PBF Energy Inc.
Form S-1/A
November 07, 2012
Table of Contents

As filed with the Securities and Exchange Commission on November 6, 2012

Registration Statement No. 333-177933

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 4

to

FORM S-1

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

PBF ENERGY INC.

(Exact name of Registrant as specified in its charter)

Delaware	**2911**	**45-3763855**
(State or other jurisdiction	**(Primary Standard Industrial**	**(I.R.S. Employer**

of incorporation or organization)	**Classification Code Number)**	**Identification Number)**

One Sylvan Way, Second Floor

Parsippany, New Jersey 07054

Telephone: (973) 455-7500

(Name, address, including zip code, and telephone number, including area code, of Registrant s principal executive offices)

Michael D. Gayda

President

PBF Energy Inc.

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(Name, address, including zip code, and telephone number, including area code, of agent for service)

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Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. ¨

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer ¨	Accelerated Filer ¨	Non-accelerated Filer þ (Do not check if a smaller reporting company)	Smaller Reporting Company ¨

The Registrant hereby amends this registration statement on such date as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act, or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

Table of Contents

The information in this preliminary prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Prospectus (Subject to completion)

Issued November 6, 2012

Shares

Class A Common Stock

PBF Energy Inc. is offering shares of its Class A common stock. We intend to use a significant portion of the net proceeds from this offering to purchase equity interests in our business from certain of our existing owners and certain of our employees. Prior to this offering, there has been no public market for our Class A common stock. The initial public offering price of our Class A common stock is expected to be between $ and $ per share.

Immediately following this offering, the holders of our Class A common stock will collectively own 100% of the economic interests in PBF Energy Inc., and have % of the voting power of PBF Energy Inc. The holders of our Class B common stock will have the remaining % of the voting power of PBF Energy Inc. As a result, we expect to be a controlled company within the meaning of the corporate governance standards of the New York Stock Exchange.

We have applied to list our Class A common stock on the New York Stock Exchange under the symbol PBF .

Investing in our Class A common stock involves risks. See Risk Factors beginning on page 16.

Price $ Per Share

	Price to Public	Underwriting Discounts and Commissions	Proceeds to Company
Per Share	$	$	$
Total	$	$	$

We have granted the underwriters a 30-day option to purchase up to additional shares of Class A common stock on the same terms as set forth above. See the section of this prospectus entitled Use of Proceeds and Underwriting.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities nor passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the shares on or about , 2012.

Citigroup Morgan Stanley

Credit Suisse Deutsche Bank Securities

UBS Investment Bank Barclays

Table of Contents

TABLE OF CONTENTS

Until , 2012 (25 days after the commencement of this offering), all dealers that buy, sell or trade shares of our Class A common stock, whether or not participating in this offering, may be required to deliver a prospectus. This delivery requirement is in addition to the obligation of dealers to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

We have not authorized anyone to provide any information other than that contained in this prospectus or in any free writing prospectus prepared by or on behalf of us. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. This prospectus is an offer to sell only the shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so.

For investors outside the United States: we have not and the underwriters have not done anything that would permit this offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. Persons outside the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of the shares of Class A common stock and the distribution of this prospectus outside the United States.

Unless otherwise indicated or the context otherwise requires, all financial data presented in this prospectus reflects the consolidated business and operations of PBF Energy Inc. and its consolidated subsidiaries, and has been prepared in accordance with generally accepted accounting principles in the United States of America, or GAAP.

Table of Contents

GLOSSARY OF SELECTED TERMS

Unless otherwise noted or indicated by context, the following terms used in this prospectus have the following meanings:

API gravity refers to American Petroleum Institute gravity.

ASCI refers to the Argus Sour Crude Index, a pricing index used to approximate market prices for sour, heavy crude oil.

Bakken refers to both a crude oil production region generally covering North Dakota, Montana and Western Canada, and the crude oil that is produced in that region.

barrel refers to a common unit of measure in the oil industry, which equates to 42 gallons.

blendstocks refers to various compounds that are combined with gasoline or diesel from the crude oil refining process to make finished gasoline and diesel; these may include natural gasoline, FCC unit gasoline, ethanol, reformate or butane, among others.

bpd refers to an abbreviation for barrels per day.

CAPP refers to the Canadian Association of Petroleum Producers.

catalyst refers to a substance that alters, accelerates, or instigates chemical changes, but is not produced as a product of the refining process.

CBOB refers to conventional blendstock for oxygenate blending.

coke refers to a coal-like substance that is produced from heavier crude oil fractions during the refining process.

complexity refers to the number, type and capacity of processing units at a refinery, measured by the Nelson Complexity Index, which is often used as a measure of a refinery s ability to process lower quality crude in an economic manner.

crack spread refers to a simplified calculation that measures the difference between the price for light products and crude oil. For example, we reference (a) the 2-1-1 crack spread, which is a general industry standard that approximates the per barrel refining margin resulting from processing two barrels of crude oil to produce one barrel of gasoline and one barrel of heating oil or ULSD, and (b) the 4-3-1 crack spread, which is a benchmark utilized by our Toledo refinery that approximates the per barrel refining margin resulting from processing four barrels of crude oil to produce three barrels of gasoline and one-half barrel of jet fuel and one-half barrel of ULSD.

Dated Brent refers to Brent blend oil, a light, sweet North Sea crude oil, characterized by an API gravity of 38° and a sulfur content of approximately 0.4 weight percent that is used as a benchmark for other crude oils.

distillates refers primarily to diesel, heating oil, kerosene and jet fuel.

downstream refers to the downstream sector of the energy industry generally describing oil refineries, marketing and distribution companies that refine crude oil and sell and distribute refined products. The opposite of the downstream sector is the upstream sector, which refers to exploration and production companies that search for and/or produce crude oil and natural gas underground or through drilling or exploratory wells.

EPA refers to the United States Environmental Protection Agency.

ethanol refers to a clear, colorless, flammable oxygenated liquid. Ethanol is typically produced chemically from ethylene, or biologically from fermentation of various sugars from carbohydrates found in agricultural crops and cellulosic residues from crops or wood. It is used in the United States as a gasoline octane enhancer and oxygenate.

feedstocks refers to crude oil and partially refined petroleum products that are processed and blended into refined products.

Table of Contents

FCC refers to fluid catalytic cracking.

FCU refers to fluid coking unit.

FOB refers to free on board, a transportation term that pertains to the port of loading. The buyer assumes responsibility for the goods at the port of loading and is responsible for freight transport, insurance, and any other costs associated with moving goods to their final destination port.

GHG refers to greenhouse gas.

Group I base oils or lubricants refers to conventionally refined products characterized by a sulfur content less than 0.03% with a viscosity index between 80 and 120. Typically, these products are used in a variety of automotive and industrial applications.

heavy crude oil refers to a relatively inexpensive crude oil with a low API gravity characterized by high relative density and viscosity. Heavy crude oils require greater levels of processing to produce high value products such as gasoline and diesel.

KV refers to Kilovolts.

light crude oil refers to a relatively expensive crude oil with a high API gravity characterized by low relative density and viscosity. Light crude oils require lower levels of processing to produce high value products such as gasoline and diesel.

light products refers to the group of refined products with lower boiling temperatures, including gasoline and distillates.

light-heavy differential refers to the price difference between light crude oil and heavy crude oil.

LPG refers to liquefied petroleum gas.

Maya refers to Maya crude oil, a heavy, sour crude oil characterized by an API gravity of approximately 22° and a sulfur content of approximately 3.3 weight percent that is used as a benchmark for other heavy crude oils.

MLP refers to master limited partnership.

MMbbls refers to an abbreviation for million barrels.

MMBTU refers to million British thermal units.

MMSCFD refers to million standard cubic feet per day.

MSCG refers to Morgan Stanley Capital Group Inc.

MW refers to Megawatt.

Nelson Complexity Index refers to the complexity of an oil refinery as measured by the Nelson Complexity Index, which is calculated on an annual basis by the Oil and Gas Journal. The Nelson Complexity Index assigns a complexity factor to each major piece of refinery equipment based on its complexity and cost in comparison to crude distillation, which is assigned a complexity factor of 1.0. The complexity of each piece of refinery equipment is then calculated by multiplying its complexity factor by its throughput ratio as a percentage of crude distillation capacity. Adding up the complexity values assigned to each piece of equipment, including crude distillation, determines a refinery s complexity on the Nelson Complexity Index. A refinery with a complexity of 10.0 on the Nelson Complexity Index is considered ten times more complex than crude distillation for the same amount of throughput.

Table of Contents

NYH refers to the New York Harbor market value of petroleum products.

PADD 1 refers to the Petroleum Administration for Defense District 1 region of the United States, which covers the following states: Connecticut, Delaware, District of Columbia, Florida, Georgia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, South Carolina, Vermont, Virginia and West Virginia.

PADD 2 refers to the Petroleum Administration for Defense District 2 region of the United States, which covers the following states: Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, Oklahoma, South Dakota, Tennessee and Wisconsin.

Platts refers to Platts, a division of The McGraw-Hill Companies.

PPM refers to parts per million.

RBOB refers to reformulated blendstock for oxygenate blending.

refined products refers to petroleum products, such as gasoline, diesel and jet fuel, that are produced by a refinery.

sour crude oil refers to a crude oil that is relatively high in sulfur content, requiring additional processing to remove the sulfur. Sour crude oil is typically less expensive than sweet crude oil.

Sunoco refers to Sunoco, Inc. (R&M).

sweet crude oil refers to a crude oil that is relatively low in sulfur content, requiring less processing to remove the sulfur than sour crude oil. Sweet crude oil is typically more expensive than sour crude oil.

Syncrude refers to a blend of Canadian synthetic oil, a light, sweet crude oil, typically characterized by an API gravity between 30° and 32° and a sulfur content of approximately 0.1-0.2 weight percent.

throughput refers to the volume processed through a unit or refinery.

turnaround refers to a periodically required shutdown and comprehensive maintenance event to refurbish and maintain a refinery unit or units that involves the inspection of such units and occurs generally on a periodic cycle.

ULSD refers to ultra-low-sulfur diesel.

WCS refers to Western Canadian Select, a heavy, sour crude oil blend typically characterized by an API gravity between 20° and 22° and a sulfur content of approximately 3.5 weight percent that is used as a benchmark for heavy Western Canadian crude oil.

WTI refers to West Texas Intermediate crude oil, a light, sweet crude oil, typically characterized by an API gravity between 38° and 40° and a sulfur content of approximately 0.3 weight percent that is used as a benchmark for other crude oils.

WTS refers to West Texas Sour crude oil, a sour crude oil characterized by an API gravity between 30° and 33° and a sulfur content of approximately 1.28 weight percent that is used as a benchmark for other sour crude oils.

yield refers to the percentage of refined products that is produced from crude oil and other feedstocks.

Table of Contents

PROSPECTUS SUMMARY

This summary highlights selected information contained elsewhere in this prospectus and may not contain all of the information that may be important to you. You should read this entire prospectus carefully, including the information set forth in Risk Factors and our financial statements and related notes included elsewhere in this prospectus before making an investment decision. In this prospectus, unless the context otherwise requires, references to the Company, we, our, us or PBF refer (1) prior to the consummation of the Offering Transactions describ under Organizational Structure Offering Transactions, to PBF Energy Company LLC, or PBF LLC, and its consolidated subsidiaries, including PBF Holding Company LLC, or PBF Holding, and (2) after the Offering Transactions described under Organizational Structure Offering Transactions, to PBF Energy Inc., or PBF Energy, and, in each case, unless the context otherwise requires, its consolidated subsidiaries, including PBF LLC, PBF Holding, PBF Investments LLC, or PBF Investments, Toledo Refining Company LLC, or Toledo Refining, Paulsboro Refining Company LLC, or Paulsboro Refining, and Delaware City Refining Company LLC, or Delaware City Refining.

Our Company

We are one of the largest independent petroleum refiners and suppliers of unbranded transportation fuels, heating oil, petrochemical feedstocks, lubricants and other petroleum products in the United States. We were formed in 2008 to pursue acquisitions of crude oil refineries and downstream assets in North America. We currently own and operate three domestic oil refineries and related assets, which we acquired in 2010 and 2011. Our refineries have a combined processing capacity, known as throughput, of approximately 540,000 bpd, and a weighted average Nelson Complexity Index of 11.3.

Our three refineries are located in Toledo, Ohio, Delaware City, Delaware and Paulsboro, New Jersey. Our Midcontinent refinery at Toledo processes light, sweet crude, has a throughput capacity of 170,000 bpd and a Nelson Complexity Index of 9.2. The majority of Toledo s WTI based crude is delivered via pipelines that originate in both Canada and the United States. Since our acquisition of Toledo in 2011, we have added additional truck and rail crude unloading capabilities that provide feedstock sourcing flexibility for the refinery and enables Toledo to run a more cost-advantaged crude slate. Our East Coast refineries at Delaware City and Paulsboro have a combined refining capacity of 370,000 bpd and Nelson Complexity Indices of 11.3 and 13.2, respectively. These high conversion refineries process primarily medium and heavy, sour crudes and have historically received the bulk of their feedstock via ships and barges on the Delaware River. Importantly, in May 2012 we commenced crude shipments via rail into a newly developed crude rail unloading facility at our Delaware City refinery. Currently, crude delivered to this facility is consumed at our Delaware City refinery. In the future we plan to transport some of the crude delivered by rail from Delaware City via barge to our Paulsboro refinery. The Delaware City rail unloading facility allows our East Coast refineries to source WTI based crudes from Western Canada and the Midcontinent, which provides significant cost advantages versus traditional Brent based international crudes. We are in the process of expanding the rail crude unloading capacity at Delaware City from 40,000 bpd to more than 110,000 bpd by early 2013 and have entered into agreements to lease approximately 2,400 crude railcars (comprised of approximately 1,600 coiled and insulated railcars that are capable of transporting Western Canadian bitumen without diluent and approximately 800 general purpose railcars) that will be utilized to transport crude by rail to Delaware City.

Our Business

We produce a variety of products at each of our refineries, including gasoline, ULSD, heating oil, jet fuel, lubricants, petrochemicals and asphalt. We sell our products throughout the Northeast and Midwest of the United States, as well as in other regions of the United States and Canada, and are able to ship products to other international destinations. The majority of our finished products are sold through long-term offtake and supply agreements. For example, we sell the bulk of our gasoline, diesel and heating oil through long-term offtake agreements with MSCG and Sunoco.

1

Table of Contents

The following table provides summary operating information concerning each of our three refineries:

Refinery	Approximate Throughput Capacity (bpd)	Nelson Complexity Index	Estimated Replacement Cost	Benchmark Crack Spread
Toledo	170,000	9.2	$ 2.4 billion	WTI (Chicago) 4-3-1
Delaware City	190,000	11.3	$ 3.1 billion	Dated Brent (NYH) 2-1-1
Paulsboro	180,000	13.2	$ 2.7 billion	Dated Brent (NYH) 2-1-1
Total	540,000	11.3 (weighted average)	$ 8.2 billion	

For the year ended December 31, 2011 and the nine months ended September 30, 2012, we had (a) pro forma total revenues of $ billion and $ billion, respectively; (b) pro forma Adjusted EBITDA of $ million and $ million, respectively; and (c) pro forma net income of $ million and $ million, respectively. Our pro forma results for the year ended December 31, 2011 do not include any adjustments for Delaware City to reflect incremental revenue and operating expenses that we expect to generate in connection with the re-start because the refinery was not operational when it was acquired and the transaction was accounted for as an acquisition of assets, not a business combination. For a definition and reconciliation of pro forma Adjusted EBITDA to pro forma net income, see Summary Historical and Pro Forma Financial and Other Data.

Our History and Acquisitions

March 2008	PBF was formed.
June 2010	The idle Delaware City refinery and its related assets were acquired from Valero Energy Corporation, or Valero, for approximately $220.0 million.
December 2010	The Paulsboro refinery was acquired from Valero for approximately $357.7 million, excluding working capital.
March 2011	The Toledo refinery was acquired from Sunoco for approximately $400.0 million, excluding working capital.
October 2011	Delaware City became operational.

Delaware City Acquisition and Re-Start. We acquired the idle Delaware City refinery and its related assets, including a petroleum product terminal, a petroleum products pipeline and an electric generation facility, on June 1, 2010 from affiliates of Valero for approximately $220.0 million in cash. In the fourth quarter of 2009, due to, among other reasons, financial losses caused by one of the worst recessions in recent history, the prior owner shut down the refinery. We were therefore able to acquire the refinery at an attractive price. In addition, at the time of acquisition, we reached an agreement with the State of Delaware that provided for a five-year operating permit and up to approximately $45.0 million of economic support to re-start the facility, and negotiated a new long-term contract with the relevant union at the refinery. We believe that the refinery s ability to process lower quality crudes will allow us to capture a higher margin as these lower quality crudes are typically priced at discounts to benchmark crudes, and to compete effectively in a region where product demand significantly exceeds refining capacity.

Since our acquisition, we have invested more than $500.0 million in turnaround and re-start projects at Delaware City, as well as in the recent strategic development of a crude rail unloading facility. The re-start process

2

Table of Contents

included the decommissioning of the gasifier unit located on the property which allowed us to decrease emissions and improve the reliability of the refinery. We made significant operating improvements in the first year of operations by modifying the crude slate and product yield, changing operations of the conversion units and re-starting certain units. Through these capital investments and by restructuring certain operations, we have lowered the annual operating expenses of the Delaware City refinery relative to its pre-acquisition operating expense levels by more than 40%. During the first years of the refinery s operations we anticipate saving in excess of $100.0 million in capital expenditures we otherwise would have expected to make if not for our reconfiguration of the refinery and the terms of our environmental operating agreement issued by the State of Delaware. In 2012, we are spending approximately $57.0 million, $20.0 million of which has been spent as of September 30, 2012, to expand and upgrade the existing on-site rail infrastructure, including the expansion of the crude rail unloading facilities that will be capable of discharging approximately 110,000 bpd.

Paulsboro Acquisition. We acquired the Paulsboro refinery (including an associated natural gas pipeline) on December 17, 2010 from Valero for approximately $357.7 million, excluding working capital. The purchase price excludes inventory purchased on our behalf by MSCG and Statoil Marketing & Trading (US) Inc., or Statoil.

Toledo Acquisition. We acquired the Toledo refinery on March 1, 2011 from Sunoco for approximately $400.0 million, excluding working capital. We also purchased refined and certain intermediate products in inventory for approximately $299.6 million, and MSCG purchased the refinery s crude oil inventory on our behalf. Additionally, included in the terms of the sale is a five-year participation payment of up to $125.0 million payable to Sunoco based upon post-acquisition earnings of the refinery, of which $103.0 million was paid in 2012. We currently anticipate paying the balance of the participation payment in April 2013. See Management s Discussion and Analysis of Financial Condition and Results of Operations Pro Forma Contractual Obligations and Commitments for additional information regarding the terms of the participation payment to Sunoco.

Industry Overview and Market Outlook

The United States has historically been the largest consumer of petroleum-based products in the world. According to the U.S. Energy Information Administration s, or EIA s, 2012 Refinery Capacity Report, there were 134 operating oil refineries in the United States in January 2012, with a total refining capacity of approximately 16.7 million bpd. Of the total operating refining capacity in the United States, approximately 55.2%, or 9.2 million bpd, is currently owned and operated by independent refining companies compared to 2002 when approximately 31.6%, or 5.1 million bpd, was owned by independent refining companies. The remaining capacity is controlled by integrated oil companies. Because of this trend, the refining industry increasingly must rely on its own operations for its profitability.

We believe our three refineries currently benefit from secular growth in North American crude production because of our ability to access lower cost WTI price based crudes. According to a recent EIA publication, average United States crude oil production in 2013 is expected to grow by more than 1.3 million bpd, to 6.9 million bpd from 5.6 million bpd in 2011, an increase of more than 23%. This level of United States crude oil production would represent the highest level since 1993. In addition, CAPP projects that Canadian crude oil production will increase by 800,000 bpd, from 3.0 million bpd in 2011 to 3.8 million bpd in 2015. As a result of the recent and projected growth in North American crude production, the United States has reduced its reliance on imported crude. The EIA estimates that crude imported from foreign sources (crude from outside North America) since 2008 has declined by approximately 1.3 million bpd or 12.8%, to 8.5 million bpd as of September 30, 2012 and is forecasted to decline by an additional 500,000 bpd by 2013. With the addition of our crude rail unloading facilities at Delaware City and our investment in a crude railcar fleet, we expect our East Coast refineries to capitalize on the growth in both Canadian and United States crude oil production, while maintaining the flexibility to source waterborne crude.

3

Supply and demand dynamics can vary by region, creating differentiated margin opportunities at any given time for refiners depending on the location of their facilities. Our Toledo refinery is located in the Midcontinent (PADD 2) and our Delaware City and Paulsboro refineries are both located on the East Coast (PADD 1). In both of these regions, product demand exceeds refinery capacity. We expect that this demand/capacity imbalance may continue. For example, since 2009 16 refineries representing approximately 2.6 million bpd of refining capacity have been closed or idled in the Atlantic Basin (which includes PADD 1). This Atlantic Basin reduction has occurred across the United States, Europe and the Caribbean and directly affects our East Coast refineries because we compete with operating refineries in these markets.

Refining is primarily a margin-based business where both the feedstock (primarily crude oil) and refined petroleum products are commodities with fluctuating prices. Refiners create value by selling refined petroleum products at prices higher than the costs of acquiring crude oil and other feedstocks, and by managing operating costs. Refining is an industry that historically has seasonal influences as a result of differentiated consumer demand for key refined products during certain months of the year. Most importantly, demand for gasoline is generally higher during the summer months than during the winter months due to seasonal increases in highway traffic and construction work. Decreased demand during the winter months can lower gasoline prices. Consequently, refining margins and profitability have historically generally been stronger in the second and third calendar quarters of each year relative to the first and fourth calendar quarters.

Our Competitive Strengths

We believe that we have the following competitive strengths:

Strategically located refineries with cost and supply advantages. Our Midcontinent Toledo refinery advantageously sources a substantial portion of its WTI based crude slate from sources in Canada and throughout the Midcontinent. The balance of the crude oil is delivered by truck from local sources and by rail to a nearby terminal. Recent increases in production volumes of crudes from Western Canada and the Midcontinent combined with limitations on takeaway capacity in the Midcontinent, including at Cushing, Oklahoma where WTI is priced, have resulted in a price discount for WTI based crudes compared to Brent based crudes. We believe that our access to WTI based crudes at Toledo provides us with a cost advantage versus facilities that do not have similar access to such crudes and must process Brent based feedstocks.

Our Delaware City and Paulsboro refineries have similar supply advantages given that they have the flexibility to source crudes from around the world via the Delaware River, and can source currently price advantaged WTI based crudes from Western Canada and the Midcontinent through our Delaware City crude rail unloading facility and through third party rail unloading terminals on the East Coast. The 2,400 crude railcars that we have entered into agreements to lease will enable us to transport this crude to each of our refineries. This transportation flexibility allows our East Coast refineries to process the most cost advantaged crude available.

Future crude supply may emerge from the development of other crude oil producing basins, including the Utica Shale play (located in portions of the Appalachian Basin and Canada), which could potentially bring significant oil production online in regional proximity to all three of our refineries, providing an attractive feedstock source with low associated transportation cost.

Complex assets with a valuable product slate located in high-demand regions. Our refinery assets are located in regions where product demand exceeds refining capacity. Our refineries have a weighted average Nelson Complexity Index of 11.3, which allows us the flexibility to process a variety of crudes. Our East Coast refineries have the highest Nelson Complexity Indices on the East Coast, allowing them to process lower cost, heavier, more sour crude oils and giving us a cost advantage over other refineries in the same region. The complexity of our refining assets allows us to produce a higher percentage of more valuable light products. For example, our East Coast refineries produce a greater percentage of distillates versus gasoline than other East

4

Table of Contents

Coast refineries and have 100% of the East Coast s heavy coking capacity. In addition, our Paulsboro refinery produces Group I base oils which are typically priced at a premium to both gasoline and distillates. Similarly, our Toledo refinery is a high conversion refinery with high gasoline and distillate yields and also produces high-value petrochemical products.

Significant scale and diversification. We currently operate three refineries with a combined crude throughput of 540,000 bpd making us the fifth largest independent refiner in the United States. Our refineries provide us diversification through crude slates, end products, customers and geographic locations. Our scale provides us buying power advantages, and we benefit from the cost efficiencies that result from operating three large refineries.

Recent capital investments and restructuring initiatives to improve financial returns. Since 2006, over $2.8 billion of capital has been invested in our three refineries to improve their operating performance, to meet environmental and regulatory standards, and to minimize the need for near-term capital expenditures. For example, since our acquisition of Delaware City, we have invested more than $500.0 million in turnaround and re-start projects that will improve the cost structure and profitability of the refinery, as well as in the recent strategic development of a crude rail unloading facility. In addition, we are spending approximately $57.0 million to expand and upgrade the rail unloading infrastructure that will allow us to discharge more than 110,000 bpd of cost advantaged, WTI based crudes for both our Delaware City and Paulsboro refineries by the first quarter of 2013. In conjunction with the re-start of Delaware City in 2011, we undertook a significant restructuring of the operations to improve its operating cost position, including reductions in labor costs compared to operations before shutdown by Valero, reductions in energy costs and reductions in other ongoing operating and maintenance expenses. Management estimates that the Delaware City restructuring has reduced the refinery s annual operating expenses by over $200.0 million relative to pre-acquisition operating expense level (without including the rail upgrades). We made significant operating improvements in the first year of operations by modifying the crude slate and product yield, changing operations of the conversion units and re-starting certain units.

Experienced management team with a demonstrated track record of acquiring, integrating and operating refining assets. Our management team is led by our Executive Chairman of the Board of Directors, Thomas D. O Malley, who has more than 30 years experience in the refining industry and has led the acquisition of more than 20 refineries during his career. In addition, our executive management team, including our Chief Executive Officer, Thomas J. Nimbley, our President, Michael D. Gayda, and our head of Commercial Operations, Donald F. Lucey, has a proven track record of successfully operating refining assets. Our core management team has significant experience working together, including while at Tosco Corporation and Premcor Inc. These executives have a long history of acquiring refineries at attractive prices and integrating these operations into a single, consolidated platform. For example, we believe we acquired the Paulsboro, Delaware City and Toledo refineries at or near the bottom of the refining cycle at a small fraction of replacement cost. These acquisitions were made at lower prices on a per barrel basis and significantly lower prices on a complexity barrel basis than other comparable acquisitions over the past five years.

Support from strong financial sponsors and management with a substantial investment. Our financial sponsors, funds affiliated with The Blackstone Group L.P., or Blackstone, and First Reserve Management, L.P., or First Reserve, have a long history of successful investments across the energy industry. Together, our financial sponsors and management have invested substantial equity in PBF LLC to date, with management investing over $23.5 million. In addition, Thomas D. O Malley, our Executive Chairman of the Board of Directors, certain of his affiliates and family members, and certain of our other executives, purchased $25.5 million aggregate principal amount of senior secured notes in the notes offering described under Management s Discussion and Analysis of Financial Condition and Results of Operations Factors Affecting Comparability Senior Secured Notes Offering.

Table of Contents

Our Business Strategy

Our primary goal is to create stockholder value by improving our market position as one of the largest independent refiners and suppliers of petroleum products in the United States. We intend to execute the following strategies to achieve our goal:

Maintain efficient refinery operations. We intend to operate our refineries as reliably and efficiently as possible and further improve our operations by maintaining our costs at competitive levels, seeking to optimize utilization of our refinery asset base, and making focused high-return capital improvements designed to generate incremental profits.

We are continuously looking for ways to improve our overall operating efficiencies. For example, our refineries in Paulsboro and Delaware City are located approximately 30 miles apart from one another on the Delaware River. Both refineries have the capability to process heavy, sour crudes and have complementary operating units, and we exchange certain feedstocks and intermediates between the refineries in an effort to optimize profitability. We are able to recognize cost savings associated with the sharing of crude oil shipments for these refineries. In addition to allowing us to share crude cargoes transported to our East Coast refineries via water, the construction of our new crude rail unloading facility at Delaware City will also help us realize better crude economics, because we will be able to deliver crude via rail through our own facilities and process WTI based crudes at both Paulsboro and Delaware City. We employ a small, centralized corporate staff that provides capital control and oversight and have experienced managers making operational decisions at our refineries.

Continue to grow through acquisitions and internal projects. We believe that we will encounter attractive acquisition opportunities as a result of the continuing strategic divestitures by major integrated oil companies and the rationalization of specific refinery assets. In selecting future acquisitions and internal projects, we intend to consider, among other things, the following criteria: performance through the cycle, access to advantageous crude supplies, attractive refined product end market fundamentals, access to storage, distribution and logistics infrastructure, acquisition price and our ability to maintain a conservative capital structure, and synergies with existing assets. In addition, we own a number of energy-related logistical assets that qualify for the favorable tax treatment that is permitted through an MLP structure. We continue to evaluate our strategic alternatives for these assets.

Promote operational excellence in reliability and safety. We will continue to devote significant time and resources toward improving the reliability and safety of our operations. We will seek to improve operating performance through our commitment to our preventive maintenance program and to employee training and development programs. We will continue to emphasize safety in all aspects of our operations. We believe that a superior reliability record, which can be measured and managed like all other aspects of our business, is inherently tied to safety and profitability.

Create an organization highly motivated to maintain earnings and improve return on capital. We have created an organization in which employees are highly motivated to maintain earnings and improve return on capital. Our cash incentive compensation plan, which covers all non-unionized employees, is solely based on achieving earnings above designated levels. Our equity incentive plan provides participating employees with an equity stake in us and aligns their interests with our investors interests.

Risk Factors

An investment in our Class A common stock involves a number of risks, including changes in industry-wide refining margins and crude oil price differentials, competition and other material factors, that could materially affect our business, financial condition and results of operations, and cause the trading price of our Class A common stock to decline. For a discussion of these risks and other considerations that could negatively affect us, including risks related to this offering and our Class A common stock, see Risk Factors and Forward-Looking Statements.

Corporate Structure and Financial Sponsors

Following this offering we will be a holding company and our sole asset will be an equity interest in PBF LLC. See Organizational Structure on page 39.

We will be the sole managing member of PBF LLC and operate and control all of the business and affairs and consolidate the financial results of PBF LLC and its subsidiaries. PBF LLC is a holding company for the companies that directly or indirectly own and operate our business. Prior to this offering, each of Blackstone and First Reserve owned approximately 48% of the outstanding capital interests in PBF LLC (which we refer to as the PBF LLC Series A Units), and Mr. O Malley, our other executive officers and directors and certain employees beneficially owned the remaining outstanding PBF LLC Series A Units (we refer to all of the holders of the PBF LLC Series A Units as our existing owners). In addition, certain of our officers hold interests in PBF LLC, which are profits interests (which we refer to as the PBF LLC Series B Units) and certain of our existing owners and other employees hold options and warrants to purchase PBF LLC Series A Units.

Immediately prior to this offering, the limited liability company agreement of PBF LLC will be amended and restated to, among other things, designate PBF Energy as the sole managing member of PBF LLC and establish a new series of membership interests (which we refer to as the PBF LLC Series C Units) which will be held by PBF Energy. Profits and losses of PBF LLC will be allocated, and all distributions generally will be made, pro rata to the holders of PBF LLC Series A Units (subject, under certain circumstances, to the rights of the holders of PBF LLC Series B Units) and PBF LLC Series C Units. The PBF LLC Series A Units and the PBF LLC Series C Units are generally identical in all respects, except that the PBF LLC Series B Units share in the allocations of income and distributions that would otherwise be made to our financial sponsors, and therefore do not dilute the interests of the PBF LLC Series A Units held by our management and certain directors, the holder of PBF LLC Series C Units (PBF Energy) or the direct holders of our Class A common stock.

We also will enter into an exchange agreement pursuant to which our existing owners will have the right to cause PBF LLC to exchange their PBF LLC Series A Units for shares of our Class A common stock on a one-for-one basis, subject to equitable adjustments for stock splits, stock dividends and reclassifications, and further subject to the rights of the holders of PBF LLC Series B Units to share in a portion of the profits realized by our financial sponsors upon the sale of the shares of Class A common stock received by them upon such exchange.

Blackstone. Blackstone is one of the world s leading investment and advisory firms and is an experienced and active investor in the energy and natural resources sector. Blackstone has substantial prior experience as an acquiror and owner of petroleum refineries, having acquired Premcor in 1997 and overseen several acquisitions and capital projects to expand and upgrade refining capacity of that company until its acquisition by Valero in 2005 for total consideration of approximately $6.9 billion. Blackstone has a long-standing relationship with Thomas D. O Malley, having recruited him to serve as Chairman and Chief Executive Officer of Premcor in early 2002. Blackstone seeks to create positive economic impact and long-term value for its investors, the companies it invests in, the companies it advises and the broader global economy. Blackstone does this through the commitment of its extraordinary people and flexible capital. Blackstone s alternative asset management businesses include the management of private equity funds, real estate funds, hedge fund solutions, credit-oriented funds and closed-end mutual funds. Through its different investment businesses, as of September 30, 2012, Blackstone had total assets under management of

approximately $204.6 billion. Blackstone also provides various financial advisory services, including financial and strategic advisory, restructuring and reorganization advisory and fund placement services.

First Reserve. Founded in 1983, First Reserve is a leading global investment firm dedicated to the energy industry with over $23 billion of raised capital since inception. With offices in North America, Europe and Asia, First Reserve is well positioned to make strategic investments on a global basis across the energy value chain. First Reserve seeks to create value for its investors by applying its deep industry knowledge, decades of investing and operational experience, highly talented management team and powerful network of global relationships to its investments and through active monitoring of its portfolio companies.

* * *

PBF Energy is a Delaware corporation incorporated on November 7, 2011 with its principal executive offices located at One Sylvan Way, Second Floor, Parsippany, NJ 07054 and our telephone number is (973) 455-7500. Our website address is *http://www.pbfenergy.com*. The information on our website is not part of this prospectus.

Table of Contents

The Offering

Class A common stock to be offered by PBF Energy	shares
Over-allotment option	shares
Class A common stock outstanding after the offering	shares (or shares if all outstanding PBF LLC Series A Units held by our existing owners were exchanged for newly-issued shares of Class A common stock on a one-for-one basis).
Class B common stock outstanding after the offering	shares, or one share for each holder of PBF LLC Series A Units.
Voting power held by holders of Class A common stock after the offering	% (or 100% if all outstanding PBF LLC Series A Units held by our existing owners were exchanged for newly-issued shares of Class A common stock on a one-for-one basis).
Voting power held by holder of Class B common stock after the offering	% (or 0% if all outstanding PBF LLC Series A Units held by our existing owners were exchanged for newly issued shares of Class A common stock on a one-for-one basis).
Use of proceeds	The proceeds to PBF Energy from this offering, before deducting underwriting discounts, will be approximately $ million (or $ million if the underwriters exercise in full their option to purchase additional shares of Class A common stock).
	PBF Energy intends to use $ million of the proceeds from this offering to purchase PBF LLC Series A Units (which will be reclassified as PBF LLC Series C Units in connection with such acquisition) from Blackstone and First Reserve and certain of our employees, as described under Organizational Structure Offering Transactions. Accordingly, we will not retain any of these proceeds. See Principal Stockholders for further information.
	PBF Energy intends to use all of the remaining proceeds from this offering, or $ million (or $ million if the underwriters exercise in full their option to purchase additional shares of Class A common stock), to purchase newly-issued PBF LLC Series C Units from PBF LLC, as described under Organizational Structure Offering Transactions. We intend to cause PBF LLC to use these proceeds to

Table of Contents

pay the expenses of this offering, including aggregate underwriting discounts of $ million (or $ million if the underwriters exercise in full their option to purchase additional shares of Class A common stock) and other offering expenses estimated at $ million. Any remaining proceeds, including proceeds from the exercise by the underwriters of their option to purchase additional shares of Class A common stock, will be used for general corporate purposes, including to potentially repay amounts outstanding under our ABL Revolving Credit Facility. See Use of Proceeds.

Voting rights	Each share of our Class A common stock entitles its holder to one vote on all matters to be voted on by stockholders generally.
	Our existing owners hold all of the shares of Class B common stock. The shares of Class B common stock have no economic rights but entitle the holder, without regard to the number of shares of Class B common stock held, to a number of votes on matters presented to stockholders of PBF Energy that is equal to the aggregate number of PBF LLC Series A Units held by such holder. See Description of Capital Stock Class B Common Stock.
	Holders of our Class A common stock and Class B common stock vote together as a single class on all matters presented to our stockholders for their vote or approval, except as otherwise required by applicable law.
Dividend policy	We currently intend to pay quarterly cash dividends of approximately $ per share on our Class A common stock following this offering, commencing in the fiscal quarter following this offering. The declaration, timing and amount of any such dividends will be at the discretion of our board of directors and will depend on a variety of factors, including general economic conditions, our financial condition and operating results, our available cash and current and anticipated cash needs, capital requirements, plans for expansion, tax, legal, regulatory and contractual restrictions and implications, including under our outstanding debt documents, and such other factors as our board of directors may deem relevant.
	Because we are a holding company, our cash flow and ability to pay dividends depends upon the financial

	results and cash flows of our operating subsidiaries and the distribution or other payment of cash to us in the form of dividends or otherwise from PBF LLC.
Exchange rights of our existing owners	Prior to this offering, we will enter into an exchange agreement pursuant to which our existing owners will have the right to cause PBF LLC to exchange their PBF LLC Series A Units for shares of Class A common stock of PBF Energy on a one-for-one basis, subject to equitable adjustment for stock splits, stock dividends and reclassifications, and further subject to the rights of the holders of PBF LLC Series B Units to share in a portion of the profits realized by our financial sponsors upon the sale of the shares of Class A common stock received by them upon such exchange.

Under the amended and restated certificate of incorporation of PBF Energy, each holder of Class B common stock will be entitled, without regard to the number of shares of Class B common stock held by such holder, to one vote for each PBF LLC Series A Unit held by such holder. Accordingly, as our existing owners exchange their PBF LLC Series A Units for shares of Class A common stock pursuant to the exchange agreement, the voting power afforded to our existing owners by their shares of Class B common stock will be automatically and correspondingly reduced.

Risk factors	For a discussion of factors you should consider before buying the shares, see Risk Factors.
New York Stock Exchange symbol	PBF

Unless we specifically state otherwise, all information in this prospectus:

- assumes no exercise by the underwriters of their over-allotment option to purchase additional shares of our Class A common stock;

- does not reflect shares of Class A common stock issuable upon exchange of PBF LLC Series A Units (or, if the underwriters exercise in full their option to purchase additional shares of Class A common stock, shares of Class A common stock issuable upon exchange of PBF LLC Series A Units) that will be held by our existing owners immediately following this offering;

- excludes (a) outstanding options and warrants to purchase 4,774,630 PBF LLC Series A Units, at a weighted average exercise price of $10.26 per unit, 4,179,610 of which will be vested and exercisable as of the date of the closing of this offering, and (b) an additional shares authorized and reserved for issuance under our equity incentive plans, all of which will be dilutive to the holders of shares of Class A common stock. See Executive Compensation Compensation Discussion and Analysis Equity Compensation, Executive Compensation Compensation Discussion and Analysis 2012 Equity Incentive Plan and Certain Relationships and Related Transactions Investments in PBF LLC.

Table of Contents

Summary Historical and Pro Forma Financial and Other Data

The following table sets forth our summary historical and pro forma consolidated financial data at the dates and for the periods indicated. The historical financial data is that of PBF LLC. PBF LLC will be considered our predecessor for accounting purposes, and its consolidated financial statements will be our historical consolidated financial statements following this offering.

The summary historical consolidated financial data as of December 31, 2010 and 2011 and for the years ended December 31, 2009, 2010 and 2011 have been derived from audited financial statements of PBF LLC included elsewhere in this prospectus. The summary historical consolidated financial data as of December 31, 2009 has been derived from audited financial statements of PBF LLC not included in this prospectus. As a result of the Paulsboro and Toledo acquisitions, the historical consolidated financial results of PBF LLC only include the results of operations for Paulsboro and Toledo from December 17, 2010 and March 1, 2011, respectively. The information as of and for the nine months ended September 30, 2011 and 2012 was derived from the unaudited condensed consolidated financial statements of PBF LLC (included elsewhere in this prospectus) which include all adjustments, consisting of normal recurring adjustments, which management considers necessary for a fair presentation of the financial position and the results of operations for such periods. Results for the interim periods are not necessarily indicative of the results for the full year.

The summary unaudited pro forma consolidated financial data have been derived by the application of pro forma adjustments to the historical consolidated financial statements of PBF LLC included elsewhere in this prospectus. The summary unaudited pro forma consolidated statements of operations data for the year ended December 31, 2011 and for the nine months ended September 30, 2012 give effect to the acquisition of Toledo, the senior secured notes offering (as described under Management s Discussion and Analysis of Financial Condition and Results of Operations Factors Affecting Comparability Senior Secured Notes Offering), the Offering Transactions (as described under Organizational Structure), and the use of the estimated net proceeds from this offering as if they had occurred on January 1, 2011. The summary unaudited pro forma consolidated balance sheet data as of September 30, 2012 gives effect to cash distributions to our existing owners made prior to the completion of this offering (as described under Dividend Policy), the Offering Transactions and the use of the estimated net proceeds from this offering as if they had occurred on September 30, 2012.

