# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
**WASHINGTON, DC 20549**

# FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the quarterly period ended June 30, 2022**

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the transition period from to**

**Commission File No. 001-36550**

# PAR PACIFIC HOLDINGS, INC.
**(Exact name of registrant as specified in its charter)**

| | |
|---|---|
| **Delaware**<br>**(State or other jurisdiction of incorporation or organization)** | **84-1060803**<br>**(I.R.S. Employer Identification No.)** |
| **825 Town & Country Lane, Suite 1500**<br>**Houston, Texas**<br>**(Address of principal executive offices)** | **77024**<br>**(Zip Code)** |

**(281) 899-4800**
**(Registrant's telephone number, including area code)**

**(Former name, former address and former fiscal year, if changed since last report)**

Securities registered pursuant to Section 12(b) of the Act:

| Title of Each Class | Trading Symbol(s) | Name of Each Exchange on Which Registered |
|---|---|---|
| Common stock, $0.01 par value | PARR | New York Stock Exchange |

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

| | | | |
|---|---|---|---|
| Large accelerated filer | ☒ | Accelerated filer | ☐ |
| Non-accelerated filer | ☐ | Smaller reporting company | ☐ |
| | | Emerging growth company | ☐ |

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Securities Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

60,178,748 shares of Common Stock, $0.01 par value, were outstanding as of August 3, 2022.

**PAR PACIFIC HOLDINGS, INC. AND SUBSIDIARIES**

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The terms "Par," "Company," "we," "our," and "us" refer to Par Pacific Holdings, Inc. and its consolidated subsidiaries unless the context suggests otherwise.

## PART I - FINANCIAL INFORMATION

## Item 1. FINANCIAL STATEMENTS

### PAR PACIFIC HOLDINGS, INC. AND SUBSIDIARIES
### CONDENSED CONSOLIDATED BALANCE SHEETS
### (Unaudited)
### (in thousands, except share data)

| | June 30, 2022 | December 31, 2021 |
|---|---|---|
| **ASSETS** | | |
| **Current assets** | | |
| Cash and cash equivalents | $ 186,178 | $ 112,221 |
| Restricted cash | 4,000 | 4,000 |
| Total cash, cash equivalents, and restricted cash | 190,178 | 116,221 |
| Trade accounts receivable, net of allowances of $0.3 million and $0.4 million at June 30, 2022 and December 31, 2021, respectively | 370,773 | 195,108 |
| Inventories | 1,160,166 | 790,317 |
| Prepaid and other current assets | 130,238 | 28,525 |
| **Total current assets** | 1,851,355 | 1,130,171 |
| **Property, plant, and equipment** | | |
| Property, plant, and equipment | 1,196,747 | 1,180,397 |
| Less accumulated depreciation and amortization | (356,885) | (323,892) |
| **Property, plant, and equipment, net** | 839,862 | 856,505 |
| **Long-term assets** | | |
| Operating lease right-of-use assets | 333,057 | 383,824 |
| Intangible assets, net | 14,905 | 16,234 |
| Goodwill | 127,262 | 127,262 |
| Other long-term assets | 78,899 | 56,255 |
| **Total assets** | $ 3,245,340 | $ 2,570,251 |
| **LIABILITIES AND STOCKHOLDERS' EQUITY** | | |
| **Current liabilities** | | |
| Current maturities of long-term debt | $ 10,874 | $ 10,841 |
| Obligations under inventory financing agreements | 1,189,448 | 737,704 |
| Accounts payable | 250,689 | 154,543 |
| Accrued taxes | 37,195 | 28,641 |
| Operating lease liabilities | 51,678 | 53,640 |
| Other accrued liabilities | 570,051 | 370,424 |
| **Total current liabilities** | 2,109,935 | 1,355,793 |
| **Long-term liabilities** | | |
| Long-term debt, net of current maturities | 508,997 | 553,717 |
| Finance lease liabilities | 7,214 | 7,691 |
| Operating lease liabilities | 287,648 | 335,094 |
| Other liabilities | 52,817 | 52,256 |
| **Total liabilities** | 2,966,611 | 2,304,551 |
| **Commitments and contingencies (Note 13)** | | |
| **Stockholders' equity** | | |
| Preferred stock, $0.01 par value: 3,000,000 shares authorized, none issued | — | — |
| Common stock, $0.01 par value; 500,000,000 shares authorized at June 30, 2022 and December 31, 2021, 60,219,925 shares and 60,161,955 shares issued at June 30, 2022 and December 31, 2021, respectively | 602 | 602 |
| Additional paid-in capital | 827,623 | 821,713 |
| Accumulated deficit | (551,998) | (559,117) |
| Accumulated other comprehensive income | 2,502 | 2,502 |
| **Total stockholders' equity** | 278,729 | 265,700 |
| **Total liabilities and stockholders' equity** | $ 3,245,340 | $ 2,570,251 |

See accompanying notes to the condensed consolidated financial statements.

