure Play Refiner

- Owns 3 refineries with combined processing capacity of 216,000 barrels per day (bpsd)
- 40 years of refining experience—entered refining business in 1969 (profitable every year)

## Competitive Assets

- High complexity facilities with access to multiple sources of crude supply
- Ability to run variety of crude types (WTI, WTS, Black wax, Canadian heavy)

## Attractive markets

- Geographic: Rocky Mountains, Southwest and Mid-Continent
- Product mix: Added specialty lubricant products and more diesel to current slate

## Capital projects with significant impact

- Reinvested approx. \$500 million of cash flow generated in recent years into facilities
- Strong growth orientation in capital deployment (“Offensive play”)
- Increased optionality in capital deployment (“Defensive play”)

## Return on capital track record

- Industry leading return on invested capital & return on assets among peers

## Conservative balance sheet

- Low debt among peers & history of conservative & disciplined financial management

## Experienced management

- Track record of safety, reliability and profitability through multiple cycles
- Key operating executives average more than 20 years experience
- History of successful major project execution

## HEP ownership

- Stable cash flow quarterly from HEP through regular and incentive distributions
- 7.3 Million Common Units plus 2% General Partner



# Existing Asset Location / Business Footprint



## Holly Corporation:

- ✓ Holly's refineries operate in Southwest, Rockies & Mid-Continent markets
- ✓ 216,000 bpsd of refining capacity
- ✓ Refineries directly connected to Domestic or Canadian crude trading hubs

## Holly Energy Partners:

- ✓ Over 2,500 miles of refined product & crude pipelines
- ✓ 11 Terminals & 3 loading rack facilities in 7 states (3 terminals co-owned)
- ✓ Approximately 3 million bbls of refined product & crude oil storage
- ✓ 70% interest in Rio Grande Pipeline Company, a joint venture with BP, moving LPG's from West Texas into Mexico
- ✓ 25% interest in Salt Lake pipeline, a joint venture with Plains, delivering crude oil into the Salt Lake valley



\*Tulsa refinery acquired June 1, 2009. All Tulsa information prior to closing has been prepared by Sunoco and has not been verified by Holly.

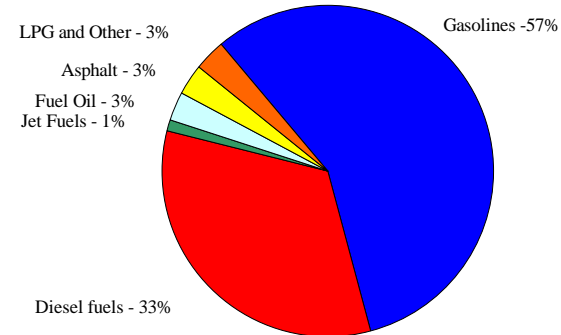
# Navajo Refinery

## Overview

- 561 acre site located in Artesia, NM with crude capacity of 100,000 BPSD (expanded in Q1 2009)
- Ability to process sour crude oils into high value light products
- Distributes to high margin markets in Arizona, New Mexico and West Texas
- Nelson Complexity rating of 11.8
- Last turnaround completed in Q1 2009 for a total cost of \$34 million. Annual maintenance capex approximately \$10 million.



## Product Sales Mix (12/31/08)



## Operating Summary

Description	Year Ended			Quarter Ended	
	12/31/2006	12/31/2007	12/31/2008	6/30/2008	6/30/2009
Crude Charge (BPD)	72,930	79,460	79,020	72,800	85,760
Refinery Production (BPD)	80,540	87,930	88,680	76,960	96,670
Sales of Refined Products (BPD)	93,660	100,460	97,320	88,720	96,340
Refinery Utilization (%)	92.9	94.6	93.0	85.6	85.8
<b>Refinery Gross Margin (\$/bbl)</b>	<b>15.37</b>	<b>15.58</b>	<b>9.55</b>	<b>8.07</b>	<b>8.39</b>
<b>Net Operating Margin (\$/bbl)</b>	<b>10.63</b>	<b>11.28</b>	<b>4.97</b>	<b>2.39</b>	<b>3.83</b>
Sour Crude Oil (%)	80	82	79	83	83
Sweet Crude Oil (%)	8	9	10	10	6
Other Feedstocks (%)	12	9	11	7	11