You should read this information in conjunction with the consolidated financial statements of PBF LLC and the related notes thereto, and the statements of assets acquired and liabilities assumed and the related statements of revenues and direct expenses of Toledo and the related notes thereto, included elsewhere in this prospectus, and the sections entitled Organizational Structure, Unaudited Pro Forma Consolidated Financial Statements, Management s Discussion and Analysis of Financial Condition and Results of Operations and Selected Financial Data. Our summary unaudited pro forma consolidated financial information is presented for informational purposes only. The pro forma adjustments are based upon available information and certain assumptions that we believe are reasonable. Our summary unaudited pro forma consolidated financial information does not purport to represent what our results of operations or financial position would have been if we operated as a public company during the periods presented and may not be indicative of our future performance.

Table of Contents

	Year Ended December 31, 2009[3]	Year Ended December 31, 2010	Year Ended December 31, 2011	Pro Forma Year Ended December 31, 2011	Nine Months Ended September 30, 2011	Nine Months Ended September 30, 2012	Pro Forma Nine Months Ended September 30, 2012
			(in thousands)				
Statement of operations data:							
Revenues[1]	$ 228	$ 210,671	$ 14,960,338	$	$ 10,183,897	$ 15,188,327	$
Cost and expenses							
Cost of sales, excluding depreciation		203,971	13,855,163		9,147,063	13,871,884	
Operating expenses, excluding depreciation		25,140	658,831		457,722	537,880	
General and administrative expenses	6,294	15,859	86,183		71,533	78,042	
Acquisition related expenses[2]		6,051	728		684		
(Gain) on sale of asset						(2,430)	
Depreciation and amortization expense	44	1,402	53,743		35,636	67,419	
	6,338	252,423	14,654,648		9,712,638	14,552,795	
(Loss) income from operations	(6,110)	(41,752)	305,690		471,259	635,532	
Other (expense) income							
Change in fair value of catalyst lease obligation		(1,217)	7,316		4,848	(6,929)	
Change in fair value of contingent consideration			(5,215)		(4,829)	(2,076)	
Interest income (expense), net	10	(1,388)	(65,120)		(44,127)	(86,753)	
Net (loss) income	$ (6,100)	$ (44,357)	$ 242,671	$	$ 427,151	$ 539,774	$
Less Net (loss)/income attributable to the noncontrolling interest							
Net (loss) income attributable to PBF Energy Inc				$			$
Balance sheet data (at end of period):							
Total assets	$ 19,150	$ 1,274,393	$ 3,621,109	$	$ 3,872,150	$ 3,932,507	$
Total long-term debt[4]		325,064	804,865		713,255	732,961	
Total equity	18,694	456,739	1,107,615		1,296,131	1,633,326	
Selected financial data:							
Adjusted EBITDA[5]	$ (6,066)	$ (28,699)	$ 388,219	$	$ 507,070	$ 732,603	$
Capital expenditures[6]	$ 70	$ 72,118	$ 551,544	$	$ 504,034	$ 129,505	$

(1) Consulting services income provided to a related party was $10 and $221 for the years ended December 31, 2010 and 2009, respectively. No consulting services income was earned subsequent to 2010.

(2) Acquisition related expenses consist of consulting and legal expenses related to the Paulsboro and Toledo acquisitions as well as non-consummated acquisitions.

(3) December 31, 2009 balance sheet data is that of PBF Investment LLC. See footnote 1, Description of Business and Basis of Presentation, in the PBF LLC consolidated financial statements.

(4) Total long-term debt includes current maturities and our Delaware Economic Development Authority loan of $20.0 million.

(5) We believe Adjusted EBITDA is an important measure of operating performance and provides useful information to investors because it highlights trends in our business that may not otherwise be apparent when relying solely on GAAP measures and eliminates items that have less bearing on our operating performance.

Adjusted EBITDA, as presented herein, is a supplemental measure of performance that is not required by, or presented in accordance with, GAAP. We use this non-GAAP financial measure as a supplement to our GAAP results in order to provide a more complete understanding of the factors and trends affecting our business. Adjusted EBITDA is a measure of operating performance that is not defined by GAAP and should not be considered a substitute for net income as determined in accordance with GAAP.

Table of Contents

Also, because Adjusted EBITDA is not calculated in the same manner by all companies, it is not necessarily comparable to other similarly titled measures used by other companies. Adjusted EBITDA has its limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our results as reported under GAAP. Some of the limitations of Adjusted EBITDA are:

Adjusted EBITDA does not reflect our cash expenditures, or future requirements, for capital expenditures or contractual commitments;

Although depreciation and amortization are non-cash charges, the asset being depreciated or amortized often will have to be replaced and Adjusted EBITDA does not reflect the cash requirements for such replacements;

Adjusted EBITDA does not reflect changes in, or cash requirements for, our working capital requirements; and

Adjusted EBITDA does not reflect the significant interest expense, or the cash requirements necessary to make payments of interest or principal on our indebtedness.

The following table reconciles net income (loss) to Adjusted EBITDA:

	Year Ended December 31, 2009	Year Ended December 31, 2010	Year Ended December 31, 2011	Pro Forma Year Ended December 31, 2011	Nine Months Ended September 30, 2011	Nine Months Ended September 30, 2012	Pro Forma Nine Months Ended September 30, 2012
				(in thousands)			
Net income (loss)	$ (6,100)	$ (44,357)	$ 242,671	$	$ 427,151	$ 539,774	$
Interest (income) expense, net	(10)	1,388	65,120		44,127	86,753	
Depreciation and amortization	44	1,402	53,743		35,636	67,419	
Stock based compensation		2,300	2,516		1,911	1,707	
Acquisition related expense(a)		6,051	728		684		
Non-cash change in market value of inventory repurchase obligation(b)		2,043	18,771		(4,932)	9,716	
Non-cash deferral of gross profit on finished product sales(c)		1,257	6,771		2,512	18,229	
Change in fair value of catalyst lease obligation(d)		1,217	(7,316)		(4,848)	6,929	
Change in fair value of contingent consideration(e)			5,215		4,829	2,076	
Adjusted EBITDA	$ (6,066)	$ (28,699)	$ 388,219	$	$ 507,070	$ 732,603	$

(a) See footnote (2) above.

(b) Certain of our crude and feedstock supply agreements require that we repurchase inventory held by our counterparties at a future date at the then fair market value. We are required to record these repurchase obligations at their fair market value at the end of each reporting period. The change in fair market value based on changes in commodity prices is a non-cash charge or benefit included in cost of sales. We add back the impact of the change in market value of these future inventory repurchase obligations in arriving at Adjusted EBITDA to better reflect Adjusted EBITDA on a cash-basis.

(c) We sell our production of light finished products at our Paulsboro and Delaware City refineries to a single counterparty. On a daily basis, the counterparty purchases and pays for the products as they are produced, delivered to the refineries storage tanks, and legal title passes to the counterparty. Revenue and gross profit on these product sales are deferred until the products are shipped out of our storage facility, which typically occurs within an average of six days. We add back the non-cash deferral of the gross profit on these product sales in arriving at Adjusted EBITDA to better reflect Adjusted EBITDA on a cash-basis.

(d) We entered into agreements pursuant to which certain precious metals catalyst located at our Delaware City and Toledo refineries were sold and leased back for three one-year periods. We have recorded these transactions as capital leases as we are required to repurchase the precious metals catalyst at its market value at lease termination. We elected the fair value option for accounting for the catalyst repurchase obligations and the change in fair value of the underlying precious metals is recorded in the income statement as a non-cash charge or benefit each reporting period. We add back the impact of the change in fair value of these future precious metal catalyst repurchase obligations in arriving at Adjusted EBITDA to better reflect Adjusted EBITDA on a cash-basis.

(e) In connection with the Toledo acquisition, the seller will be paid an amount equal to 25% of the amount by which the purchased assets EBITDA exceeds $125.0 million in a given calendar year through 2016 (pro-rated for 2011 and 2016). The aggregate amount of such payments cannot exceed $125.0 million. The purchased assets EBITDA is calculated using calendar year earnings we have earned solely from the purchase of Toledo including reasonable direct and allocated overhead expenses, less any significant extraordinary or

Table of Contents

non-recurring expenses, and any fees or expenses incurred by us in connection with the Toledo acquisition. A charge or benefit is recorded each reporting period reflecting the change in the estimated fair value of the contingent consideration we expect to pay in connection with our acquisition of the Toledo refinery. We add back the impact of the change in fair value of the contingent consideration in arriving at Adjusted EBITDA to better reflect Adjusted EBITDA on a cash-basis.

(6) Includes expenditures for construction in progress, property, plant and equipment and deferred turnaround costs.

Table of Contents

RISK FACTORS

An investment in our Class A common stock involves a number of risks. You should carefully consider, in addition to the other information contained in this prospectus (including Management s Discussion and Analysis of Financial Condition and Results of Operations and our financial statements and related notes), the following risks before investing in our Class A common stock. These risks could materially affect our business, financial condition and results of operations, and cause the trading price of our Class A common stock to decline. You could lose part or all of your investment. You should bear in mind, in reviewing this prospectus, that past experience is no indication of future performance. You should read the section titled Forward-Looking Statements immediately following these risk factors for a discussion of what types of statements are forward-looking statements, as well as the significance of such statements in the context of this prospectus.

Risks Relating to Our Business and Industry

We have incurred losses in the past and may incur losses in the future. If we incur losses over an extended period of time, the value of our Class A common stock could decline.

We experienced losses during our time as a development company. We may not be profitable in future periods. A lack of profitability could adversely affect the price of our Class A common stock. We may not continue to remain profitable, which could impair our ability to complete future financings and have a material adverse effect on our business.

Our limited operating history makes it difficult to evaluate our current business and future prospects. If we are unsuccessful in executing our business model, our business and operating results will be adversely affected.

We were formed in March 2008, we acquired our first oil refinery in June 2010 in an idle state and we acquired our first operating asset in December 2010. Therefore, we have a limited operating history and track record in executing our business model. Our future success depends on our ability to execute our business strategy effectively. Our limited operating history may make it difficult to evaluate our current business and future prospects. We may not be successful in operating any of our refineries or any other properties we may acquire in the future. In addition, we have encountered and will continue to encounter risks and difficulties frequently experienced by new companies, and specifically companies in the oil refining industry. If we do not manage these risks successfully, our business, results of operations and financial condition will be adversely affected.

The price volatility of crude oil, other feedstocks, blendstocks, refined products and fuel and utility services may have a material adverse effect on our revenues, profitability, cash flows and liquidity.

Our revenues, profitability, cash flows and liquidity from operations depend primarily on the margin above operating expenses (including the cost of refinery feedstocks, such as crude oil, intermediate partially refined petroleum products, and natural gas liquids that are processed and blended into refined products) at which we are able to sell refined products. Refining is primarily a margin-based business and, to increase profitability, it is important to maximize the yields of high value finished products while minimizing the costs of feedstock and operating expenses. When the margin between refined product prices and crude oil and other feedstock costs contracts, our earnings, profitability and cash flows are negatively affected. Refining margins historically have been volatile, and are likely to continue to be volatile, as a result of a variety of factors, including fluctuations in the prices of crude oil, other feedstocks, refined products and fuel and utility services. An increase or decrease in the price of crude oil will likely result in a similar increase or decrease in prices for refined products; however, there may be a time lag in the realization, or no such realization, of the similar increase or decrease in prices for refined products. The effect of changes in crude oil prices on our refining margins therefore depends in part on how quickly and how fully refined product prices adjust to reflect these changes.

Table of Contents

In addition, the nature of our business requires us to maintain substantial crude oil, feedstock and refined product inventories. Because crude oil, feedstock and refined products are commodities, we have no control over the changing market value of these inventories. Our crude oil, feedstock and refined product inventories are valued at the lower of cost or market value under the last-in-first-out (LIFO), inventory valuation methodology. If the market value of our crude oil, feedstock and refined product inventories were to decline to an amount less than our LIFO cost, we would record a write-down of inventory and a non-cash charge to cost of sales.

Prices of crude oil, other feedstocks, blendstocks, and refined products depend on numerous factors beyond our control, including the supply of and demand for crude oil, other feedstocks, gasoline, diesel, ethanol, asphalt and other refined products. Such supply and demand are affected by a variety of economic, market, environmental and political conditions.

Our direct operating expense structure also impacts our profitability. Our major direct operating expenses include employee and contract labor, maintenance and energy. Our predominant variable direct operating cost is energy, which is comprised primarily of fuel and other utility services. The volatility in costs of fuel, principally natural gas, and other utility services, principally electricity, used by our refineries and other operations affect our operating costs. Fuel and utility prices have been, and will continue to be, affected by factors outside our control, such as supply and demand for fuel and utility services in both local and regional markets. Natural gas prices have historically been volatile and, typically, electricity prices fluctuate with natural gas prices. Future increases in fuel and utility prices may have a negative effect on our revenues, profitability and cash flows.

Our historical financial statements may not be helpful in predicting our future performance.

We have grown rapidly since our inception and have not owned or operated our refineries for a substantial period of time. Accordingly, our historical financial information may not be useful either as a means of understanding our current financial situation or as an indicator of our future results. For the period from March 1, 2008 to December 16, 2010, we were considered to be in the development stage. Our historical financial information for that period reflects our activities principally in connection with identifying acquisition opportunities; acquiring the Delaware City refinery assets and commencing a reconfiguration of the refinery; and acquiring the Paulsboro refinery. As a result of the Paulsboro and Toledo acquisitions, our historical consolidated financial results include the results of operations for Paulsboro and Toledo from December 17, 2010 and March 1, 2011 forward, respectively. Certain information in our financial statements and certain other financial data included in this prospectus are based in part on financial data related to, and the operations of, those companies that previously owned and operated our refineries. For example, at the time of its acquisition, Paulsboro represented the major portion of our business and assets. As a result, we separately present the financial statements of Paulsboro for periods prior to the acquisition date of December 17, 2010 as PBF LLC s Predecessor entity. Such information is not necessarily indicative of our future results of operations and financial performance. In addition, the financial statements presented in this prospectus for our Toledo refinery reflect a more limited Statement of Revenues and Direct Expenses and a Statement of Net Assets Acquired and Liabilities Assumed as opposed to full audited carve-out financial statements, which may not be indicative of the operating results and financial condition of the refinery had we been operating the refinery during the periods presented. As has been the case in our acquisitions to date, it is likely that, when we acquire refineries, we will not have access to the type of historical financial information that we will report regarding the prior operation of the refineries. As a result, it may be difficult for investors to evaluate the probable impact of major acquisitions on our financial performance until we have operated the acquired refineries for a substantial period of time.

Our profitability is affected by crude oil differentials, which fluctuate substantially.

A significant portion of our profitability is derived from the ability to purchase and process crude oil feedstocks that historically have been cheaper than benchmark crude oils, such as the heavy, sour crude oils processed at our Delaware City and Paulsboro refineries and the WTI based crude oils processed at our Toledo refinery. These crude oil differentials vary significantly from quarter to quarter depending on overall economic conditions and trends and conditions within the markets for crude oil and refined products. Any change in these

Table of Contents

crude oil differentials may have an impact on our earnings. Our rail investment and strategy to acquire cost advantaged Midcontinent and Canadian crude, which are priced based on WTI, could be adversely affected if the WTI-Brent differential narrows. For example, the WTI/WCS differential, a proxy for the difference between light U.S. and heavy Canadian crudes, has increased from $15.63 per barrel in 2011 to $20.40 for the nine month period ended September 30, 2012, however, this increase may not be indicative of the differential going forward. Conversely, a narrowing of the light-heavy differential may reduce our refining margins and adversely affect our recent profitability and earnings. In addition, while our Toledo refinery benefits from a widening of the Dated Brent/WTI differential, a narrowing of this differential may result in our Toledo refinery losing a portion of its crude price advantage over certain of our competitors, which negatively impacts our profitability. Any narrowing of these differentials could have a material adverse effect on our business and profitability.

A significant interruption or casualty loss at any of our refineries and related assets could reduce our production, particularly if not fully covered by our insurance. Failure by one or more insurers to honor its coverage commitments for an insured event could materially and adversely affect our future cash flows, operating results and financial condition.

Our business currently consists of owning and operating three refineries and related assets. As a result, our operations could be subject to significant interruption if any of our refineries were to experience a major accident, be damaged by severe weather or other natural disaster, or otherwise be forced to shut down or curtail production due to unforeseen events, such as acts of God, nature, power outages, acts of terrorism, fires, toxic emissions and maritime hazards. Any such shutdown would reduce the production from that refinery. There is also risk of mechanical failure and equipment shutdowns both general and following unforeseen events. Further, in such situations, undamaged refinery processing units may be dependent on or interact with damaged sections of our refineries and, accordingly, are also subject to being shut down. In the event any of our refineries is forced to shut down for a significant period of time, it would have a material adverse effect on our earnings, our other results of operations and our financial condition as a whole.

As protection against these hazards, we maintain insurance coverage against some, but not all, such potential losses and liabilities. We may not be able to maintain or obtain insurance of the type and amount we desire at reasonable rates. As a result of market conditions, premiums and deductibles for certain of our insurance policies may increase substantially. In some instances, certain insurance could become unavailable or available only for reduced amounts of coverage. For example, coverage for hurricane damage can be limited, and coverage for terrorism risks can include broad exclusions. If we were to incur a significant liability for which we were not fully insured, it could have a material adverse effect on our financial position.

Our insurance program includes a number of insurance carriers. Significant disruptions in financial markets could lead to a deterioration in the financial condition of many financial institutions, including insurance companies and, therefore, we may not be able to obtain the full amount of our insurance coverage for insured events.

Our Toledo refinery is subject to interruptions of supply and distribution as a result of our reliance on pipelines for transportation of crude oil and refined products.

Our Toledo refinery receives a substantial portion of its crude oil and delivers a portion of its refined products through pipelines. The Enbridge system is our primary supply route for crude oil from Canada, the Bakken region and Michigan, and supplies approximately 55% to 60% of the crude oil used at our Toledo refinery. In addition, we source domestic crude oil through our connections to the Capline and Mid-Valley pipelines. We also distribute a portion of our transportation fuels through pipelines owned and operated by Sunoco Logistics Partners L.P. and Buckeye Partners L.P. We could experience an interruption of supply or delivery, or an increased cost of receiving crude oil and delivering refined products to market, if the ability of these pipelines to transport crude oil or refined products is disrupted because of accidents, weather interruptions, governmental regulation, terrorism, other third party action or any of the types of events described in the preceding risk factor.

Table of Contents

In addition, due to the common carrier regulatory obligation applicable to interstate oil pipelines, capacity is prorated among shippers in accordance with the tariff then in effect in the event there are nominations in excess of capacity. Therefore, nominations by new shippers or increased nominations by existing shippers may reduce the capacity available to us. Any prolonged interruption in the operation or curtailment of available capacity of the pipelines that we rely upon for transportation of crude oil and refined products could have a further material adverse effect on our business, financial condition, results of operations and cash flows.

We may not be able to obtain funding on acceptable terms or at all because of volatility and uncertainty in the credit and capital markets. This may hinder or prevent us from meeting our future capital needs.

Global financial markets and economic conditions have been, and continue to be, disrupted and volatile due to a variety of factors, including uncertainty in the financial services sector, low consumer confidence, continued high unemployment, geopolitical issues and the current weak economic conditions. In addition, the fixed income markets have experienced periods of extreme volatility that have negatively impacted market liquidity conditions. As a result, the cost of raising money in the debt and equity capital markets has increased substantially at times while the availability of funds from those markets diminished significantly. In particular, as a result of concerns about the stability of financial markets generally and the solvency of lending counterparties specifically, the cost of obtaining money from the credit markets may increase as many lenders and institutional investors increase interest rates, enact tighter lending standards, refuse to refinance existing debt on similar terms or at all and reduce or, in some cases, cease to provide funding to borrowers. Due to these factors, we cannot be certain that new debt or equity financing will be available on acceptable terms. If funding is not available when needed, or is available only on unfavorable terms, we may be unable to meet our obligations as they come due. Moreover, without adequate funding, we may be unable to execute our growth strategy, complete future acquisitions, take advantage of other business opportunities or respond to competitive pressures, any of which could have a material adverse effect on our revenues and results of operations.

Competition from companies who produce their own supply feedstocks, have extensive retail outlets, make alternative fuels or have greater financial and other resources than we do could materially and adversely affect our business and results of operations.

Our refining operations compete with domestic refiners and marketers in regions of the United States in which we operate, as well as with domestic refiners in other regions and foreign refiners that import products into the United States. In addition, we compete with producers and marketers in other industries that supply alternative forms of energy and fuels to satisfy the requirements of our industrial, commercial and individual consumers. Certain of our competitors have larger and more complex refineries, and may be able to realize lower per-barrel costs or higher margins per barrel of throughput. Several of our principal competitors are integrated national or international oil companies that are larger and have substantially greater resources than we do and access to proprietary sources of controlled crude oil production. Unlike these competitors, we obtain substantially all of our feedstocks from unaffiliated sources. We are not engaged in the petroleum exploration and production business and therefore do not produce any of our crude oil feedstocks. We do not have a retail business and therefore are dependent upon others for outlets for our refined products. Because of their integrated operations and larger capitalization, these companies may be more flexible in responding to volatile industry or market conditions, such as shortages of crude oil supply and other feedstocks or intense price fluctuations.

Newer or upgraded refineries will often be more efficient than our refineries, which may put us at a competitive disadvantage. We have taken significant measures to maintain our refineries including the installation of new equipment and redesigning older equipment to improve our operations. However, these actions involve significant uncertainties, since upgraded equipment may not perform at expected throughput levels, the yield and product quality of new equipment may differ from design specifications and modifications may be needed to correct equipment that does not perform as expected. Any of these risks associated with new equipment, redesigned older equipment or repaired equipment could lead to lower revenues or higher costs or otherwise have an adverse effect on future results of operations and financial condition. Over time, our refineries may become obsolete, or be unable to compete, because of the construction of new, more efficient facilities by our competitors.

Table of Contents

Any political instability, military strikes, sustained military campaigns, terrorist activity, or changes in foreign policy could have a material adverse effect on our business, results of operations and financial condition.

Any political instability, military strikes, sustained military campaigns, terrorist activity, or changes in foreign policy in areas or regions of the world where we acquire crude oil and other raw materials or sell our refined petroleum products may affect our business in unpredictable ways, including forcing us to increase security measures and causing disruptions of supplies and distribution markets. We may also be subject to United States trade and economic sanctions laws, which change frequently as a result of foreign policy developments, and which may necessitate changes to our crude oil acquisition activities. Further, like other industrial companies, our facilities may be the target of terrorist activities. Any act of war or terrorism that resulted in damage to any of our refineries or third-party facilities upon which we are dependent for our business operations could have a material adverse effect on our business, results of operations and financial condition.

Continued economic turmoil in the global financial system has had and may continue to have an adverse impact on the refining industry.

Our business and profitability are affected by the overall level of demand for our products, which in turn is affected by factors such as overall levels of economic activity and business and consumer confidence and spending. Declines in global economic activity and consumer and business confidence and spending during the recent global downturn have significantly reduced the level of demand for our products. Reduced demand for our products has had and may continue to have an adverse impact on our business, financial condition, results of operations and cash flows. In addition, continued downturns in the economy impact the demand for refined fuels and, in turn, result in excess refining capacity. Refining margins are impacted by changes in domestic and global refining capacity, as increases in refining capacity can adversely impact refining margins, earnings and cash flows.

Our business is indirectly exposed to risks faced by our suppliers, customers and other business partners. The impact on these constituencies of the risks posed by the continued economic turmoil in the global financial system have included or could include interruptions or delays in the performance by counterparties to our contracts, reductions and delays in customer purchases, delays in or the inability of customers to obtain financing to purchase our products and the inability of customers to pay for our products. Any of these events may have an adverse impact on our business, financial condition, results of operations and cash flows.

The geographic concentration of our East Coast refineries creates a significant exposure to the risks of the local economy and other local adverse conditions.

Our East Coast refineries are both located in the mid-Atlantic region on the East Coast and therefore are vulnerable to economic downturns in that region. These refineries are located within a relatively limited geographic area and we primarily market our refined products in that area. As a result, we are more susceptible to regional conditions than the operations of more geographically diversified competitors and any unforeseen events or circumstances that affect the area could also materially adversely affect our revenues and profitability. These factors include, among other things, changes in the economy, damages to infrastructure, weather conditions, demographics and population.

We must make substantial capital expenditures on our operating facilities to maintain their reliability and efficiency. If we are unable to complete capital projects at their expected costs and/or in a timely manner, or if the market conditions assumed in our project economics deteriorate, our financial condition, results of operations or cash flows could be materially and adversely affected.

Delays or cost increases related to capital spending programs involving engineering, procurement and construction of new facilities (or improvements and repairs to our existing facilities and equipment) could adversely affect our ability to achieve targeted internal rates of return and operating results. Such delays or cost increases may arise as a result of unpredictable factors in the marketplace, many of which are beyond our control, including:

- denial or delay in issuing regulatory approvals and/or permits;

Table of Contents

- unplanned increases in the cost of construction materials or labor;
- disruptions in transportation of modular components and/or construction materials;
- severe adverse weather conditions, natural disasters or other events (such as equipment malfunctions, explosions, fires or spills) affecting our facilities, or those of vendors and suppliers;
- shortages of sufficiently skilled labor, or labor disagreements resulting in unplanned work stoppages;
- market-related increases in a project s debt or equity financing costs; and/or
- non-performance or force majeure by, or disputes with, vendors, suppliers, contractors or sub-contractors involved with a project.

Our refineries contain many processing units, a number of which have been in operation for many years. Equipment, even if properly maintained, may require significant capital expenditures and expenses to keep it operating at optimum efficiency. One or more of the units may require unscheduled downtime for unanticipated maintenance or repairs that are more frequent than our scheduled turnarounds for such units. Scheduled and unscheduled maintenance could reduce our revenues during the period of time that the units are not operating.

Our forecasted internal rates of return are also based upon our projections of future market fundamentals, which are not within our control, including changes in general economic conditions, available alternative supply and customer demand. Any one or more of these factors could have a significant impact on our business. If we were unable to make up the delays associated with such factors or to recover the related costs, or if market conditions change, it could materially and adversely affect our financial position, results of operations or cash flows.

Our operating results have generally been seasonal and generally lower in the first and fourth quarters of the year for our refining business.

Demand for gasoline is generally higher during the summer months than during the winter months due to seasonal increases in highway traffic and construction work. Decreased demand during the winter months can lower gasoline prices. As a result, our operating results for the first and fourth calendar quarters may be lower than those for the second and third calendar quarters of each year.

We may not be able to successfully execute our strategy of growth within the refining industry through acquisitions.

A component of our growth strategy is to selectively consider strategic acquisitions within the refining sector based on performance through the cycle, advantageous access to crude oil supplies, attractive refined products market fundamentals and access to distribution and logistics infrastructure. Our ability to do so will be dependent upon a number of factors, including our ability to identify acceptable acquisition candidates, consummate acquisitions on acceptable terms, successfully integrate acquired assets and obtain financing to fund acquisitions and to support our growth and many other factors beyond our control. Risks associated with acquisitions include those relating to the diversion of management time and attention from our existing business, liability for known or unknown environmental conditions or other contingent liabilities and greater than anticipated expenditures required for compliance with environmental, safety or other regulatory standards or for investments to improve operating results, and the incurrence of additional indebtedness to finance acquisitions or capital expenditures relating to acquired assets. We may also enter into transition services agreements in the future with sellers of any additional refineries we acquire. Such services may not be performed timely and effectively, and any significant disruption in such transition services or unanticipated costs related to such services could adversely affect our business and results of operations.

We may not be successful in acquiring additional assets, and any acquisitions that we do consummate may not produce the anticipated benefits or may have adverse effects on our business and operating results.

Table of Contents

Our business may suffer if any of our key senior executives or other key employees discontinues employment with us. Furthermore, a shortage of skilled labor or disruptions in our labor force may make it difficult for us to maintain labor productivity.

Our future success depends to a large extent on the services of our key senior executives and other key employees. Our business depends on our continuing ability to recruit, train and retain highly qualified employees in all areas of our operations, including engineering, accounting, business operations, finance and other key back-office and mid-office personnel. Furthermore, our operations require skilled and experienced employees with proficiency in multiple tasks. The competition for these employees is intense, and the loss of these executives or employees could harm our business. If any of these executives or other key personnel resigns or becomes unable to continue in his or her present role and is not adequately replaced, our business operations could be materially adversely affected.

A portion of our workforce is unionized, and we may face labor disruptions that would interfere with our operations.

As of September 30, 2012, approximately 289 of our 446 employees at Paulsboro are covered by a collective bargaining agreement that expires in March of 2015. In addition, 639 of our 986 employees at Delaware City and Toledo are covered by a collective bargaining agreement that is currently anticipated to expire in February of 2015. We may not be able to renegotiate our collective bargaining agreements on satisfactory terms or at all when such agreements expire. A failure to do so may increase our costs. Other employees of ours who are not presently represented by a union may become so represented in the future as well. In addition, our existing labor agreements may not prevent a strike or work stoppage at any of our facilities in the future, and any work stoppage could negatively affect our results of operations and financial condition.

Our hedging activities may limit our potential gains, exacerbate potential losses and involve other risks.

We may enter into commodity derivatives contracts to hedge our crack spread risk with respect to a portion of our expected gasoline and diesel production on a rolling basis. Consistent with that policy we, or MSCG at our request, may hedge some percentage of future gasoline and diesel production. We may enter into hedging arrangements with the intent to secure a minimum fixed cash flow stream on the volume of products hedged during the hedge term and to protect against volatility in commodity prices. Our hedging arrangements may fail to fully achieve these objectives for a variety of reasons, including our failure to have adequate hedging arrangements, if any, in effect at any particular time and the failure of our hedging arrangements to produce the anticipated results. We may not be able to procure adequate hedging arrangements due to a variety of factors. Moreover, such transactions may limit our ability to benefit from favorable changes in crude oil and refined product prices. In addition, our hedging activities may expose us to the risk of financial loss in certain circumstances, including instances in which:

- the volumes of our actual use of crude oil or production of the applicable refined products is less than the volumes subject to the hedging arrangement;
- accidents, interruptions in feedstock transportation, inclement weather or other events cause unscheduled shutdowns or otherwise adversely affect our refineries, or those of our suppliers or customers;
- changes in commodity prices have a material impact on collateral and margin requirements under our hedging arrangements, including resulting in our being subject to margin calls;
- the counterparties to our futures contracts fail to perform under the contracts; or

a sudden, unexpected event materially impacts the commodity or crack spread subject to the hedging arrangement.

As a result, the effectiveness of our hedging strategy could have material impact on our financial results. See Management s Discussion and Analysis of Financial Condition and Results of Operations Quantitative and Qualitative Disclosures About Market Risk.

In addition, these hedging activities involve basis risk. Basis risk in a hedging arrangement occurs when the price of the commodity we hedge is more or less variable than the index upon which the hedged commodity is based, thereby making the hedge less effective. For example, a NYMEX index used for hedging certain volumes of crude oil or refined products may have more or less variability than the cost or price for such crude oil or refined products. We generally do not expect to hedge the basis risk inherent in our derivatives contracts.

Our commodity derivative activities could result in period-to-period earnings volatility.

We do not apply hedge accounting to all of our commodity derivative contracts and, as a result, unrealized gains and losses will be charged to our earnings based on the increase or decrease in the market value of the unsettled position. These gains and losses may be reflected in our income statement in periods that differ from when the underlying hedged items (i.e., gross margins) are reflected in our income statement. Such derivative gains or losses in earnings may produce significant period-to-period earnings volatility that is not necessarily reflective of our underlying operational performance.

The adoption of derivatives legislation by the United States Congress could have an adverse effect on our ability to use derivatives contracts to reduce the effect of commodity price, interest rate and other risks associated with our business.

The United States Congress in 2010 adopted the Dodd-Frank Wall Street Reform and Consumer Protection Act, or the Dodd-Frank Act, which, among other things, established federal oversight and regulation of the over-the-counter derivatives market and entities that participate in that market. In connection with the Dodd-Frank Act, the Commodity Futures Trading Commission, or the CFTC, adopted regulations to set position limits for certain futures and option contracts in the major energy markets. Although these regulations were recently vacated by the U.S. District Court for the District of Columbia, the court remanded the matter to the CFTC and the CFTC is currently exploring other ways to proceed. The legislation may also require us to comply with margin requirements, and with certain clearing and trade-execution requirements if we do not satisfy certain specific exceptions. The legislation may also require the counterparties to our derivatives contracts to transfer or assign some of their derivatives contracts to a separate entity, which may not be as creditworthy as the current counterparty. The legislation and any new regulations could significantly increase the cost of derivatives contracts (including through requirements to post collateral), materially alter the terms of derivatives contracts, reduce the availability of derivatives to protect against risks we encounter, reduce our ability to monetize or restructure our existing derivatives contracts, and increase our exposure to less creditworthy counterparties. If we reduce our use of derivatives as a result of the legislation and regulations, our results of operations may become more volatile and our cash flows may be less predictable, which could adversely affect our ability to plan for and fund capital expenditures. Any of these consequences could have a material adverse effect on us, our financial condition and our results of operations.

Our operations could be disrupted if our information systems fail, causing increased expenses and loss of sales.

Our business is highly dependent on financial, accounting and other data processing systems and other communications and information systems, including our enterprise resource planning tools. We process a large number of transactions on a daily basis and rely upon the proper functioning of computer systems. If a key system was to fail or experience unscheduled downtime for any reason, even if only for a short period, our operations and financial results could be affected adversely. Our systems could be damaged or interrupted by a security breach, fire, flood, power loss, telecommunications failure or similar event. We have a formal disaster recovery plan in place, but this plan may not prevent delays or other complications that could arise from an information systems failure. Further, our business interruption insurance may not compensate us adequately for losses that may occur.

Table of Contents

We may have difficulty implementing our enterprise-wide information systems.

We are making a substantial investment in new enterprise-wide information systems. The systems may not function as we expect when subjected to the demands of our operations and our employees may have problems adapting to the new processes and procedures necessary to operate the new systems. If these systems do not function as expected during the implementation period or our employees are not able to comply with the process and procedural demands of the new systems, we could have difficulty, for example, procuring products, scheduling deliveries to our customers, invoicing our customers, paying our suppliers, managing our inventories, analyzing our performance and preparing financial statements. In addition, we could incur substantial additional expense if the implementation takes longer than currently planned. If we experience difficulty implementing our new enterprise-wide information systems, it could have a material adverse impact on our financial condition and results of operations.

Product liability claims and litigation could adversely affect our business and results of operations.

Product liability is a significant commercial risk. Substantial damage awards have been made in certain jurisdictions against manufacturers and resellers based upon claims for injuries and property damage caused by the use of or exposure to various products. Failure of our products to meet required specifications or claims that a product is inherently defective could result in product liability claims from our shippers and customers, and also arise from contaminated or off-specification product in commingled pipelines and storage tanks and/or defective fuels. Product liability claims against us could have a material adverse effect on our business or results of operations.

We may incur significant liability under or costs and capital expenditures to comply with environmental, product specification, health and safety regulations, which are complex and change frequently.

Our refinery and pipeline operations are subject to federal, state and local laws regulating, among other things, the generation, storage, handling, use and transportation of petroleum and other regulated materials, the emission and discharge of materials into the environment, waste management, remediation of contaminated sites, characteristics and composition of gasoline and diesel and other matters otherwise relating to the protection of the environment. Our operations are also subject to various laws and regulations relating to occupational health and safety.

Compliance with the complex array of federal, state and local laws relating to the protection of the environment, product specification, health and safety is difficult. We may not be able to operate in compliance with all environmental, product specification, health and safety requirements at all times. Violations of applicable requirements could result in substantial fines and penalties, criminal sanctions, permit revocations, injunctions and/or facility shutdowns, or claims for alleged personal injury, property damage or damage to natural resources. Moreover, our business is subject to accidental spills, discharges or other releases of petroleum or other regulated materials into the environment including at neighboring areas or third party storage, treatment or disposal facilities. Certain environmental laws impose strict, and in certain circumstances, joint and several, liability for costs of investigation and cleanup of such spills, discharges or releases on owners and operators of, as well as persons who arrange for treatment or disposal of regulated materials at, contaminated sites. Under these laws, we may be required to pay more than our fair share of any required investigation or cleanup of such sites.

We cannot predict what additional environmental, product specification, health and safety legislation or regulations will be adopted in the future, or how existing or future laws or regulations will be administered or interpreted with respect to our operations. Many of these laws and regulations are becoming increasingly stringent, and the cost of compliance with these requirements can be expected to increase over time. For example, in 2010 New York State adopted a Low-Sulfur Heating Oil mandate that beginning July 1, 2012 requires all heating oil sold in New York State to contain no more than 15 PPM sulfur. Not all of the heating oil we produce meets this specification. In addition, on June 1, 2012, the EPA issued final amendments to the New Source Performance Standards (NSPS) for petroleum refineries, including standards for emissions of nitrogen

Table of Contents

oxides from process heaters and work practice standards and monitoring requirements for flares. We are evaluating the regulation and amended standards, as may be applicable to the flare, process heaters and operations at our refineries. We cannot currently predict the costs that we may have to incur, if any, to comply by July 1, 2015 with the amended NSPS, but these costs could be material. Furthermore, the EPA has announced that it plans to propose new Tier 3 motor vehicle emission and fuel standards. It has been reported that these new Tier 3 regulations may, among other things, lower the maximum average sulfur content of gasoline from 30 PPM to 10 PPM. If the Tier 3 regulations are eventually implemented and lower the maximum allowable content of sulfur or other constituents in fuels that we produce, we may at some point in the future be required to make significant capital expenditures and/or incur materially increased operating costs to comply with the new standards. Expenditures or costs for environmental, product specification, health and safety compliance could have a material adverse effect on our results of operations, financial condition and profitability.

We may also incur liability or be required to pay penalties for past contamination, and third parties may assert claims against us for damages allegedly arising out of any past or future contamination. The potential penalties and clean-up costs for past or future releases or spills, the failure of prior owners of our facilities to complete their clean-up obligations, the liability to third parties for damage to their property, or the need to address newly-discovered information or conditions that may require a response could be significant, and the payment of these amounts could have a material adverse effect on our business, financial condition and results of operations.

Furthermore, we operate in environmentally sensitive coastal waters where tanker, pipeline and refined product transportation operations are closely regulated by federal, state and local agencies and monitored by environmental interest groups.

Finally, transportation of crude oil and refined products over water involves inherent risk and subjects us to the provisions of the Federal Oil Pollution Act of 1990 and the laws of various states. Among other things, these laws require us to demonstrate in some situations our capacity to respond to a worst case discharge to the maximum extent possible. There may be accidents involving tankers transporting crude oil or refined products, and response service companies that we have contracted with, in the areas in which we transport crude oil and refined products, may not respond to a worst case discharge in a manner that will adequately contain that discharge, and we may be subject to liability in connection with a discharge.

Environmental clean-up and remediation costs of our sites and environmental litigation could decrease our net cash flow, reduce our results of operations and impair our financial condition.

We are subject to liability for the investigation and clean-up of environmental contamination at each of the properties that we own or operate and at off-site locations where we arrange for the treatment or disposal of regulated materials. We may become involved in future litigation or other proceedings. If we were to be held responsible for damages in any litigation or proceedings, such costs may not be covered by insurance and may be material. Historical soil and groundwater contamination has been identified at each of our refineries. Currently remediation projects are underway in accordance with regulatory requirements at the Paulsboro and Delaware City refineries. In connection with the acquisitions of our refineries, the prior owners have retained certain liabilities or indemnified us for certain liabilities, including those relating to pre-acquisition soil and groundwater conditions, and in some instances we have assumed certain liabilities and environmental obligations, including certain remediation obligations at the Paulsboro refinery. If the prior owners fail to satisfy their obligations for any reason, or if significant liabilities arise in the areas in which we assumed liability, we may become responsible for remediation expenses and other environmental liabilities, which could have a material adverse effect on our financial condition. As a result, in addition to making capital expenditures or incurring other costs to comply with environmental laws, we also may be liable for significant environmental litigation or for investigation and remediation costs and other liabilities arising from the ownership or operation of these assets by prior owners, which could materially adversely affect our financial condition, results of operations and cash flow. See Management s Discussion and Analysis of Financial Condition and Results of Operations Pro Forma Contractual Obligations and Commitments and Business Environmental, Health and Safety Matters.

25

We may also face liability arising from current or future claims alleging personal injury or property damage due to exposure to chemicals or other regulated materials, such as asbestos, benzene, MTBE and petroleum hydrocarbons, at or from our facilities. We may also face liability for personal injury, property damage, natural resource damage or clean-up costs for the alleged migration of contamination from our properties. A significant increase in the number or success of these claims could materially adversely affect our financial condition, results of operations and cash flow.

Regulation of emissions of greenhouse gases could force us to incur increased capital and operating costs and could have a material adverse effect on our results of operations and financial condition.