**PAR PACIFIC HOLDINGS, INC. AND SUBSIDIARIES**
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**
**(Unaudited)**
**(in thousands, except per share amounts)**

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | **2022** | **2021** | **2022** | **2021** |
| **Revenues** | $ 2,106,332 | $ 1,217,525 | $ 3,456,625 | $ 2,106,205 |
| | | | | |
| **Operating expenses** | | | | |
| Cost of revenues (excluding depreciation) | 1,808,925 | 1,197,298 | 3,159,174 | 2,086,161 |
| Operating expense (excluding depreciation) | 82,342 | 68,821 | 163,746 | 143,009 |
| Depreciation and amortization | 25,583 | 23,548 | 49,363 | 46,428 |
| Loss (gain) on sale of assets, net | 15 | 510 | 15 | (64,402) |
| General and administrative expense (excluding depreciation) | 15,438 | 12,201 | 31,331 | 24,086 |
| Acquisition and integration costs | — | (352) | 63 | 86 |
| **Total operating expenses** | 1,932,303 | 1,302,026 | 3,403,692 | 2,235,368 |
| | | | | |
| **Operating income (loss)** | 174,029 | (84,501) | 52,933 | (129,163) |
| | | | | |
| **Other income (expense)** | | | | |
| Interest expense and financing costs, net | (18,154) | (17,186) | (34,548) | (35,337) |
| Debt extinguishment and commitment costs | (5,672) | (6,628) | (5,672) | (8,135) |
| Gain on curtailment of pension obligation | — | — | — | 2,032 |
| Other income (loss), net | 47 | (36) | 49 | 25 |
| **Total other expense, net** | (23,779) | (23,850) | (40,171) | (41,415) |
| | | | | |
| **Income (loss) before income taxes** | 150,250 | (108,351) | 12,762 | (170,578) |
| Income tax expense | (1,125) | (607) | (688) | (607) |
| **Net income (loss)** | $ 149,125 | $ (108,958) | $ 12,074 | $ (171,185) |
| | | | | |
| **Income (loss) per share** | | | | |
| Basic | $ 2.51 | $ (1.84) | $ 0.20 | $ (3.01) |
| Diluted | $ 2.50 | $ (1.84) | $ 0.20 | $ (3.01) |
| **Weighted-average number of shares outstanding** | | | | |
| Basic | 59,479 | 59,367 | 59,449 | 56,837 |
| Diluted | 59,642 | 59,367 | 59,644 | 56,837 |

See accompanying notes to the condensed consolidated financial statements.

**PAR PACIFIC HOLDINGS, INC. AND SUBSIDIARIES**
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**
**(Unaudited)**
**(in thousands)**

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | **2022** | **2021** | **2022** | **2021** |
| **Net income (loss)** | $ 149,125 | $ (108,958) | $ 12,074 | $ (171,185) |
| Other comprehensive income (loss): | | | | |
| Other post-retirement benefits income, net of tax | — | — | — | 3,996 |
| **Total other comprehensive income, net of tax** | — | — | — | 3,996 |
| **Comprehensive income (loss)** | $ 149,125 | $ (108,958) | $ 12,074 | $ (167,189) |

See accompanying notes to the condensed consolidated financial statements.

**PAR PACIFIC HOLDINGS, INC. AND SUBSIDIARIES**
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**
**(Unaudited)**
**(in thousands)**