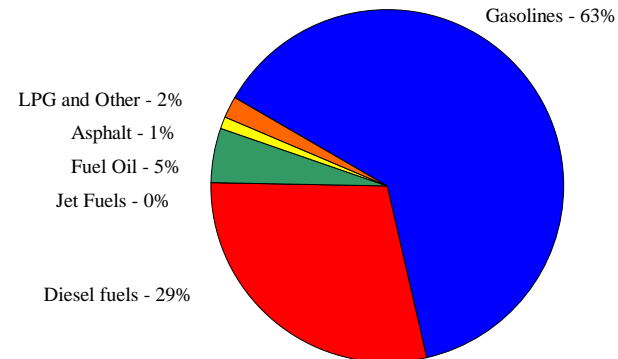
# Woods Cross Refinery

## Overview

- 200 acre site located in Woods Cross, UT (near Salt Lake City) with crude oil capacity of 31,000 BPSD
- Processes regional sweet and lower cost black wax crude as well as Canadian sour crude oils
- Distributes to high margin markets in Utah, Idaho, Nevada, Wyoming, and eastern Washington
- Nelson Complexity rating of 12.5
- Last turnaround completed in Q3 2008 for a total cost of \$29 million. Annual maintenance capex approximately \$5 million.



## Product Sales Mix (12/31/08)



## Operating Summary

Description	Year Ended			Quarter Ended	
	12/31/2006	12/31/2007	12/31/2008 <sup>1</sup>	6/30/2008	6/30/2009
Crude Charge (BPD)	23,640	24,030	21,660	23,980	25,940
Refinery Production (BPD)	25,190	25,340	22,170	23,540	27,700
Sales of Refined Products (BPD)	26,210	26,130	23,430	24,490	27,750
Refinery Utilization (%)	90.9	92.4	79.5	92.2	83.7
<b>Refinery Gross Margin (\$/bbl)</b>	<b>17.10</b>	<b>20.69</b>	<b>16.60</b>	<b>12.49</b>	<b>8.95</b>
<b>Net Operating Margin (\$/bbl)</b>	<b>11.97</b>	<b>15.83</b>	<b>9.18</b>	<b>4.36</b>	<b>2.97</b>
Sour Crude Oil (%)	2	2	1	-	3
Sweet Crude Oil (%)	79	75	72	76	62
Black Wax Crude Oil (%) <sup>2</sup>	10	15	21	22	27
Other Feedstocks and Blends (%)	9	8	6	2	8

### Notes:

- 1 Major turnaround and expansion completed during Q3 2008
- 2 Black wax included in sweet crude oil category in 2004-2005



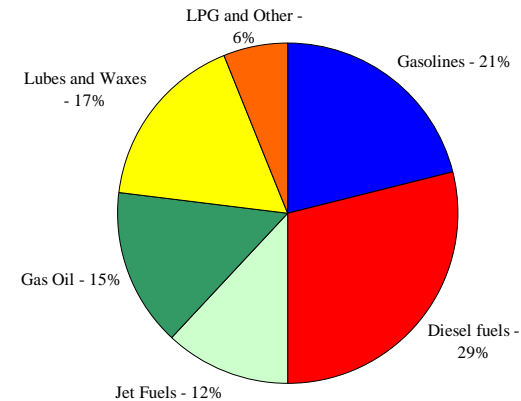
# Tulsa Refinery <sup>(1)</sup>

## Overview

- Tulsa refinery has crude capacity of 85,000 BPSD
- Produces high value specialty lubricant products (lubes, waxes & oils)
- Strategically located near the Cushing crude oil hub and Magellan product system that supplies the Mid-Continent market
- Nelson Complexity rating of 11.4
- Last turnaround completed Summer 2007 for a total cost of \$42 million. Annual maintenance capex approximately \$10 million.