Both houses of Congress have actively considered legislation to reduce emissions of GHGs, such as carbon dioxide and methane, including proposals to: (i) establish a cap and trade system, (ii) create a federal renewable energy or clean energy standard requiring electric utilities to provide a certain percentage of power from such sources, and (iii) create enhanced incentives for use of renewable energy and increased efficiency in energy supply and use. In addition, the EPA is taking steps to regulate GHGs under the existing federal Clean Air Act, or CAA. The EPA has already adopted regulations limiting emissions of GHGs from motor vehicles, addressing the permitting of GHG emissions from stationary sources, and requiring the reporting of GHG emissions from specified large GHG emission sources, including refineries. These and similar regulations could require us to incur costs to monitor and report GHG emissions or reduce emissions of GHGs associated with our operations. In addition, various states, individually as well as in some cases on a regional basis, have taken steps to control GHG emissions, including adoption of GHG reporting requirements, cap and trade systems and renewable portfolio standards. Efforts have also been undertaken to delay, limit or prohibit EPA and possibly state action to regulate GHG emissions, and it is not possible at this time to predict the ultimate form, timing or extent of federal or state regulation. In the event we do incur increased costs as a result of increased efforts to control GHG emissions, we may not be able to pass on any of these costs to our customers. Such requirements also could adversely affect demand for the refined petroleum products that we produce. Any increased costs or reduced demand could materially and adversely affect our business and results of operation.

Renewable fuels mandates may reduce demand for the refined fuels we produce, which could have a material adverse effect on our results of operations and financial condition.

Pursuant to the Energy Policy Act of 2005 and the Energy Independence and Security Act of 2007, the EPA has issued Renewable Fuel Standards, or RFS, implementing mandates to blend renewable fuels into the petroleum fuels produced and sold in the United States. Under RFS, the volume of renewable fuels that obligated refineries must blend into their finished petroleum fuels increases annually over time until 2022. In addition, certain states have passed legislation that requires minimum biodiesel blending in finished distillates. On October 13, 2010, the EPA raised the maximum amount of ethanol allowed under federal law from 10% to 15% for cars and light trucks manufactured since 2007. The maximum amount allowed under federal law currently remains at 10% ethanol for all other vehicles. Existing laws and regulations could change, and the minimum volumes of renewable fuels that must be blended with refined petroleum fuels may increase. Because we do not produce renewable fuels, increasing the volume of renewable fuels that must be blended into our products displaces an increasing volume of our refinery s product pool, potentially resulting in lower earnings and profitability. In addition, in order to meet certain of these and future EPA requirements, we must purchase credits, known as RINS, which have fluctuating costs.

Our pipelines are subject to federal and/or state regulations, which could reduce the amount of cash we generate.

Our transportation activities are subject to regulation by multiple governmental agencies. The regulatory burden on the industry increases the cost of doing business and affects profitability. Additional proposals and proceedings that affect the oil industry are regularly considered by Congress, the states, the Federal Energy Regulatory Commission, the United States Department of Transportation, and the courts. We cannot predict when or whether any such proposals may become effective or what impact such proposals may have. Projected

Table of Contents

operating costs related to our pipelines reflect the recurring costs resulting from compliance with these regulations, and these costs may increase due to future acquisitions, changes in regulation, changes in use, or discovery of existing but unknown compliance issues.

We are subject to strict laws and regulations regarding employee and process safety, and failure to comply with these laws and regulations could have a material adverse effect on our results of operations, financial condition and profitability.

We are subject to the requirements of the Occupational Safety & Health Administration, or OSHA, and comparable state statutes that regulate the protection of the health and safety of workers. In addition, OSHA requires that we maintain information about hazardous materials used or produced in our operations and that we provide this information to employees, state and local governmental authorities, and local residents. Failure to comply with OSHA requirements, including general industry standards, process safety standards and control of occupational exposure to regulated substances, could have a material adverse effect on our results of operations, financial condition and the cash flows of the business if we are subjected to significant fines or compliance costs.

Compliance with and changes in tax laws could adversely affect our performance.

We are subject to extensive tax liabilities, including federal, state, local and foreign taxes such as income, excise, sales/use, payroll, franchise, property, gross receipts, withholding and ad valorem taxes. New tax laws and regulations and changes in existing tax laws and regulations are continuously being enacted or proposed that could result in increased expenditures for tax liabilities in the future. These liabilities are subject to periodic audits by the respective taxing authorities, which could increase our tax liabilities. Subsequent changes to our tax liabilities as a result of these audits may also subject us to interest and penalties. There can be no certainty that our federal, state, local or foreign taxes could be passed on to our customers.

Our rapid growth may strain our resources and divert management s attention.

We were a development stage enterprise prior to our acquisition of Paulsboro on December 17, 2010. With the further acquisition of Toledo and the re-start of Delaware City, we have experienced rapid growth in a short period of time. Continued expansion may strain our resources and force management to focus attention from other business concerns to the development of incremental internal controls and procedures, which could harm our business and operating results. We may also need to hire more employees, which will increase our costs and expenses.

We rely on Statoil and MSCG, over whom we may have limited control, to provide us with certain volumetric and pricing data used in our inventory valuations.

We rely on Statoil and MSCG to provide us with certain volumetric and pricing data used in our inventory valuations. Our limited control over the accuracy and the timing of the receipt of this data could materially and adversely affect our ability to produce financial statements in a timely manner.

Changes in our credit profile could adversely affect our business.

Changes in our credit profile could affect the way crude oil suppliers view our ability to make payments and induce them to shorten the payment terms for our purchases or require us to post security or letters of credit prior to payment. Due to the large dollar amounts and volume of our crude oil and other feedstock purchases, any imposition by our suppliers of more burdensome payment terms on us may have a material adverse effect on our liquidity and our ability to make payments to our suppliers. This, in turn, could cause us to be unable to operate one or more of our refineries at full capacity.

Table of Contents

We could incur substantial costs or disruptions in our business if we cannot obtain or maintain necessary permits and authorizations.

Our operations require numerous permits and authorizations under various laws and regulations, including environmental and health and safety laws and regulations. These authorizations and permits are subject to revocation, renewal or modification and can require operational changes, which may involve significant costs, to limit impacts or potential impacts on the environment and/or health and safety. A violation of these authorizations or permit conditions or other legal or regulatory requirements could result in substantial fines, criminal sanctions, permit revocations, injunctions and/or refinery shutdowns. In addition, major modifications of our operations could require changes to our existing permits or expensive upgrades to our existing pollution control equipment, which could have a material adverse effect on our business, financial condition or results of operations.

Risks Related to Our Indebtedness

Our substantial indebtedness could adversely affect our financial condition and prevent us from fulfilling our obligations under our indebtedness.

Our substantial indebtedness may significantly affect our financial flexibility in the future. As of September 30, 2012, we have total long-term debt, including current maturities and the Delaware Economic Development Authority Loan, of $733.0 million, all of which is secured, and we could have incurred an additional $495.1 million of senior secured indebtedness under our existing debt agreements. We may incur additional indebtedness in the future. Our strategy includes executing future refinery acquisitions. Any significant acquisition would likely require us to incur additional indebtedness in order to finance all or a portion of such acquisition. The level of our indebtedness has several important consequences for our future operations, including that:

- a significant portion of our cash flow from operations will be dedicated to the payment of principal of, and interest on, our indebtedness and will not be available for other purposes;
- covenants contained in our existing debt arrangements limit our ability to borrow additional funds, dispose of assets and make certain investments;
- these covenants also require us to meet or maintain certain financial tests, which may affect our flexibility in planning for, and reacting to, changes in our industry, such as being able to take advantage of acquisition opportunities when they arise;
- our ability to obtain additional financing for working capital, capital expenditures, acquisitions, general corporate and other purposes may be limited; and
- we may be at a competitive disadvantage to those of our competitors that are less leveraged; and we may be more vulnerable to adverse economic and industry conditions.

Our substantial indebtedness increases the risk that we may default on our debt obligations, certain of which contain cross-default and/or cross-acceleration provisions. We have significant principal payments due under our debt instruments. Our subsidiaries ability to meet their principal obligations will be dependent upon our future performance, which in turn will be subject to general economic conditions, industry cycles and financial, business and other factors affecting our operations, many of which are beyond our control. Our business may not continue to generate sufficient cash flow from operations to repay our substantial indebtedness. If we are unable to generate sufficient cash flow from operations, we may be required to sell assets, to refinance all or a portion of our indebtedness or to obtain additional financing. Refinancing may not be possible and additional financing may not be available on commercially acceptable terms, or at all.

Despite our level of indebtedness, we and our subsidiaries may be able to incur substantially more debt, which could exacerbate the risks described above.

We and our subsidiaries may be able to incur substantial additional indebtedness in the future including additional secured debt. Although our debt instruments and financing arrangements contain restrictions on the

Table of Contents

incurrence of additional indebtedness, these restrictions are subject to a number of qualifications and exceptions, and the indebtedness incurred in compliance with these restrictions could be substantial. To the extent new debt is added to our currently anticipated debt levels, the substantial leverage risks described above would increase. Also, these restrictions do not prevent us from incurring obligations that do not constitute indebtedness.

Restrictive Covenants in our debt instruments may limit our ability to undertake certain types of transactions.

Various covenants in our debt instruments and other financing arrangements may restrict our and our subsidiaries financial flexibility in a number of ways. Our indebtedness subjects us to significant financial and other restrictive covenants, including restrictions on our ability to incur additional indebtedness, place liens upon assets, pay dividends or make certain other restricted payments and investments, consummate certain asset sales or asset swaps, conduct businesses other than our current businesses, or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of our assets. Some of these debt instruments also require our subsidiaries to satisfy or maintain certain financial condition tests in certain circumstances. Our subsidiaries ability to meet these financial condition tests can be affected by events beyond our control and they may not meet such tests.

We may have capital needs for which our internally generated cash flows and other sources of liquidity may not be adequate.

If we cannot generate sufficient cash flows or otherwise secure sufficient liquidity to support our short-term and long-term capital requirements, we may not be able to meet our payment obligations in connection with the acquisitions of our refineries (including any earn-outs), or our future debt obligations, comply with certain deadlines related to environmental regulations and standards, or pursue our business strategies, in which case our operations may not perform as we currently expect. We have substantial short-term capital needs and may have substantial long term capital needs. Our short-term working capital needs are primarily related to financing certain of our refined products inventory not covered by our various clean products offtake agreements. We have recently terminated our agreement with Statoil for our Paulsboro refinery effective March 31, 2013. If we cannot adequately handle our crude oil and feedstock requirements without the benefit of the Statoil arrangement at Paulsboro, or if we are required to obtain our crude oil supply at our other refineries without the benefit of the existing supply arrangements or the applicable counterparty defaults in its obligations, our crude oil pricing costs may increase as the number of days between when we pay for the crude oil and when the crude oil is delivered to us increases. Such increased exposure could negatively impact our liquidity due to our increased working capital needs as a result of the increase in the amount of crude oil inventory we would have to carry on our balance sheet. Our long-term needs for cash include those to support ongoing capital expenditures for equipment maintenance and upgrades during turnarounds at our refineries and to complete our routine and normally scheduled maintenance, regulatory and security expenditures. In addition, from time to time, we are required to spend significant amounts for repairs when one or more processing units experiences temporary shutdowns. We continue to utilize significant capital to upgrade equipment, improve facilities, and reduce operational, safety and environmental risks. In connection with the Paulsboro acquisition, we assumed certain significant environmental obligations, and may similarly do so in future acquisitions. We will likely incur substantial compliance costs in connection with new or changing environmental, health and safety regulations. See Management s Discussion and Analysis of Financial Condition and Results of Operations Pro Forma Contractual Obligations and Commitments. Our liquidity will affect our ability to satisfy any of these needs or obligations.

Risks Relating to This Offering and Ownership of Our Class A Common Stock

You will experience an immediate and substantial dilution in the net tangible book value of the Class A common stock you purchase in this offering.

The initial public offering price per share of our Class A common stock is substantially higher than the pro forma net tangible book value per share of our Class A common stock immediately after this offering. As a result, you may pay a price per share that substantially exceeds the book value of our assets after subtracting our

29

Table of Contents

liabilities. Investors who purchase Class A common stock in this offering will be diluted by $ per share after giving effect to the sale of shares of Class A common stock in this offering at an assumed initial public offering price of $ per share, the mid-point of the estimated price range set forth on the cover page of this prospectus. If we grant options in the future to our employees, and those options are exercised or other issuances of Class A common stock are made, there will be further dilution. See Dilution.

A significant portion of the proceeds from this offering will be used to purchase PBF LLC Series A Units from Blackstone and First Reserve and certain of our employees.

We intend to use a significant portion of the proceeds from this offering to purchase PBF LLC Series A Units (which will be reclassified as PBF LLC Series C Units in connection with such acquisition) from Blackstone and First Reserve and certain of our employees as described under Organizational Structure Offering Transactions. Accordingly, we will not retain any of these proceeds. See Use of Proceeds included elsewhere in this prospectus.

There is no existing market for our Class A common stock, and we do not know if one will develop to provide you with adequate liquidity.

Prior to this offering, there has not been a public market for our Class A common stock. We have applied to list our Class A common stock on the NYSE. We cannot predict the extent to which investor interest in our company will lead to the development of a trading market on the NYSE or otherwise or how liquid that market might become. If an active trading market does not develop, you may have difficulty selling any of our Class A common stock that you buy. The initial public offering price for the shares was determined by negotiations between us and the representatives of the underwriters based on numerous factors that we discuss in the Underwriting section of this prospectus and may not be indicative of prices that will prevail in the open market following this offering.

Consequently, you may not be able to sell our Class A common stock at prices equal to or greater than the price you paid in this offering.

The initial public offering price of our Class A common stock may not be indicative of the market price of our Class A common stock after this offering and our stock price may be highly volatile.

The initial public offering price of our Class A common stock is based on numerous factors and may not be indicative of the market price of our Class A common stock after this offering. The market price may be affected by such factors as:

- variations in actual or anticipated operating results;
- changes in, or failure to meet, earnings estimates of securities analysts;
- market conditions in the oil refining industry;

regulatory actions;

general economic and stock market conditions; and

the availability for sale, or sales, of a significant number of shares of our Class A common stock in the public market.

These and other factors may cause the market price of our Class A common stock to decline below the initial public offering price, which in turn would adversely affect the value of your investment.

In the past, following periods of volatility in the market price of a company s securities, stockholders have often instituted class action securities litigation against those companies. Such litigation, if instituted, could result in substantial costs and a diversion of management s attention and resources, which could significantly harm our profitability and reputation.

[Table of Contents](#)

We cannot assure you that we will declare dividends or have the available cash to make dividend payments. We are a holding company that depends upon cash from our subsidiaries to meet our obligations and/or to pay dividends in the future.

We currently intend to pay quarterly cash dividends in an amount equal to approximately $ per share of Class A common stock following the completion of this offering. The declaration, timing and amount of any dividends on our Class A common stock will be subject to our actual future earnings and capital requirements and at the discretion of our board of directors. Our board of directors may take into account, among other things, general economic conditions, our financial condition and operating results, our available cash and current and anticipated cash needs, capital requirements, plans for expansion, tax, legal, regulatory and contractual restrictions and implications, including under our outstanding debt documents, and such other factors as our board of directors may deem relevant. As a result, if we do not declare dividends you may not receive any return on an investment in our Class A common stock unless you sell our Class A common stock for a price greater than that which you paid for it. Any dividends that we may declare and pay will not be cumulative.

We are a holding company and all of our operations are conducted through subsidiaries of PBF Holding. We have no independent means of generating revenue and no material assets other than our ownership interest in PBF LLC. Therefore, we depend on the earnings and cash flow of our subsidiaries to meet our obligations, including our indebtedness, tax liabilities and obligations to make payments under the tax receivable agreement. If we or PBF LLC do not receive such cash distributions, dividends or other payments from our subsidiaries, we and PBF LLC may be unable to meet our obligations and/or pay dividends.

We intend to cause PBF LLC to make distributions to its members in an amount sufficient to enable us to cover all applicable taxes at assumed tax rates, make payments owed by us under the tax receivable agreement, and to pay other obligations and dividends, if any, declared by us. To the extent we need funds and PBF LLC or any of its subsidiaries is restricted from making such distributions under applicable law or regulation or under the terms of our financing or other contractual arrangements, or is otherwise unable to provide such funds, such restrictions could materially adversely affect our liquidity and financial condition.

Our ABL Revolving Credit Facility, senior secured notes and certain of our other outstanding debt arrangements include a restricted payment covenant, which restricts the ability of PBF Holding to make distributions to us, and we anticipate our future debt will contain a similar restriction. In addition, there may be restrictions on payments by our subsidiaries under applicable laws, including laws that require companies to maintain minimum amounts of capital and to make payments to stockholders only from profits. For example, PBF Holding is generally prohibited under Delaware law from making a distribution to a member to the extent that, at the time of the distribution, after giving effect to the distribution, liabilities of the limited liability company (with certain exceptions) exceed the fair value of its assets. As a result, we may be unable to obtain that cash to satisfy our obligations and make payments to our stockholders, if any.

Future sales of our shares could depress the market price of our Class A common stock.

The market price of our Class A common stock could decline as a result of sales of a large number of shares of Class A common stock in the market after the offering or the perception that such sales could occur. These sales, or the possibility that these sales may occur, also might make it more difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate.

The shares of Class A common stock we are offering will be freely tradable without restriction in the United States, unless purchased by one of our affiliates. In connection with this offering, we, our executive officers and directors and Blackstone and First Reserve have agreed with the underwriters, subject to certain exceptions, not to sell, dispose of or hedge any of our Class A common stock or securities convertible into or exchangeable for shares of Class A common stock, during the period ending 180 days after the date of this prospectus, except with the prior written consent of Citigroup Global Markets Inc. and Morgan Stanley & Co. LLC. See Underwriting. After the expiration of the 180-day lock-up period, we are required to register the issuance and resale of the shares of Class A common stock that may be issued to our existing owners pursuant to the exchange agreement.

Table of Contents

These shares also may be sold under Rule 144 under the Securities Act of 1933, as amended, depending on the holding period and subject to restrictions in the case of shares held by persons deemed to be our affiliates. As restrictions on resale end or if we register additional shares, the market price of our stock could decline if the holders of restricted shares sell them or are perceived by the market as intending to sell them.

If securities or industry analysts do not publish research or reports about our business, or if they downgrade their recommendations regarding our Class A common stock, our stock price and trading volume could decline.

The trading market for our Class A common stock will be influenced by the research and reports that industry or securities analysts publish about us or our business. If any of the analysts who cover us downgrade our Class A common stock or publish inaccurate or unfavorable research about our business, our Class A common stock price would likely decline. If analysts cease coverage of us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause our Class A common stock price or trading volume to decline and our Class A common stock to be less liquid.

As a controlled company within the meaning of the NYSE rules, we will qualify for, and intend to rely on, exemptions from certain corporate governance requirements.

Upon completion of this offering Blackstone and First Reserve will continue to control a majority of the combined voting power of all classes of our voting stock. As a result, we will be a controlled company within the meaning of the NYSE corporate governance standards. Under the NYSE rules, a company of which more than 50% of the voting power is held by another company is a controlled company and may elect not to comply with certain NYSE corporate governance requirements, including (1) the requirement that a majority of the board of directors consist of independent directors, (2) the requirement that we have a corporate governance committee that is composed entirely of independent directors with a written charter addressing the committee s purpose and responsibilities, (3) the requirement that we have a compensation committee that is composed entirely of independent directors with a written charter addressing the committee s purpose and responsibilities and (4) the requirement that there be an annual performance evaluation of the corporate governance and compensation committees. If available, we intend to utilize some or all of these exemptions. As a result, we will not be required to have a majority of independent directors nor will our nominating and corporate governance and compensation committees be required to consist entirely of independent directors. We will rely on the phase-in rules of the SEC and NYSE with respect to the independence of our audit committee. These rules permit us to have an audit committee that has one member that is independent upon the effectiveness of the registration statement of which this prospectus forms a part, a majority of members that are independent within 90 days thereafter and all members that are independent within one year thereafter. Accordingly, you would not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance requirements of the NYSE.

Our internal controls over financial reporting currently do not meet all of the standards contemplated by Section 404 of the Sarbanes-Oxley Act of 2002, and failure to achieve and maintain effective internal controls over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act could have a material adverse effect on our business and share price.

As a result of this offering, we will become subject to reporting and other obligations under the Securities Exchange Act of 1934, as amended. Beginning with the year ending December 31, 2013, pursuant to Section 404 of the Sarbanes-Oxley Act, we will be required to furnish a report by our management on our internal control over financial reporting, and our auditors will be required to deliver an attestation report on the operating effectiveness of our internal control over financial reporting. The report by our management must contain, among other things, an assessment of the effectiveness of our internal control over financial reporting as of the end of our fiscal year. This assessment must include disclosure of any material weaknesses in our internal control over financial reporting identified by management.

32

Table of Contents

As an organization that recently exited the development stage and has grown rapidly through the acquisition of significant operations, we are currently in the process of developing our internal controls over financial reporting and establishing formal policies, processes and practices related to financial reporting and to the identification of key financial reporting risks, assessment of their potential impact and linkage of those risks to specific areas and activities within our organization. Our internal controls over financial reporting currently do not meet all of the standards contemplated by Section 404 of the Sarbanes-Oxley Act that we will eventually be required to meet.

In connection with the preparation of our financial statements during 2011, we identified a material weakness relating to controls over critical business and accounting functions performed by third party service providers and significant deficiencies regarding spreadsheet controls and the timely completion and review of account reconciliations and other analyses as part of our financial closing process. Management has taken the following steps to remediate these issues:

In August 2011, we retained a nationally recognized certified public accounting firm to assist us with assessing, designing and documenting our internal control procedures to satisfy the requirements of Section 404 of the Sarbanes-Oxley Act;

We hired additional resources (and expect to continue to hire additional resources) to assist with completing the financial statement closing process on a more timely basis;

We are in the process of documenting our financial statement closing process, including establishing more comprehensive account reconciliation and review procedures and spreadsheet controls;

We developed and implemented information technology systems, accounting processes and procedures, and hired commercial, accounting and information technology personnel in order to bring in-house the business and accounting processes that were performed by third parties. We expect to continue to develop and improve these new systems and processes.

We may not be able to successfully remediate these matters on or before December 31, 2013, the date by which we must comply with Section 404 of the Sarbanes-Oxley Act, and we may have additional deficiencies or material weaknesses in the future. We have not yet determined the costs directly associated with these remediation activities, but they could be substantial.

If we are not able to complete our initial assessment of our internal controls and otherwise implement the requirements of Section 404 of the Sarbanes-Oxley Act in a timely manner or with adequate compliance, management may not be able to certify as to the adequacy of our internal controls over financial reporting. Matters impacting our internal controls may cause us to be unable to report our financial information on a timely basis and thereby subject us to adverse regulatory consequences, including sanctions by the SEC or violations of applicable stock exchange listing rules, and result in a breach of the covenants under our debt agreements. There also could be a negative reaction in the financial markets due to a loss of investor confidence in us and the reliability of our financial statements. Confidence in the reliability of our financial statements also could suffer if our independent registered public accounting firm were to report a material weakness in our internal controls over financial reporting in the future. This could materially adversely affect us and lead to a decline in our Class A common stock price.

We are controlled by our existing owners, whose interests may differ from those of our public stockholders.

We are controlled, and after this offering will continue to be controlled, by Blackstone and First Reserve. After the completion of this offering, each of Blackstone and First Reserve will continue to beneficially own in the aggregate approximately % of the combined voting power of our common stock (or % if the underwriters exercise their option to purchase additional shares in full). As a result, Blackstone and First

Reserve will have the ability to elect all of our directors and thereby control our policies and operations, including the appointment of management, future issuances of our Class A common stock or other securities, the payment of

Table of Contents

dividends, if any, on our Class A common stock, the incurrence of debt by us, amendments to our certificate of incorporation and bylaws and the entering into of extraordinary transactions, and their interests may not in all cases be aligned with your interests.

Our existing owners, including Blackstone and First Reserve, hold all of the outstanding PBF LLC Series A Units. Because our existing owners hold their economic interest in our business through PBF LLC, rather than through the public company, they may have conflicting interests with holders of shares of our Class A common stock. For example, our existing owners may have different tax positions from us which could influence their decisions regarding whether and when to dispose of assets, whether and when to incur new or refinance existing indebtedness, especially in light of the existence of the tax receivable agreement that we will enter into in connection with this offering, and whether and when we should undergo certain changes of control within the meaning of the tax receivable agreement or terminate the tax receivable agreement, which would accelerate our obligations thereunder. In addition, the structuring of future transactions may take into consideration these tax or other considerations even where no similar benefit would accrue to us. See Certain Relationships and Related Transactions Tax Receivable Agreement.

Blackstone and First Reserve may have an interest in pursuing acquisitions, divestitures and other transactions that, in their judgment, could enhance their equity investment, even though such transactions might involve risks to you. For example, they could cause us to make acquisitions that increase our indebtedness or to sell revenue-generating assets. So long as they continue to beneficially own a majority of the combined voting power of our common stock, they will have the ability to control the vote in any election of directors. In addition, pursuant to a stockholders agreement entered into between us and Blackstone and First Reserve, following this offering Blackstone and First Reserve will also have the ability to nominate a number of our directors, including a majority of our directors, provided certain ownership thresholds are maintained. See Management, Principal Stockholders and Certain Relationships and Related Transactions. This concentration of ownership may have the effect of delaying, preventing or deterring a change of control of our company, could deprive stockholders of an opportunity to receive a premium for their Class A common stock as part of a sale of our company and might ultimately affect the market price of our Class A common stock. Lastly, Blackstone and First Reserve are in the business of making investments in companies and may from time to time acquire and hold interests in businesses that compete directly or indirectly with us. They may also pursue acquisition opportunities that are complementary to our business and, as a result, those acquisition opportunities may not be available to us.

We will be required to pay the holders of PBF LLC Series A Units and PBF LLC Series B Units for certain tax benefits we may claim arising in connection with this offering and future exchanges of PBF LLC Series A Units for shares of our Class A Common Stock and related transactions, and the amounts we may pay could be significant.

As described in Organizational Structure Offering Transactions, we intend to use a significant portion of the net proceeds from this offering to purchase PBF LLC Series A Units from certain of our existing owners, with the balance used to purchase newly issued PBF LLC Series C Units from PBF LLC. We will enter into a tax receivable agreement with the holders of PBF LLC Series A Units and PBF LLC Series B Units that will provide for the payment from time to time by PBF Energy to such persons of 85% of the benefits, if any, that PBF Energy is deemed to realize as a result of (i) the increases in tax basis resulting from its acquisitions of PBF LLC Series A Units as part of the Offering Transactions or in the future and (ii) certain other tax benefits related to our entering into the tax receivable agreement, including tax benefits attributable to payments under the tax receivable agreement. See Certain Relationships and Related Transactions Tax Receivable Agreement.

We expect that the payments that we may make under the tax receivable agreement will be substantial. Assuming no material changes in the relevant tax law, and that we earn sufficient taxable income to realize all tax benefits that are subject to the tax receivable agreement, we expect future payments under the tax receivable agreement relating to the purchase by PBF Energy of PBF LLC Series A Units as part of the Offering Transactions to aggregate $ (or $ if the underwriters exercise their option to purchase additional shares) and to range over the next 15 years from approximately $ million to $ million per year (or

34

approximately $ million to $ million per year if the underwriters exercise their option to purchase additional shares) and decline thereafter. Future payments by us in respect of subsequent exchanges of PBF LLC Series A Units would be in addition to these amounts and are expected to be substantial as well. The foregoing numbers are merely estimates the actual payments could differ materially. It is possible that future transactions or events could increase or decrease the actual tax benefits realized and the corresponding tax receivable agreement payments. There may be a material negative effect on our liquidity if, as a result of timing discrepancies or otherwise, (i) the payments under the tax receivable agreement exceed the actual benefits we realize in respect of the tax attributes subject to the tax receivable agreement, and/or (ii) distributions to PBF Energy by PBF LLC are not sufficient to permit PBF Energy to make payments under the tax receivable agreement after it has paid its taxes and other obligations. The payments under the tax receivable agreement are not conditioned upon any recipient s continued ownership of us.

In certain cases, payments by us under the tax receivable agreement may be accelerated and/or significantly exceed the actual benefits we realize in respect of the tax attributes subject to the tax receivable agreement.

The tax receivable agreement will provide that upon certain changes of control, or if, at any time, PBF Energy elects an early termination of the tax receivable agreement, PBF Energy s (or its successor s) obligations with respect to exchanged or acquired PBF LLC Series A Units (whether exchanged or acquired before or after such transaction) would be based on certain assumptions, including (i) that PBF Energy would have sufficient taxable income to fully utilize the deductions arising from the increased tax deductions and tax basis and other benefits related to entering into the tax receivable agreement and (ii) that the subsidiaries of PBF LLC will sell certain nonamortizable assets (and realize certain related tax benefits) no later than a specified date. As a result, (i) we could be required to make payments under the tax receivable agreement that are significantly greater than the specified percentage of the actual benefits we realize in respect of the tax attributes subject to the tax receivable agreement, and (ii) if we elect to terminate the tax receivable agreement early or if we undergo certain changes of control, we would be required to make an immediate payment equal to the present value of the anticipated future tax benefits (based on the foregoing assumptions), which upfront payment may be made years in advance of the actual realization, if any, of such future tax benefits. Assuming that the market value of a share of Class A common stock were to be equal to the initial public offering price per share of Class A common stock in this offering and that LIBOR were to be %, we estimate that the aggregate amount of these change of control payments would be approximately $ if triggered immediately after this offering. In these situations, our obligations under the tax receivable agreement could have a substantial negative impact on our liquidity. We may not be able to finance our obligations under the tax receivable agreement and our existing indebtedness may limit our subsidiaries ability to make distributions to us to pay these obligations.

However, payments under the tax receivable agreement will be based on the tax reporting positions that we determine in accordance with the tax receivable agreement. We will not be reimbursed for any payments previously made under the tax receivable agreement if the Internal Revenue Service subsequently disallows part or all of the tax benefit that gave rise to such prior payments. As a result, in certain circumstances, payments could be made under the tax receivable agreement that are significantly in excess of the benefits that we actually realize in respect of (a) the increases in tax basis resulting from our purchases or exchanges of PBF LLC Series A Units and (b) certain other tax benefits related to our entering into the tax receivable agreement, including tax benefits attributable to payments under the tax receivable agreement.

Anti-takeover and certain other provisions in our certificate of incorporation and bylaws and Delaware law may discourage or delay a change in control.

Our certificate of incorporation and bylaws contain provisions which could make it more difficult for stockholders to effect certain corporate actions. Among other things, these provisions:

- authorize the issuance of undesignated preferred stock, the terms of which may be established and the shares of which may be issued without stockholder approval;

35

Table of Contents

- prohibit stockholder action by written consent after the date on which Blackstone and First Reserve collectively cease to beneficially own at least a majority of all of the outstanding shares of our capital stock entitled to vote;

- restrict certain business combinations with stockholders who obtain beneficial ownership of a certain percentage of our outstanding common stock after the date Blackstone and First Reserve and their affiliates collectively cease to beneficially own at least 5% of all of the outstanding shares of our capital stock entitled to vote;

- provide that special meetings of stockholders may be called only by the chairman of the board of directors, the chief executive officer or the board of directors, or Blackstone or First Reserve, for so long as Blackstone or First Reserve, in its individual capacity as the party calling the meeting, continues to beneficially own at least 25% of the total voting power of all the then outstanding shares of our capital stock, and establish advance notice procedures for the nomination of candidates for election as directors or for proposing matters that can be acted upon at stockholder meetings; and

- provide that on and after the date Blackstone and First Reserve collectively cease to beneficially own a majority of all of the outstanding shares of our capital stock entitled to vote, our stockholders may only amend our bylaws with the approval of 75% or more of all of the outstanding shares of our capital stock entitled to vote.

These anti-takeover provisions and other provisions of Delaware law may have the effect of delaying or deterring a change of control of our company. Certain provisions could also discourage proxy contests and make it more difficult for you and other stockholders to elect directors of your choosing and to cause us to take other corporate actions you desire. These provisions could limit the price that certain investors might be willing to pay in the future for shares of our Class A common stock. See Description of Capital Stock.

In addition, in connection with this offering, we will be entering into a stockholders agreement with Blackstone and First Reserve pursuant to which they will each be entitled to nominate a number of directors so long as certain ownership thresholds are maintained. See Certain Relationships and Related Party Transactions Stockholders Agreement.

Table of Contents

FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements that involve risks and uncertainties. You can identify forward-looking statements because they contain words such as believes, expects, may, should, seeks, approximately, intends, plans, estimates, or anticipates or si that relate to our strategy, plans or intentions. All statements we make relating to our estimated and projected earnings, margins, costs, expenditures, cash flows, growth rates and financial results or to our expectations regarding future industry trends are forward-looking statements. In addition, we, through our senior management, from time to time make forward-looking public statements concerning our expected future operations and performance and other developments. These forward-looking statements are subject to risks and uncertainties that may change at any time, and, therefore, our actual results may differ materially from those that we expected. We derive many of our forward-looking statements from our operating budgets and forecasts, which are based upon many detailed assumptions. While we believe that our assumptions are reasonable, we caution that it is very difficult to predict the impact of known factors, and, of course, it is impossible for us to anticipate all factors that could affect our actual results.

Important factors that could cause actual results to differ materially from our expectations, which we refer to as cautionary statements, are disclosed under Risk Factors and elsewhere in this prospectus, including, without limitation, in conjunction with the forward-looking statements included in this prospectus. All forward-looking information in this prospectus and subsequent written and oral forward-looking statements attributable to us, or persons acting on our behalf, are expressly qualified in their entirety by the cautionary statements. Some of the factors that we believe could affect our results include:

- supply, demand, prices and other market conditions for our services;
- the effects of competition in our markets;
- changes in currency exchange rates, interest rates and capital costs;
- adverse developments in our relationship with both our key employees and unionized employees;
- our ability to operate our businesses efficiently, manage capital expenditures and costs (including general and administrative expenses) tightly and generate earnings and cash flow;
- our substantial indebtedness described in this prospectus;
- restrictive covenants in our indebtedness that may adversely affect our operational flexibility;
- our expectations with respect to our acquisition activity;
- our ability to retain key employees; and
- the costs of being a public company, including Sarbanes-Oxley Act compliance.

We caution you that the foregoing list of important factors may not contain all of the material factors that are important to you. In addition, in light of these risks and uncertainties, the matters referred to in the forward-looking statements contained in this prospectus may not in fact occur. Accordingly, investors should not place undue reliance on those statements.

Our forward-looking statements speak only as of the date of this prospectus or as of the date as of which they are made. Except as required by applicable law, including the securities laws of the United States, we do not intend to update or revise any forward-looking statements.

Table of Contents

INDUSTRY AND MARKET DATA

This prospectus includes industry data and forecasts that we obtained from industry publications and surveys, public filings and internal company sources. Statements as to our ranking, market position and market estimates are based on independent industry publications, government publications, third party forecasts and management s good faith estimates and assumptions about our markets and our internal research. Although industry publications, surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, we have not independently verified such third party information. While we are not aware of any misstatements regarding our market, industry or similar data presented herein, such data involves risks and uncertainties and is subject to change based on various factors, including those discussed under the headings Forward-Looking Statements and Risk Factors.

This prospectus contains certain information regarding refinery complexity as measured by the Nelson Complexity Index, which is calculated on an annual basis by data from the Oil and Gas Journal. Certain data presented in this prospectus is from the Oil and Gas Journal Report dated December 5, 2011.

Table of Contents

ORGANIZATIONAL STRUCTURE

The diagram below depicts our organizational structure immediately following this offering:

Reorganization Transactions at PBF LLC

PBF LLC is a holding company for the companies that directly or indirectly own and operate our business. Prior to this offering, there were 92,281,716 PBF LLC Series A Units issued and outstanding, of which 44,861,169 units were owned by each of Blackstone and First Reserve, 2,535,473 units were owned by our remaining existing owners, including Mr. O Malley, and 23,904 units were restricted Series A Units held by our independent directors. In addition, there are 1,000,000 PBF LLC Series B Units issued and outstanding, all of which are held by certain of our officers. The PBF LLC Series B Units are profits interests which entitle the holders to participate in the profits of PBF LLC after the date of issuance. Certain of our existing owners and other employees hold options and warrants to purchase an additional 4,774,630 PBF LLC Series A Units at a weighted average exercise price of $10.26 per unit, 4,179,610 of which will be vested and exercisable as of the date of the closing of this offering.

Immediately prior to this offering, PBF LLC s limited liability company agreement will be amended and restated to, among other things, designate PBF Energy as the sole managing member of PBF LLC and establish the PBF LLC Series C Units which will be held by PBF Energy. Following this offering, PBF Energy will have the right to determine the timing and amount of any distributions (other than tax distributions) to be made to holders of PBF LLC Series A Units and PBF LLC Series C Units. Profits and losses of PBF LLC will be allocated, and all distributions generally will be made, pro rata to the holders of PBF LLC Series A Units (subject, under certain circumstances, to the rights of the holders of PBF LLC Series B Units) and PBF LLC Series C Units. The PBF LLC Series A Units and the PBF LLC Series C Units are generally identical in all respects, except that the PBF LLC Series B Units share in the allocations of income and distributions that would otherwise be made to our financial sponsors, and therefore do not dilute the interests of the PBF LLC Series A Units held by our management and certain directors, the holder of PBF LLC Series C Units (PBF Energy) or the direct holders of our Class A common stock. In addition, the amended and restated limited liability company agreement of PBF LLC provides that any PBF LLC Series A Units acquired by PBF Energy from our existing owners, whether at the time of this initial public offering or thereafter in accordance with the exchange agreement, will automatically, and without any further action, be reclassified as PBF LLC Series C Units in connection with such acquisition.

We refer to the foregoing transactions, collectively, as the Reorganization Transactions.

Incorporation of PBF Energy

PBF Energy was incorporated as a Delaware corporation on November 7, 2011. PBF Energy has not engaged in any business or other activities except in connection with its formation. The certificate of incorporation of PBF Energy at the time of the offering will authorize two classes of common stock, Class A common stock and Class B common stock, each having the terms described in Description of Capital Stock.

Prior to completion of this offering, shares of Class B common stock of PBF Energy will be issued to our existing owners, providing them with no economic rights but entitling them, without regard to the number of shares of Class B common stock held by such holder, to one vote on matters presented to stockholders of PBF Energy for each PBF LLC Series A Unit held by such holder, as described in Description of Capital Stock Class B Common Stock. Holders of our Class A common stock and Class B common stock vote together as a single class on all matters presented to our stockholders for their vote or approval, except as otherwise required by applicable law.

We also will enter into an exchange agreement pursuant to which each of our existing owners (and certain of their permitted assignees and other holders who acquire PBF LLC Series A Units upon the exercise of certain warrants and options) will have the right to cause PBF LLC to exchange their PBF LLC Series A Units for shares of our Class A common stock on a one-for-one basis, subject to equitable adjustments for stock splits, stock dividends and reclassifications, and further subject to the rights of the holders of PBF LLC Series B Units to

share in a portion of the profits realized by our financial sponsors upon the sale of the shares of Class A common stock received by them upon such exchange. See Certain Relationships and Related Transactions Exchange Agreement.

Offering Transactions

At the time of this offering, PBF Energy intends to use the net proceeds from this offering to purchase PBF LLC Series A Units (which will be reclassified as PBF LLC Series C Units in connection with such acquisition) from Blackstone and First Reserve and certain of our employees and newly-issued PBF LLC Series C Units from PBF LLC, at a purchase price per unit equal to the initial public offering price per share of Class A common stock in this offering. PBF Energy will purchase PBF LLC Series A Units from Blackstone and First Reserve and certain of our employees for an aggregate of $ million, and will use the remaining net proceeds of this offering to purchase newly-issued PBF LLC Series C Units from PBF LLC in an amount equal to $ million (or $ million if the underwriters exercise in full their option to purchase additional shares of Class A common stock). PBF LLC will bear or reimburse PBF Energy for all of the expenses of this offering, including underwriting discounts. See Use of Proceeds and Principal Stockholders for further information regarding the proceeds from this offering that will be paid to Blackstone and First Reserve and certain of our employees.

Following this offering, our existing owners may from time to time (subject to the terms of the exchange agreement) cause PBF LLC to exchange their remaining PBF LLC Series A Units for shares of Class A common stock of PBF Energy on a one-for-one basis, subject to equitable adjustments for stock splits, stock dividends and reclassifications, and further subject to the rights of the holders of PBF LLC Series B Units to share in a portion of the profits realized by our financial sponsors upon the sale of the shares of Class A common stock received by them upon such exchange. See Certain Relationships and Related Transactions Exchange Agreement. Any PBF LLC Series A Units being exchanged will be reclassified as PBF LLC Series C Units in connection with such exchange. The purchase of PBF LLC Series A Units by PBF Energy from certain of our existing owners at the closing of this offering and subsequent exchanges are expected to result, with respect to PBF Energy, in increases in the tax basis of the assets of PBF LLC that otherwise would not have been available. These increases in tax basis may reduce the amount of tax that PBF Energy would otherwise be required to pay in the future. These increases in tax basis may also decrease gains (or increase losses) on future dispositions of certain assets to the extent tax basis is allocated to those assets.

