

Detroit Heavy Oil Upgrade Project

FACT SHEET

Project Overview

- Construction on Marathon's \$2.2 billion heavy oil upgrade project at its Detroit refinery began on June 20, 2008. The Detroit Heavy Oil Upgrade Project (HOUP) will help create jobs at Michigan's only refinery and provide a more secure supply of petroleum products for Michigan motorists.
- The project includes adding new equipment at the refinery to process heavy crude oils, such as those from Canada. Once the project is completed, the Detroit refinery will increase its capacity from approximately 106,000 barrels per day (bpd) to 120,000 bpd, adding more than 400,000 gallons of transportation fuels per day to the marketplace.
- The construction is expected to be completed in late 2012 and includes:
 - 4 million field construction hours
 - 4,700 piles
 - 50,000 cubic yards of concrete
 - 15 million pounds of steels (7,500 tons)
 - 100 miles of pipe
 - 180 heat exchangers
 - 16 compressors
- Marathon selected Fluor Corporation to provide integrated engineering, procurement and construction (EPC) services for modifications at the Detroit refinery. The contract includes engineering services, the value of procured materials and the construction contracts under Fluor's direct management.

- Marathon is the nation's fifth largest refiner with 1,142,000 bpd capacity in its six-refinery system.
- Marathon's Detroit refinery received the U.S. EPA's Energy Star Award for 2007-2010 for reducing energy usage at the facility and protecting the environment through energy efficiency.
- The company also earned the 2006 North American Refining & Energy Company of the Year award from Hart Energy Publishing for its excellence and dedication to:
 - Cleaner Environment
 - Investment & Growth
 - Vision
- Marathon will also construct a 1.5-mile pipeline connection to a crude oil supply primarily from Canada. The 1.5-mile pipeline will provide an alternative and secure crude oil supply line to the Detroit refinery, adding extra security in the event of a supply disruption. Earlier plans to expand a section of pipeline in Monroe County continue to be delayed at this time.
- Marathon owns, operates, leases or has an ownership interest in approximately 7,500 miles of pipeline in 15 states, and transports 136 million gallons of crude oil and refined products safely everyday.
 - High-speed computers, constantly evolving technology and satellite communications enable Marathon to monitor and safely operate and control its many pipeline systems throughout the nation from its state-of-the-art operations control center in Findlay, Ohio.

Economic Impact

- The project will create approximately 60 new full-time refinery jobs and 75 additional fulltime contractor positions in addition to the 400 employees and 160 contractors already employed at the Detroit refinery. The new jobs will add more than \$16.5 million to the refinery's existing annual payroll of \$74 million.

- Temporary construction craft workers will range from 500 to 1,300 workers a day for the balance of construction.

The peak of 1,300 is anticipated in the fall of 2011.

- Marathon's \$2.2 billion investment in the Detroit HOUP project will generate a projected \$230 million in new tax revenues for the City of Detroit through 2030 and millions of dollars in spin-off spending in Michigan and the local communities.

Safety & Environmental Commitment

- The Detroit refinery was the first refinery in the world to receive RC14001[®] certification, a combination of Responsible Care Management System[®] and ISO 14001 certifications. The certification provides third-party validation of the company's implementation of its health, environment, safety and security management system.
- In 2010, the Michigan Occupational Safety and Health Administration awarded the Detroit refinery the prestigious Voluntary Protection Program's STAR designation.
- Marathon is committed to conducting all aspects of this project in a safe and an environmentally responsible manner. This commitment encompasses construction, design, operation and maintenance of the pipeline and refinery projects.
- The Michigan Department of Environmental Quality (MDEQ) issued Marathon's air permit for the Detroit HOUP on June 20, 2008.
- Marathon will invest more than \$270 million in air-pollution control technology and approximately \$275 million in clean fuels technology as part of the expansion. The company will also spend an additional \$50 million to upgrade the refinery's wastewater treatment facilities.
- Marathon met the stringent environmental requirements set out by the MDEQ permitting process. In addition, the company has committed to going beyond compliance with additional environmental enhancements that include:

- Retrofitting 150 Detroit Public Schools' buses with diesel emissions controls;
 - Adding eight additional continuous air emission monitors on process unit stacks to further monitor compliance with permit requirements;
 - Installing at least four ambient air monitoring stations on the refinery perimeter to monitor air quality at a cost of more than \$2 million;
 - Capturing emissions from trucks hauling petroleum coke at the refinery;
 - Enhancing street sweeping of paved roads near the refinery;
 - Collaborating on the city/county emergency notification system; and
 - Sharing emissions data with the refinery's Community Advisory Panel and community-based organizations near the refinery.
- The Detroit refinery currently operates well below EPA allowable limits for criteria pollutants (carbon monoxide, nitrogen oxides, sulfur dioxide, volatile organic compounds and particulate matter). The refinery will remain within the allowable limits after the expansion is complete. In fact, the refinery will have fewer actual emissions once the expansion is completed than it did in 2004, even though the facility's refining capacity will be increased.
 - The Detroit refinery has reduced its annual emissions by 75 percent since 1999 and has invested more than \$43 million in pollution-control technology.
 - Marathon is a Responsible Care[®] company and pledges to operate in accordance with the organization's principles. To learn more about Responsible Care, visit www.responsiblecare-us.com.

Community Involvement

- Marathon is a good corporate citizen and actively participates in the economic, environmental and social fabric of Southeastern Michigan. The company contributes tens of thousands of dollars

each year to a variety of programs that support youth initiatives, education and community environmental and safety programs.

- Detroit refinery representatives meet monthly with its Community Advisory Panel composed of representatives from the surrounding neighborhoods and communities.
- In 2007, Marathon's Detroit refinery received Southwest Detroit Environmental Vision's Community Builder Award for demonstrating consistent involvement with and support for community improvement efforts. In addition, the award recognized Marathon's initiative to provide a venue for ongoing dialogue with the community by establishing its Community Advisory Panel.

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