## Production Mix (12/31/08)



## Operating Summary

Description	Year ended			One Month Ended <sup>(1)</sup>
	12/31/2006	12/31/2007	12/31/2008	6/30/2009
Crude Charge (BPD)	77,700	67,300	76,800	53,790
Refinery Production (BPD)	75,600	65,300	74,500	51,840
Refinery Utilization (%)	91.4	79.2	90.4	64
<i>Refinery Gross Margin (\$/bbl)</i>	<i>12.46</i>	<i>13.17</i>	<i>8.38</i>	<i>2.83</i>
<i>Net Operating Margin (\$/bbl)</i>				<i>-2.38</i>
Sour Crude Oil (%)				-
Sweet Crude Oil (%)				100
Other Feedstocks and Blends (%)				-

**Notes:**

- 1 - Holly took ownership as of 6/1/2009 and results are for 1 month of operation as of 6/30/2009 (transition month).  
 2 - All financial data prior to June 1, 2009 provided by Sunoco.



## Refining: Value Added Project Timeline

Refinery Projects				
Location	Completed	2H - 2009	2010	2011
Navajo	Phase I Expansion - 100,000 bpsd	Phase II - Enable processing of 40,000 bpsd of heavy crudes		
Woods Cross	Expansion to 31,000 bpsd 10,000 bpsd increase ability to run cost advantaged crudes			
Tulsa	Refinery and Inventory purchase	Project Planning & Engineering: Ultra Low Sulfur Diesel Hydrotreater (ULSD)	Work Begins: (ULSD)	Complete Project: (ULSD)

- **Navajo & Woods Cross**
  - 1H - 2009, \$118 million invested on refining expansion & processing upgrades
  - 2H – 2009, \$60 million balance to spend
- **Tulsa**
  - The estimated spending for the ULSD projects is \$150 million (primarily 2010/2011 spending)
- **All Refineries:**
  - Maintenance Capital is estimated to range between \$25 - \$30 million in 2010 and 2011



## *Pipeline: Value Added Project Timeline*

Pipeline Projects				
Location	Completed	2H - 2009	2010	2011
Navajo	Intermediate line expansion	Slaughter to Lovington crude pipeline ( <i>Cushing crude flexibility connection</i> )		
Woods Cross	Plains / HEP crude pipeline	UNEV: Construction	UNEV: <i>Commence Operations Q4 - 2010</i>	

- Through 1H - 2009, \$66 million has been invested on pipeline projects
- Balance to spend on Navajo pipeline projects in 2H – 2009 is approximately \$15 million
- The Woods Cross pipeline project (UNEV: Salt Lake City to Las Vegas Pipeline) estimate to spend is:
  - 2H – 2009: \$25 million
  - 2010: \$100 million
- Holly expects to recoup most, if not all, of its pipeline expenditures via pipeline asset sales
  - Jun 2009: HOC received \$34 million on Navajo Intermediate Pipeline sale to HEP
  - Aug 2009: HOC received \$17 million on Tulsa Loading Facility sale to HEP



# Enhanced Competitive Position

## Recently Completed Refinery Enhancements

Navajo Refinery	Status	Woods Cross Refinery	Status
New Hydrocracker Unit (15,000 bpsd)	Complete	New Hydrocracker Unit	Complete
New Sulfur Recovery Unit	Complete	New Sulfur Recovery Unit	Complete
New Hydrogen Plant (28 mmscfd)	Complete	New Black Wax Unloading Facilities	Complete
Expanded Crude/Vacuum Unit	Complete	New Plains/HEP Crude Pipeline	Complete
<ul style="list-style-type: none"> <li>Increased capacity 17%</li> <li>Allows 100% sour crude oil processing</li> <li>Increased ULSD production percentage</li> <li>Increased intermediates processing</li> </ul>		<ul style="list-style-type: none"> <li>Increased capacity 19%</li> <li>Increased lower cost black wax and Canadian crude processing from 20 to 50%</li> <li>Increased ULSD production percentage</li> <li>Enhanced black wax and Canadian heavy receiving capabilities</li> </ul>	

## Refinery Enhancements Nearing Completion

Navajo Feedstock Flexibility	% Complete	Expected Completion
New Rose Unit (18,000 bpsd)	75%	Oct-09
Crude Unit Revamp	75%	Dec-09
Crude Oil Receiving Pipeline	90%	Oct-09

\*Enables refinery to shift up to 40% (approximately 40,000 bpsd) of its crude slate to lower priced heavy crudes



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