We will enter into a tax receivable agreement with the holders of PBF LLC Series A Units and PBF LLC Series B Units (and certain permitted assignees thereof and other holders who acquire PBF LLC Series A Units upon the exercise of certain warrants) that will provide for the payment from time to time by PBF Energy to such persons of 85% of the amount of the benefits, if any, that PBF Energy is deemed to realize as a result of (i) these increases in tax basis and (ii) certain other tax benefits related to our entering into the tax receivable agreement, including tax benefits attributable to payments under the tax receivable agreement. These payment obligations are obligations of PBF Energy and not of PBF LLC. We estimate that the incremental tax basis of the assets of PBF LLC that will be attributable to PBF Energy at the time of this offering will be approximately $ million (or $ million if the underwriters exercise in full their option to purchase additional shares of Class A common stock). The tax receivable agreement also will provide that upon certain changes of control or if, at any time, PBF Energy elects an early termination of the tax receivable agreement, payments due under the tax receivable agreement may be accelerated and/or significantly exceed the actual benefits we realize in respect of the tax attributes subject to the tax receivable agreement. See Risk Factors Risks Related to This Offering and Ownership of Our Class A Common Stock In certain cases, payments by us under the tax receivable agreement may be accelerated and/or significantly exceed the actual benefits we realize in respect of the tax attributes subject to the tax receivable agreement and Certain Relationships and Related Transactions Tax Receivable Agreement.

In connection with its acquisition of PBF LLC Series C Units, PBF Energy will become the sole managing member of PBF LLC at the closing of this offering. Accordingly, although PBF Energy will initially have a minority economic interest in PBF LLC, PBF Energy will have 100% of the voting power and control the management of PBF LLC.

Table of Contents

We refer to the foregoing transactions as the Offering Transactions.

As a result of the transactions described above:

- the investors in this offering will collectively own shares of our Class A common stock (or shares of Class A common stock if the underwriters exercise in full their option to purchase additional shares of Class A common stock) and PBF Energy will hold PBF LLC Series C Units (or PBF LLC Series C Units if the underwriters exercise in full their over-allotment option to purchase additional shares of Class A common stock), representing % of the total economic interest of PBF LLC;
- our existing owners will hold PBF LLC Series A Units, representing % of the total economic interest of PBF LLC (or % if the underwriters exercise in full their option to purchase additional shares of Class A common stock);
- the investors in this offering will collectively have % of the voting power in PBF Energy (or % if the underwriters exercise in full their option to purchase additional shares of Class A common stock); and
- our existing owners, through their holdings of our Class B common stock, will have % of the voting power in PBF Energy (or % if the underwriters exercise in full their option to purchase additional shares of Class A common stock).

Our post-offering organizational structure will allow our existing owners to retain their equity ownership in PBF LLC, an entity that is classified as a partnership for United States federal income tax purposes, in the form of PBF LLC Series A Units. Investors in this offering will, by contrast, hold their equity ownership in PBF Energy, a Delaware corporation that is a domestic corporation for United States federal income tax purposes, in the form of shares of Class A common stock. We believe that our existing owners generally find it advantageous to hold their equity interests in an entity that is not taxable as a corporation for United States federal income tax purposes.

Our existing owners also hold shares of Class B common stock of PBF Energy. Although the shares of Class B common stock have no economic rights, they allow our existing owners to exercise voting power at PBF Energy, the managing member of PBF LLC, at a level that is consistent with their overall equity ownership of the business of PBF LLC and its subsidiaries. Under the amended and restated certificate of incorporation of PBF Energy, following the offering, each holder of Class B common stock will be entitled, without regard to the number of shares of Class B common stock held by such holder, to one vote for each PBF LLC Series A Unit held by such holder. Accordingly, as our existing owners sell PBF LLC Series A Units to us as part of the Offering Transactions or subsequently cause PBF LLC to exchange PBF LLC Series A Units for shares of Class A common stock of PBF Energy pursuant to the exchange agreement, the voting power afforded to our existing owners by their shares of Class B common stock is automatically and correspondingly reduced.

Holding Company Structure

PBF Energy will be a holding company, and its sole material asset will be an equity interest in PBF LLC. As the sole managing member of PBF LLC, PBF Energy will control all of the business and affairs of PBF Holding and its subsidiaries.

PBF Energy will consolidate the financial results of PBF LLC and its subsidiaries, and the ownership interest of our existing owners in PBF LLC will be reflected as a noncontrolling interest in PBF Energy s consolidated financial statements.

Pursuant to the limited liability company agreement of PBF LLC, PBF Energy has the right to determine when distributions (other than tax distributions) will be made to the members of PBF LLC and the amount of any such distributions. If PBF Energy authorizes a distribution, such distribution will be made to the members of PBF LLC pro rata in accordance with their respective percentage interests.

The holders of limited liability company interests in PBF LLC, including PBF Energy, will generally have to include for purposes of calculating their U.S. federal, state and local income taxes their share of any taxable income of PBF LLC. Taxable income of PBF LLC generally will be allocated to the holders of units (including PBF Energy) pro rata in accordance with their respective share of the net profits and net losses of PBF LLC. PBF LLC is obligated, subject to available cash and applicable law and contractual restrictions (including pursuant to our debt instruments), to make cash distributions, which we refer to as tax distributions, based on certain assumptions, to its members (including PBF Energy) pro rata in accordance with their respective percentage interests. Generally, these tax distributions will be an amount equal to our estimate of the taxable income of PBF LLC multiplied by an assumed tax rate equal to the highest effective marginal combined U.S. federal, state and local income tax rate prescribed for an individual or corporate resident in New York, New York (taking into account the nondeductibility of certain expenses).

See Certain Relationships and Related Transactions PBF LLC Limited Liability Company Agreement.

Table of Contents

USE OF PROCEEDS

The proceeds to PBF Energy from this offering, before deducting underwriting discounts, will be approximately $ million (or $ million if the underwriters exercise in full their option to purchase additional shares of Class A common stock).

PBF Energy intends to use $ million of the proceeds from this offering to purchase PBF LLC Series A Units (which will be reclassified as PBF LLC Series C Units in connection with such acquisition) from Blackstone and First Reserve and certain of our employees, as described under Organizational Structure Offering Transactions. Accordingly, we will not retain any of these proceeds. See Principal Stockholders for further information regarding the proceeds from this offering.

PBF Energy intends to use all of the remaining proceeds from this offering, or $ million (or $ million if the underwriters exercise in full their option to purchase additional shares of Class A common stock), to purchase newly-issued PBF LLC Series C Units from PBF LLC, as described under Organizational Structure Offering Transactions. We intend to cause PBF LLC to use these proceeds to pay the expenses of this offering, including aggregate underwriting discounts of $ million (or $ million if the underwriters exercise in full their option to purchase additional shares of Class A common stock) and other offering expenses estimated at $ million. Any remaining proceeds, including proceeds from the exercise by the underwriters of their option to purchase additional shares of Class A common stock, will be used by PBF LLC for general corporate purposes, including to potentially repay outstanding indebtedness under the ABL Revolving Credit Facility.

The ABL Revolving Credit Facility is scheduled to expire on October 26, 2017. As of September 30, 2012, there were no outstanding loans under the ABL Revolving Credit Facility.

A $1.00 increase (decrease) in the assumed initial public offering price $ per share would increase (decrease) the net proceeds to PBF Energy from this offering by approximately $ million, assuming that the number of shares offered by PBF Energy, as set forth on the cover page of this prospectus, remains the same and after deducting the underwriting discounts and commissions and estimated offering expenses payable by PBF Energy.

Pending specific application of these proceeds, the proceeds will be invested primarily in cash.

Table of Contents

DIVIDEND POLICY

We currently intend to pay quarterly cash dividends of approximately $ per share on our Class A common stock following this offering, commencing in the fiscal quarter following this offering. We determined this dividend rate in an effort to provide our stockholders with an attractive annual return on their investment and after taking into consideration our cash flow from operations. The declaration, timing and amount of any dividends on our Class A common stock will be subject to our actual future earnings and capital requirements and at the discretion of our board of directors. Our board of directors may take into account, among other things, general economic conditions, our financial condition and operating results, our available cash and current and anticipated cash needs, capital requirements, plans for expansion, tax, legal, regulatory and contractual restrictions and implications, including under our outstanding debt documents, and such other factors as our board of directors may deem relevant. We intend to fund any future dividends out of our cash flow from operations and, as a result, we do not expect to incur any indebtedness to fund such payments.

PBF Energy is a holding company and has no material assets other than its ownership interests of PBF LLC. In order for us to pay any dividends, we will need to cause PBF LLC to make distributions to us and the holders of PBF LLC Series A Units, and PBF LLC will need to cause PBF Holding to make distributions to it. PBF Holding is generally prohibited under Delaware law from making a distribution to a member to the extent that, at the time of the distribution, after giving effect to the distribution, liabilities of the limited liability company (with certain exceptions) exceed the fair value of its assets. As a result, PBF LLC may be unable to obtain cash from PBF Holding to satisfy our obligations and make payments to our stockholders, if any.

The ability of PBF Holding to pay dividends and make distributions is and in the future may be limited by covenants in its ABL Revolving Credit Facility, the senior secured notes and other debt instruments. As a result, we cannot assure you that we will be able to declare dividends as contemplated herein. See Risk Factors Risks Related to Our Indebtedness Restrictive Covenants in our debt instruments may limit our ability to undertake certain types of transactions and Risk Factors Risks Related to Our Indebtedness We cannot assure you that we will declare dividends or have the available cash to make dividend payments. We are a holding company that depends upon cash from our subsidiaries to meet our obligations and/or to pay dividends in the future.

PBF LLC made cash distributions to our existing owners in the amount of $15.1 million during the nine months ended September 30, 2012. Prior to the completion of this offering, PBF LLC anticipates making additional cash distributions to our existing owners of $ million.

Table of Contents

CAPITALIZATION

The following table sets forth our cash and cash equivalents and total capitalization as of September 30, 2012:

- on a historical basis for PBF LLC;
- on an as adjusted basis to reflect the payment of cash distributions to our existing owners of $ million prior to the completion of this offering; and
- on a pro forma as further adjusted basis for PBF Energy, giving effect to the transactions described under Unaudited Pro Forma Consolidated Financial Statements, including the application of the proceeds from this offering as described in Use of Proceeds.

This information should be read in conjunction with sections entitled Organizational Structure, Use of Proceeds, Management s Discussion and Analysis of Financial Condition and Results of Operations, and Unaudited Pro Forma Consolidated Financial Statements, and the historical consolidated financial statements and related notes thereto included in this prospectus.

	September 30, 2012		
	Actual	As Adjusted	Pro Forma as Further Adjusted
	(in thousands, except share and per share data)		
Cash and cash equivalents	$ 170,048	$	$
Debt:			
Long-term debt (including current portion)(1)	$ 732,961	$ 732,961	
PBF LLC Series B Units	4,261	4,261	
Equity:			
Series A Units	924,840	924,840	
Class A common stock, par value $0.001 per share, shares to be authorized, shares to be issued and outstanding, actual; shares to be authorized, shares to be issued and outstanding, on a pro forma basis			
Class B common stock, par value $0.001 per share, shares to be authorized, shares to be issued and outstanding, actual; shares to be authorized, shares to be issued and outstanding, on a pro forma basis			
Additional paid-in capital			
Accumulated other comprehensive income	(2,357)	(2,357)	
Retained earnings	710,843		
Total members /stockholders equity attributable to the Company	1,633,326		
Noncontrolling interest			
Total equity	1,633,326		

Total capitalization	$ 2,370,548	$	$

(1) Actual long-term debt includes our Delaware Economic Development Authority Loan of $20.0 million and unamortized original issue discount of $9.2 million related to the senior secured notes.

Table of Contents

DILUTION

Dilution is the amount by which the offering price paid by purchasers of shares of Class A common stock in this offering will exceed the net tangible book value per share of Class A common stock immediately after the completion of this offering. Net tangible book value per share as of a particular date represents the amount of our total tangible assets less our total liabilities divided by the number of shares of Class A common stock outstanding as of such date. The net tangible book value of our Class A common stock as of September 30, 2012 was $, or approximately $ per share. On a pro forma basis, after giving effect to the transactions described under Organizational Structure, including the sale of shares of Class A common stock in this offering at an assumed initial public offering price of $ (the mid-point of the estimated price range set forth on the cover page of this prospectus), assuming that our existing owners exchanged all of their PBF LLC Series A Units for newly-issued shares of Class A common stock on a one-for-one basis, and after deducting the underwriting discounts and commissions and estimated offering expenses, our pro forma net tangible book value as of September 30, 2012 would have been $, or approximately $ per share. This represents an immediate increase in pro forma net tangible book value of $ per share to existing stockholders and an immediate dilution of $ per share to new investors.

The following table illustrates this dilution on a per share of Class A common stock basis:

Assumed initial public offering price per share		$
Net tangible book value as of September 30, 2012	$	
Increase in net tangible book value per share attributable to new investors		
Pro forma net tangible book value per share after the offering		
Dilution per share to new investors		$

Because our existing owners do not own any Class A common stock or other economic interest in us, we have presented dilution in pro forma net tangible book value per share of Class A common stock to investors in this offering assuming that our existing owners exchanged their PBF LLC Series A Units for newly-issued shares of Class A common stock on a one-for-one basis in order to more meaningfully present the dilutive impact on the investors in this offering.

If the underwriters exercise their over-allotment option in full, the pro forma net tangible book value per share after giving effect to the offering would be $ per share. This represents an increase in pro forma net tangible book value of $ per share to existing stockholders and dilution in pro forma net tangible book value of $ per share to new investors.

A $1.00 increase (decrease) in the assumed initial public offering price of $ per share would increase (decrease) our pro forma net tangible book value per share after this offering and the dilution to new investors by $, assuming the number of shares offered, as set forth on the cover page of this prospectus, remains the same and after deducting the underwriting discounts and commissions and estimated offering expenses payable by us.

Table of Contents

The following table presents, on a pro forma basis, as of September 30, 2012, the differences among the number of shares of Class A common stock purchased, the total consideration paid or exchanged and the average price per share paid by our existing owners and by new investors purchasing shares of our Class A common stock in this offering, assuming that our existing owners exchanged all of their PBF LLC Series A Units for shares of our Class A common stock on a one-for-one basis, before deducting the underwriting discounts and commissions and estimated offering expenses payable by us. The table assumes an initial public offering price of $ per share, as specified above, and excludes underwriting discounts and commissions and estimated offering expenses payable by PBF Energy:

	Shares Purchased		Total Consideration		Average Price Per Share
	Number	Percent	Amount	Percent	
Existing owners					
New investors					
Total					

48

Table of Contents

UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

The unaudited pro forma consolidated financial statements are presented to show how we might have looked if the Toledo acquisition, the senior secured notes offering, the Offering Transactions described under Organizational Structure, and the use of the estimated net proceeds from this offering as described under Use of Proceeds had occurred on the dates and for the periods indicated below. We derived the following unaudited pro forma consolidated financial statements by applying pro forma adjustments to the historical consolidated financial statements of PBF LLC and the statements of revenues and direct expenses of Toledo, each included elsewhere in this prospectus. PBF LLC will be considered our predecessor for accounting purposes, and its consolidated financial statements will be our historical consolidated financial statements following this offering.

The unaudited pro forma consolidated statements of operations for the year ended December 31, 2011 have been derived by starting with PBF LLC s financial data and giving pro forma effect to the consummation of the Toledo acquisition, the senior secured notes offering, the Offering Transactions, and the use of the estimated net proceeds from this offering as if they had occurred on January 1, 2011. The unaudited pro forma condensed consolidated statement of operations for the nine months ended September 30, 2012 have been derived by starting with PBF LLC s unaudited financial data and giving pro forma effect to consummation of the senior secured notes offering, the Offering Transactions, and the use of the estimated net proceeds from this offering as if they had occurred on January 1, 2011. The unaudited pro forma consolidated balance sheet as of September 30, 2012 gives effect to cash distributions to our existing owners made prior to the completion of this offering, the Offering Transactions and the use of the estimated net proceeds from this offering as if they had occurred on September 30, 2012. As a result of the Toledo acquisition, our historical financial results include the results of operations for Toledo from March 1, 2011 forward.

Sunoco did not manage Toledo as a stand-alone business as either a subsidiary or division, and therefore complete historical financial statements are not available. The statements of revenue and expenses reflect items specifically identified to the refinery and therefore exclude certain other items such as interest income, interest expenses and income taxes not directly related to the refinery. They also reflect certain allocations Sunoco made for shared resources utilized prior to the acquisition which were considered reasonable.

The unaudited pro forma consolidated financial information is presented for informational purposes only. The unaudited pro forma consolidated financial information does not purport to represent what our results of operations or financial condition would have been had the transactions to which the pro forma adjustments relate actually occurred on the dates indicated, and they do not purport to project our results of operations or financial condition for any future period or as of any future date. Further, the unaudited pro forma consolidated financial statements do not reflect the impact of restructuring activities, cost savings, non-recurring charges, employee termination costs and other exit costs that may result from or in connection with the Toledo acquisition. For example, the unaudited pro forma consolidated financial data does not give effect to the anticipated termination of employees deemed redundant or the reconfiguration of facilities.

The pro forma adjustments for the year ended December 31, 2011 and for the nine months ended September 30, 2012 principally give effect to:

- the impact on interest expense as a result of the senior secured notes offering and the refinancing of our existing senior debt;

- the consummation of the Offering Transactions described in Organizational Structure Offering Transactions and the related effects of the tax receivable agreement. See Certain Relationships and Related Transactions Tax Receivable Agreement ; and

- a provision for corporate income taxes on the income of PBF Energy at an effective rate of %, which includes a provision for U.S. federal income taxes and assumes the highest statutory rates apportioned to each state, local and/or foreign jurisdiction.

The pro forma adjustments for the year ended December 31, 2011 also give effect to the acquisition of Toledo.

Table of Contents

The unaudited pro forma consolidated balance sheet and statements of operations should be read in conjunction with the sections entitled Organizational Structure, Use of Proceeds, Capitalization, Selected Financial Data, Management s Discussion and Analysis of Financial Condition and Results of Operations Results of Operations PBF LLC, our historical consolidated financial statements and related notes thereto, and the historical financial information and related notes thereto of Toledo, included elsewhere in this prospectus.

Table of Contents

Unaudited Pro Forma Consolidated Balance Sheet

As of September 30, 2012

	PBF Energy Company LLC Actual	Pro Forma Adjustments(a)	PBF Energy Company LLC Pro Forma	Pro Forma Adjustments		PBF Energy Inc. Pro Forma
			(in thousands)			
ASSETS						
Current Assets						
Cash and cash equivalents	$ 170,048	$	$	$	(b)	$
Accounts receivable, net	496,241		496,241			
Inventories	1,479,728		1,479,728			
Other current assets	26,388		26,388			
Total Current Assets	2,172,405					
Property, plant and equipment, net	1,574,712		1,574,712			
Deferred tax asset					(c)	
Deferred charges and other assets, net	185,390		185,390			
Total Assets	$ 3,932,507	$	$	$		$
LIABILITIES AND EQUITY						
Current Liabilities						
Accounts payable	$ 246,914		$ 246,914			$
Accrued expenses	1,082,143		1,082,143			
Deferred revenue	202,953		202,953			
Total Current Liabilities	1,532,010		1,532,010			
Economic Development Authority Loan	20,000		20,000			
Long-term debt	712,961		712,961			
Payable to related parties pursuant to tax receivable agreement					(c)	
Other long-term liabilities	29,949		29,949			
Total Liabilities	2,294,920		2,294,920			
Commitments and Contingencies						
Series B Units	4,261		4,261		(d)	
Members /Stockholders Equity						
Series A Units	924,840		924,840		(d)	
Class A common stock					(d)	
Class B common stock					(d)	
Additional paid-in capital					(d)	
Accumulated other comprehensive loss	(2,357)		(2,357)			
Retained earnings	710,843				(d)	
Members equity/stockholders equity attributable to PBF Energy Inc.	1,633,326					
Noncontrolling interest					(e)	
Total Liabilities, Series B Units, and Equity	$ 3,932,507	$	$	$		$

51

Table of Contents

NOTES TO THE UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEET

(a) Reflects the net effect on cash and cash equivalents and retained earnings of cash distributions to our existing owners of $ million to be made prior to the completion of this offering.

(b) Reflects the net effect on cash and cash equivalents of the receipt of offering proceeds of $ million and net uses of proceeds as described in Use of Proceeds .

(c) Reflects adjustments to give effect to the tax receivable agreement (as described in Certain Relationships and Related Transactions Tax Receivable Agreement) based on the following assumptions:

- we will record an increase of $ million in deferred tax assets for estimated income tax effects of the increase in the tax basis of the purchased interests, based on an effective income tax rate of % (which includes a provision for U.S. federal, state, and local income taxes);

- we will record $ million, representing % of the estimated realizable tax benefit resulting from (i) the increase in the tax basis of the purchased interests as noted above and (ii) certain other tax benefits related to entering into the tax receivable agreement, including tax benefits attributable to payments under the tax receivable agreement as an increase to the liability under the tax receivable agreement;

- we will record an increase of $ million to additional paid-in-capital, which is an amount equal to the difference between the increase in deferred tax assets and the increase in the liability due to existing owners under the tax receivable agreement; and

- there are no material changes in the relevant tax law and that we earn sufficient taxable income in each year to realize the full tax benefit of the amortization of our assets.

(d) Represents adjustments to stockholders equity reflecting (i) par value for Class A and Class B common stock to be outstanding following this offering, (ii) an increase of $ million of additional paid-in capital as a result of net proceeds from this offering, (iii) an increase of $ million of additional paid-in-capital due to the tax receivable agreement as described in footnote (c) above, (iv) a decrease of $ million of additional paid-in-capital to allocate a portion of PBF Energy s equity to the noncontrolling interest, (v) the elimination of PBF LLC Series A Units of $924.8 million upon consolidation, (vi) the elimination of PBF LLC Series B Units of $4.3 million upon consolidation, and (vii) a decrease of $ million in retained earnings to allocate a portion of PBF Energy s equity to noncontrolling interest.

(e) As described in Organizational Structure, PBF Energy will become the sole managing member of PBF LLC. PBF Energy will initially own less than 100% of the economic interest in PBF LLC, but will have 100% of the voting power and control the management of PBF LLC. As a result, we will consolidate the financial results of PBF LLC and will record a noncontrolling interest. Immediately following this offering, the noncontrolling interest, based on the assumptions to the pro forma information, will be %. Pro forma noncontrolling interest represents % of the pro forma equity of PBF LLC of $, which differs from the pro forma equity of PBF Energy as the former is not affected by the adjustments related to the tax receivable agreement described in footnote (c).

Table of Contents

Unaudited Pro Forma Consolidated Statement of Operations

For the Nine Months Ended September 30, 2012

	PBF Energy Company LLC Actual	Pro Forma Adjustments(f)	PBF Energy Company LLC Pro Forma (in thousands)	Pro Forma Adjustments(g)	PBF Energy Inc.
Revenues	$ 15,188,327		$ 15,188,327		
Cost and expenses					
Cost of sales, excluding depreciation	13,871,884		13,871,884		
Operating expenses, excluding depreciation	537,880		537,880		
General and administrative expenses[i]	78,042		78,042		
Gain on sale of asset	(2,430)		(2,430)		
Depreciation and amortization expense	67,419		67,419		
	14,552,795		14,552,795		
Operating income (loss)	635,532		635,532		
Other income (expense)					
Change in fair value of catalyst lease obligation	(6,929)		(6,929)		
Change in fair value of contingent consideration	(2,076)		(2,076)		
Interest expense, net	(86,753)	(139) (j)	(86,892)		
	539,774	(139)	539,635		
Income tax expense (benefit)				(m)	
Net income	$ 539,774	$ (139)	$ 539,635		
Less net income attributable to noncontrolling interest				(o)	
Net income attributable to PBF Energy Inc.					$
Weighted Average Shares of Class A common stock outstanding[p]					
Basic					
Diluted					
Net income available to Class A common stock per share[p]					
Basic					
Diluted					

Table of Contents

Unaudited Pro Forma Consolidated Statement of Operations

For the Year Ended December 31, 2011

(in thousands)

	PBF Energy Company LLC Actual	Toledo Period from January 1, 2011 through February 28, 2011(n)	Pro Forma Adjustments(f)		PBF Energy Company LLC Pro Forma	Pro Forma Adjustments(g)		PBF Energy Inc.
Revenues	$ 14,960,338	$ 1,053,206	$ (52,015)	(l)	$ 15,961,529			
Cost and expenses								
Cost of sales, excluding depreciation	13,855,163	916,418	(52,015)	(l)	14,719,566			
Operating expenses, excluding depreciation	658,831	40,726			699,557			
General and administrative expenses(j)	86,183	3,674			89,857			
Acquisition related expenses	728		(556)	(h)	172			
Depreciation and amortization expense	53,743		4,209	(i)	57,952			
	14,654,648	960,818	(48,362)		15,567,104			
Income (loss) from operations	305,690	92,388	(3,653)		394,425			
Other income (expense)								
Change in fair value of catalyst lease obligation	7,316				7,316			
Change in fair value of contingent consideration	(5,215)				(5,215)			
Interest expense, net	(65,120)		(30,542)	(j)	(95,662)			
Other income		59			59			
	242,671	92,447	(34,195)		300,923			
Income tax expense (benefit)							(m)	
Net income	$ 242,671	$ 92,447	$ (34,195)		$ 300,923			
Less net income attributable to noncontrolling interest							(o)	
Net income attributable to PBF Energy Inc.								$
Weighted Average Shares of Class A common stock outstanding(p)								
Basic								
Diluted								
Net income available to Class A common stock per share(p)								
Basic								

Diluted

Table of Contents

NOTES TO THE UNAUDITED PRO FORMA

CONSOLIDATED STATEMENTS OF OPERATIONS

(f) These pro forma adjustments give effect to the senior secured notes offering. The pro forma adjustments for the year ended December 31, 2011 also give effect to the acquisition of Toledo.

(g) These pro forma adjustments give effect to the Offering Transactions.

(h) To eliminate the acquisition related expenses that relate to the Toledo acquisition.

(i) To reflect the change in depreciation and amortization arising from the Toledo acquisition as a result of the pro forma depreciation and amortization expense for the two months prior to our acquisition of Toledo on March 1, 2011.

(j) Estimates the impact of the senior secured notes offering and the refinancing of existing senior debt as follows:

	Nine Months Ended September 30, 2012	Year Ended December 31, 2011
Estimated interest expense for the notes issued in connection with the senior secured notes offering(1)	$ (6,217)	$ (57,393)
Estimated amortization of deferred financing fees related to the notes issued in connection with the senior secured notes offering(2)	(244)	(2,250)
Eliminate historical interest expense and amortization of deferred financing fees for refinanced debt(3)	6,322	29,101
Pro forma adjustment	$ (139)	$ (30,542)

(1) Reflects pro forma cash interest expense related to the notes issued in connection with the senior secured notes offering.
(2) Amortization expense related to the estimated deferred financing fees capitalized in connection with the indebtedness to be incurred in connection with the senior secured notes offering, which are being amortized over 8 years.
(3) Reflects the elimination of historical interest expense and amortization of deferred financing fees, net of the unused commitment fee, arising from debt instruments paid off in connection with the notes issued in connection with the senior secured notes offering.

(k) General and administrative expenses represent historical costs from PBF LLC and Toledo. Toledo s historical financial information includes certain general and administrative costs incurred by Sunoco that were subsequently allocated to Toledo as direct and indirect costs attributable to the refinery. These costs are not necessarily indicative of what would have been incurred had the refinery been a standalone entity or operated as a subsidiary of PBF LLC nor are these costs necessarily indicative of what general and administration costs will be in the future. In addition, under various transition service agreements with Sunoco, we have incurred a total of $13.7 million of expense for the ten month period ended December 31, 2011.

(l) To adjust consumer excise taxes reported gross within the historical Toledo statement of operations to net which conforms to PBF LLC accounting policy and statement of operations presentation.

(m) Following the Offering Transactions, PBF Energy will be subject to U.S. federal income taxes, in addition to state and local and foreign taxes, with respect to its allocable share of any taxable income of PBF LLC. As a result, the pro forma consolidated statement of operations reflects an adjustment to our provision for corporate income taxes to reflect an effective rate of %, which includes provision for U.S. federal income taxes and assumes the highest statutory rates apportioned to each state and local jurisdictions.

(n) Reflects the historical revenues and direct expenses of Toledo. The statements of revenue and expenses reflect items specifically identified to the refinery and therefore exclude certain other items such as interest income, interest expenses and income taxes not directly related to the refinery. They also reflect certain allocations Sunoco made for shared resources utilized prior to the acquisition which were considered reasonable.

(o) As described in Organizational Structure, PBF Energy will become the sole managing member of PBF LLC. PBF Energy will initially own less than 100% of the economic interest in PBF LLC, but will have 100% of the voting power and control the management of PBF LLC. Immediately following this offering, the noncontrolling interest will be %. Net income attributable to the noncontrolling interest represents %, $ of income before income taxes of $ for the nine months ended September 30, 2012 and %, $ of income before income taxes of $ for the year ended December 31, 2011. These amounts have been determined based on an offering price of $ and the assumption that the underwriter s option to purchase additional shares is not exercised. If the assumed offering price increased by $1.00 to $ per share, the ownership percentage held by the noncontrolling interest would decrease to %, or % if the over-allotment is exercised. If the assumed offering price decreased by $1.00 to $ per share, the ownership percentage held by the noncontrolling interest would increase to % or % if the over-allotment is exercised. Net income available to Class A common stock per share would not be significantly different if the assumed offering price changed by $1.00.

(p) The shares of Class B common stock do not share in our earnings and are therefore not included in the weighted average shares outstanding or net income (loss) available per share.

SELECTED FINANCIAL DATA

Selected Historical Consolidated Financial Data of PBF LLC

The following table presents the selected historical consolidated financial data of PBF LLC. PBF LLC will be considered our predecessor for accounting purposes, and its consolidated financial statements will be our historical consolidated financial statements following this offering. The selected historical consolidated financial data as of December 31, 2010 and 2011 and for the years ended December 31, 2009, 2010 and 2011 have been derived from audited financial statements of PBF LLC, included elsewhere in this prospectus. The selected historical consolidated financial data for the period from March 1, 2008 (date of inception) through December 31, 2008 and as of December 31, 2008 and 2009 have been derived from the audited financial statements of PBF LLC not included in this prospectus. As a result of the Paulsboro and Toledo acquisitions, the historical consolidated financial results of PBF LLC only include the results of operations for Paulsboro and Toledo from December 17, 2010 and March 1, 2011 forward, respectively. The information as of September 30, 2011 and 2012, and for the nine months ended September 30, 2011 and 2012 was derived from the unaudited condensed consolidated financial statements of PBF LLC (included elsewhere in this prospectus) which include all adjustments, consisting of normal recurring adjustments, which management considers necessary for a fair presentation of the financial position and the results of operations for such periods. Results for the interim periods are not necessarily indicative of the results for the full year.

The historical consolidated financial data and other statistical data presented below should be read in conjunction with the consolidated financial statements of PBF LLC and the related notes thereto, included elsewhere in this prospectus, and the sections entitled Unaudited Pro Forma Consolidated Financial Statements and Management s Discussion and Analysis of Financial Condition and Results of Operations. The consolidated financial information may not be indicative of our future performance.

PBF ENERGY COMPANY LLC AND SUBSIDIARIES

	Period From March 1, 2008 (Date of Inception) through December 31, 2008[3]	Year Ended December 31, 2009[3]	Year Ended December 31, 2010	Year Ended December 31, 2011	Nine Months Ended September 30, 2011	Nine Months Ended September 30, 2012
			(in thousands)			
Statement of operations data:						
Revenues[1]	$ 134	$ 228	$ 210,671	$ 14,960,338	$ 10,183,897	$ 15,188,327
Cost and expenses						
Cost of sales, excluding depreciation			203,971	13,855,163	9,147,063	13,871,884
Operating expenses, excluding depreciation			25,140	658,831	457,722	537,880
General and administrative expenses	6,378	6,294	15,859	86,183	71,533	78,042
Acquisition related expenses[2]			6,051	728	684	
Gain on sale of asset						(2,430)
Depreciation and amortization expense	18	44	1,402	53,743	35,636	67,419
	(6,262)	6,338	252,423	14,654,648	9,712,638	14,552,795
(Loss) income from operations	(6,262)	(6,110)	(41,752)	305,690	471,259	635,532
Other (expense) income						
Change in fair value of catalyst lease obligation			(1,217)	7,316	4,848	(6,929)
Change in fair value of contingent consideration				(5,215)	(4,829)	(2,076)

Interest income (expense), net	198	10	(1,388)	(65,120)	(44,127)	(86,753)
Net (loss) income	$ (6,064)	$ (6,100)	$ (44,357)	$ 242,671	$ 427,151	$ 539,774
Less Net loss attributable to the noncontrolling interest	(165)					
Net (loss) income attributable to PBF Energy Company LLC	$ (6,229)	$ (6,100)	$ (44,357)	$ (242,671)	$ 427,151	$ 539,774
Balance sheet data (at end of period):						
Total assets	$ 25,040	$ 19,150	$ 1,274,393	$ 3,621,109	$ 3,872,150	$ 3,932,507
Total long-term debt[4]			325,064	804,865	713,255	732,961
Total equity	24,810	18,694	456,739	1,107,615	1,293,211	1,633,326
Other financial data:						
Capital expenditures[5]	$ 118	$ 70	$ 72,118	$ 551,544	$ 504,034	$ 129,505

(1) Consulting services income provided to a related party was $10, $221, and $98 for the years ended December 31, 2010, 2009 and the period from March 1, 2008 (date of inception) to December 31, 2008, respectively. No consulting services income was earned subsequent to 2010.
(2) Acquisition related expenses consist of consulting and legal expenses related to the Paulsboro and Toledo acquisitions as well as non-consummated acquisitions.
(3) December 31, 2008 and 2009 balance sheet data is that of PBF Investments LLC. See footnote 1, Description of Business and Basis of Presentation, in the PBF LLC consolidated financial statements.
(4) Total long-term debt includes current maturities and our Delaware Economic Development Authority Loan of $20.0 million.
(5) Includes expenditures for construction in progress, property, plant and equipment and deferred turnaround costs.

Selected Historical Financial Data of Paulsboro, PBF LLC s Predecessor

The following table presents Paulsboro s selected historical financial data. We refer to Paulsboro as PBF LLC s Predecessor or Predecessor Paulsboro, as prior to its acquisition PBF LLC generated substantially no revenues and prior to the acquisition of Paulsboro and the Delaware City assets, was a new company formed to pursue acquisitions of crude oil refineries and downstream assets in North America. At the time of its acquisition, Paulsboro represented the major portion of PBF LLC s business and assets.

The financial statements and supplementary data of Predecessor Paulsboro, are presented as of, and for the years ended, December 31, 2008 and 2009 and for the period from January 1, 2010 through December 16, 2010 and as of December 16, 2010, periods prior to PBF LLC s acquisition. These financial statements were prepared by the former management of Predecessor Paulsboro and audited by Predecessor Paulsboro s independent registered public accounting firm. The financial statements and supplementary data of Predecessor Paulsboro presented herein may not be representative of the operations of PBF going forward for the following reasons, among others:

- Both PBF LLC s financial statements and Paulsboro s financial statements contain items which require management to make considerable judgments and estimates. There can be no assurance that the judgments and estimates made by PBF LLC s management will be identical or even similar to the historical judgments and estimates made by Paulsboro s former management.

- The financial statements of Paulsboro contain allocations of certain general and administrative expenses and income taxes specific to Valero.

- The financial statements of Paulsboro reflect depreciation and amortization expense and asset impairment losses based on Valero s historical cost basis for the applicable assets. PBF LLC s cost basis in such assets is different.

The historical financial data and other statistical data presented below should be read in conjunction with Paulsboro s financial statements and the related notes thereto for the year ended December 31, 2009 and for the period from January 1, 2010 through December 16, 2010 and as of December 16, 2010, included elsewhere in this prospectus, and the sections entitled Unaudited Pro Forma Consolidated Financial Statements and Management s Discussion and Analysis of Financial Condition and Results of Operations Results of Operations Predecessor Paulsboro. The historical financial data for Paulsboro for the year ended December 31, 2008 and as of December 31, 2008 and 2009 has been derived from audited financial statements not included in this prospectus.

Table of Contents

PAULSBORO REFINING BUSINESS PBF LLC S PREDECESSOR

	Year Ended December 31,		Period from January 1, 2010 through December 16,
	2008	2009	2010
		(in thousands)	
Statement of operations data:			
Operating revenues[1]	$ 6,448,379	$ 3,549,517	$ 4,708,989
Cost and expenses:			
Cost of sales[2]	5,718,685	3,419,460	4,487,825
Operating expenses	317,093	266,319	259,768
General and administrative expenses[3]	15,619	15,594	14,606
Asset impairment loss	705	8,478	895,642
Depreciation and amortization expense	56,634	65,103	66,361
Total costs and expenses	6,108,736	3,774,954	5,724,202
Operating income (loss)	339,643	(225,437)	(1,015,213)
Interest and other income and expense, net	551	1,249	500
Income (loss) before income tax expense (benefit)	340,194	(224,188)	(1,014,713)
Income tax expense (benefit)[4]	131,445	(86,586)	(322,962)
Net income (loss)	$ 208,749	$ (137,602)	$ (691,751)
Balance sheet data (at end of period):			
Total assets	$ 1,434,980	$ 1,440,557	$ 510,205
Total liabilities	392,099	357,289	42,582
Net parent investment	1,042,881	1,083,268	467,623
Selected financial data:			
Capital expenditures	$ 198,647	$ 96,754	$ 20,122

(1) Operating revenues consist of refined products sold from Paulsboro to Valero that were recorded at intercompany transfer prices, which were market prices adjusted by quality, location, and other differentials on the date of the sale.

(2) Cost of sales consist of the cost of feedstock acquired for processing, including transportation costs to deliver the feedstock to Paulsboro. Purchases of feedstock by Paulsboro from Valero were recorded at the cost paid to independent third parties by Valero.

(3) General and administrative expenses include allocations and estimates of general and administrative costs of Valero that were attributable to the operations of Paulsboro.

(4) The income tax provision represented the current and deferred income taxes that would have resulted if Paulsboro were a stand-alone taxable entity filing its own income tax returns. Accordingly, the calculations of current and deferred income tax provision require certain assumptions, allocations, and estimates that Paulsboro management believed were reasonable to reflect the tax reporting for Paulsboro as a stand-alone taxpayer.

The selected financial data as of December 31, 2007 and for the year ended December 31, 2007 has been omitted because it is not available without the expenditure of unreasonable effort and expense. We believe the omission of this financial data does not have a material impact on the understanding of our results of operations, financial performance and related trends.

Table of Contents

MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis together with Selected Financial Data and our consolidated financial statements and related notes included elsewhere in this prospectus. Among other things, those historical financial statements include more detailed information regarding the basis of presentation for the financial data included in the following discussion. This discussion contains forward-looking statements about our business, operations and industry that involve risks and uncertainties, such as statements regarding our plans, objectives, expectations and intentions. Our actual results could differ materially from those discussed in the forward-looking statements. Factors that could cause or contribute to these differences include those discussed below and elsewhere in this prospectus particularly in the sections entitled Risk Factors and Forward-Looking Statements.

Management s Discussion and Analysis of Financial Condition and Results of Operations is divided into sections entitled Executive Summary, Factors Affecting Comparability, Factors Affecting Operating Results, Results of Operations PBF LLC Results of Operations Paulsboro Refini Business PBF LLC s Predecessor, Liquidity and Capital Resources, Cash Flows Analysis of Paulsboro Refining Business PBF LLC s Predecessor Senior Secured Notes Offering, Credit Facilities, Cash Balances, Liquidity, Working Capital, Pro Forma Contractual Obligations and Commitments, Off-Balance Sheet Arrangements, Quantitative and Qualitative Disclosures about Market Risk, Critical Accounting Policies and Recent Accounting Pronouncements. Information therein should help provide a better understanding of the major factors and trends that affect our earnings performance and financial condition, and how our performance during the first three quarters of 2012 and the years ended December 31, 2011 and 2010 compare to the applicable prior periods. The historical results of operations for PBF LLC s Predecessor is presented and discussed separately to allow the readers of our prospectus to better evaluate the historical operating performance of our current business.

Executive Summary

We were formed in 2008 to pursue acquisitions of crude oil refineries and downstream assets in North America. We currently own and operate three domestic oil refineries and related assets located in Toledo, Ohio, Delaware City, Delaware, and Paulsboro, New Jersey, which we acquired in 2011 and 2010. Our refineries have a combined processing capacity, known as throughput, of approximately 540,000 bpd, and a weighted average Nelson Complexity Index of 11.3.

The following table summarizes our history and acquisitions:

March 2008	PBF was formed.
June 2010	The idle Delaware City refinery and its related assets were acquired from Valero for approximately $220.0 million.
December 2010	The Paulsboro refinery was acquired from Valero for approximately $357.7 million, excluding working capital.
March 2011	The Toledo refinery was acquired from Sunoco for approximately $400.0 million, excluding working capital.
October 2011	Delaware City became operational.

Throughout this prospectus we include financial statements and other financial and operating data for the Paulsboro Refining Business for periods prior to its acquisition date of December 17, 2010. We refer to Paulsboro as PBF LLC s Predecessor or Predecessor Paulsboro, because we generated substantially no revenues and prior to our acquisition of Paulsboro and the Delaware City assets, we were a new company formed to pursue acquisitions of crude oil refineries and downstream assets in North America. At the time of its acquisition, Paulsboro represented the major portion of our business and assets.

Table of Contents

Factors Affecting Comparability

Our results over the past three years have been affected by the following events, which must be understood in order to assess the comparability of our period to period financial performance and condition.

Acquisition of Delaware City Refinery

Through our subsidiaries, Delaware City Refining and Delaware Pipeline Company LLC, we acquired the idle Delaware City refinery and its related assets, including a petroleum product terminal, a petroleum products pipeline and an electric generation facility, on June 1, 2010 from affiliates of Valero for approximately $220.0 million in cash. We also incurred approximately $4.3 million in acquisition costs. The acquisition of the Delaware City refinery and its related assets was accounted for as an acquisition of assets. The purchase price was allocated to the assets acquired and liabilities assumed based on their estimated fair value. The results of operations have been included in our consolidated financial statements since June 1, 2010. For the period from June 1, 2010 until June 2011, when we began re-starting refinery operations, our results of operations included only certain minor terminal operations and substantial capital improvement activities to prepare the refinery and power plant for re-start. The refinery became fully operational in October 2011 and the results of operations prior to re-start and during the re-start period may not be indicative of our future performance.

The prior owner shut down the Delaware City refinery in the fourth quarter of 2009 due to, among other reasons, financial losses caused by one of the worst recessions in recent history. We were therefore able to acquire the refinery at an attractive price, obtain economic support from the State of Delaware to re-start the refinery, and enter into a new contract with the relevant union at the refinery.

On June 1, 2010, we hired 63 employees of the prior owner to assist us with implementing our refinery turnaround/reconfiguration plan and to conduct terminal operations at the refinery. These employees primarily held positions as engineers, refinery operators, terminal operators, dockworkers, maintenance workers and administrative staff prior to our acquisition of the refinery assets. In connection with our acquisition, we were able to negotiate a new contract with the union including: (1) reopening of the refinery with approximately 470 employees, compared to approximately 700 prior to shutdown by Valero; (2) flexibility with respect to which workers are hired (i.e., no seniority clause); (3) different benefits packages; and (4) more flexible work rules.

Since our acquisition, we have invested more than $500.0 million in turnaround and re-start projects at Delaware City, as well as in the recent strategic development of a crude rail unloading facility. The re-start process included the decommissioning of the gasifier unit located on the property which allowed us to decrease emissions and improve the reliability of the refinery. In addition, we have completed a cogeneration project to convert the electric generation units at the refinery to use natural gas as a fuel and a hydrocracker corrosion control project aimed at increasing throughput. We made significant operating improvements in the first year of operations by modifying the crude slate and product yield, changing operations of the conversion units and re-starting certain units. Through these capital investments and by restructuring certain operations, we have lowered the annual operating expenses of the Delaware City refinery relative to its pre-acquisition operating expense levels by more than 40%. In 2012, we are spending approximately $57.0 million, $20.0 million of which has been spent as of September 30, 2012, to expand and upgrade the existing on-site rail infrastructure, including the expansion of the crude rail unloading facilities that will be capable of discharging approximately 110,000 bpd.

In connection with our re-start of the refinery, we received a $20.0 million loan from the State of Delaware which converts to a grant contingent upon our continued operation of the refinery and certain other conditions. The State of Delaware also agreed to reimburse us $12.0 million in the aggregate for the dredging of the Delaware River near the refinery over the next six years, granted us $1.5 million to fund employee training programs, and granted us $10.0 million towards the conversion of the gas turbines at the refinery to run on natural gas and reduce emissions.

We also obtained a new operating agreement for the Delaware City refinery that defers the construction of previously scheduled cooling water towers that the prior owner planned to spend in excess of $100.0 million to install. The deferral allows us to evaluate the cost effectiveness of closed loop cooling water systems and propose alternatives to be implemented in the next permitting cycle, which is at least five years away. The permits issued pursuant to the new operating agreement provide a plant-wide limit for certain emissions rather than source specific limits. Based on our shutdown of the gasifier unit and the resulting reduction of certain emissions by converting the combustion turbines to natural gas, we avoided additional controls on specific sources that the prior owner anticipated spending approximately $200.0 million to install. As a result of these negotiations, we now have the operational flexibility to manage our emissions in a cost effective manner.

The Delaware City refinery has a throughput capacity of 190,000 bpd and a Nelson Complexity Index of 11.3. It is located on a 5,000-acre site, with access to waterborne cargoes and an extensive distribution network of pipelines, barges and tankers, truck and rail. Delaware City is a fully integrated operation that receives crude via ship or barge at its docks located on the Delaware River. The crude and other feedstocks are transported, via pipes, to an extensive tank farm where they are stored until processing. In addition, there is a 17-bay, 50,000 bpd capacity truck loading rack located adjacent to the refinery, and a 23-mile interstate pipeline that is used to distribute clean products.

Acquisition of Paulsboro Refinery

We acquired the entities that owned the Paulsboro refinery (including an associated natural gas pipeline) on December 17, 2010, from Valero for approximately $357.7 million, excluding working capital. We paid the purchase price with the $160.0 million Paulsboro Promissory Note and cash funded with equity. The purchase price excludes inventory purchased on our behalf by MSCG and Statoil. The acquisition was accounted for using the acquisition method of accounting. The purchase price was allocated to the assets acquired and liabilities assumed based on their estimated fair values. The results of operations of the Paulsboro refinery have been included in our combined and consolidated financial statements as of December 17, 2010. We invested approximately $62.8 million in capital in early 2011 to complete a scheduled turnaround at the refinery.

Paulsboro has a throughput capacity of 180,000 bpd and a Nelson Complexity Index of 13.2. The Paulsboro refinery is located on approximately 950 acres on the Delaware River in Paulsboro, New Jersey, just south of Philadelphia, and approximately 30 miles away from Delaware City. The refinery processes a variety of medium and heavy, sour crude oils.

Acquisition of Toledo Refinery

Through our subsidiary, Toledo Refining, we acquired the Toledo refinery on March 1, 2011, from Sunoco for approximately $400.0 million, excluding working capital. We paid the purchase price with the $200.0 million Toledo Promissory Note and cash funded with equity. We also purchased refined and certain intermediate products in inventory for approximately $299.6 million with the proceeds from a note provided by Sunoco that we subsequently repaid on May 31, 2011 with proceeds from our ABL Revolving Credit Facility, and MSCG purchased the refinery s crude oil inventory on our behalf. Additionally, included in the terms of the sale is a five-year participation payment of up to $125.0 million payable to Sunoco based upon post-acquisition earnings of the refinery, of which $103.0 million was paid in 2012. We currently anticipate paying the balance of the participation payment in April 2013. See Pro Forma Contractual Obligations and Commitments.

The acquisition was accounted for using the acquisition method of accounting with the preliminary purchase price allocated to the assets acquired and liabilities assumed based on their estimated fair values. The results of operations of the Toledo refinery have been included in our consolidated financial statements as of March 1, 2011.

Toledo has a throughput capacity of 170,000 bpd and a Nelson Complexity Index of 9.2. Toledo processes a slate of light, sweet crudes from Canada, the Midcontinent, the Bakken region and the U.S. Gulf Coast. The Toledo refinery is located on a 282-acre site near Toledo, Ohio, approximately 60 miles from Detroit.

Table of Contents

Amended and Restated ABL Revolving Credit Facility

On May 31, 2011, we amended the terms of our ABL Revolving Credit Facility to increase its size to $500.0 million and included certain inventory and accounts receivable of the Toledo refinery in the borrowing base. In addition, the interest rate was changed to the Adjusted LIBOR Rate plus 2.00% to 2.50%, depending on the excess availability, as defined, and the maturity date was extended to May 31, 2016. On an ongoing basis, the ABL Revolving Credit Facility is available to be used for working capital and other general corporate purposes. In March, August, and September 2012, we amended the ABL Revolving Credit Facility again to increase the aggregate size from $500.0 million to $750.0 million, $950 million, and $965 million, respectively. In addition, the ABL Revolving Credit Facility was amended and restated on October 26, 2012 to increase the maximum availability to $1.375 billion, extend the maturity date to October 26, 2017, and amend the borrowing base to include non-U.S. inventory. The amended and restated ABL Revolving Credit Facility includes an accordion feature which allows for commitments of up to $1.8 billion.

Letter of Credit Facility

On January 25, 2011, we entered into a short-term letter of credit facility, which was subsequently amended on April 26, 2011 and April 24, 2012, under which we can obtain letters of credit up to $750.0 million composed of a committed maximum amount of $500.0 million and an uncommitted maximum amount of $250.0 million to support certain of our crude oil purchases. We are charged letter of credit issuance fees and a fee for the unused portion of the committed letter of credit facility. The facility matures on April 23, 2013. As a result of the increased size of the amended and restated ABL Revolving Credit Facility, we expect to terminate the letter of credit facility prior to its maturity.

Senior Secured Notes Offering

On February 9, 2012, we completed an offering of $675.5 million aggregate principal amount of 8.25% Senior Secured Notes, due 2020 (which we refer to as the senior secured notes offering). The net proceeds from the offering of approximately $665.8 million were used to repay our Paulsboro Promissory Note in the amount of $150.6 million, our Term Loan Facility in the amount of $123.8 million, our Toledo Promissory Note in the amount of $181.7 million, and to reduce indebtedness under the ABL Revolving Credit Facility. As a result of the senior secured notes offering, and the repayment of our Delaware City construction financing on August 31, 2012, with the exception of our catalyst lease, we have no long-term debt maturing before 2020.

Factors Affecting Operating Results

Overview

Our earnings and cash flows from operations are primarily affected by the relationship between refined product prices and the prices for crude oil and other feedstocks. The cost to acquire crude oil and other feedstocks and the price of refined petroleum products ultimately sold depend on numerous factors beyond our control, including the supply of, and demand for, crude oil, gasoline, diesel and other refined petroleum products, which, in turn, depend on, among other factors, changes in global and regional economies, weather conditions, global and regional political affairs, production levels, the availability of imports, the marketing of competitive fuels, pipeline capacity, prevailing exchange rates and the extent of government regulation. Our revenue and operating income fluctuate significantly with movements in industry refined petroleum product prices, our materials cost fluctuate significantly with movements in crude oil prices and our other operating expenses fluctuate with movements in the price of energy to meet the power needs of our refineries. In addition, the effect of changes in crude oil prices on our operating results is influenced by how the prices of refined products adjust to reflect such changes.

Crude oil and other feedstock costs and the prices of refined petroleum products have historically been subject to wide fluctuation. Expansion and upgrading of existing facilities and installation of additional refinery distillation or conversion capacity, price volatility, international political and economic developments and other factors beyond our control are likely to continue to play an important role in refining industry economics. These factors can impact, among other things, the level of inventories in the market, resulting in price volatility and a reduction or increase in product margins. Moreover, the industry typically experiences seasonal fluctuations in demand for refined petroleum products, such as for gasoline and diesel, during the summer driving season and for home heating oil during the winter.

Table of Contents

Benchmark Refining Margins

In assessing our operating performance, we compare the refining margins (revenue less materials cost) of each of our refineries against a specific benchmark industry refining margin based on a crack spread. Benchmark refining margins take into account both crude and refined petroleum product prices. When these prices are combined in a formula they provide a single value a gross margin per barrel that, when multiplied by a throughput number, provides an approximation of the gross margin generated by refining activities.

The performance of our East Coast refineries follows the currently published Dated Brent (NYH) 2-1-1 benchmark refining margins. For our Toledo refinery, we utilize a composite benchmark refining margin, the WTI (Chicago) 4-3-1, that is based on publicly available pricing information for products trading in the Chicago and United States Gulf Coast markets.

While the benchmark refinery margins presented below under Results of Operations PBF LLC Market Indicators and Results of Operations Paulsboro Refining Business PBF LLC s Predecessor Market Indicators, are representative of the results of our refineries, each refinery s realized gross margin on a per barrel basis will differ from the benchmark due to a variety of factors affecting the performance of the relevant refinery to its corresponding benchmark. These factors include the refinery s actual type of crude oil throughput, product yield differentials and any other factors not reflected in the benchmark refining margins, such as transportation costs, storage costs, credit fees, fuel consumed during production and any product premiums or discounts, as well as inventory fluctuations, timing of crude oil and other feedstock purchases, a rising or declining crude and product pricing environment and commodity price management activities. As discussed in more detail below, each of our refineries, depending on market conditions, has certain feedstock-cost and product-value advantages and disadvantages as compared to the refinery s relevant benchmark.

Credit Risk Management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to us. Our exposure to credit risk is reflected in the carrying amount of the receivables that are presented in our balance sheet. To minimize credit risk, all customers are subject to extensive credit verification procedures and extensions of credit above defined thresholds are to be approved by the senior management. Our intention is to trade only with recognized creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis. We also limit the risk of bad debts by obtaining security such as guarantees or letters of credit.

Other Factors

We currently source our crude oil for Paulsboro and Delaware City on a global basis through a combination of market purchases and short-term purchase contracts through our crude supply contracts primarily with Statoil. Our agreement with Statoil for Paulsboro will terminate effective March 31, 2013, at which time we plan to source Paulsboro s crude oil and feedstocks internally. Our agreement with Statoil for Delaware City has been extended by Statoil through December 31, 2015 and we have recently entered into certain amendments to that agreement that are effective through the extended term. In addition, we have a long-term contract with the Saudi Arabian Oil Company (Saudi Aramco). We have been purchasing up to approximately 100,000 bpd of crude oil from Saudi Aramco that is processed at Paulsboro pursuant to this agreement and on a spot basis. Our Toledo refinery sources domestic and Canadian crude oil through similar market purchases through our crude supply contract with MSCG. We believe purchases based on market pricing has given us flexibility in obtaining crude oil at lower prices and on a more accurate as needed basis. Since our Paulsboro and Delaware City refineries access their crude slates from the Delaware River via ship or barge and through our rail facilities at Delaware City, these refineries have the flexibility to purchase crude oils from the Midcontinent and Western Canada, as well as a number of different countries.

Our operating cost structure is also important to our profitability. Major operating costs include costs relating to employees and contract labor, energy, maintenance and environmental compliance. The predominant variable cost is energy, in particular, the price of utilities, natural gas and chemicals.

Table of Contents

Our operating results are also affected by the reliability of our refinery operations. Unplanned downtime of our refinery assets generally results in lost margin opportunity and increased maintenance expense. The financial impact of planned downtime, such as major turnaround maintenance, is managed through a planning process that considers such things as the margin environment, the availability of resources to perform the needed maintenance and feedstock logistics, whereas unplanned downtime does not afford us this opportunity.

Refinery-Specific Information

The following section includes refinery-specific information related to crude differentials, ancillary costs, and local premiums and discounts.

Delaware City Refinery. The benchmark refining margin for the Delaware City refinery is calculated by assuming that two barrels of the benchmark Dated Brent crude oil are converted into one barrel of gasoline and one barrel of heating oil. We calculate this refining margin using the New York Harbor market value of gasoline and heating oil against the market value of Dated Brent crude oil and refer to the benchmark as the Dated Brent (NYH) 2-1-1 benchmark refining margin. Our Delaware City refinery has a product slate of approximately 52.5% gasoline, 35% distillate (split evenly between ULSD and heating oil), 1.5% high-value petrochemicals, with the remaining 11% of the product slate comprised of lower-value products (5% petroleum coke, 5% LPGs and 1% other). For this reason, we believe the Dated Brent (NYH) 2-1-1 is an appropriate benchmark industry refining margin. The Dated Brent (NYH) 2-1-1 benchmark crack has averaged $14.55 per barrel over the period from January 1, 2012 to September 30, 2012. The majority of Delaware City revenues are generated off NYH-based market prices.

The Delaware City refinery s realized gross margin on a per barrel basis has historically differed from the Dated Brent (NYH) 2-1-1 benchmark refining margin due to the following factors:

- the Delaware City refinery processes a slate of primarily medium and heavy, and sour crude oil, which has constituted approximately 70% to 80% of total throughput. The remaining throughput consists of sweet crude oil and other feedstocks and blendstocks. Our total throughput costs have historically priced at a discount to Dated Brent; and

- as a result of the heavy, sour crude slate processed at Delaware City, we produce low value products including sulfur and petroleum coke. These products are priced at a significant discount to gasoline, ULSD and heating oil and represent approximately 5% of our total production volume.

Paulsboro Refinery. The benchmark refining margin for the Paulsboro refinery is calculated by assuming that two barrels of the benchmark Dated Brent crude oil are converted into one barrel of gasoline and one barrel of heating oil. We calculate this refining margin using the New York Harbor market value of gasoline and heating oil against the market value of Dated Brent crude oil and refer to the benchmark as the Dated Brent (NYH) 2-1-1 benchmark refining margin. Our Paulsboro refinery has a product slate of approximately 37.5% gasoline, 40.5% distillate (comprised of approximately one-third jet fuel and two-thirds heating oil), 5.5% high-value Group I lubricants, with the remaining 16.5% of the product slate comprised of lower-value products (4% petroleum coke, 3% LPGs, 3% fuel oil, 5% asphalt, and 1.5% other). For this reason, we believe the Dated Brent (NYH) 2-1-1 is an appropriate benchmark industry refining margin. The Dated Brent (NYH) 2-1-1 benchmark crack has averaged $14.55 per barrel over the period from January 1, 2012 to September 30, 2012. The majority of Paulsboro revenues are generated off NYH-based market prices.

The Paulsboro refinery s realized gross margin on a per barrel basis has historically differed from the Dated Brent (NYH) 2-1-1 benchmark refining margin due to the following factors:

the Paulsboro refinery processes a slate of primarily medium and heavy, and sour crude oil, which has historically constituted approximately 70% to 80% of total throughput. The remaining throughput consists of sweet crude oil and other feedstocks and blendstocks. Historically, Paulsboro s delivered crude costs have priced at a discount to Dated Brent;

as a result of the heavy, sour crude slate processed at Paulsboro, we produce low value products including sulfur, petroleum coke and fuel oil. These products are priced at a significant discount to gasoline and heating oil and represent approximately 8% to 9.5% of our total production volume; and

the Paulsboro refinery produces Group I lubricants which, through an extensive production process, has a low volume yield which limits the volume expansion on crude inputs.

Toledo Refinery. The benchmark refining margin for the Toledo refinery is calculated by assuming that four barrels of benchmark WTI crude oil are converted into three barrels of gasoline, one-half barrel of ULSD and one-half barrel of jet fuel. We calculate this refining margin using the Chicago market values of gasoline and ULSD and the United States Gulf Coast value of jet fuel against the market value of WTI crude oil and refer to this benchmark as the WTI (Chicago) 4-3-1 benchmark refining margin. Our Toledo refinery has a product slate of approximately 51% gasoline, 35% distillate (comprised of approximately 45% jet fuel and 55% ULSD), 5% high-value petrochemicals (including nonene, tetramer, benzene, xylene and toluene) with the remaining 9% of the product slate comprised of lower-value products (6% LPGs, 2.5% fuel oil and 0.5% other). For this reason, we believe the WTI (Chicago) 4-3-1 is an appropriate benchmark industry refining margin. The majority of Toledo revenues are generated off Chicago-based market prices. The WTI (Chicago) 4-3-1 benchmark crack has averaged $28.05 per barrel over the period from January 1, 2012 to September 30, 2012.

The Toledo refinery s realized gross margin on a per barrel basis has historically differed from the WTI (Chicago) 4-3-1 benchmark refining margin due to the following factors:

the Toledo refinery processes a slate of domestic sweet crude oil (60% of total crude throughput) and Syncrude (40% of total crude throughput). Historically, Toledo s delivered crude costs have been higher than the market value of WTI crude oil;

the Toledo refinery is connected to its distribution network through a variety of third party product pipelines. While lower in cost when compared to barge or rail transportation, the inclusion of transportation costs increases our overall cost relative to the 4-3-1 benchmark refining margin; and

the Toledo refinery generates a pricing benefit on some of its products, primarily its petrochemicals.

Table of Contents

Results of Operations PBF LLC

The tables below summarize certain information relating to our operating results derived from our unaudited condensed consolidated financial data for the nine months ended September 30, 2012 and 2011 and our audited consolidated financial data for the years ended December 31, 2009, 2010 and 2011. This data should be read in conjunction with our audited and unaudited condensed consolidated financial statements and the notes thereto included elsewhere in this prospectus.

PBF LLC and Subsidiaries

	Year Ended December 31, 2009	Year Ended December 31, 2010	Year Ended December 31, 2011	Nine Months Ended September 30, 2011	Nine Months Ended September 30, 2012
			(in thousands)		
Revenues	$ 228	$ 210,671	$ 14,960,338	$ 10,183,897	$ 15,188,327
Cost of sales, excluding depreciation		203,971	13,855,163	9,147,063	13,871,884
Non-GAAP gross margin(1)	228	6,700	1,105,175	1,036,834	1,316,443
Operating expenses, excluding depreciation		25,140	658,831	457,722	537,880
General and administrative expenses	6,294	15,859	86,183	71,533	78,042
Acquisition related expenses		6,051	728	684	
Gain on sale of asset					(2,430)
Depreciation and amortization expense	44	1,402	53,743	35,636	67,419
	6,338	48,452	799,485	565,575	680,911
(Loss) income from operations	(6,110)	(41,752)	305,690	471,259	635,532
Change in fair value of catalyst leases		(1,217)	7,316	4,848	(6,929)
Change in fair value of contingent consideration			(5,215)	(4,829)	(2,076)
Interest income (expense), net	10	(1,388)	(65,120)	(44,127)	(86,753)
Net (loss) income	$ (6,100)	$ (44,357)	$ 242,671	$ 427,151	$ 539,774
Gross margin	$ 228	$ 6,157	$ 1,053,479	$ 1,002,403	$ 1,254,147

(1) Non-GAAP gross margin is defined as gross margin excluding depreciation expense related to the refineries. We believe non-GAAP gross margin is an important measure of operating performance and provides useful information to investors because it is a better metric comparison for the industry refining margin benchmarks, as the refining margin benchmarks do not include a charge for depreciation expense. In order to assess our operating performance, we compare our non-GAAP gross margin (revenue less cost of sales) to industry refining margin benchmarks and crude oil prices as defined in the table below. Information is shown only for the periods during which we had refining operations.

Non-GAAP gross margin should not be considered an alternative to gross margin, operating income, net cash flows from operating activities or any other measure of financial performance or liquidity presented in accordance with GAAP. Non-GAAP gross margin presented by other companies may not be comparable to our presentation, since each company may define this term differently. The following table presents a reconciliation of Non-GAAP gross margin to the most directly comparable GAAP financial measure, gross margin, on a historical basis, as applicable, for each of the periods indicated:

	Year Ended December 31, 2009	2010	2011	Nine Months Ended September 30, 2011	2012
			(in thousands)		
Reconciliation of gross margin to Non-GAAP gross margin:					
Gross margin	$ 228	$ 6,157	$ 1,053,479	$ 1,002,403	$ 1,254,147
Add:					
Refinery depreciation expense		543	51,696	34,431	62,296
Non-GAAP gross margin	$ 228	$ 6,700	$ 1,105,175	$ 1,036,834	$ 1,316,443

	Year Ended December 31, 2010(b)	Year Ended December 31, 2011	Nine Months Ended September 30, 2011	Nine Months Ended September 30, 2012
Market Indicators[(a)]				
(dollars per barrel, except as noted)				
Dated Brent crude oil	$ 92.77	$ 111.26	$ 111.89	$ 112.21
West Texas Intermediate (WTI) crude oil	$ 90.03	$ 95.04	$ 95.37	$ 96.13
Crack Spreads				
Dated Brent (NYH)2-1-1	$ 10.41	$ 9.93	$ 10.38	$ 14.55
WTI (Chicago) 4-3-1	$ 10.30	$ 24.14	$ 26.18	$ 28.05
Crude Oil Differentials				
Dated Brent (foreign) less WTI	$ 2.74	$ 16.22	$ 16.52	$ 16.08
Dated Brent less Maya (heavy, sour)	$ 13.19	$ 12.63	$ 14.86	$ 10.51
Dated Brent less WTS (sour)	$ 5.22	$ 18.28	$ 18.98	$ 20.18
Dated Brent less ASCI (sour)	$ 2.55	$ 3.82	$ 4.26	$ 4.46
WTI less WCS (heavy, sour)	$ 18.25	$ 15.63	$ 16.71	$ 20.40
WTI less Bakken (light, sweet)	$ 2.96	$ (3.31)	$ (4.73)	$ 6.36
WTI less Syncrude (light, sweet)	$ 1.43	$ (9.79)	$ (11.06)	$ 1.37
Natural gas (dollars per MMBTU)	$ 4.17	$ 4.00	$ 4.21	$ 2.58
Key Operating Information				
Production (barrels per day in thousands)	146.5	427.9	318.7	463.0
Crude oil and feedstocks throughput (barrels per day in thousands)	143.8	429.4	316.0	464.0
Total crude oil and feedstocks throughput (millions of barrels)	2.2	128.7	86.3	127.1

(a) As reported by Platts.
(b) Data is for the period from December 17, 2010 to December 31, 2010.

Nine Months Ended September 30, 2012 Compared to Nine Months Ended September 30, 2011

Overview Net income was $539.8 million for the nine months ended September 30, 2012 compared to $427.2 for the nine months ended September 30, 2011. During the 2011 period, our results reflect nine months of operations of our Paulsboro refinery, seven months of operations of our Toledo refinery, which was acquired on March 1, 2011, and activities to turnaround, reconfigure and re-start our Delaware City Refinery. We began restarting our Delaware City refinery in June 2011 and it was fully operational in October 2011. During the nine months ended September 30, 2012, all three of our refineries were operating, although the Toledo refinery was impacted by a thirty day turnaround of its hydrocracker, reformer and UDEX units which commenced on March *9,* 2012. Our results for the nine months ended September 30, 2012 were favorably impacted by improved crack spreads despite the narrowing of the light/heavy crude differential.

Revenues Revenues totaled $15.2 billion for the nine months ended September 30, 2012 compared to $10.2 billion for the nine months ended September 30, 2011, an increase of $5.0 billion, or 49%. The revenue

Table of Contents

increase primarily relates to nine months of operations of the Toledo refinery in 2012 compared to seven months in 2011 as a result of its acquisition on March 1, 2011, and nine months of operations of our Delaware City refinery in 2012, which was being reconfigured and prepared for restart during the 2011 period. For the nine months ended September 30, 2012, the total throughput rates at our Paulsboro, Toledo, and Delaware City refineries averaged approximately 155,000 bpd, 147,400 bpd, and 161,500 bpd, respectively. For the nine months ended September 30, 2011, the total throughput rates at our Paulsboro, Toledo and Delaware City refineries averaged approximately 150,100 bpd, 151,300 bpd, and 105,700 bpd, respectively. For the nine months ended September 30, 2012, the total barrels sold at our Paulsboro, Toledo, and Delaware City refineries averaged approximately 148,000 bpd, 154,200 bpd, and 154,100 bpd, respectively. For the nine months ended September 30, 2011, the total barrels sold at our Paulsboro, Toledo, and Delaware City refineries averaged approximately 150,800 bpd, 159,800 bpd, and 89,800 bpd, respectively.

The throughput rate and barrels sold for our Toledo and Delaware City refineries for the nine months ended September 30, 2011 reflect the period from March 1 to September 30 and June 1 to September 30, respectively. Total barrels sold during the nine months ended September 30, 2012 were approximately 128.5 million barrels at an average price of $118.19 per barrel, compared to 86.3 million barrels at an average price of $117.97 per barrel during the 2011 period.

Gross Margin Non-GAAP gross margin totaled $1,316.4 million, or $10.36 per barrel of throughput, for the nine months ended September 30, 2012 compared to $1,036.8 billion, or $12.02 per barrel of throughput during the nine months ended September 30, 2011, an increase of $279.6 million. Gross margin totaled $1,254.1 million, or $9.87 per barrel of throughput, for the nine months ended September 30, 2012 compared to $1,002.4 million, or $11.62 per barrel of throughput, for the nine months ended September 30, 2011, an increase of $251.7 million. The increase in non-GAAP gross margin and gross margin was primarily due to a full nine months of operations at the Toledo and Delaware City refineries in 2012.

Average industry refining margins in the Midcontinent were generally stronger during the nine month period ended September 30, 2012 as compared to the same period in 2011. The WTI (Chicago) 4-3-1 industry crack spread was approximately $1.87 per barrel or 7.1% higher in the nine month period ended September 30, 2012 as compared to the same period in 2011. During the nine month period ended September 30, 2012, we believe the strong industry refining margins and crude oil price differentials reflect limitations on takeaway capacity of WTI crude stored at Cushing, Oklahoma and the increase in domestically available supply which depressed the price of WTI versus Dated Brent and other crudes. The WTI-Syncrude differential improved by $12.43 per barrel during the nine month period ended September 30, 2012 compared to the same period in 2011. As the WTI-Syncrude premium increases, it has a positive impact on our Toledo refinery s gross margin because Syncrude represents a significant portion of its crude slate.

While the Dated Brent (NYH) 2-1-1 industry crack spread was approximately $4.17 per barrel, or 40.2%, higher in the nine month period ended September 30, 2012 as compared to the same period in 2011, the Dated Brent/Maya differential was approximately $4.35 per barrel, or approximately 29.2%, lower in 2012 than in 2011. A reduction in the Dated Brent/Maya crude differential, our proxy for the light/heavy crude differential, has a negative impact on Paulsboro and Delaware City as both refineries process a large slate of medium and heavy, sour crude oil that is priced at a discount to light, sweet crude oil.

The decrease in our non-GAAP gross margin per barrel to $10.36 per barrel for the nine months ended September 30, 2012 from $12.02 per barrel during the same period in 2011 was primarily driven by an unfavorable increase in the landed cost of crude at our East Coast refineries due to the narrowing of the light/heavy crude differential, partially offset by improved crack spreads and lower cost of crude at our Toledo refinery. The impact of the narrowing of the light/heavy crude differential on the results of our Paulsboro and Delaware City refineries was compounded by their significant production of low value products such as sulfur, petroleum coke and fuel oils as these products price at a substantial discount to light products. As a result, we were not able to fully benefit from the increase in gasoline and distillates prices during the nine month period.

Operating Expenses Operating expenses totaled $537.9 million, or $4.23 per barrel of throughput, for the nine months ended September 30, 2012 compared to $457.7 million, or $5.31 per barrel of throughput, for the

Table of Contents

nine months ended September 30, 2011, an increase of $80.2 million, or 17.5%. The increase in operating expenses primarily relates to having Toledo for a full nine months in the 2012 period versus seven months in 2011, and the restart of the Delaware City refinery. During the 2011 period, our Delaware City refinery was undergoing a turnaround and reconfiguration. It was fully operational during the nine months ended September 30, 2012. The decrease in operating expenses per barrel of throughput is mainly attributable to a reduction in energy and utilities costs, primarily driven by lower natural gas prices, and the increase in throughput barrels. Our operating expenses principally consist of salaries and employee benefits, maintenance, energy and catalyst and chemicals costs.

General and Administrative Expenses General and administrative expenses totaled $78.0 million for the nine months ended September 30, 2012 compared to $71.5 million for the nine months ended September 30, 2011, an increase of $6.5 million or 9%. The increase in general and administrative expenses primarily relates to higher information technology expenses for the implementation of accounting and commercial software recorded in 2012. Our general and administrative expenses are comprised of the personnel, facilities and other infrastructure costs necessary to support our refineries.

Acquisition-related Expenses Acquisition-related expenses for the nine months ended September 30, 2011 were $0.7 million and related to our acquisition of Toledo.

Depreciation and Amortization Expense Depreciation and amortization expense totaled $67.4 million for the nine months ended September 30, 2012 compared to $35.6 million for the nine months ended September 30, 2011, an increase of $31.8 million. The increase was principally due to the acquisition of Toledo in March 2011, commencement of depreciation in July 2011 related to the restart of Delaware City, and capital expenditure and turnaround activity.

Change in Fair Value of Catalyst Leases Change in the fair value of catalyst leases represented a loss of $6.9 million for the nine months ended September 30, 2012 compared to a gain of $4.8 million for the nine months ended September 30, 2011. This gain or loss relates to the change in value of the precious metals underlying the sale and leaseback of our refineries precious metals catalyst, which we are obligated to repurchase at fair market value at the lease termination dates.

Change in Fair Value of Contingent Consideration Change in the fair value of contingent consideration was an expense of $2.1 million for the nine months ended September 30, 2012, compared to $4.8 for the 2011 period. This change represents the increase in the estimated fair value of the total contingent consideration we expect to pay in connection with our acquisition of the Toledo refinery.

Interest (Expense) Income Interest expense totaled $86.7 million for the nine months ended September 30, 2012 compared to $44.1 million for the nine months ended September 30, 2011, an increase of $42.6 million. Interest expense includes interest on long-term debt, costs related to the sale and leaseback of our precious metals catalyst, interest expense incurred in connection with our crude and feedstock supply agreements with Statoil and MSCG, letter of credit fees associated with the purchase of certain crude oils, and the amortization of deferred financing fees. The increase in interest expense primarily relates to an increase in overall debt associated with the issuance of senior secured notes in February 2012 and precious metals catalyst leases for the Toledo and Delaware City refineries, interest expense associated with the Statoil agreement related to the Delaware City restart and the write off of $4.4 million in deferred financing costs on debt that was repaid from the proceeds of our senior secured notes offering.

2011 Compared to 2010

Overview Net income was $242.7 million for the year ended December 31, 2011 compared to a net loss of $44.4 million for the year ended December 31, 2010. During most of 2010, we were a development stage company focused on the acquisition of oil refineries and other downstream assets in North America and activities to turnaround, reconfigure and re-start our Delaware City refinery. Our net loss in 2010 was related to those

Table of Contents

activities, plus the results of operations of our Paulsboro refinery for the period from December 17, 2010 to December 31, 2010. Our 2011 net income primarily reflects a full year s operation of our Paulsboro refinery, the results of our Toledo refinery, which we acquired on March 1, 2011, and the results of our Delaware City refinery, which we began re-starting in June 2011 and which was fully operational in October 2011.

Revenues Revenues totaled $15.0 billion for the year ended December 31, 2011 compared to $210.7 million in the year ended December 31, 2010. The revenue increase was primarily due to the operations of our Paulsboro and Toledo refineries, and the commencement of refining operations at our Delaware City refinery, which became operational in October 2011. The total throughput rate and barrels sold rate at our Paulsboro refinery averaged 151,400 bpd and 151,700 bpd, respectively, during the year ended December 31, 2011. The total throughput rate and barrels sold rate at our Toledo refinery averaged 151,400 bpd and 160,800 bpd, respectively, during the period from March 1, 2011 to December 31, 2011. We began re-starting our Delaware City refinery during June 2011 and it became operational in October 2011. Its throughput rate and barrels sold rate averaged approximately 126,600 bpd and 116,200 bpd, respectively, for the period from June 2011 through December 31, 2011. Our 2010 revenues were primarily related to consulting services that we provided to third parties, minor terminaling operations at our Delaware City refinery beginning June 1, 2010, and revenue from our Paulsboro refinery from December 17, 2010 to December 31, 2010. During this period, the refinery had an average throughput rate of approximately 143,800 bpd.

Gross Margin Non-GAAP gross margin totaled $1,105.2 million, or $8.59 per barrel of throughput, for the year ended December 31, 2011 compared to $6.7 million, or $3.05 per barrel of throughput for the year ended December 31, 2010, an increase of $1,098.5 million. Gross margin totaled $1,053.5 million, or $8.19 per barrel of throughput, for the year ended December 31, 2011 compared to $6.2 million, or $2.82 per barrel of throughput, for the year ended December 31, 2010, an increase of $1,047.3. The increase in non-GAAP gross margin and gross margin in 2011 was due to the acquisition of the Toledo refinery, a full year of operations at the Paulsboro refinery, and the re-start of the Delaware City refinery during the year. Additionally, the increase in non-GAAP gross margin and gross margin was also driven by strong margins for most of the products we produce and wider crude oil price differentials.

Average industry refining margins and crude oil price differentials were stronger in 2011 as compared to 2010. The WTI (Chicago) 4-3-1 industry crack spread was approximately 169.1% higher in 2011 compared to 2010. The Dated Brent/WTI differential and Dated Brent/Maya differentials were $16.17 per barrel and $3.36 per barrel higher, respectively, in 2011 than in 2010. In 2011, we believe these industry refining margins and crude oil price differentials were impacted by supply limitations of WTI crude stored at Cushing, Oklahoma which depressed the price of WTI. In addition, the demand for crude oil increased which, in turn, increased prices for non-WTI crude worldwide. As a result, the differential between light and heavy barrels widened. A strong Dated Brent/WTI crude differential has a significant positive impact on Toledo s gross margin because its primary feedstock is mainly WTI and WTI based light, sweet crude oil. A wide Dated Brent/Maya crude differential, our proxy for the light/heavy differential, has a positive impact on Paulsboro and Delaware City as both refineries process a large slate of medium and heavy, sour crude oil that is priced at a discount to light, sweet crude oil.

Demand for transportation fuels has generally been higher in the spring and summer months than during the fall and winter months. As a result, we expect our operating results for the second and third quarters will generally be higher than for the first and fourth quarters.

Operating Expenses Operating expenses totaled $658.8 million, or $5.12 per barrel of throughput, for the year ended December 31, 2011 compared to $25.1 million for the year ended December 31, 2010, an increase of $633.7 million. Our operating expenses principally consist of salaries and employee benefits, maintenance, energy and catalyst and chemicals. Operating expenses for 2011 include our Paulsboro refinery for the entire year and our Toledo refinery from March 1, 2011 through December 31, 2011. During 2011, our Delaware City refinery was undergoing a turnaround and reconfiguration and we began re-starting the refinery in June 2011. It was fully operational in October 2011. During 2010, our operating expenses included expenses associated with

Table of Contents

the Delaware City turnaround and reconfiguration projects, minor terminaling operations, and the operating expenses of our Paulsboro refinery from December 17, 2010 to December 31, 2010. Our consolidated operating expense per barrel of $5.12 for the year ended December 31, 2011 may not be indicative of our future performance, primarily because it included the operating expenses of Delaware City prior to the period we began re-starting the refinery and during the re-start period which began in June 2011.

General and Administrative Expenses General and administrative expenses totaled $86.2 million for the year ended December 31, 2011 compared to $15.9 million for the year ended December 31, 2010, an increase of $70.3 million or 443.4%. The increase is primarily attributable to increased personnel, facilities and other infrastructure costs necessary to support our three operating oil refineries in 2011. During 2010, we were primarily focused on completing the acquisitions of our three refineries and starting the process of building out our infrastructure to support our transition from a development stage company to an operating entity.

Acquisition-related Expenses Acquisition-related expenses totaled $0.7 million for the year ended December 31, 2011 compared to $6.1 million for the year ended December 31, 2010, a decrease of $5.4 million or 88.0%. Acquisition related expense in 2010 represented consulting and legal expenses related to the Paulsboro and Toledo acquisitions and other pending or non-consummated acquisitions. In addition, we capitalized $4.3 million in acquisition related costs associated with our acquisition of the Delaware City assets. Our acquisition related expenses in 2011 were primarily related to Toledo.

Depreciation and Amortization Expense Depreciation and amortization expense totaled $53.7 million for the year ended December 31, 2011 compared to $1.4 million for the year ended December 31, 2010, an increase of $52.3 million. The increase was principally due to a year of Paulsboro activity, the acquisition of Toledo in March 2011, commencement of depreciation in July 2011 related to the beginning of re-start activity for Delaware City, and capital expenditure activity. In the comparable period in 2010, depreciation expense related primarily to our Paulsboro refinery for the period from December 17, 2010 to December 31, 2010.

Change in Fair Value of Catalyst Leases Change in the fair value of catalyst leases represented a gain of $7.3 million for the year ended December 31, 2011 compared to a loss of $1.2 million for the year ended December 31, 2010. This gain or loss relates to the change in value of the precious metals underlying the sale leaseback of the Delaware City refinery and Toledo refinery precious metals catalyst, which we are obligated to repurchase at fair market value at the lease termination date.

Change in Fair Value of Contingent Consideration Change in the fair value of contingent consideration was $5.2 million for the year ended December 31, 2011, compared to zero in 2010. This change represents the increase in the estimated fair value of the contingent consideration we expect to pay in connection with our acquisition of the Toledo refinery.

Interest (Expense) Income Interest expense totaled $65.1 million for the year ended December 31, 2011 compared to $1.4 million for the year ended December 31, 2010. We incurred long-term debt in connection with our acquisitions of Delaware City, Paulsboro and Toledo, giving rise to interest expense. We also incurred interest expense in connection with our crude and feedstock supply agreements with Statoil and MSCG and letter of credit fees associated with the purchase of certain crude oils.

2010 Compared to 2009

Overview Our net loss was $44.4 million in 2010 compared to a net loss of $6.1 million in 2009, an increase of $38.3 million or 627.9%. During 2009 and throughout most of 2010, we were a development stage company focused on the acquisition of oil refineries and downstream assets in North America. Our net loss in 2009 related to costs associated with those activities. In 2010, our net loss results from acquisition activities, terminal operations and non-capitalizable maintenance activities at our Delaware City refinery, which we acquired on June 1, 2010, and the operating results of our Paulsboro refinery, which we acquired on December 17, 2010.

Table of Contents

Revenues Revenues totaled $210.7 million in 2010 compared to $0.2 million in 2009, an increase of $210.5 million. The increase was principally due to $4.8 million in terminal revenues at our Delaware City refinery for the period from June 1, 2010 to December 31, 2010 and $205.9 million in revenue at our Paulsboro refinery for the period from December 17, 2010 to December 31, 2010. Total throughput averaged 143,800 bpd at Paulsboro from December 17, 2010 to December 31, 2010. Our revenue in 2009 related primarily to consulting services that we provided to third parties.

Gross Margin Non-GAAP gross margin totaled $6.7 million in 2010 and $0.2 million in 2009. Gross margin totaled $6.2 million in 2010 and $0.2 million in 2009. Our non-GAAP gross margin and gross margin in 2009 related to consulting activities. In 2010, we reported gross margin of $4.8 million related to our terminal operations at our Delaware City refinery for the period from June 1, 2010 to December 31, 2010 and $1.9 million in gross margin for our Paulsboro refinery for the period from December 17, 2010 to December 31, 2010. Non-GAAP gross margin and gross margin at our Paulsboro refinery for December 17, 2010 through December 31, 2010 totaled $0.98 per barrel of crude oil throughput.

Operating Expenses Operating expenses totaled $25.1 million in 2010 compared to zero in 2009. We did not incur any operating expenses in 2009 as we were a development stage company without any operations. We began to incur operating expenses concurrent with our acquisition of Delaware City in June 2010, where we reported $14.1 million in operating expenses related to terminal operations and non-capitalizable maintenance expenses incurred while the refinery was undergoing a major turnaround and reconfiguration project. Operating expenses at our Paulsboro refinery for December 17, 2010 through December 31, 2010 totaled $11.0 million, or $5.01 per barrel of crude oil throughput.

General and Administrative Expenses General and administrative expenses totaled $15.9 million in 2010 compared to $6.3 million in 2009, an increase of $9.6 million or 152.0%. The increase is principally attributable to increased personnel, facilities and other infrastructure costs as we began to build-out our back office administrative functions to support our acquisitions.

Acquisition-related Expenses Acquisition-related expenses totaled $6.1 million in 2010 compared to zero in 2009. Acquisition-related expenses in 2010 represented consulting and legal expenses related to the Paulsboro and Toledo acquisitions and other pending or non-consummated acquisitions.

Depreciation and Amortization Expense Depreciation and amortization expense totaled $1.4 million in 2010 compared to $44 thousand in 2009, an increase of $1.4 million. This increase was principally due to our commencing operations in 2010 following the acquisitions of Delaware City and Paulsboro. In 2009, we had *de minimis* depreciable assets.

Change in Fair Value of Catalyst Lease Obligation Change in the fair value of catalyst lease totaled $1.2 million in 2010 compared to zero in 2009. This charge relates to the change in value of the precious metals underlying the sale leaseback of the Delaware City precious metals catalyst, which we are obligated to repurchase at fair market value at the lease termination date.

Interest Income (Expense) Interest expense totaled $1.4 million in 2010 compared to $10 thousand of interest income in 2009. We incurred long-term debt in 2010 in connection with our acquisitions of Delaware City and Paulsboro, giving rise to interest expense. In 2009, we had no long-term debt.

Table of Contents

Paulsboro Refining Business PBF LLC s Predecessor

	Year Ended December 31, 2009	Period from January 1, 2010 through December 16, 2010
	(in thousands)	
Operating revenues	$ 3,549,517	$ 4,708,989
Cost of sales, excluding depreciation	3,419,460	4,487,825
Non-GAAP gross margin[1]	130,057	221,164
Operating expenses, excluding depreciation	266,319	259,768
General and administrative expenses	15,594	14,606
Asset impairment loss	8,478	895,642
Depreciation and amortization expense	65,103	66,361
Operating income (loss)	(225,437)	(1,015,213)
Interest and other income, net	1,249	500
Income (loss) before income tax expense (benefit)	(224,188)	(1,014,713)
Income tax expense (benefit)	(86,586)	(322,962)
Net income (loss)	$ (137,602)	$ (691,751)
Gross margin	$ 77,957	$ 169,064

(1) Non-GAAP gross margin is defined as gross margin excluding depreciation expense related to the refineries. We believe non-GAAP gross margin is an important measure of operating performance and provides useful information to investors because it is a better metric comparison for the industry refining margin benchmarks, as the refining margin benchmark do not contemplate a charge for depreciation expense. In order to assess our operating performance, we compare our non-GAAP gross margin (revenue less cost of sales) to industry refining margin benchmarks and crude oil prices as defined in the table below.

Non-GAAP gross margin should not be considered an alternative to gross margin, operating income, net cash flows from operating activities or any other measure of financial performance or liquidity presented in accordance with GAAP. Non-GAAP gross margin presented by other companies may not be comparable to our presentation, since each company may define this term differently. The following table presents a reconciliation of non-GAAP gross margin to the most directly comparable GAAP financial measure, gross margin, on a historical basis, as applicable, for each of the periods indicated:

	Year Ended December 31, 2009	Period from January 1, 2010 through December 16, 2010
	(in thousands)	
Reconciliation of gross margin to Non-GAAP gross margin:		
Gross margin	$ 77,957	$ 169,064
Add:		
Refinery depreciation expense	52,100	52,100
Non-GAAP gross margin	$ 130,057	$ 221,164

		Year Ended December 31, 2009		Period from January 1, 2010 through December 16, 2010
Market Indicators[(a)]				
(dollars per barrel, except as noted)				
Dated Brent crude oil	$	61.67	$	79.01
West Texas Intermediate (WTI) crude oil	$	61.92	$	79.01
Crack Spreads				
Dated Brent (NYH) 2-1-1	$	8.24	$	9.40
WTI (Chicago) 4-3-1	$	8.62	$	8.92
Crude Oil Differentials				
Dated Brent (foreign) less WTI	$	(0.25)	$	0.00
Dated Brent less Maya (heavy, sour)	$	5.00	$	9.20
Dated Brent less WTS (sour)	$	1.27	$	2.13
Dated Brent less ASCI (sour)	$	1.26	$	1.59
WTI less WCS (heavy, sour)	$	7.65	$	13.61
WTI less Bakken (light, sweet)		N/A	$	3.13
WTI less Syncrude (light, sweet)	$	(1.61)	$	(0.17)
Natural gas (dollars per MMBTU)	$	4.16	$	4.39
Key Operating Information				
Production (barrels per day in thousands)		147.0		153.0
Crude oil and feedstocks throughput (barrels per day in thousands)		148.6		154.0
Total crude oil and feedstocks throughput (millions of barrels)		54.2		53.9

(a) As reported by Platts.

Paulsboro Refining Business PBF LLC s Predecessor

Period from January 1, 2010 through December 16, 2010 Compared to 2009

Overview Net loss was $691.8 million in the period from January 1, 2010 through December 16, 2010 compared to a net loss of $137.6 million in 2009, an increase of $554.2 million or 402.8%. The net loss in 2010 was driven primarily by the $895.6 million impairment charge discussed below. Excluding the charge, the pretax loss would have been $119.1 million as compared to a reported pretax loss of $1.0 billion in 2010. The operating losses in both periods resulted from narrow margins on refined products and high operating costs to maintain the refinery.

Operating Revenues Operating revenues totaled $4.7 billion in the 2010 period compared to $3.5 billion in 2009, an increase of $1.2 billion or 34.3%. The increase was principally due to an increase in average finished product prices. The spot prices of conventional gasoline and diesel increased approximately 27% over the period, while throughput increased 3.6%. Total throughput averaged 154,000 bpd over the 2010 period compared to 148,600 bpd in 2009.

Cost of Sales Cost of sales totaled $4.5 billion in the 2010 period compared to $3.4 billion in 2009, an increase of $1.1 billion or 32.4%. The increase was principally due to a rise in average crude prices. The Dated Brent crude average price increased 28% from period to period, while throughput increased 3.6%. Non-GAAP gross margin per barrel averaged $4.10 in 2010 versus $2.40 per barrel in 2009 and gross margin per barrel averaged $3.14 in 2010 versus $1.44 per barrel in 2009.

Expenses Operating expenses totaled $259.8 million, or $4.82 per barrel of throughput, in the 2010 period compared to $266.3 million, or $4.91 per barrel of throughput, in 2009, a decrease of $6.5 million or 2.4%. General and administrative expenses totaled $14.6 million in the 2010 period compared to $15.6 million in 2009, a decrease of $1.0 million or 6.4%. The decreases were principally due to there being 14 fewer days in 2010 as compared to a full year of 2009.

Table of Contents

Asset Impairment Loss Asset impairment loss totaled $895.6 million in the 2010 period compared to $8.5 million in 2009, an increase of $887.1 million**.** The impairment loss in 2010 is due to the write-down of assets to their fair value in connection with the sale of the refinery to PBF. The impairment loss in 2009 related to capital projects in progress that were permanently cancelled in light of deteriorating economic conditions.

Depreciation and Amortization Expense Depreciation and amortization expense totaled $66.4 million in the 2010 period compared to $65.1 million in 2009, an increase of $1.3 million or 2.0%. This increase was principally due to a slight increase in capital expenditures in 2010 following the decline in spending in 2009.

Interest and Other Income and Expense Interest and other income totaled $0.5 million in the 2010 period compared to $1.2 million in 2009, a decrease of $0.7 million or 58.3%. The decrease is mainly attributable to the reversal of tax related accruals that were reversed upon expiration of the statutory audit period in 2010.

Income Tax Expense (Benefit) Income tax benefit totaled $323.0 million in the 2010 period compared to income tax benefit of $86.6 million in 2009, an increase of $236.4 million or 273.0%. The increase was primarily due to the larger pre-tax loss in 2010 as compared to 2009.

Liquidity and Capital Resources

Overview

Our primary source of liquidity is our cash flows from operations and borrowing availability under our credit facilities, as more fully described below. We believe that our cash flows from operations and available capital resources will be sufficient to meet our capital expenditure, working capital, including payment of the Toledo refinery contingent consideration, and debt service requirements for the next twelve months. However, our ability to generate sufficient cash flow from operations depends, in part, on oil market pricing and general economic, political and other factors beyond our control. We believe we could, during periods of economic downturn, access the capital markets and/or other available financial resources or reduce our capital and discretionary expenditure plans to strengthen our financial position.

Cash Flow Analysis PBF LLC

Cash Flows from Operating Activities

Net cash provided by operating activities was $468.8 million for the nine months ended September 30, 2012 compared to net cash provided by operating activities of $467.6 million for the nine months ended September 30, 2011. During the 2011 period, our cash flows reflect only seven months of operations of our Toledo refinery, which was acquired on March 1, 2011, and limited operations at our Delaware City refinery, which was not fully operational until October 2011. Our operating cash flows for the nine months ended September 30, 2012 included our net income of $539.8 million, plus net non-cash charges relating to depreciation and amortization of $71.1 million, pension and other post retirement benefits of $9.5 million, changes in the fair value of our catalyst lease and Toledo contingent consideration obligations of $9.0 million, change in the fair value of our inventory repurchase obligations of $5.1 million, the write-off of unamortized deferred financing fees related to retired debt of $4.4 million and stock-based compensation of $1.7 million, partially offset by a gain on asset sales of $2.4 million. In addition, net changes in working capital used $169.4 million in cash driven by increases in hydrocarbon purchases and sales volumes and their associated impact on inventory, accounts receivable, and hydrocarbon-related liabilities. Our operating cash flows for the nine months ended September 30, 2011 included our net income of $427.2 million, plus net non-cash charges relating to depreciation and amortization of $37.8 million, pension and other post retirement benefits of $7.2 million, change in the fair value of the Toledo contingent consideration of $4.8 million and stock-based compensation of $1.9 million, partially offset by change in the fair value of our inventory repurchase obligations of $4.9 million, changes in the fair value of our catalyst lease obligations of $4.8 million, and net cash used in working capital of $1.6 million.

Table of Contents

Net cash provided by operating activities was $249.3 million for the year ended December 31, 2011 compared to net cash used in operating activities of $1.2 million for the year ended December 31, 2010. During 2011, our operations were comprised primarily of a full year of operations of our Paulsboro refinery, ten months of operations of our Toledo refinery, which was acquired on March 1, 2011, and activities to turnaround, reconfigure and re-start our Delaware City refinery. We began re-starting our Delaware City refinery in June 2011 and it was fully operational in October 2011. During most of 2010, we were a development stage company focused on the acquisition of oil refineries and other downstream assets in North America and activities to turnaround, reconfigure and re-start our Delaware City refinery. Our cash flow in 2010 was related to those activities, plus the results of operations of our Paulsboro refinery for the period from December 17, 2010 to December 31, 2010. Our operating cash flows for the year ended December 31, 2011 included our net income of $242.7 million, plus net non-cash charges relating to depreciation and amortization of $56.9 million, stock-based compensation of $2.5 million, pension and other post retirement benefit costs of $9.8 million, an increase in the fair value of our inventory repurchase obligations of $25.3 million, an increase in the fair value of the contingent consideration liability for our Toledo refinery of $5.2 million, less a decrease in the fair value of our catalyst lease obligations of $7.3 million. In addition, net working capital changes used $85.8 million in cash, primarily related to the acquisition of our Toledo refinery. During 2010, our net loss of $44.4 million was partially offset by non-cash charges totaling $7.4 million and net cash from working capital of $35.8 million.

Net cash used in operating activities was $1.2 million for the year ended December 31, 2010 as compared to the net cash flows used in operating activities of $5.8 million for the year ended December 31, 2009. During 2010, our operating cash flows were comprised of our net loss of $44.4 million, which was partially offset by net cash provided by working capital of $35.8 million, as well as non-cash charges relating to depreciation and amortization of $1.5 million, stock based compensation expense of $2.3 million and the $1.2 million change in the fair value of our catalyst lease obligation, the $2.0 million change in the value of inventory repurchase obligations and other changes totaling $0.4 million. During 2009, our net loss of $6.1 million was primarily offset by the net impact of a non-cash charge relating to pension and other post retirement benefits and working capital changes of $0.3 million.

Cash Flows from Investing Activities

Net cash used in investing activities was $133.9 million for the nine months ended September 30, 2012 compared to net cash used in investing activities of $690.7 million for the nine months ended September 30, 2011. The net cash flows used in investing activities in the 2012 period were comprised of capital expenditures totaling $102.0 million, expenditures for turnarounds of $27.5 million, primarily at our Toledo refinery, and expenditures for other assets of $7.7 million, partially offset by $3.3 million in proceeds from the sale of assets. Net cash used in investing activities for the nine months ended September 30, 2011 consisted primarily of the acquisition of the Toledo refinery of $168.2 million, capital expenditures totaling $447.0 million, primarily related to the reconfiguration and re-start of our Delaware City refinery, expenditures for a turnaround at our Paulsboro refinery of $57.0 million and expenditures for other assets of $23.2 million slightly offset by $4.7 million in proceeds from the sale of assets.

Net cash used in investing activities was $739.2 million for the year ended December 31, 2011 compared to net cash used in investing activities of $501.3 million for the year ended December 31, 2010. The net cash flows used in investing activities in 2011 were comprised of the acquisition of the Toledo refinery of $168.2 million, capital expenditures totaling $488.7 million related to the reconfiguration and re-start of our Delaware City refinery, expenditures for turnarounds, primarily at our Paulsboro refinery, of $62.8 million and expenditures for other assets of $23.3 million, partially offset by $4.7 million in proceeds from the sale of assets, and $0.8 million for other investing activities. Net cash used in investing activities for the year ended December 31, 2010 were comprised of cash paid for the acquisition of Delaware City for $224.3 million, cash paid for the acquisition of the Paulsboro refinery of $204.9 million, $69.1 million in expenditures primarily for the reconfiguration and re-start of the Delaware City refinery, and $3.0 million for other capital expenditures.

Net cash used in investing activities was $501.3 million for the year ended December 31, 2010 as compared to the net cash flows used in investing activities of $0.1 million for the year ended December 31, 2009. The cash

Table of Contents

flows used in investing activities in 2010 reflect the acquisition of the Paulsboro refinery and pipeline and Delaware City refinery and pipeline assets totaling $204.9 million and $224.3 million, respectively. In addition, $69.1 million was expended during 2010 relating to the reconfiguration of the Delaware City refinery in order to bring it back into working condition with improved reliability and efficiency. In 2010, $3.0 million was used for other capital expenditures while, in 2009, $0.1 million was used for other capital expenditures.

Cash Flows from Financing Activities

Net cash used in financing activities was $215.1 million for the nine months ended September 30, 2012 compared to net cash provided by financing activities of $292.3 million for the nine months ended September 30, 2011. For the 2012 period, net cash used in financing activities consisted primarily of repayments of $484.6 million of long-term debt, net repayments on the ABL credit facility of $270.0 million, a contingent consideration payment related to the Toledo acquisition of $103.6 million, cash distributions to members of PBF LLC of $15.1 million and $17.3 million in deferred financing costs, partially offset by net proceeds from the senior secured notes offering of $665.8 million, proceeds of $9.5 million from the Paulsboro catalyst lease and proceeds of $0.2 million from stock options. For the nine months ended September 30, 2011, cash provided by financing activities consisted primarily of capital contributions from PBF LLC of $408.4 million, proceeds from the issuance of long-term debt of $343.7 million and proceeds from catalyst leases of $18.6 million, partially offset by principal repayments of $299.6 million on a seller note for inventory, repayments of long-term debt of $169.3 million and $9.5 million for deferred financing and other costs.

Net cash provided by financing activities was $384.6 million for the year ended December 31, 2011 compared to $639.2 million for the year ended December 31, 2010. For 2011, net financing cash flows were comprised of capital contributions from PBF LLC of $408.4 million; net borrowings on our ABL Revolving Credit Facility of $270.0 million, which was used primarily to repay our $299.6 million seller note for Toledo inventory; proceeds totaling $18.9 million for Delaware City construction financing which was used to fund a portion of that refinery s turnaround and re-start activity; proceeds of $18.6 million for the sale and leaseback of Toledo s precious metals catalyst which was used to partially repay $18.3 million of the Toledo Promissory Note; other principal repayments totaling $2.2 million; and payments of $11.2 million for deferred financing costs. Net cash provided by financing activities was $639.2 million for the year ended December 31, 2010. Cash provided by financing activities consisted of capital contributions of $483.1 million; proceeds from the Delaware Economic Development Authority Loan in connection with the Delaware City acquisition of $20.0 million; proceeds from the Delaware City catalyst sale and leaseback of $17.7 million; proceeds from a term loan of $125.0 million; less the payment of deferred financing fees totaling $6.6 million.

Net cash provided by financing activities was $639.2 million for the year ended December 31, 2010 as compared to $8 thousand used for the year ended December 31, 2009. In 2010, net cash provided by financing was comprised of contributions totaling $483.1 million from PBF LLC; proceeds from an interest free loan in connection with the Delaware City acquisition of $20.0 million; proceeds from the Delaware City catalyst sale and leaseback of $17.7 million; proceeds from the $125.0 million Term Loan Credit Agreement with UBS AG, Stamford Branch, as administrative and collateral agent and certain other lenders, or the Term Loan Facility; less the payment of deferred financing fees totaling $6.6 million.

Cash Flows Analysis of Paulsboro Refining Business PBF LLC s Predecessor

Cash Flows from Operating Activities

Net cash used in operating activities was $33.7 million for the period from January 1, 2010 to December 16, 2010 as compared to the net cash used in operating activities of $61.9 million for the year ended December 31, 2009. During the 2010 period, Paulsboro s operating cash flows were comprised of its net loss of $691.8 million, adjusted for non-cash charges (benefits) related to depreciation and amortization expense of

$66.4 million, an asset impairment loss of $895.6 million and a deferred tax benefit of ($283.5) million and cash used in working capital and other changes of $20.5 million. During 2009, net cash used in operating activities was comprised of

Table of Contents

Paulsboro s net loss of $137.6 million, adjusted for depreciation and amortization expense of $65.1 million, asset impairment loss of $8.5 million and deferred tax expense of $13.8 million and cash used in working capital and other changes of $11.7 million.

Cash Flows from Investing Activities

Net cash used in investing activities was $42.4 million for the period from January 1, 2010 to December 16, 2010 as compared to the net cash flows used in investing activities of $116.0 million for the year ended December 31, 2009. The cash flows used in investing activities in the 2010 period reflect capital expenditures of $20.1 million, deferred turnaround and catalyst costs of $17.0 million and other investing activities, net of $5.2 million. For the year ended December 31, 2009, cash flows used in investing activities included capital expenditures of $96.8 million and deferred turnaround and catalyst costs of $19.3 million.

Cash Flows from Financing Activities

Net cash provided by financing activities was $76.1 million for the period from January 1, 2010 to December 16, 2010 as compared to the net cash flows provided by financing activities of $178.0 million for the year ended December 31, 2009. In both periods, cash provided by financing activities represented net cash advances from Paulsboro s parent, Valero.

Senior Secured Notes Offering

On February 9, 2012, PBF Holding completed the senior secured notes offering. The net proceeds from the offering of approximately $665.8 million were used to repay our Paulsboro Promissory Note in the amount of $150.6 million, our Term Loan Facility in the amount of $123.8 million, our Toledo Promissory Note in the amount of $181.7 million, and to reduce indebtedness under the ABL Revolving Credit Facility. As a result of the senior secured notes offering, and the repayment of our Delaware City construction financing on August 31, 2012, with the exception of our catalyst leases, we have no long-term debt maturing before 2020. Our Executive Chairman of the Board of Directors, and certain of our other executives, purchased $25.5 million aggregate principal amount of the senior secured notes. The senior secured notes were offered pursuant to exemptions under the Securities Act, and have not been registered under the Securities Act or the securities laws of any other jurisdiction and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act.

Credit Facilities

ABL Revolving Credit Facility

On May 31, 2011, we amended our ABL Revolving Credit Facility with UBS AG, Stamford Branch, as administrative agent and co-collateral agent and certain other lenders to increase its size to $500.0 million by including certain inventory and accounts receivable of the Toledo refinery in the borrowing base. A portion of the proceeds of the ABL Revolving Credit Facility was used on the closing date thereof to repay in full all amounts then outstanding under and to terminate the Products and Intermediates Inventory Promissory Note, dated as of March 1, 2011, in an aggregate principal amount equal to $299.6 million, issued by Toledo Refining in favor of Sunoco. In March, August, and September 2012, we amended the ABL Revolving Credit Facility again to increase the aggregate size to $965.0 million. The ABL Revolving Credit Facility was amended and restated on October 26, 2012 to increase the maximum availability to $1.375 billion, extend the maturity date to October 26, 2017, and amend the borrowing base to include non-U.S. inventory. The amended and restated ABL Revolving Credit facility includes an accordion feature which allows for commitments of up to $1.8 billion. On an ongoing basis, the ABL Revolving Credit Facility is available to PBF Holding and its subsidiaries for working capital and other general corporate purposes.

The ABL Revolving Credit Facility contains customary covenants and restrictions on the activities of PBF Holding and its subsidiaries, including, but not limited to, limitations on the incurrence of additional indebtedness;

Table of Contents

liens, negative pledges, guarantees, investments, loans, asset sales, mergers, acquisitions and prepayment of other debt; distributions, dividends and the repurchase of capital stock; transactions with affiliates; the ability to change the nature of our business or our fiscal year; the ability to amend the terms of the senior secured notes facility documents; and sale and leaseback transactions. As of September 30, 2012, we were in compliance with these covenants.

The ABL Revolving Credit Facility currently provides for revolving loans of up to an aggregate of $965.0 million, a portion of which is available in the form of letters of credit. The amount available for borrowings and letters of credit under the ABL Revolving Credit Facility is calculated according to a borrowing base formula based on (1) 90% of the book value of eligible accounts receivable with respect to investment grade obligors plus (2) 85% of the book value of eligible accounts receivable with respect to non-investment grade obligors plus (3) 80% of the cost of eligible hydrocarbon inventory plus (4) 100% of cash and cash equivalents in deposit accounts subject to a control agreement. The borrowing base is subject to customary reserves and eligibility criteria and in any event cannot exceed $965.0 million. As of September 30, 2012, there were no outstanding borrowings under the ABL Revolving Credit Facility. Additionally, we had $36.0 million in standby letters of credit issued and outstanding as of that date.

All obligations under the ABL Revolving Credit Facility are guaranteed (solely on a limited recourse basis to the extent required to support the lien described in clause (y) below by PBF LLC, PBF Finance Corporation, or PBF Finance, and each of our domestic operating subsidiaries and secured by a lien on (y) PBF LLC s equity interests in PBF Holding and (z) substantially all of the assets of the borrowers and the subsidiary guarantors (subject to certain exceptions). The lien of the ABL Revolving Credit Facility lenders ranks first in priority with respect to the following: all deposit accounts (other than zero balance accounts, cash collateral accounts, trust accounts and/or payroll accounts, all of which are excluded from the collateral); all accounts receivables; all hydrocarbon inventory (other than the Saudi crude oil pledged under the letter of credit facility); to the extent evidencing, governing, securing or otherwise related to the foregoing, all general intangibles, chattel paper, instruments, documents, letter of credit rights and supporting obligations; and all products and proceeds of the foregoing, collectively, the Revolving Loan Priority Collateral. As a result of the payment in full of the Term Loan Facility, the Paulsboro Promissory Note and the Toledo Promissory Note with the net cash proceeds of the senior secured notes offering in February 2012, the ABL Revolving Credit Facility is now secured solely by the Revolving Loan Priority Collateral and the lien on the other assets previously part of the ABL Revolving Credit Facility collateral was released.

Letter of Credit Facility

PBF Holding, Paulsboro Refining and Delaware City Refining are party to a letter of credit facility with BNP Paribas (Suisse) SA, or BNP, consisting of (1) a committed portion of the facility in which BNP and other committed participants agreed to provide a committed letter of credit facility of up to $500.0 million, or the Maximum Committed L/C Facility Amount, and (2) an uncommitted portion of the facility of up to $250.0 million, or the Maximum Uncommitted L/C Facility Amount, and together with the Maximum Committed L/C Facility Amount, the L/C Facility, under which letters of credit are issued from time to time at the request of and on behalf of PBF Holding in favor of Saudi Arabian Oil Company, or the Beneficiary, in connection with a crude oil sales agreement between PBF Holding and Beneficiary for the purchase of Saudi crude oil. As of September 30, 2012, there were $248.2 million standby letters of credit issued under the letter of credit facility.

The validity period for each letter of credit is limited to 45 days. Each letter of credit will be issued in either United States Dollars or Euros, at our option. The letter of credit facility contains covenants and restrictions on PBF Holding s and Paulsboro Refining s activities, including, but not limited to, limitations on their main business purpose; modifications to purchase contracts; and affirmative obligations to notify BNP of certain material events. As of September 30, 2012, we were in compliance with these covenants. The letter of credit facility matures on April 23, 2013. As a result of the increased size of the amended and restated ABL Revolving Credit Facility, we expect to terminate the letter of credit facility prior to its maturity.

An unused commitment fee payable under the letter of credit facility is equal to 0.375% per annum on the unused portion of the Maximum Committed L/C Facility Amount. Such unused commitment fee is due and payable on a quarterly basis in arrears. Each letter of credit that is issued is subject to an issuance commission of 1.50% per annum calculated on the maximum amount of such letter of credit issued. Such issuance commission is due and payable on a monthly basis in arrears and shall accrue from the date of issuance of each letter of credit until the earlier of its expiration date and the date of BNP s disbursement thereunder (but in any event, such commission shall not be less than the amount that would be due if the letter of credit were outstanding for a period of not less than 30 days). Additionally, letters of credit are subject to certain other customary charges of BNP for amendments and/or extensions and confirmation fees.

The letter of credit facility is secured by a lien on and security interest in PBF Holding s, Paulsboro Refining s and Delaware City Refining s right, title and interest in and to the Saudi crude oil, receivables arising from the sale or other disposition of Saudi crude oil, all contracts, bills of lading and other documents of title pertaining to the foregoing and all proceeds and products of each of the foregoing and all accessions to, substitutions, and replacements for, and rents, profits and products of each of the foregoing, all of which collateral is excluded from the Revolving Loan Priority Collateral.

Cash Balances

As of September 30, 2012, our cash and cash equivalents totaled $170.0 million. We also had $12.1 million in restricted cash, which was included within deferred charges and other assets, net on our balance sheet. The restricted cash represents a trust fund we acquired in connection with the Paulsboro refinery acquisition and represents the estimated cost of environmental remediation obligations assumed.

Liquidity

As of September 30, 2012, our total liquidity, which is the sum of our cash and cash equivalents plus the amount of availability under the ABL Revolving Credit Facility, totaled approximately $665.1 million.

Working Capital

Working capital at September 30, 2012 was $640.4 million, consisting of $2,172.4 million in total current assets and $1,532.0 million in total current liabilities. Working capital at December 31, 2011 was $286.4 million, consisting of $1,946.5 million in total current assets and $1,660.1 million in total current liabilities. Our working capital for financial reporting purposes is significantly impacted by the way we account for our crude and feedstock and product offtake agreements as more fully described below.

Crude and Feedstock Supply Agreements

We acquire crude oil for our Paulsboro and Delaware City refineries under supply agreements whereby Statoil generally purchases the crude oil requirements for each refinery on our behalf and under our direction. Our agreement with Statoil for Paulsboro will terminate effective March 31, 2013, at which time we plan to source Paulsboro s crude oil and feedstocks internally. Our agreement with Statoil for Delaware City has been extended by Statoil through December 31, 2015 and we have recently entered into certain amendments to that agreement that are effective through the extended term. Statoil generally provides transportation and logistics services, risk management services and holds title to the crude oil until we purchase it as it enters the refinery process units. For our purchases of Saudi crude oil, we post letters of credit and arrange for shipment. We pay for the crude when we are invoiced and the letter of credit is lifted. Under the Statoil agreements, the amount of crude oil we own and the time we are exposed to market fluctuations is substantially reduced. Under generally accepted accounting principles we record the inventory owned by Statoil on our behalf as inventory with a corresponding accrued liability on our balance sheet because we have risk of loss while the Statoil inventory is in our storage tanks and because we have an obligation to repurchase Statoil s inventory upon termination of the agreements at the then market value.

We have a similar agreement with MSCG to supply the crude oil requirements for our Toledo refinery. Under the Toledo agreement, for the period from March 1, 2011 through May 31, 2011, MSCG held title to the crude oil until we purchased it as it entered the refinery process units. Beginning June 1, 2011, under a new agreement we take title to MSCG s crude oil at the out-of-state pipeline delivery locations. Payment for the crude oil under the Toledo agreement is due three days after it is processed by us or sold to third parties. We do not have to post letters of credit for these purchases and the Toledo agreement allows us to price and pay for our crude oil as it is processed, which reduces the time we are exposed to market fluctuations. We record an accrued liability at each period-end for the amount we owe MSCG for the crude oil that we own but have not processed. The accrued liability is based on the period-end market value, as it represents our best estimate of what we will pay for the crude oil. The MSCG agreement for Toledo expires June 30, 2013, subject to automatic renewal and termination rights.

In connection with the crude and feedstock supply agreements for our Paulsboro and Delaware City refineries, Statoil also purchases the refineries production of certain feedstocks or purchases feedstocks from third parties on the refineries behalf. Legal title to the feedstocks is held by Statoil and stored in the refineries storage tanks until they are needed for further use in the refining process. At that time, the feedstocks are drawn out of the storage tanks and purchased by the refineries. These purchases and sales are netted at cost and reported within cost of sales. The feedstock inventory owned by Statoil remains on our balance sheet with a corresponding accrued liability.

At September 30, 2012, the LIFO value of crude oil and feedstocks owned by Statoil included within inventory on our balance sheet was $363.7 million. The corresponding accrued liability for such crude oil and feedstocks was $393.5 million at that date.

Product Offtake Agreements

Our Paulsboro and Delaware City refineries sell their light finished products, certain intermediates and lube base oils to MSCG under a products offtake agreement. Legal title transfers to MSCG as the products leave the process units and enter the refinery storage facilities. On a daily basis MSCG, under a payment direction agreement, pays the purchase price of certain finished products directly to Statoil, the counterparty to our crude oil and feedstocks supply agreement, effectively netting our liability for crude and feedstock purchases. The payment direction agreement for Paulsboro will terminate effective March 31, 2013. Any shortfall or overage in the netting process is trued up between us and Statoil. Under generally accepted accounting principles, we defer the revenue on finished product sales and retain the inventory owned by MSCG on our balance sheet until MSCG ships the products out of our refinery storage facilities, which typically occurs within an average of six days.

In addition, MSCG purchases the daily production of certain intermediates and lube products. When needed for additional blending or sales to third parties, the Paulsboro and Delaware City refineries repurchase the intermediates or lubes from MSCG. These purchases and sales occur at the daily market price for the related products and are netted in cost of sales at cost. The inventory of intermediates and lubes owned by MSCG remain in inventory on our balance sheet and the net cash receipts result in a liability that is recorded at market price for the volumes held in storage with any change in the market price being recorded in cost of sales. The MSCG agreements for Paulsboro and Delaware City will automatically renew for six month terms effective June 30, 2013, unless terminated with six months notice by either party (the first effective date of termination being no earlier than June 30, 2013 if notice is provided anytime prior to January 1, 2013). We are currently considering providing such notice of termination.

At September 30, 2012, the LIFO value of light finished products, intermediates and lubes owned by MSCG included within inventory on our balance sheet was $397.4 million. The corresponding deferred revenue for light finished products and accrued liability for intermediates and lubes was $201.9 million and $291.5 million, respectively.

Pro Forma Contractual Obligations and Commitments

The following table summarizes our material contractual pro forma payment obligations as of December 31, 2011, after giving effect to the senior secured notes offering and the application of the net proceeds therefrom, as if they had occurred on that date.

	Payments due by period				
	Total	Less than 1 year	1-3 Years	3-5 Years	More than 5 years
	(in thousands)				
Long-term debt[a]	$ 812,660	$ 2,765	$ 37,740	$ 96,655	$ 675,500
Interest payments on debt facilities[a]	490,674	40,242	132,585	122,797	195,050
Delaware Economic Development Authority Loan[b]					
Operating leases[c]	54,640	17,341	18,617	11,621	7,061
Purchase obligations[d]:					
Crude Supply and Offtake Agreements	641,588	641,588			
Other Supply and Capacity Agreements	515,255	39,483	88,026	88,452	299,294
Delaware City construction obligations	5,909	5,909			
Refinery contingent consideration[e]	125,000	103,643	21,357		
Environmental obligations[f]	18,202	2,915	3,530	1,920	9,837
Pension and post-retirement obligations[g]	53,020	338	4,154	7,320	41,208
Total contractual cash obligations	$ 2,716,948	$ 854,224	$ 306,009	$ 328,765	$ 1,227,950

(a) ***Long-term Debt and Interest Payments on Debt Facilities***

Long-term obligations represent (i) the repayment of any indebtedness incurred in connection with the senior secured notes offering; (ii) the repayment of our catalyst lease obligations on their maturity dates; (iii) repayment of our Delaware City construction loan; and (iv) repayment of the pro forma balance of our ABL Revolving Credit Facility in the amount of $87.7 million.

Interest payments on debt facilities include pro forma cash interest payments on the senior secured notes, catalyst lease obligations, the Delaware City construction loan, ABL Revolving Credit Facility, plus cash payments for the commitment fee on the unused ABL Revolving Credit Facility and letter of credit fees on the letters of credit outstanding at December 31, 2011.

(b) ***Delaware Economic Development Authority Loan***

The Delaware Economic Development Authority Loan converts to a grant in tranches of $4.0 million annually, starting at the one year anniversary of the Delaware City refinery s certified re-start date provided we meet certain criteria, all as defined in the loan agreement. We expect that we will meet the requirements to convert the loan to a grant and that we will ultimately not be required to repay the $20.0 million loan. Our Delaware Economic Development Authority Loan is further explained at Note 8 to our financial statements for the years ended December 31, 2011, 2010 and 2009, included elsewhere in this prospectus.

(c) ***Operating Leases***

We enter into operating leases in the normal course of business, some of these leases provide us with the option to renew the lease or purchase the leased item. Future operating lease obligations would change if we chose to exercise renewal options and if we enter into additional operating lease agreements. Certain of our lease obligations contain a fixed and variable component. The table above reflects the fixed component of our lease obligations. The variable component could be significant. Our operating lease obligations are further explained at the Commitments and Contingencies footnote to our financial statements, included elsewhere in this prospectus.

Table of Contents

During 2012, we entered into agreements to lease approximately 2,400 crude railcars that will be utilized to transport crude by rail to our Delaware City refinery. The leases will commence as the railcars are delivered. Railcar deliveries are expected to begin in the first quarter of 2013.

(d) ***Purchase Obligations***

We have obligations to repurchase crude oil, feedstocks, certain intermediates and lube oils under various crude supply and product offtake agreements with MSCG and Statoil as further explained at the Summary of Significant Accounting Policies, Inventories and Accrued Expenses footnotes to our financial statements, included elsewhere in this prospectus.

Payments under Other Supply and Capacity Agreements include contracts for the supply of hydrogen, steam, or natural gas to certain of our refineries, contracts for the treatment of wastewater, and contracts for pipeline capacity. We enter into these contracts to ensure an adequate supply of energy or essential services to support our refinery operations. Substantially all of these obligations are based on fixed prices. Certain agreements include fixed or minimum volume requirements, while others are based on our actual usage. The amounts included in this table are based on fixed or minimum quantities to be purchased and the fixed or estimated costs based on market conditions as of December 31, 2011.

(e) ***Refinery Contingent Consideration***

In connection with the Toledo acquisition, the seller will be paid an amount equal to 25% of the amount by which the purchased assets EBITDA exceeds $125.0 million in a given calendar year through 2016. The purchased assets EBITDA is calculated using calendar year earnings we have earned solely from the purchase of Toledo including reasonable direct and allocated overhead expenses, not to exceed a fixed amount in any calendar year, less interest expense, income tax expense and depreciation and amortization expense as well as any significant extraordinary or non-recurring expenses, such as an asset impairment loss and any fees or expenses incurred by us in connection with the Toledo acquisition. We paid $103.6 million in April 2012 to Sunoco related to the amount of contingent consideration earned in 2011. The aggregate amount of all payments to be made shall not exceed $125.0 million.

(f) ***Environmental Obligations***

In connection with the Paulsboro acquisition, we assumed certain environmental remediation obligations to address existing soil and groundwater contamination at the site and acquired a trust fund established to meet the state s related financial assurance requirement, recorded as a liability in the amount of $12.1 million which reflects the present value of the current estimated cost of the remediation obligations assumed based on investigative work to-date. The undiscounted estimated costs related to these environmental remediation obligations were $18.2 million as of December 31, 2011.

In connection with the acquisition of the Delaware City assets, the prior owners remain responsible, subject to certain limitations, for certain pre-acquisition environmental obligations, including ongoing soil and groundwater remediation at the site.

In connection with the Delaware City assets and Paulsboro refinery acquisitions, we, along with the seller, purchased two individual ten year, $75.0 million environmental insurance policies to insure against unknown environmental liabilities at each site.

In connection with the acquisition of Toledo, the seller initially retains, subject to certain limitations, remediation obligations which will transition to us over a 20-year period.

In connection with the acquisition of all three of our refineries, we assumed certain environmental obligations under regulatory orders unique to each site, including orders regulating air emissions from each facility.

Table of Contents

(g) ***Pension and Post-retirement Obligations***

Pension and post-retirement obligations include only those amounts we expect to pay out in benefit payments and are further explained at the Employee Benefit Plans footnote to our financial statements, included elsewhere in this prospectus.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements as of September 30, 2012, other than outstanding letters of credit in the amount of approximately $284.2 million.

Quantitative and Qualitative Disclosures about Market Risk

We are exposed to market risks, including changes in commodity prices and interest rates. Our primary commodity price risk is associated with the difference between the prices we sell our refined products and the prices we pay for crude oil and other feedstocks. We may use derivative instruments to manage the risks from changes in the prices of crude oil and refined products, interest rates, or to capture market opportunities.

Commodity Price Risk

In order to realize value from our processing capacity, we must achieve a positive spread between the cost of raw materials and the value of finished products (i.e., refinery gross product margin or crack spread). The physical commodities that comprise our raw materials and finished goods are typically bought and sold at a spot or index price that can be highly variable.

The prices of crude oil, refined products and other commodities are subject to fluctuations in response to changes in supply, demand, market uncertainty and a variety of additional factors that are beyond our control. The crude and feedstock supply agreements for our Paulsboro and Delaware City refineries allow us to take title to and price our crude oil at locations in close proximity to our refineries, as opposed to the crude oil origination point, reducing the time we are exposed to market fluctuations before the finished refined products are sold. Our offtake agreements with MSCG for our Paulsboro and Delaware City refineries allow us to sell our light finished products and certain intermediates and lube base oils as they are produced.

We carry inventories of crude oil, intermediates and refined products (hydrocarbon inventories) on our balance sheet, the values of which are subject to fluctuations in market prices. Our hydrocarbon inventories totaled approximately 14.7 million barrels at December 31, 2011 and 14.4 million barrels at September 30, 2012. The average cost of our hydrocarbon inventories was approximately $103.27 and $100.75 per barrel on a LIFO basis at December 31, 2011 and September 30, 2012, respectively. If market prices decline to a level below the average cost, we may be required to write down the carrying value of our hydrocarbon inventories to market.

Our predominant variable operating cost is energy, which is comprised primarily of natural gas and electricity. We are therefore sensitive to movements in natural gas prices. Assuming normal operating conditions, we annually consume a total of approximately 37 million MMBTUs of natural gas amongst our three refineries. Accordingly, a $1.00 per MMBTU change in natural gas prices would increase or decrease our natural gas costs by approximately $37 million.

We periodically use non-trading derivative instruments to manage exposure to commodity price risks associated with the purchase or sale of crude oil, finished products and natural gas to fuel our refinery operations. We may also use non-trading derivative instruments to manage price risks associated with inventories above or below a baseline we set for our target levels of hydrocarbon inventories. We may engage in the purchase and sale of physical commodities, derivatives, options, over-the-counter products and various exchange-traded instruments. We mark-to-market our derivative instruments and recognize the changes in their fair value in our statements of operations.

Table of Contents

Interest Rate Risk

During 2012, we amended the terms of our ABL Revolving Credit Facility to increase the size of our asset-based revolving credit facility from $500.0 million to $1.375 billion. Borrowings under our ABL Revolving Credit Facility bear interest at the Adjusted LIBOR Rate plus 1.75% to 2.50%, depending on our debt rating. If this facility were fully drawn, a one percent change in the interest rate would increase or decrease our interest expense by $13.8 million annually.

We also have interest rate exposure in connection with our Statoil and MSCG crude oil and offtake agreements under which we pay a time value of money charge based on LIBOR.

Credit Risk

We are subject to risk of losses resulting from nonpayment or nonperformance by our customers. We will continue to closely monitor the creditworthiness of customers to whom we grant credit and establish credit limits in accordance with our credit policy.

Concentration Risk

MSCG and Sunoco accounted for 57% and 11%, respectively, of our total sales for the nine months ended September 30, 2012 and 52% and 12%, respectively, of our total sales for the year ended December 31, 2011. MSCG and Sunoco accounted for 19% and 18%, respectively, of total trade accounts receivable as of the nine months ended September 30, 2012. Sunoco and Statoil accounted for 19% and 11% of account receivables, respectively, for the year ended December 31, 2011.

Critical Accounting Policies

The following summary provides further information about our critical accounting policies that involve critical accounting estimates and should be read in conjunction with Note 2 to our financial statements, which summarizes our significant accounting policies.

Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenues and expenses. Actual results could differ from those estimates.

Revenue and Deferred Revenue

We sell various refined products and recognize revenue related to the sale of products when there is persuasive evidence of an agreement, the sales prices are fixed or determinable, collectability is reasonably assured and when products are shipped or delivered in accordance with their respective agreements. Revenue for services is recorded when the services have been provided.

Our Paulsboro and Delaware City refineries sell their light finished products, certain intermediates and lube base oils to MSCG under products offtake agreements. On a daily basis, MSCG purchases and pays for the refineries production of these products as they are produced, delivered to the refineries storage tanks and legal title passes to MSCG. The inventory associated with these sales remains on our balance sheet and the revenue is deferred until the products are shipped out of our storage facilities by MSCG, which typically occurs within an average of six days. As a result, gross margin on these product sales is deferred until shipment occurs.

Under the offtake agreements, our Paulsboro and Delaware City refineries also enter into purchase and sale transactions of certain of their intermediates and lube base oils whereby MSCG purchases and pays for the refineries production of certain intermediates and lube products as they are produced and legal title passes to MSCG. The intermediate products are held in the refineries storage tanks until they are needed for further use in the refining process. The refineries have the right to repurchase lube products and do so to supply other third parties with that product. When the refineries need intermediates or when they repurchase lube products, the products are drawn out of their storage tanks, title passes back to the refineries and MSCG is paid for those products. These transactions are considered to be made in contemplation of each other and, accordingly, do not result in the recognition of a sale when title passes from the refineries to the counterparty. Inventory remains at cost, valued on a LIFO basis and the net cash receipts result in a liability that is recorded at market price for the volumes held in storage with any change in the market price being recorded in costs of sales. The liability represents the amount we expect to pay to repurchase the volumes in storage.

Our Paulsboro and Delaware City refineries sell and purchase feedstocks under supply agreements primarily with Statoil. Statoil purchases the refineries production of certain feedstocks or purchases feedstocks from third parties on the refineries behalf. Legal title to the feedstocks is held by Statoil and the feedstocks are held in the refineries storage tanks until they are needed for further use in the refining process. At that time the feedstocks are drawn out of the storage tanks and purchased by us. These purchases and sales are settled monthly at the daily market prices related to those feedstocks. These transactions are considered to be made in the contemplation of each other and, accordingly, do not result in the recognition of a sale when title passes from the refineries to the counterparty. Inventory remains at cost and the net cash receipts result in a liability.

Inventory

Inventories are carried at the lower of cost or market. The cost of crude oil, feedstocks, blendstocks and refined products is determined under the LIFO method using the dollar value LIFO method with increments valued based on average cost during the year. The cost of supplies and other inventories is determined principally on the weighted average cost method.

Our Paulsboro and Delaware City refineries acquire substantially all of their crude oil from Statoil under our crude supply agreements whereby we take title to the crude oil as it is delivered to our processing units. We have risk of loss while the Statoil inventory is in our storage tanks. We are obligated to purchase all the crude oil held by Statoil on our behalf upon termination of the agreements. In addition, we are obligated to purchase a fixed volume of the Paulsboro feedstocks from Statoil when the arrangement is terminated. As a result of the purchase obligations, we record the inventory of crude oil and feedstocks in the refineries storage facilities. The purchase obligations contain derivatives that change in value based on changes in commodity prices. Such changes are included in our cost of sales. Our agreement with Statoil for Paulsboro will terminate effective March 31, 2013, at which time we plan to source crude oil and feedstocks internally.

For the period from March 1, 2011 through May 31, 2011, our Toledo refinery acquired substantially all of its crude oil from MSCG under a crude oil supply agreement whereby we took title to the crude oil as it was delivered to the refinery processing units. We had custody and risk of loss for MSCG s crude oil stored on the refinery premises. As a result, we recorded the crude oil in the Toledo refinery s storage facilities as inventory with a corresponding accrued liability. Effective June 1, 2011 we entered into a new supply agreement with MSCG under which we take legal title to the crude oil at out-of-state pipeline delivery locations. We record an accrued liability at each period-end for the amount we owe MSCG for the crude oil that we own but have not processed. The accrued liability is based on the period-end market value, as it represents our best estimate of what we will pay for the crude oil.

Environmental Matters

Liabilities for future clean-up costs are recorded when environmental assessments and/or clean-up efforts are probable and the costs can be reasonably estimated. Other than for assessments, the timing and magnitude of these accruals generally are based on the completion of investigations or other studies or a commitment to a formal plan

Table of Contents

of action. Environmental liabilities are based on best estimates of probable future costs using currently available technology and applying current regulations, as well as our own internal environmental policies. The actual settlement of our liability for environmental matters could materially differ from our estimates due to a number of uncertainties such as the extent of contamination, changes in environmental laws and regulations, potential improvements in remediation technologies and the participation of other responsible parties.

Long-Lived Assets and Definite-Lived Intangibles

We review our long and finite lived assets for impairment whenever events or changes in circumstances indicate their carrying value may not be recoverable. Impairment is evaluated by comparing the carrying value of the long and finite lived assets to the estimated undiscounted future cash flows expected to result from the use of the assets and their ultimate disposition. If such analysis indicates that the carrying value of the long and finite lived assets is not considered to be recoverable, the carrying value is reduced to the fair value. There have been no impairment indicators and therefore, no impairment reviews were performed in the nine months ended September 30, 2012 and in the year ended December 31, 2011.

Impairment assessments inherently involve judgment as to assumptions about expected future cash flows and the impact of market conditions on those assumptions. Although management would utilize assumptions that it believes are reasonable, future events and changing market conditions may impact management s assumptions, which could produce different results.

Indefinite-lived Assets

We consider precious metals catalyst and linefill to be indefinite-lived assets as they are not expected to deteriorate in their prescribed functions. These assets are not depreciated, but are assessed for impairment.

Deferred Maintenance

Refinery turnaround costs, which are incurred in connection with planned major maintenance activities at our refineries are capitalized when incurred and amortized on a straight-line basis over the period of time estimated until the next turnaround occurs (generally three to five years).

Derivative Instruments

We are exposed to market risk, primarily related to changes in commodity prices for the crude oil and feedstocks we use in the refining process as well as the prices of the refined products we sell. The accounting treatment for commodity contracts depends on the intended use of the particular contract and on whether or not the contract meets the definition of a derivative. Non-derivative contracts are recorded at the time of delivery.

All derivative instruments that are not designated as normal purchase or sales are recorded in our balance sheet as either assets or liabilities measured at their fair values. Changes in the fair value of derivative instruments that either are not designated or do not qualify for hedge accounting treatment or normal purchase or normal sale accounting are recognized in income. Contracts qualifying for the normal purchase and sales exemption are accounted for upon settlement. Prior to June 30, 2011 we did not apply hedge accounting to any of our derivative instruments. Effective July 1, 2011, we elected fair value hedge accounting for certain derivatives associated with our inventory repurchase obligations.

Derivative accounting is complex and requires management judgment in the following respects: identification of derivatives and embedded derivatives; determination of the fair value of derivatives; identification of hedge relationships; assessment and measurement of hedge ineffectiveness; and election and designation of the normal purchases and sales exception. All of these judgments, depending upon their timing and effect, can have a significant impact on earnings.

Table of Contents

Income Taxes

As PBF LLC is a limited liability company treated as a flow-through entity for income tax purposes, there is no benefit or provision for federal or state income tax in the accompanying financial statements.

Recent Accounting Pronouncements

There are no recently issued accounting pronouncements requiring adoption subsequent to September 30, 2012 that would have a significant impact on our results of operations or financial position.

Table of Contents

INDUSTRY OVERVIEW

Introduction

Oil refining is the process of separating hydrocarbon molecules present in crude oil and converting them into marketable, finished petroleum products, such as diesel fuel, gasoline, home heating oil, lubricants and petrochemicals. Refining is primarily a margin-based business where both the feedstock (primarily crude oil) and refined petroleum products are commodities with fluctuating prices. Refiners create value by selling refined petroleum products at prices higher than the costs of acquiring crude oil and other feedstocks, and by managing operating costs. It is important for a refinery to maximize the yields of high value finished products and to minimize the costs of feedstock and operating expenses.

The United States has historically been the largest consumer of petroleum-based products in the world. According to the EIA s 2012 Refinery Capacity Report, there were 134 operating oil refineries in the United States in January 2012, with a total refining capacity of approximately 16.7 million bpd. Of the total operating refining capacity in the United States, approximately 55.2%, or 9.2 million bpd, is currently owned and operated by independent refining companies, compared to 2002 when approximately 31.6%, or 5.1 million bpd, was owned by independent refining companies. The remaining capacity is controlled by integrated oil companies. Because of this trend, the refining industry increasingly must rely on its own operations for its profitability.

We believe our three refineries currently benefit from secular growth in North American crude production because of our ability to access lower cost WTI priced based crudes. According to a recent EIA publication, average United States crude oil production in 2013 is expected to grow by more than 1.3 million bpd, to 6.9 million bpd from 5.6 million bpd in 2011, an increase of more than 23%. This level of United States crude oil production would represent the highest level since 1993. In addition, CAPP projects that Canadian crude oil production will increase by 800,000 bpd, from 3.0 million bpd in 2011 to 3.8 million bpd in 2015. As a result of the recent and projected growth in North American crude production, the United States has reduced its reliance on imported crude. The EIA estimates that crude imported from foreign sources (crude from outside North America) since 2008 has declined by approximately 1.3 million bpd or 12.8%, to 8.5 million bpd as of September 30, 2012 and is forecasted to decline by an additional 500,000 bpd by 2013. With the addition of our crude rail unloading facilities at Delaware City and our investment in a crude railcar fleet, we expect our East Coast refineries to capitalize on the growth in both Canadian and United States crude oil production, while maintaining the flexibility to source waterborne crude.

Refining is an industry that historically has seasonal influences as a result of differentiated consumer demand for key refined products during certain months of the year. Most importantly, demand for gasoline is generally higher during the summer months than during the winter months due to seasonal increases in highway traffic and construction work. Decreased demand during the winter months can lower gasoline prices. Consequently, refining margins and profitability have historically generally been stronger in the second and third calendar quarters of each year relative to the first and fourth calendar quarters.

Refining Basics

Refineries are uniquely designed to process specific crude oils into selected products. In general, each of a refinery s different process units performs one of three functions:

- separate through distillation the many types of hydrocarbons present in crude oil into a number of different components, ranging from light to heavy;

- catalytically or thermally convert the separated hydrocarbons into more desirable products; and

- treat the products by removing unwanted elements and compounds.

Each function in the refining process is designed to maximize the value of the refined petroleum products produced. Below is a general description of refinery process units. Not all refineries possess each of these units.

Distillation. Typically crude oil is initially processed at a refinery in the atmospheric and vacuum distillation units. Crude oil is separated by boiling point in the distillation units under high heat and low pressure and

Table of Contents

recovered as hydrocarbon fractions. The lowest boiling fractions, including gasoline and LPG, vaporize and exit the top part of the atmospheric distillation unit. Medium boiling liquids, including jet fuel, kerosene and distillates such as gasoil, heating oil and diesel fuel, are drawn from the middle of the distillation unit. Higher boiling liquids, such as fuel oils and the highest boiling liquids, called residuum, are drawn together from the bottom of the atmospheric distillation unit and separated further in the vacuum distillation unit. Vacuum residues can be used for fuel oil or bitumen production. The various fractions are then pumped to the next appropriate unit in the refinery for further processing into higher value products or are sent to storage tanks for sale to customers.

Conversion. The next step in the refining process is to convert the hydrocarbon fractions into distinct products. One of the ways of accomplishing this is through cracking, a process that breaks or cracks higher boiling fractions into more valuable products, such as gasoline, distillates and gasoil. The most important conversion units are the crude unit, the hydrocracker, the FCC unit and the coker. Thermal cracking is generally accomplished in the coker. The coker upgrades residuum into naphtha, distillate and gasoil and produces coke as a residual. Catalytic cracking is accomplished in the hydrocracker and/or FCC unit. Hydrocrackers receive feedstocks from cokers, FCCs and crude distillation units and convert lower value intermediate products into gasoline, naphtha, kerosene and distillates under very high pressure in the presence of hydrogen and a catalyst. The FCC unit converts gasoil and some residual from the crude distillation units into LPG, gasoline and distillates by applying heat in the presence of a catalyst. An FCC unit produces a higher percentage of gasoline, whereas a hydrocracker produces a higher percentage of diesel.

Reforming. The reformer converts naphtha, or low-octane gasoline fractions, into higher octane gasoline blendstocks, which are used to increase the overall octane level of the gasoline pool. The alkylation unit reduces the vapor pressure and enhances the octane of gasoline blendstocks produced by the FCC and coker units through the conversion of light olefins to heavier, high-octane paraffins.

Removal of Impurities. Lastly, the intermediate products from the distillation and conversion processes are treated to remove impurities, such as sulfur, nitrogen and heavy metals and are processed to enhance octane, reduce vapor pressure and to meet other product specifications. Treatment for sulfur, nitrogen and metals is most commonly accomplished in hydrotreating units by heating the intermediates under high pressure in the presence of hydrogen and catalysts.

Crude Oil

The quality of crude oil dictates the level of processing and conversion necessary to achieve the optimal mix of finished products. Crude oils are classified by their density (light to heavy) and sulfur content (sweet to sour).

Density. The less dense the crude, the lighter and thinner it is. Conversely, the more dense the crude, the heavier and thicker it is. Density is technically classified by the American Petroleum Institute in terms of API degrees. The higher the API degree, the lighter the crude oil. Light crude oils generally exceed 35° API, while heavy crude oils feature densities of 28° API or less. Crude oil varieties within the range of 28° API and 35° API are commonly known as medium crude oils.

Sulfur content. Crude is considered sweet, or low-sulfur, if its sulfur content is less than 1.0% and sour, or high-sulfur, if its sulfur content is 1.0% or more. The terms light, medium and heavy when used in reference to crude oils refer to their API gravity and the terms sweet and sour refer to their sulfur content. These terms are often used in conjunction with each other to describe the qualities of crude oil. Light sweet crude oils typically are more expensive than heavy, sour crude oils because they require less treatment and, therefore, lower operating costs to produce a slate of products with a greater percentage of higher value, light refined products. Heavy and sour crude oils produce a greater percentage of lower value products with simple distillation and require additional processing and higher operating costs to produce the higher value, light refined products. In seeking to maximize their refining margins, refiners strive to process the optimal mix or slate of crude oils through their refineries, depending on their refinery s conversion and treating equipment, the desired product output and the relative price of available crude oils.

Table of Contents

Industry Terminology

Crack Spreads

Crack spreads are a proxy for refining margins and refer to the margin that would be derived from the simultaneous purchase of crude oil and the sale of refined petroleum products, in each case at the then-prevailing price. The 2-1-1 crack spread assumes two barrels of crude oil will be converted, or cracked, into one barrel of gasoline and one barrel of heating oil or diesel fuel. Average 2-1-1 crack spreads vary from region to region throughout the United States, depending on the supply and demand balances of crude oils and refined products.

Actual refinery margins vary from benchmark crack spreads due to the actual crude oils used and products produced, transportation costs, regional differences and the timing of the purchase of the feedstock and sale of light products.

Benchmark Crudes

Oil prices and quality are usually stated by reference to certain benchmarks, including:

- WTI, the benchmark for North American crude oil, is lighter and sweeter than Brent. WTI typically has a gravity of approximately 38° to 40° API and sulfur content of approximately 0.3%. WTI is typically priced FOB Cushing, Oklahoma, which is a price settlement point for trades on the NYMEX.

- Dated Brent is the price of all ready shipments of Brent blend, a light sweet North Sea crude oil. Brent blend has a gravity of approximately 38° API and sulfur content of approximately 0.4%. Most of the Brent blend is refined in northwest Europe, but significant volumes are also shipped to the United States and the Mediterranean region. Oil production from Europe, Africa and the Middle East flowing west tends to be priced off the Dated Brent benchmark. According to the Intercontinental Exchange, this benchmark is currently used for pricing two-thirds of the world s internationally traded crude oil supplies. Brent blend has a rolling price assessment based on the physical Brent Forties Oseberg crude oil cargoes loading not less than ten days forward and loaded FOB at the named port of shipment.

Light-Heavy Crude Differential

The light-heavy crude differential is the price differential between heavy (high density), sour (high sulfur) and light (low density), sweet (low sulfur) crude oils. In general, the heavier, sour crude blends trade at a discount to lighter, sweet crudes that are easier for refiners to process.

Product Differentials

Because refineries produce many other products that are not reflected in crack spreads, product differentials relative to the products reflected in the crack spreads are calculated to analyze a given refinery s product mix advantage. Refineries that have an economic advantage are those that produce relatively high volumes of premium products, such as premium and reformulated gasoline, low-sulfur diesel fuel and jet fuel and relatively low volumes of lesser valued products, such as LPG, residual fuel oil, petroleum coke and sulfur.

Operating Costs

Major operating costs for refineries include employee labor, maintenance and energy. Employee labor and maintenance are relatively fixed costs that generally increase proportional to inflation. By far, the predominant variable cost is energy such as natural gas, electricity and refinery fuel gas.

Refinery Products

The main refinery products, not all of which we produce, are as follows:

Petroleum Gases. Petroleum gases are the lightest products of the refining process, primarily consisting of methane, ethane, propane and butane. Their primary uses include heating and use as an intermediary in petrochemical manufacturing processes. Petroleum gases are often liquefied under pressure to create LPG, consisting primarily of propane and butane, for use as a fuel and an intermediate material in the petrochemical manufacturing process.

Petrochemicals. Many products derived from crude oil refining, such as ethylene, propylene, butylene, isobutylene, tetramer, nonene, toluene, xylene and benzene are primarily intended for use as petrochemical feedstocks in the production of plastics, synthetic fibers, synthetic rubbers and other products. A variety of petrochemicals are produced for use as solvents, including benzene, toluene and xylene.

Gasoline. One of the most significant refinery products is motor gasoline. Various gasoline blendstocks, including RBOB and CBOB, are blended to achieve specifications for regular and premium grades in both summer and winter gasoline formulations. Additives are often used to enhance performance and provide protection against oxidation and rust formation.

Naphtha. Naphtha is a low-octane gasoline product used as a feedstock by the chemicals industry and for catalytic reforming and the production of hydrogen.

Middle Distillates. Middle distillates are diesel fuels, heating oil and kerosene. Diesel fuels are used for on-road vehicles, construction equipment, locomotives and stationary and marine engines. Heating oil fuels are used for home heating, oil-fired heating plants and boilers. Kerosene is used for jet fuel, cooking, space heating, lighting and solvents and for blending into diesel fuel.

Fuel Oil. Fuel oils are petroleum products that are used as fuels for industrial and utility boilers.

Residual Fuels. Many marine vessels, power plants, commercial buildings and industrial facilities use residual fuels or combinations of residual and distillate fuels for heating and power generation. Bitumen, a low-value residual product, is used primarily for asphalt coating of roads and roofing materials.

Petroleum Coke. Petroleum coke, a co-product of the coking process, is almost pure carbon and has a variety of uses. Fuel-grade coke is used primarily by power plants as fuel for producing electricity. Premium grades of coke, low in sulfur and metal content, are used as anodes for the manufacture of aluminum.

Niche Refined Petroleum Products. Various refined petroleum products are produced in relatively small quantities such as lubricant base oils, biofuels and other refined petroleum products. These products are commonly used as blending components for transportation fuels or as lubricants.

Industry Characteristics

Refinery Complexity

Refinery complexity refers to an oil refinery s ability to process feedstocks, such as heavier and higher sulfur content crude oils, into value-added products. Refinery complexity is commonly measured by the Nelson Complexity Index. The Nelson Complexity Index assigns a complexity factor to each major piece of refinery equipment based on its complexity and cost in comparison to crude distillation, which is assigned a complexity factor of 1.0. The complexity of each piece of refinery equipment is then calculated by multiplying its complexity factor by its throughput ratio as a percentage of crude distillation capacity. Adding up the complexity values assigned to each piece of equipment, including crude distillation, determines a refinery s complexity on the Nelson Complexity Index. A refinery with a complexity of 10.0 on the Nelson Complexity Index is considered ten times more complex than crude distillation for the same amount of throughput. The average Nelson Complexity Index for refineries on the East Coast and in the Midcontinent is 9.3 and 10.1, respectively.

Refinery Locations

The location of an oil refinery has an important impact on its refining margin since the location influences its ability to access feedstocks and distribute its products efficiently. The location also dictates whether the feedstocks and products can be transported via sea tanker vessels, pipelines, rail or tank trucks. Refiners seek to maximize their profits by placing their products in the markets where they receive the highest margins. Due to their lower logistics costs, oil refineries located in coastal areas typically have a competitive advantage over oil refineries located inland in sourcing crude oil supplies. Nevertheless, certain inland refineries with niche market positions may also have significant competitive advantages. For example, refiners whose refineries and logistics systems are situated in areas of high petroleum consumption enjoy a competitive advantage over other suppliers in product distribution and in satisfying local demand. The map below shows the five regions in the U.S. (called Petroleum Administration for Defense Districts, or PADDs), which have historically experienced varying levels of refining profitability due to regional market conditions.

Our Delaware City and Paulsboro refineries are located within 30 miles of each other on the East Coast in PADD 1, and our Toledo refinery is located in the Northeastern portion of PADD 2.

Ownership of Refineries

Refineries typically are owned by either integrated oil companies or independent entities.

Integrated oil companies have upstream operations, which are concerned with the exploration and production of crude oil, combined with downstream activities, or refining, marketing and other operations; such as gas, petrochemicals, power and transportation operations.

An independent refiner has no source of proprietary crude oil production; it purchases its feedstocks on the open market under term or spot contracts.

Refiners primarily distribute their products through either wholesale or retail channels. Oil refining companies that operate as wholesalers principally sell their refined petroleum products under term and spot contracts to their customers. Many refiners, both integrated and independent, distribute part of their refined products through retail outlets.

In recent years, integrated oil companies have sought to lower their exposure to the refining sector through divestments and rationalization of their refining portfolio. Of the total refining capacity in the United States, approximately 55.2% or 9.2 bpd, is currently owned and operated by independent refining companies compared to 2002 when approximately 31.6%, or 5.1 million bpd, was owned by independent refining companies. The remaining capacity is controlled by integrated oil companies. Because of this trend, the refining industry increasingly must rely on its own operations for its profitability. We believe this trend will continue.

Table of Contents

Market Trends

***United States Supply and Demand Dynamics*.** Petroleum refining is an industry that historically has seasonal influences as a result of differentiated consumer demand for key refined products during certain months of the year. Most importantly, demand for gasoline is generally higher during the summer months than during the winter months due to seasonal increases in highway traffic and construction work. Decreased demand during the winter months can lower gasoline prices. Consequently, refining margins and profitability have historically generally been stronger in the second and third calendar quarters of each year relative to the first and fourth calendar quarters.

Supply and demand dynamics can vary greatly by region, creating differentiated margin opportunities at any given time for refiners depending on the location of their facilities. The refined product volumes necessary to satisfy demand in excess of production in areas where we operate are sourced from refineries located outside of such areas, including the United States Gulf Coast.

Our Toledo refinery is located in the Midcontinent (PADD 2) and our Delaware City and Paulsboro refineries are both located on the East Coast (PADD 1) where product demand exceeds refinery capacity. We expect that this demand/capacity imbalance may continue in PADD 1. For example, since 2009 16 refineries representing approximately 2.6 million bpd of refining capacity have been closed or idled in the Atlantic Basin (which includes PADD 1). This Atlantic Basin reduction has occurred across the United States, Europe and the Caribbean and directly affects our East Coast refineries because we compete with operating refineries in these markets. According to the EIA, total demand for refined products in the Midcontinent has represented approximately 25% of refined products demand in the United States for the past decade. Within the Midcontinent, refined product production capacity currently is insufficient to meet demand, so significant volumes are imported from other areas. The recent demand and capacity dynamic by PADD is outlined in the following chart:

Increasing Demand for Products Meeting Tighter Specifications. We expect that products meeting new and evolving stricter fuel specifications could account for an increasing share of total fuel demand, which may

Table of Contents

benefit refiners that possess the capabilities to blend and process these fuels. Tightened petroleum product specifications and the increased role of renewable raw materials have resulted in increasing demand for new high-quality transportation fuels and other products, such as ULSD and biodiesel. Demand for low-sulfur products in the United States is expected to increase further as the mandatory maximum sulfur limit for certain distillates is lowered from the current limit of 50 PPM to 15 PPM.

Refined Product Cracks. During the course of 2011, as the world-wide and domestic economic outlook and performance continued to recover from the credit crisis, the demand for refined products improved. This improvement, coupled with refining capacity rationalization, has led to a positive refining margin environment for the industry. The charts below show the Dated Brent (NYH) 2-1-1 spread, the benchmark crack spread for our Delaware City and Paulsboro refineries, and the WTI (Chicago) 4-3-1 spread, the benchmark crack spread for our Toledo refinery, over the last three-and-a-half-years.

Light-Heavy Differential Expansion. Recently the light-heavy differential has expanded. This differential expansion typically favors complex refiners, like our East Coast refineries, who are able to process the heavier crude varieties. As global economic demand for crude oil increases, the marginal barrel of crude oil produced is a heavier, more sour crude. The following two charts depict the price differentials between Dated Brent and Maya, and WTI and WCS over the last three-and-a-half-years.

Dated Brent WTI Differential Expansion. Historically, Dated Brent has traded at a slight discount to WTI domestically, due to its higher sulfur content and higher transportation costs. Recently, Dated Brent has traded at a significant premium to WTI. The primary driver of this recent phenomenon is increasing oil production from Western Canada and the United States leading to large inventories of WTI based crude oil being subject to logistics constraints in the Midcontinent, with the primary bottleneck occurring in Cushing, Oklahoma. The over-supply of WTI at Cushing has driven the price of WTI lower, while the price of Dated Brent has increased. The following chart shows the price differential between WTI and Dated Brent over the last three-and-a-half-years, a key determinant of margins at our Toledo refinery. We expect Dated Brent to continue to trade at a premium to WTI in the near term due to the growth in WTI based crude production and continued logistics constraints.

Table of Contents

BUSINESS

Overview

We are one of the largest independent petroleum refiners and suppliers of unbranded transportation fuels, heating oil, petrochemical feedstocks, lubricants and other petroleum products in the United States. We were formed in 2008 to pursue acquisitions of crude oil refineries and downstream assets in North America. We currently own and operate three domestic oil refineries and related assets, which we acquired in 2010 and 2011. Our refineries have a combined processing capacity, known as throughput, of approximately 540,000 bpd.

March 1, 2008	PBF was formed.
June 1, 2010	The idle Delaware City refinery and its related assets were acquired from Valero for approximately $220.0 million.
December 17, 2010	The Paulsboro refinery was acquired from Valero for approximately $357.7 million, excluding working capital.
March 1, 2011	The Toledo refinery was acquired from Sunoco for approximately $400.0 million, excluding working capital.
October 2011	Delaware City became operational.

Our three refineries are located in Toledo, Ohio, Delaware City, Delaware and Paulsboro, New Jersey. Our Midcontinent refinery at Toledo processes light, sweet crude, has a throughput capacity of 170,000 bpd and a Nelson Complexity Index of 9.2. The majority of Toledo s WTI based crude is delivered via pipelines that originate in both Canada and the United States. Since our acquisition of Toledo in 2011, we have added additional truck and rail crude unloading capabilities that provide feedstock sourcing flexibility for the refinery and enables Toledo to run a more cost-advantaged crude slate. Our East Coast refineries at Delaware City and Paulsboro have a combined refining capacity of 370,000 bpd and Nelson Complexity Indices of 11.3 and 13.2, respectively. These high conversion refineries process primarily medium and heavy, sour crudes and have historically received the bulk of their feedstock via ships and barges on the Delaware River. Importantly, in May 2012 we commenced crude shipments via rail into a newly developed crude rail unloading facility at our Delaware City refinery. Currently, crude delivered to this facility is consumed at our Delaware City refinery. In the future we plan to transport some of the crude delivered by rail from Delaware City via barge to our Paulsboro refinery. The Delaware City rail unloading facility allows our East Coast refineries to source WTI based crudes from Western Canada and the Midcontinent, which provides significant cost advantages versus traditional Brent based international crudes. We are in the process of expanding the rail crude unloading capacity at Delaware City from 40,000 bpd to more than 110,000 bpd by early 2013 and have entered into agreements to lease approximately 2,400 crude railcars (comprised of approximately 1,600 coiled and insulated railcars that are capable of transporting Western Canadian bitumen without diluent and approximately 800 general purpose railcars) that will be utilized to transport crude by rail to Delaware City.

Our Competitive Strengths

We believe that we have the following competitive strengths:

Strategically located refineries with cost and supply advantages. Our Midcontinent Toledo refinery advantageously sources a substantial portion of its WTI based crude slate from sources in Canada and throughout the Midcontinent. The balance of the crude oil is delivered by truck from local sources and by rail to a nearby terminal. Recent increases in production volumes of crudes from Western Canada and the Midcontinent combined with limitations on takeaway capacity in the Midcontinent, including at Cushing, Oklahoma where WTI is priced, have resulted in a price discount for WTI based crudes compared to Brent based crudes. We believe that our access to WTI based crudes at Toledo provides us with a cost advantage versus facilities that do not have similar access to such crudes and must process Brent based feedstocks.

Our Delaware City and Paulsboro refineries have similar supply advantages given that they have the flexibility to source crudes from around the world via the Delaware River, and can source currently price advantaged WTI based crudes from Western Canada and the Midcontinent through our Delaware City crude rail unloading facility and through third party rail unloading terminals on the East Coast. The 2,400 crude railcars that we have entered into agreements to lease will enable us to transport this crude to each of our refineries. This transportation flexibility allows our East Coast refineries to process the most cost advantaged crude available.

Future crude supply may emerge from other crude oil producing basins, including the development of the Utica Shale play (located in portions of the Appalachian Basin and Canada), which could potentially bring significant oil production online in regional proximity to all three of our refineries, providing an attractive feedstock source with low associated transportation cost.

Complex assets with a valuable product slate located in high-demand regions. Our refinery assets are located in regions where product demand exceeds refining capacity. Our refineries have a weighted average Nelson Complexity Index of 11.3, which allows us the flexibility to process a variety of crudes. Our East Coast refineries have the highest Nelson Complexity Indices on the East Coast, which allows them to process lower cost, heavier, more sour crude oils and giving us a cost advantage over other refineries in the same region. The complexity of our refining assets allows us to produce a higher percentage of more valuable light products. For example, our East Coast refineries produce a greater percentage of distillates versus gasoline than other East Coast refineries and have 100% of the East Coast s heavy coking capacity. In addition, our Paulsboro refinery produces Group I base oils which are typically priced at a premium to both gasoline and distillates. Similarly, our Toledo refinery is a high conversion refinery with high gasoline and distillate yields and also produces high-value petrochemical products.

Significant scale and diversification. We currently operate three refineries with a combined crude throughput of 540,000 bpd making us the fifth largest independent refiner in the United States. Our refineries provide us diversification through crude slates, end products, customers and geographic locations. Our scale provides us buying power advantages, and we benefit from the cost efficiencies that result from operating three large refineries.

Recent capital investments and restructuring initiatives to improve financial returns. Since 2006, over $2.8 billion of capital has been invested in our three refineries to improve their operating performance, to meet environmental and regulatory standards, and to minimize the need for near-term capital expenditures. For example, since our acquisition of Delaware City, we have invested more than $500.0 million in turnaround and re-start projects that will improve the cost structure and profitability of the refinery, as well as in the recent strategic development of a crude rail unloading facility. In addition, we are spending approximately $57.0 million to expand and upgrade the rail unloading infrastructure that will allow us to discharge more than 110,000 bpd of cost advantaged, WTI based crudes for both our Delaware City and Paulsboro refineries by the first quarter of 2013. In conjunction with the re-start of Delaware City in 2011, we undertook a significant restructuring of the operations to improve its operating cost position, including reductions in labor costs compared to operations before shutdown by Valero, reductions in energy costs and reductions in other ongoing operating and maintenance expenses. Management estimates that the Delaware City restructuring has reduced the refinery s annual operating expenses by over $200.0 million relative to pre-acquisition operating expense levels (without including the rail upgrades). We made significant operating improvements in the first year of operations by modifying the crude slate and product yield, changing operations of the conversion units and re-starting certain units.

Experienced management team with a demonstrated track record of acquiring, integrating and operating refining assets. Our management team is led by our Executive Chairman of the Board of Directors, Thomas D. O Malley, who has more than 30 years experience in the refining industry and has led the acquisition of more than 20 refineries during his career. In addition, our executive management team, including our Chief Executive Officer, Thomas J. Nimbley, our President, Michael D. Gayda, and our head of Commercial Operations, Donald F. Lucey, has a proven track record of successfully operating refining assets. Our core management team has significant experience working together, including while at Tosco Corporation and Premcor. These executives have a long history of acquiring refineries at attractive prices and integrating these operations into a single, consolidated platform. For example, we believe we acquired the Paulsboro, Delaware City and Toledo refineries at or near the

Table of Contents

bottom of the refining cycle at a small fraction of replacement cost. These acquisitions were made at lower prices on a per barrel basis and significantly lower prices on a complexity barrel basis than other comparable acquisitions over the past five years.

Support from strong financial sponsors and management with a substantial investment. Our financial sponsors, Blackstone and First Reserve, have a long history of successful investments across the energy industry. Together, our financial sponsors and management have invested substantial equity in PBF LLC to date, with management investing over $23.5 million. In addition, Thomas D. O Malley, our Executive Chairman of the Board of Directors, certain of his affiliates and family members, and certain of our other executives, purchased $25.5 million aggregate principal amount of senior secured notes in the notes offering.

Our Business Strategy

Our primary goal is to create stockholder value by improving our market position as one of the largest independent refiners and suppliers of petroleum products in the United States. We intend to execute the following strategies to achieve our goal:

Maintain efficient refinery operations. We intend to operate our refineries as reliably and efficiently as possible and further improve our operations by maintaining our costs at competitive levels, seeking to optimize utilization of our refinery asset base, and making focused high-return capital improvements designed to generate incremental profits.

We are continuously looking for ways to improve our overall operating efficiencies. For example, our refineries in Paulsboro and Delaware City are located approximately 30 miles apart from one another on the Delaware River. Both refineries have the capability to process heavy, sour crudes and have complementary operating units and we exchange certain feedstocks and intermediates between the refineries in an effort to optimize profitability. We are able to recognize cost savings associated with the sharing of crude oil shipments for these refineries. In addition to allowing us to share crude cargoes transported to our East Coast refineries via water, the construction of our new crude rail unloading facility at Delaware City will also help us realize better crude economics, because we will be able to deliver crude via rail through our own facilities and process WTI based crudes at both Paulsboro and Delaware City. We employ a small, centralized corporate staff that provides capital control and oversight and have experienced managers making operational decisions at our refineries.

Continue to grow through acquisitions and internal projects. We believe that we will encounter attractive acquisition opportunities as a result of the continuing strategic divestitures by major integrated oil companies and the rationalization of specific refinery assets. In selecting future acquisitions and internal projects, we intend to consider, among other things, the following criteria: performance through the cycle, access to advantageous crude supplies, attractive refined product end market fundamentals, access to storage, distribution and logistics infrastructure, acquisition price and our ability to maintain a conservative capital structure, and synergies with existing assets. In addition, we own a number of energy-related logistical assets that qualify for the favorable tax treatment that is permitted through an MLP structure. We continue to evaluate our strategic alternatives for these assets.

Promote operational excellence in reliability and safety. We will continue to devote significant time and resources toward improving the reliability and safety of our operations. We will seek to improve operating performance through our commitment to our preventive maintenance program and to employee training and development programs. We will continue to emphasize safety in all aspects of our operations. We believe that a superior reliability record, which can be measured and managed like all other aspects of our business, is inherently tied to safety and profitability.

Create an organization highly motivated to maintain earnings and improve return on capital. We have created an organization in which employees are highly motivated to maintain earnings and improve return on capital. Our cash incentive compensation plan, which covers all non-unionized employees, is solely based on

Table of Contents

achieving earnings above designated levels. Our equity incentive plan provides participating employees with an equity stake in us and aligns their interests with our investors interests.

Refining Operations

We currently own and operate three refineries, all located in regions with favorable market dynamics where finished product demand exceeds operating refining capacity. We produce a variety of products at each of our refineries, including gasoline, ULSD, heating oil, jet fuel, lubricants, petrochemicals and asphalt. We sell our products throughout the Northeast and Midwest of the United States, as well as in other regions of the United States and Canada, and are able to ship products to other international destinations.

Delaware City Refinery

Acquisition and Re-Start. Through our subsidiaries, Delaware City Refining and Delaware Pipeline Company LLC, we acquired the idle Delaware City refinery and its related assets, including a petroleum product terminal, a petroleum products pipeline and an electric generation facility, on June 1, 2010 from affiliates of Valero for approximately $220.0 million in cash; consisting of approximately $170.0 million for the refinery, terminal and pipeline assets and $50.0 million for the power plant complex located on the property. We also incurred approximately $4.3 million in acquisition costs.

The refinery was commissioned in 1956, and was most recently operated, and ultimately shut down in November 2009, by affiliates of Valero. The Delaware City refinery began production in 1957 as part of the Tidewater Oil Company. In 1967, the Tidewater Oil Company merged into Getty Oil Company. The refinery became an important part of Texaco s domestic refining portfolio when Texaco acquired Getty in 1984. The Delaware City refinery was part of Star Enterprise, a joint venture between Texaco and Saudi Refining from 1989 until 1998, when it became one of Motiva Enterprises LLC s refineries. A subsidiary of Premcor, which later merged with Valero in August 2005, purchased Delaware City from Motiva in 2004.

In the fourth quarter of 2009, due to, among other reasons, financial losses caused by one of the worst recessions in recent history, the prior owner shut down the Delaware City refinery. We were therefore able to acquire the refinery at an attractive price. In addition, at the time of acquisition, we reached an agreement with the State of Delaware that provided for a five-year operating permit and up to approximately $45.0 million of economic support to re-start the facility, and negotiated a new long-term contract with the relevant union at the refinery. We believe that the refinery s ability to process lower quality crudes will allow us to capture a higher margin as these lower quality crudes are typically priced at discounts to benchmark crudes, and to compete effectively in a region where product demand significantly exceeds refining capacity.

Since our acquisition through December 31, 2011, we have invested more than $500.0 million in turnaround and re-start projects at Delaware City, as well as in the recent strategic development of a crude rail unloading facility. In the first year of operations we have also modified the crude slate and product yield, changed operations of the conversion units, and re-started certain units in order to optimize the refinery. The re-start process included the decommissioning of the gasifier unit located on the property which allowed us to decrease emissions and improve the reliability of the refinery. We have also completed a cogeneration project to convert the electric generation units at the refinery to use natural gas as a fuel and a hydrocracker corrosion control project aimed at increasing throughput. Through these capital investments and by restructuring certain operations, management estimates that we have lowered the annual operating expenses of the Delaware City refinery by approximately $200.0 million (without including rail upgrades). This estimate includes operating expense reductions (maintenance, labor, etc.) of approximately $100.0 million, reduced annual energy costs of approximately $55.0 million, approximately $15.0 million of savings from decommissioning the gasifier and approximately $30.0 million of additional savings from improved reliability of the refinery and decreased operating expenses. In 2012, we are spending approximately $57.0 million, $20.0 million of which has been spent as of September 30, 2012, to expand and upgrade the existing on-site railroad infrastructure, including the expansion of the crude rail unloading facilities that will be capable of discharging approximately 110,000 bpd.

Table of Contents

Additionally, we continue to evaluate the development of a construction project consisting of a mild hydrocracker and hydrogen plant at the refinery, which was conditionally approved by our board of directors at the end of 2011. We estimate that the construction of the project, if commenced, will take approximately three years from commencement and when completed would process streams from both Delaware City and Paulsboro.

In connection with our re-start of the refinery, we received a $20.0 million loan from the State of Delaware which converts to a grant contingent upon our continued operation of the refinery and certain other conditions. The State of Delaware has also agreed to reimburse us $12.0 million in the aggregate for the dredging of the Delaware River near the refinery over the next six years, granted us $1.5 million to fund employee training programs and granted us $10.0 million towards the conversion of the gas turbines at the refinery to run on natural gas. During the first years of the refinery s operations we anticipate saving in excess of $100.0 million in capital expenditures we otherwise would have expected to make if not for our reconfiguration of the refinery and the terms of our environmental operating agreement issued by the State of Delaware.

Overview. The Delaware City refinery is located on a 5,000-acre site, with access to waterborne cargoes and an extensive distribution network of pipelines, barges and tankers, truck and rail. Delaware City is a fully integrated operation that receives crude via rail at the crude unloading facility, or ship or barge at its docks located on the Delaware River. The crude and other feedstocks are transported, via pipes, to an extensive tank farm where they are stored until processing. In addition, there is a 17-bay, 50,000 bpd capacity truck loading rack located adjacent to the refinery and a 23-mile interstate pipeline that is used to distribute clean products.

The Delaware City refinery has a throughput capacity of 190,000 bpd and a Nelson Complexity Index of 11.3. As a result of its configuration and process units, Delaware City has the capability of processing a heavy slate of crudes with a high concentration of high sulfur crudes and is one of the largest and most complex refineries on the East Coast. The Delaware City refinery is one of two heavy coking refineries, in addition to Paulsboro, on the East Coast of the United States with coking capacity equal to approximately 25% of crude capacity.

The Delaware City refinery processes a variety of medium to heavy, sour crude oils. The refinery has large conversion capacity with its 82,000 bpd FCC unit, 47,000 bpd FCU and 18,000 bpd hydrocracking unit with vacuum distillation. Hydrogen is provided via the refinery s steam methane reformer and continuous catalytic reformer.

Delaware City Process Flow Diagram

Table of Contents

The following table approximates the Delaware City refinery s major process unit capacities. Unit capacities are shown in barrels per stream day.

Refinery Units	Nameplate Capacity
Crude Distillation Unit	190,000
Vacuum Distillation Unit	102,000
Fluid Catalytic Cracking Unit (FCC)	82,000
Hydrotreating Units	160,000
Hydrocracking Unit	18,000
Catalytic Reforming Unit (CCR)	43,000
Benzene / Toluene Extraction Unit	15,000
Butane Isomerization Unit (ISOM)	6,000
Alkylation Unit (Alky)	11,000
Polymerization Unit (Poly)	16,000
Fluid Coking Unit (Fluid Coker)	47,000

Feedstocks and Supply Arrangements. In April 2011, we entered into a crude and feedstock supply agreement with Statoil that expires in April 2013, subject to Statoil having an option to extend the term through December 31, 2015. We are currently in discussions with Statoil to amend the agreement in anticipation of their extension. Pursuant to the agreement, we direct Statoil to purchase crude and other feedstocks for Delaware City and Statoil purchases these products on the spot market or through term agreements. Accordingly, Statoil enters into, on our behalf, hedging arrangements to protect against changes in prices between the time of purchase and the time of processing the feedstocks. In addition to procurement, for waterborne deliveries Statoil arranges transportation and insurance for the crude and feedstock supply and we pay Statoil a per barrel fee for their procurement and logistics services. Statoil generally holds title to the crude and feedstocks until we run the crude or feedstocks through our process units. We pay Statoil on a daily basis for the corresponding volume of crude or feedstocks that are consumed in conjunction with the refining process. This crude supply and feedstock arrangement helps us reduce the amount of investment we are required to maintain in crude inventories and, as a result, helps us manage our working capital.

Product Offtake. We sell the bulk of Delaware City s clean products to MSCG through our offtake agreement. MSCG purchases 100% of our finished clean products at Delaware City, which includes gasoline, heating oil and jet fuel, as well as our intermediates. The remainder of our products are sold to a variety of customers on the spot market.

Tankage Capacity. The Delaware City refinery has total storage capacity of approximately 10.0 MMbbls. Of the total, 18 tanks with approximately 3.6 million barrels of storage capacity are dedicated to crude oil and other feedstock storage with the remaining approximately 6.4 million barrels allocated to finished products, intermediates and other products.

Energy and Other Utilities. Under normal operating conditions, the Delaware City refinery consumes approximately 55,000 MMBTU per day of natural gas. The Delaware City refinery has a 280 MW power plant located on-site that consists of two natural gas-fueled turbines with combined capacity of approximately 140 MW and four turbo-generators with combined nameplate capacity of approximately 140 MW. Collectively, this power plant produces electricity in excess of Delaware City s refinery load of approximately 90 MW. Excess electricity is sold into the Pennsylvania-New Jersey-Maryland, or PJM, grid. Steam is primarily produced by a combination of three dedicated boilers and supplemented by secondary boilers at the FCC and coker.

Table of Contents

Paulsboro Refinery

Acquisition. We acquired the entities that owned the Paulsboro refinery (including an associated natural gas pipeline) on December 17, 2010, from Valero for approximately $357.7 million, excluding working capital. The purchase price excludes inventory purchased on our behalf by MSCG and Statoil. We invested approximately $62.8 million in capital in early 2011 to complete a scheduled turnaround at the refinery. The refinery was commissioned in 1917 and was purchased by Valero from Mobil Oil Corporation in 1998.

Overview. Paulsboro has a throughput capacity of 180,000 bpd and a Nelson Complexity Index of 13.2. The Paulsboro refinery is located on approximately 950 acres on the Delaware River in Paulsboro, New Jersey, just south of Philadelphia and approximately 30 miles away from Delaware City. Paulsboro receives crude and feedstocks via its marine terminal on the Delaware River. Paulsboro is one of two operating refineries on the East Coast with coking capacity, the other being Delaware City. Major units at the Paulsboro refinery include crude distillation units, vacuum distillation units, an FCC unit, a delayed coking unit, a lube oil processing unit and a propane deasphalting unit.

The Paulsboro refinery processes a variety of medium and heavy, sour crude oils. The Paulsboro refinery predominantly produces gasoline, heating oil and jet fuel and also manufactures Group I base oils or lubricants. In addition to its finished clean products slate, Paulsboro produces asphalt and petroleum coke.

Paulsboro Refinery Process Flow Diagram

Table of Contents

The following table approximates the Paulsboro refinery s major process unit capacities. Unit capacities are shown in barrels per stream day.

Refinery Units	Nameplate Capacity
Crude Distillation Units	168,000
Vacuum Distillation Units	83,000
Fluid Catalytic Cracking Unit (FCC)	55,000
Hydrotreating Units	141,000
Catalytic Reforming Unit (CCR)	32,000
Alkylation Unit (Alky)	11,000
Lube Oil Processing Unit	12,000
Delayed Coking Unit (Coker)	27,000
Propane Deasphalting Unit	11,000

Feedstocks and Supply Arrangements. In December 2010, we entered into a crude and feedstock supply agreement with Statoil that will terminate effective March 31, 2013. Pursuant to the agreement, we direct Statoil to purchase crude and other feedstocks for Paulsboro and Statoil purchases these products on the spot market. Accordingly, Statoil enters into, on our behalf, hedging arrangements to protect against changes in prices between the time of purchase and the time of processing the feedstocks. In addition to procurement, Statoil generally arranges transportation and insurance for the crude and feedstock supply and we pay Statoil a per barrel fee for their procurement and logistics services. Statoil holds title to the crude and feedstocks until we run the crude or feedstocks through our process units. We pay Statoil on a daily basis for the corresponding volume of crude or feedstocks that are consumed in conjunction with the refining process.

In addition, we have a long-term contract with Saudi Aramco. We have been purchasing up to approximately 100,000 bpd of crude oil from Saudi Aramco that is processed at Paulsboro pursuant to this agreement and on a spot basis. The crude purchased is priced off ASCI.

Product Offtake. We sell the bulk of Paulsboro s clean products to MSCG through our offtake agreement. With the exception of certain jet fuel sales, MSCG purchases 100% of our finished clean products and intermediates. In addition to the finished products offtake agreement with MSCG, we sell the remaining products produced at Paulsboro to third parties under various long-term contracts and on the spot market.

Tankage Capacity. The Paulsboro refinery has total storage capacity of approximately 7.5 MMbbls. Of the total, approximately 2.1 million barrels are dedicated to crude oil storage with the remaining 5.4 million barrels allocated to finished products, intermediates and other products. Paulsboro has a remote gauging system to monitor tank levels and all storage tanks are diked through either individual or common dikes.

Energy and Other Utilities. Under normal operating conditions, the Paulsboro refinery consumes approximately 30,000 MMBTU per day of natural gas. The Paulsboro refinery is virtually self-sufficient for its electrical power requirements. The refinery supplies approximately 90% of its 63 MW load through a combination of four generators with a nameplate capacity of 78 MW, in addition to a 30 MW gas turbine generator and two 15 MW steam turbine generators located at the Paulsboro utility plant. In the event that Paulsboro requires additional electricity to operate the refinery, supplemental power is available through a local utility. Paulsboro is connected to the grid via three separate 69 KV aerial feeders and has the ability to run entirely on imported power. Steam is primarily produced by three boilers, each with continuous rated capacity of 300,000-lb/hr at 900-psi. In addition, Paulsboro has a heat recovery steam generator and a number of waste heat boilers throughout the refinery that supplement the steam generation capacity. Paulsboro s current hydrogen needs are met by the hydrogen supply from the reformer. In addition, the refinery employs a standalone steam methane reformer that is capable of producing 10 MMSCFD of 99% pure hydrogen. This ancillary hydrogen plant is utilized as a back-up source of hydrogen for the refinery s process units.

Table of Contents

Toledo Refinery

Acquisition. Through our subsidiary, Toledo Refining, we acquired the Toledo refinery on March 1, 2011, from Sunoco for approximately $400.0 million, excluding working capital. We also purchased refined and certain intermediate products in inventory for approximately $299.6 million, and MSCG purchased the refinery s crude oil inventory on our behalf. Additionally, included in the terms of the sale is a five-year participation payment of up to $125.0 million payable to Sunoco based upon post-acquisition earnings of the refinery, of which $103.0 million was paid in 2012. We currently anticipate paying the balance of the participation payment in April 2013.

Overview. Toledo has a throughput capacity of approximately 170,000 bpd and a Nelson Complexity Index of 9.2. Toledo processes a slate of light, sweet crudes from Canada, the Midcontinent, the Bakken region and the U.S. Gulf Coast. Toledo produces a high percentage of finished products including gasoline and ULSD, in addition to a variety of high-value petrochemicals including nonene, xylene, tetramer and toluene.

The Toledo refinery is located on a 282-acre site near Toledo, Ohio, approximately 60 miles from Detroit. Major units at the Toledo refinery include an FCC unit, a hydrocracker, an alkylation unit and a UDEX unit. Crude is delivered to the Toledo refinery through three primary pipelines: (1) Enbridge from the north, (2) Capline from the south and (3) Mid-Valley from the south. Crude is also delivered from local sources by truck.

Toledo Refinery Process Flow Diagram

Table of Contents

The following table approximates the Toledo refinery s major process unit capacities. Unit capacities are shown in barrels per stream day.

Refinery Units	Nameplate Capacity
Crude Distillation Unit	170,000
Fluid Catalytic Cracking Unit (FCC)	79,000
Hydrotreating Units	95,000
Hydrocracking Unit (HCC)	45,000
Catalytic Reforming Units	45,000
Alkylation Unit (Alky)	10,000
Polymerization Unit (Poly)	7,000
UDEX Unit (BTX)	16,300

Feedstocks and Supply Arrangements. In May 2011, we entered into a crude oil acquisition agreement with MSCG that expires in June 2013, subject to certain termination rights and automatic renewals unless otherwise terminated by either party. Pursuant to the agreement, we direct MSCG to purchase crude and other feedstocks for Toledo and MSCG purchases these products on the spot market. Accordingly, MSCG enters into, on our behalf, hedging arrangements to protect against changes in prices between the time of purchase and the time of processing the feedstocks. In addition to procurement, MSCG arranges transportation and insurance for the crude and feedstock supply and we pay MSCG a per barrel fee for their procurement and logistics services. We pay MSCG on a daily basis for the corresponding volume of crude or feedstocks two days after they are consumed in conjunction with the refining process. This arrangement helps us reduce the amount of investment we are required to maintain in crude inventories and, as a result, helps us manage our working capital.

Product Offtake. Toledo is connected, via pipelines, to an extensive distribution network throughout Ohio, Illinois, Indiana, Kentucky, Michigan, Pennsylvania and West Virginia. The finished products are transported on pipelines owned by Sunoco Logistics Partners L.P. and Buckeye Partners. In addition, we have proprietary connections to a variety of smaller pipelines and spurs that help us optimize our clean products distribution. A significant portion of Toledo s gasoline and ULSD are distributed through the approximately 28 terminals in this network.

In March 2011, we entered into an agreement with Sunoco whereby Sunoco purchases gasoline and distillates products representing approximately one-third of the Toledo refinery s gasoline and diesel production. The agreement has a three year term, subject to certain early termination rights. We sell the bulk of the petrochemicals produced at the Toledo refinery through short-term contracts or on the spot market and the majority of the product distribution is done via rail.

Tankage Capacity. The Toledo refinery has total storage capacity of approximately 4.0 MMbbls. The Toledo refinery receives its crude through pipeline connections and a truck rack. Of the total, approximately 0.4 million barrels are dedicated to crude oil storage with the remaining 3.6 million barrels in the pipeline systems.

Energy and Other Utilities. Under normal operating conditions, the Toledo refinery consumes approximately 17,000 MMBTU per day of natural gas. The Toledo refinery purchases its electricity from a local utility and has a long-term contract to purchase hydrogen and steam from a local third party supplier. In addition to the third party steam supplier, Toledo consumes a portion of the steam that is generated by its various process units.

Competition

The refining business is very competitive. We compete directly with various other refining companies both on the East Coast and in the Midcontinent, with integrated oil companies, with foreign refiners that import products into the United States and with producers and marketers in other industries supplying alternative forms of energy and fuels to satisfy the requirements of industrial, commercial and individual consumers. Some of our competitors have expanded the capacity of their refineries and internationally new refineries are coming on line which could also affect our competitive position.

Profitability in the refining industry depends largely on refined product margins, which can fluctuate significantly, as well as operating efficiency and reliability, product mix and costs of product distribution and transportation. Certain of our competitors that have larger and more complex refineries may be able to realize lower per-barrel costs or higher margins per barrel of throughput. Several of our principal competitors are integrated national or international oil companies that are larger and have substantially greater resources. Because of their integrated operations and larger capitalization, these companies may be more flexible in responding to volatile industry or market conditions, such as shortages of feedstocks or intense price fluctuations. Refining margins are frequently impacted by sharp changes in crude oil costs, which may not be immediately reflected in product prices.

The refining industry is highly competitive with respect to feedstock supply. Unlike certain of our competitors that have access to proprietary controlled sources of crude oil production available for use at their own refineries, we obtain substantially all of our crude oil and other feedstocks from unaffiliated sources. The availability and cost of crude oil is affected by global supply and demand. We have no crude oil reserves and are not engaged in the exploration or production of crude oil. We believe, however, that we will be able to obtain adequate crude oil and other feedstocks at generally competitive prices for the foreseeable future.

Employees

As of September 30, 2012, we had approximately 1,578 employees. At Paulsboro, 289 of our 446 employees are covered by a collective bargaining agreement that expires in March 2015. In addition, 639 of our 986 employees at Delaware City and Toledo are covered by a collective bargaining agreement that is currently anticipated to expire in February of 2015. None of our corporate employees are covered by a collective bargaining agreement. We consider our relations with the represented employees to be satisfactory.

Environmental, Health and Safety Matters

Refinery and pipeline operations are subject to federal, state and local laws regulating the discharge of matter into the environment or otherwise relating to human health and safety or the protection of the environment. These laws regulate among other things, the generation, storage, handling, use and transportation of petroleum and other regulated materials, the emission and discharge of materials into the environment, waste management, remediation of contaminated sites, characteristics and composition of gasoline and diesel and other matters otherwise relating to the protection of the environment. Permits are also required under these laws for the operation of our refineries, pipelines and related operations and these permits are subject to revocation, modification and renewal. Compliance with applicable environmental laws, regulations and permits will continue to have an impact on our operations, results of operations and capital requirements. We believe that our current operations are in substantial compliance with existing environmental laws, regulations and permits.

Our operations and many of the products we manufacture are subject to certain specific requirements of the CAA, and related state and local regulations. The CAA contains provisions that require capital expenditures for the installation of certain air pollution control devices at our refineries. Subsequent rule making authorized by the CAA or similar laws or new agency interpretations of existing rules, may necessitate additional expenditures in future years.

Additionally, as of January 1, 2011 we are required to meet an EPA regulation limiting the average sulfur content in gasoline to 30 PPM. The EPA has also announced that it plans to propose new Tier 3 motor vehicle emission and fuel standards. It has been reported that these new Tier 3 regulations may, among other things, lower the maximum average sulfur content of gasoline from 30 PPM to 10 PPM. If the Tier 3 regulations are

Table of Contents

eventually implemented and lower the maximum allowable content of sulfur or other constituents in fuels that we produce, we may at some point in the future be required to make significant capital expenditures and/or incur materially increased operating costs to comply with the new standards. As of January 1, 2011, we are required to comply with the EPA s new Control of Hazardous Air Pollutants From Mobile Sources, or MSAT2, regulations on gasoline that impose reductions in the benzene content of our produced gasoline. We purchase benzene credits to meet these requirements. Our planned capital projects will reduce the amount of benzene credits that we need to purchase and we could implement additional benzene reduction projects to completely eliminate our benzene credit purchase requirements if we can justify such a project from a cost benefit standpoint. In addition, the renewable fuel standards will mandate the blending of prescribed percentages of renewable fuels (e.g., ethanol and biofuels) into our produced gasoline and diesel. These new requirements, other requirements of the CAA and other presently existing or future environmental regulations may cause us to make substantial capital expenditures as well as the purchase of credits at significant cost, to enable our refineries to produce products that meet applicable requirements.

Our operations are also subject to the federal Clean Water Act, or the CWA, the federal Safe Drinking Water Act, or the SDWA, and comparable state and local requirements. The CWA, the SDWA and analogous laws prohibit any discharge into surface waters, ground waters, injection wells and publicly-owned treatment works except in strict conformance with permits, such as pre-treatment permits and discharge permits, issued by federal, state and local governmental agencies. Federal waste-water discharge permits and analogous state waste-water discharge permits are valid for a maximum of five years and must be renewed.

We generate wastes that may be subject to the federal Resource Conservation and Recovery Act, or RCRA, and comparable state and local requirements. The EPA and various state agencies have limited the approved methods of disposal for certain hazardous and non-hazardous wastes.

The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, or CERCLA, also known as Superfund, imposes liability, without regard to fault or the legality of the original conduct, on certain classes of persons who are considered to be responsible for the release of a hazardous substance into the environment. These persons include the current or former owner or operator of the disposal site or sites where the release occurred and companies that disposed of or arranged for the disposal of the hazardous substances. Under CERCLA, such persons may be subject to joint and several liability for investigation and the costs of cleaning up the hazardous substances that have been released into the environment, for damages to natural resources and for the costs of certain health studies. As discussed more fully below, certain of our sites are subject to these laws and we may be held liable for investigation and remediation costs or claims for natural resource damages. It is not uncommon for neighboring landowners and other third parties to file claims for personal injury and property damage allegedly caused by hazardous substances or other pollutants released into the environment. Analogous state laws impose similar responsibilities and liabilities on responsible parties. In our current normal operations, we have generated waste, some of which falls within the statutory definition of a hazardous substance and some of which may have been disposed of at sites that may require cleanup under Superfund.

As is the case with all companies engaged in industries similar to ours, we face potential exposure to future claims and lawsuits involving environmental matters. These matters include soil and water contamination, air pollution, personal injury and property damage allegedly caused by substances which we manufactured, handled, used, released or disposed of.

Current and future environmental regulations are expected to require additional expenditures, including expenditures for investigation and remediation, which may be significant, at our refineries and at pipeline transportation facilities. To the extent that future expenditures for these purposes are material and can be reasonably determined, these costs are disclosed and accrued.

Our operations are also subject to various laws and regulations relating to occupational health and safety. We maintain safety, training and maintenance programs as part of our ongoing efforts to ensure compliance with

109

Table of Contents

applicable laws and regulations. Compliance with applicable health and safety laws and regulations has required and continues to require substantial expenditures.

In connection with each of our acquisitions, we assumed certain environmental remediation obligations. In the case of Paulsboro, a trust fund established to meet state financial assurance requirements, in the amount of approximately $12.1 million, the current estimated cost of the remediation obligations assumed based on investigation undertaken to date, was acquired as part of the acquisition. The short term portion of the trust fund and corresponding liability are recorded as restricted cash and accrued expenses, the long term portion is recorded in other assets and other long-term liabilities. In connection with the acquisition of Delaware City, the prior owners remain responsible subject to certain limitations, for certain environmental obligations including ongoing remediation of soil and groundwater contamination at the site. Further, in connection with the Delaware City and Paulsboro acquisitions, we purchased two individual ten-year, $75.0 million environmental insurance policies to insure against unknown environmental liabilities at each refinery. In connection with the acquisition of Toledo, the seller, subject to certain limitations, initially retains remediation obligations which will transition to us over a 20-year period. However, there can be no assurance that any available indemnity, trust fund or insurance will be sufficient to cover any ultimate environmental liabilities we may incur with respect to our refineries which could be significant.

We cannot predict what additional health and environmental legislation or regulations will be enacted or become effective in the future or how existing or future laws or regulations will be administered or interpreted with respect to our operations. Compliance with more stringent laws or regulations or adverse changes in the interpretation of existing requirements or discovery of new information such as unknown contamination could have an adverse effect on the financial position and the results of our operations and could require substantial expenditures for the installation and operation of systems and equipment that we do not currently possess.

Legal Proceedings

We are not currently a party to any legal proceedings that, if determined adversely against us, individually or in the aggregate, would have a material adverse effect on our financial position, results of operations or cash flows. Our subsidiary, Paulsboro Refining, formerly known as Valero Refining Company New Jersey, is party to certain legal proceedings that arose prior to our acquisition of the entity, for which we are indemnified by Valero.

Table of Contents

MANAGEMENT

The following table sets forth certain information regarding our current directors and executive officers. Each director and executive officer will hold office until a successor is elected and qualified or until his earlier death, resignation or removal.

Name	Age	Position
Thomas D. O Malley	71	Executive Chairman of the Board of Directors
Thomas J. Nimbley	61	Chief Executive Officer
Michael D. Gayda	58	President
Donald F. Lucey	59	Executive Vice President, Chief Commercial Officer
Matthew C. Lucey	39	Senior Vice President, Chief Financial Officer
Jeffrey Dill	51	Senior Vice President, General Counsel
Spencer Abraham	60	Director
Jefferson F. Allen	67	Director
Martin J. Brand	37	Director
Timothy H. Day	42	Director
David I. Foley	45	Director
Dennis Houston	61	Director
Neil A. Wizel	35	Director

Thomas D. O Malley has served as Executive Chairman of the Board of Directors of PBF since 2008 and was our Chief Executive Officer from inception until June 2010. Mr. O Malley has more than 30 years experience in the refining industry. He served as Chairman of the Board of Petroplus Holdings A.G., listed on the Swiss Exchange, from May 2006 until February 2011, and was Chief Executive Officer from May 2006 until September 2007. Mr. O Malley was Chairman of the Board and Chief Executive Officer of Premcor, a domestic oil refiner and Fortune 250 company listed on the NYSE, from February 2002 until its sale to Valero in August 2005. Before joining Premcor, Mr. O Malley was Chairman and Chief Executive Officer of Tosco Corporation. This Fortune 100 company, listed on the NYSE, was the largest independent oil refiner and marketer of oil products in the United States, with annualized revenues of approximately $25.0 billion when it was sold to Philips Petroleum Company in September 2001.

Mr. O Malley s extensive experience in and knowledge of the refining industry, as well as his proven leadership skills and management experience provides the board with valuable leadership, and for these reasons we believe Mr. O Malley is qualified to serve as Chairman of our board of directors.

Thomas J. Nimbley has served as our Chief Executive Officer since June 2010 and was our Executive Vice President, Chief Operating Officer from March 2010 through June 2010. Prior thereto, he served as a Principal for Nimbley Consultants LLC from June 2005 to April 2010, where he provided consulting services and assisted on the acquisition of two refineries. He previously served as Senior Vice President and head of Refining for Phillips Petroleum Company and subsequently Senior Vice President and head of Refining for ConocoPhillips domestic refining system (13 locations) following the merger of Phillips and Conoco. Before joining Phillips at the time of its acquisition of Tosco in September 2001, Mr. Nimbley served in various positions with Tosco Corporation and its subsidiaries starting in April 1993.

Michael D. Gayda joined us as our Executive Vice President, General Counsel and Secretary in April 2010 and has served as our President since June 2010 and was a director from inception until October 2009. Prior thereto, from May 2006 until January 2010 Mr. Gayda served as Executive Vice President, General Counsel and Secretary of Petroplus, for whom Mr. Gayda is currently obligated to perform limited consulting services. Prior to Petroplus, he served as an executive officer of Premcor until its sale to Valero in August 2005 and as General Counsel Refining for Phillips 66 Company, a division of Phillips Petroleum Company, following Phillips Petroleum s acquisition of Tosco in September 2001. Mr. Gayda previously served as a Vice President of certain of Tosco s subsidiaries.

Donald F. Lucey joined us as our Senior Vice President, Commercial Operations in April 2008 and has served as our Executive Vice President, Chief Commercial Officer since April 2010. From 2005 until April 2008, Mr. Lucey provided consulting services to a variety of energy companies. Prior thereto, Mr. Lucey served as Senior Vice President, Commercial for Premcor from April 2002 until August 2005. Prior to that, Mr. Lucey worked at both Tosco and Phillips Petroleum Company, where he managed Atlantic Basin fuel oil activities. Before joining Tosco, Mr. Lucey worked with Phibro Energy in its fuel oil products and solid fuels departments throughout the United States and abroad.

Matthew C. Lucey joined us as our Vice President, Finance in April 2008 and has served as our Senior Vice President, Chief Financial Officer since April 2010. Prior thereto, Mr. Lucey served as a Managing Director of M.E. Zukerman & Co., a New York-based private equity firm specializing in several sectors of the broader energy industry, from 2001 to 2008. While at M.E. Zukerman & Co., Mr. Lucey participated in all aspects of the firm s energy investment activities and served on the Management Committee of Penreco, a manufacturer of specialty petroleum products; Cortez Pipeline Company, a 500 mile CO_2 pipeline; and Venture Coke Company, a merchant petroleum coke calciner. Before joining M.E. Zukerman & Co., Mr. Lucey spent six years in the banking industry.

Jeffrey Dill has served as our Senior Vice President, General Counsel and Secretary since May 2010 and from March 2008 until September 2009. Mr. Dill served as Senior Vice President, General Counsel and Secretary for Maxum Petroleum, Inc., a national marketer and logistics company for petroleum products, from September 2009 to May 2010 and as Consulting General Counsel and Secretary for NTR Acquisition Co., a special purpose acquisition company focused on downstream energy opportunities, from April 2007 to February 2008. Previously he served as Vice President, General Counsel and Secretary at Neurogen Corporation, a drug discovery and development company, from March 2006 to December 2007. Mr. Dill has over 15 years experience providing legal support to refining, transportation and marketing organizations in the petroleum industry, including positions at Premcor, ConocoPhillips, Tosco and Unocal.

Spencer Abraham is the Chief Executive Officer and Chairman of the international strategic consulting firm The Abraham Group, which he founded in 2005. Prior to starting The Abraham Group, Mr. Abraham served as Secretary of Energy under President George W. Bush from 2001 through January 2005 and was a U.S. Senator for the State of Michigan from 1995 to 2001. Prior to serving as a U.S. Senator, Mr. Abraham held various other public and private sector positions in the public policy arena. Mr. Abraham serves as a director of Occidental Petroleum Corporation and GenOn Energy, Inc. and as Chairman of the Advisory Board of Lynx Global Realty Asset Fund Onshore LLC. He was previously a director of ICx Technologies and non-executive Chairman of Areva Inc. Mr. Abraham also serves on the boards or advisory committees of several private companies, including Deepwater Wind, LLC, Green Rock Energy, Sindicatum Sustainable Resources and C3.

Mr. Abraham s extensive political and financial experience in the energy sector, including as the Secretary of Energy of the United States, as a U.S. Senator and as a board member of various public companies in the oil and gas sector, provides him with unique and valuable insights into the industry in which we operate and the markets that we serve, and for these reasons we believe that Mr. Abraham is a valuable member of our board of directors.

Jefferson F. Allen serves as chairman of our audit committee for PBF. Mr. Allen has over 35 years experience in the oil industry. Before his retirement in 2005, Mr. Allen most recently served as the Chief

Table of Contents

Executive Officer of Premcor at the time of its sale to Valero in 2005. In addition, from 2002 until 2005 Mr. Allen served on Premcor s Board of Directors and from 2002 until 2004 was Chairman of its Audit Committee. Prior to his service with Premcor, Mr. Allen was the Chief Financial Officer and a director of Tosco Corporation from 1990, and served as its President from 1995, until its merger with Phillips Petroleum Company in September 2001. Before joining Tosco, his previous energy industry experience was in the international exploration and production business for 14 years.

Mr. Allen s industry specific experience as a financial expert and board member of a public company, provides our board with a unique perspective and insight, and for these reason we believe Mr. Allen is a valuable member of our board of directors.

Martin J. Brand is a Managing Director in the Private Equity Group at Blackstone. Mr. Brand joined Blackstone in 2003 in the London office and transferred to the New York office in 2005. Mr. Brand currently serves as a director of Bayview Financial, Travelport Limited, Performance Food Group and Orbitz Worldwide. Before joining Blackstone, Mr. Brand worked as a derivatives trader with the FICC division of Goldman, Sachs & Co. in New York and Tokyo and with McKinsey & Company in London.

Mr. Brand brings extensive financial expertise and broad-based international experience with private equity firms that invest in growing companies to our board. These attributes provide the board with critical insight into what is needed to successfully compete in the global marketplace, and for these reasons we believe Mr. Brand is a valuable member of our board.

Timothy H. Day serves as chairman of our nominating and corporate governance committee. Mr. Day is a Managing Director at First Reserve and is co-head of the firm s buyout funds. Mr. Day s responsibilities include investment origination, structuring, execution, monitoring and exit strategy, with particular emphasis on the global natural gas chain and related services for the hydrocarbon processing industry as well as midstream and downstream assets. Prior to joining First Reserve in 2000, Mr. Day spent three years with SCF Partners, a private equity investment group specializing in the energy industry and three years with Credit Suisse First Boston and Salomon Brothers. Mr. Day serves as a director of Brand Energy & Infrastructure Services, Crestwood Midstream Partners, Diamond S Management and KA First Reserve.

Mr. Day s affiliation with First Reserve, his extensive financial expertise and his significant experience in the energy industry working with companies controlled by private equity sponsors make him a valuable member of our board.

David I. Foley serves as chairman of our compensation committee. Mr. Foley is a Senior Managing Director in the Private Equity Group at Blackstone, the Chief Executive Officer of Blackstone Energy Partners, and leads all of Blackstone s private equity investment activities in the energy and natural resource sector on a global basis. Since joining Blackstone in 1995, Mr. Foley has been responsible for building Blackstone s energy and natural resources practice and has played an integral role in every private equity energy deal that the firm has invested in. Before joining Blackstone, Mr. Foley worked with AEA Investors in the firm s private equity business and prior to that served as a consultant for the Monitor Company. Mr. Foley serves as a director of Cheniere Energy Inc., Cheniere Energy Partners, Kosmos Energy and several privately-held energy companies in which Blackstone is an equity investor.

Mr. Foley s affiliation with Blackstone, his financial expertise and his vast experience in the energy industry working with companies controlled by private equity sponsors make him a valuable member of our board.

Dennis Houston has approximately 40 years experience in the oil and gas industry, including over 35 years with ExxonMobil and its related companies. At the time of his retirement from ExxonMobil in May 2010, Mr. Houston held the positions of Executive Vice President Refining & Supply Company, Chairman and

Table of Contents

President of ExxonMobil Sales & Supply LLC and Chairman of Standard Tankers Bahamas Limited. Mr. Houston s experience also includes engineering and management positions in Exxon s refining organization and positions in Lubes and Supply.

Mr. Houston s extensive operational experience in the oil and gas industry, including as a manager of a global refining organization, provides him with valuable insight into the markets in which we operate and provides a unique perspective to our board, and for these reasons we believe that Mr. Houston is qualified to serve on our board.

Neil A. Wizel is a Director at First Reserve. Mr. Wizel s responsibilities include investment origination, structuring, execution, monitoring and exit strategy, with particular emphasis on the equipment, manufacturing and services sector as well as the reserves sector and downstream assets. Prior to joining First Reserve in April 2007, Mr. Wizel worked for five years at Greenbriar Equity Group, a transportation focused private equity firm. Prior to Greenbriar, he was a Financial Analyst in the Leveraged Finance/Financial Sponsor Group at Credit Suisse First Boston. Mr. Wizel serves as a director of the Deep Gulf Energy companies and Saxon Energy Services.

Mr. Wizel s affiliation with First Reserve, his financial expertise and his investment experience across the entire energy value chain make him a valuable member of our board.

Mr. O Malley, by marriage, is the uncle of Mr. M. Lucey and the first cousin of Mr. D. Lucey.

Board of Directors Composition

Our board of directors currently has eight members, two of whom were nominated by Blackstone, two of whom were nominated by First Reserve, one of whom is our Executive Chairman and three of whom are independent directors nominated by the other five directors.

In connection with this offering we will enter into a stockholders agreement with Blackstone and First Reserve pursuant to which our board will be comprised of nine members, three of whom shall be designees of Blackstone and three of whom shall be designees of First Reserve. Blackstone and First Reserve will retain the right to designate nominees to our board of directors subject to the maintenance of certain ownership requirements in the Company. See Certain Relationships and Related Party Transactions Stockholders Agreement.

Members of the board of directors will be elected at our annual meeting of stockholders to serve for a term of one year or until their successors have been elected and qualified, subject to prior death, resignation, retirement or removal from office. Each election of directors will be by plurality vote of the stockholders.

Corporate Governance Principles and Board Matters

Upon completion of this offering, we will be a controlled company under the NYSE corporate governance rules for so long as Blackstone and First Reserve continue to own more than 50% of the combined voting power of our Class A and Class B common stock after the completion of this offering. As a result, we will be eligible for exemptions from provisions of the NYSE corporate governance standards, including (1) the requirement that a majority of the board of directors consist of independent directors, (2) the requirement that we have a nominating and corporate governance committee that is composed entirely of independent directors with a written charter addressing the committee s purpose and responsibilities, (3) the requirement that we have a compensation committee that is composed entirely of independent directors with a written charter addressing the committee s purpose and responsibilities and (4) the requirement that there be an annual performance evaluation of the corporate governance and compensation committees.

Following this offering, we intend to utilize these exemptions. As a result, we will not be required to have a majority of independent directors nor will our nominating and corporate governance and compensation committees be required to consist entirely of independent directors. In addition, although we will have adopted charters for our audit, nominating and corporate governance and compensation committees and intend to conduct annual performance evaluations for these committees, none of these committees will be required to be composed

Table of Contents

entirely of independent directors immediately following the completion of this offering. Accordingly, you would not have the same protections afforded to stockholders of companies that are subject to all of the NYSE corporate governance requirements. In the event that we are not, or cease to be, a controlled company within the meaning of these rules, we will be required to comply with these provisions within the transition periods specified in the NYSE corporate governance rules.

Board Committees

Our board of directors currently has an audit committee, a compensation committee and a nominating and corporate governance committee.

Audit Committee

Our audit committee consists of Messrs. Allen, Brand and Wizel. Mr. Allen serves as chairman of our audit committee and qualifies as independent as defined in Rule 10A-3(b)(1) under the Exchange Act and as an audit committee financial expert as such term is defined in Item 407(d)(5) of Regulation S-K. We will rely on the phase-in rules of the SEC and NYSE with respect to the independence of our audit committee. These rules permit us to have an audit committee that has one member that is independent upon the effectiveness of the registration statement of which this prospectus forms a part, a majority of members that are independent within 90 days thereafter and all members that are independent within one year thereafter.

The purpose of our audit committee is to assist our board of directors in overseeing and monitoring (1) the quality and integrity of our financial statements; (2) our independent registered public accounting firm s qualifications and independence; (3) the performance of our internal audit function; (4) the performance of our independent registered public accounting firm; and (5) our compliance with applicable laws and regulations, our Code of Business Conduct and Ethics, and our related policies and procedures, including our company-wide compliance and ethics program, with the committee to make regular reports to the board of directors regarding these compliance and ethics related responsibilities.

Our audit committee has adopted a Code of Business Conduct and Ethics for all employees, a copy of which will be available on our website as soon as practicable upon the completion of this offering.

Compensation Committee

Our compensation committee consists of Messrs. Foley, Day, Allen and Abraham. Mr. Foley serves as chairman of our compensation committee. Our compensation committee is responsible for assisting our board of directors in discharging its responsibilities relating to (1) setting our compensation program and compensation of our executive officers and directors; (2) monitoring our incentive and equity-based compensation plans; and (3) preparing our compensation committee report required to be included in our proxy statement under the rules and regulations of the SEC.

Our board of directors has adopted a written charter for our compensation committee, a copy of which will be available on our website as soon as practicable upon the completion of this offering.

Compensation Committee Interlocks and Insider Participation

We do not anticipate any interlocking relationships between any member of our compensation committee and any of our executive officers that would require disclosure under the applicable rules promulgated under federal securities laws.

Nominating and Corporate Governance Committee

Our nominating and corporate governance committee consists of Messrs. Day, Foley and Abraham. Mr. Day serves as chairman of our nominating and corporate governance committee. Our nominating and corporate

Table of Contents

governance committee is responsible for (1) identifying individuals qualified to become new board members, consistent with criteria approved by the board of directors, subject to our stockholders agreement; (2) reviewing the qualifications of incumbent directors to determine whether to recommend them for reelection and selecting, or recommending that the board select, the director nominees for the next annual meeting of stockholders; (3) identifying board members qualified to fill vacancies on any board committee and recommending that the board appoint the identified member or members to the applicable committee; (4) reviewing and recommending to the board of directors corporate governance guidelines; (5) overseeing the evaluation of the board of directors and executive officers; and (6) handling such other matters that are specifically delegated to the committee by the board of directors from time to time.

Our board of directors has adopted a written charter for our nominating and corporate governance committee, a copy of which will be available on our website as soon as practicable upon the completion of this offering.

Our chief executive officer and other executive officers will regularly report to the non-executive directors and our audit, compensation and nominating and corporate governance committees to ensure effective and efficient oversight of our activities and to assist in proper risk management and the ongoing evaluation of manag