| | Six Months Ended June 30, 2022 | Six Months Ended June 30, 2021 |
|---|---|---|
| **Cash flows from operating activities:** | | |
| Net Income (Loss) | $ 12,074 | $ (171,185) |
| Adjustments to reconcile net income (loss) to cash provided by operating activities: | | |
| Depreciation and amortization | 49,363 | 46,428 |
| Debt extinguishment and commitment costs | 5,672 | 8,135 |
| Non-cash interest expense | 2,106 | 3,638 |
| Non-cash lower of cost and net realizable value adjustment | (463) | (10,595) |
| Deferred taxes | 615 | — |
| Loss (gain) on sale of assets, net | 15 | (64,402) |
| Stock-based compensation | 5,769 | 4,072 |
| Unrealized gain on derivative contracts | (13,155) | (5,517) |
| Net changes in operating assets and liabilities: | | |
| Trade accounts receivable | (174,818) | (99,462) |
| Prepaid and other assets | (68,580) | 5,482 |
| Inventories | (369,846) | (184,107) |
| Deferred turnaround expenditures | (29,688) | (5,731) |
| Obligations under inventory financing agreements | 309,396 | 199,644 |
| Accounts payable, other accrued liabilities, and operating lease ROU assets and liabilities | 299,197 | 275,415 |
| **Net cash provided by operating activities** | 27,657 | 1,815 |
| **Cash flows from investing activities:** | | |
| Capital expenditures | (29,020) | (14,007) |
| Proceeds from sale of assets | 68 | 102,854 |
| **Net cash provided by (used in) investing activities** | (28,952) | 88,847 |
| **Cash flows from financing activities:** | | |
| Proceeds from sale of common stock, net of offering costs | — | 87,193 |
| Proceeds from borrowings | 256,163 | 56,409 |
| Repayments of borrowings | (313,143) | (197,669) |
| Net borrowings on deferred payment arrangements, discretionary draw facilities, and receivable advances | 142,348 | 76,032 |
| Purchase of common stock for retirement | (6,483) | (1,323) |
| Payments for debt extinguishment and commitment costs | (3,983) | (5,618) |
| Other financing activities, net | 350 | 334 |
| **Net cash provided by financing activities** | 75,252 | 15,358 |
| **Net increase in cash, cash equivalents, and restricted cash** | 73,957 | 106,020 |
| Cash, cash equivalents, and restricted cash at beginning of period | 116,221 | 70,309 |
| Cash, cash equivalents, and restricted cash at end of period | $ 190,178 | $ 176,329 |
| **Supplemental cash flow information:** | | |
| **Net cash received (paid) for:** | | |
| Interest | $ (30,735) | $ (37,601) |
| Taxes | (13) | 54 |
| **Non-cash investing and financing activities:** | | |
| Accrued capital expenditures | $ 3,818 | $ 2,129 |
| ROU assets obtained in exchange for new finance lease liabilities | 594 | 1,102 |
| ROU assets obtained in exchange for new operating lease liabilities | 13,692 | 87,331 |
| ROU assets terminated in exchange for release from operating lease liabilities | 32,902 | 113 |

See accompanying notes to the condensed consolidated financial statements.

**PAR PACIFIC HOLDINGS, INC. AND SUBSIDIARIES**
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**
**(Unaudited)**
**(in thousands)**

| | Common Stock | | Additional Paid-In Capital | Accumulated Deficit | Accumulated Other Comprehensive Income | Total Equity |
|---|---|---|---|---|---|---|
| | Shares | Amount | | | | |
| **Balance, December 31, 2020** | 54,003 | $ 540 | $ 726,504 | $ (477,028) | $ (3,742) | $ 246,274 |
| Common stock offering, net of issuance costs | 5,750 | 58 | 87,343 | — | — | 87,401 |
| Stock-based compensation | 461 | 3 | 1,883 | — | — | 1,886 |
| Purchase of common stock for retirement | (76) | — | (1,321) | — | — | (1,321) |
| Exercise of stock options | 4 | — | 58 | — | — | 58 |
| Other comprehensive income | — | — | — | — | 3,996 | 3,996 |
| Net loss | — | — | — | (62,227) | — | (62,227) |
| **Balance, March 31, 2021** | 60,142 | 601 | 814,467 | (539,255) | 254 | 276,067 |
| Common stock offering, net of issuance costs | — | — | (208) | — | — | (208) |
| Issuance of common stock for employee stock purchase plan | 42 | 1 | 713 | — | — | 714 |
| Stock-based compensation | 1 | — | 2,079 | — | — | 2,079 |
| Purchase of common stock for retirement | — | — | (2) | — | — | (2) |
| Net loss | — | — | — | (108,958) | — | (108,958) |
| **Balance, June 30, 2021** | 60,185 | $ 602 | $ 817,049 | $ (648,213) | $ 254 | $ 169,692 |

| | Common Stock | | Additional Paid-In Capital | Accumulated Deficit | Accumulated Other Comprehensive Income | Total Equity |
|---|---|---|---|---|---|---|
| | Shares | Amount | | | | |
| **Balance, December 31, 2021** | 60,162 | $ 602 | $ 821,713 | $ (559,117) | $ 2,502 | $ 265,700 |
| Stock-based compensation | 412 | 3 | 3,655 | — | — | 3,658 |
| Purchase of common stock for retirement | (462) | (4) | (1,431) | (4,955) | — | (6,390) |
| Net loss | — | — | — | (137,051) | — | (137,051) |
| **Balance, March 31, 2022** | 60,112 | 601 | 823,937 | (701,123) | 2,502 | 125,917 |
| Issuance of common stock for employee stock purchase plan | 41 | — | 632 | — | — | 632 |
| Purchase of common stock for retirement | (1) | — | (94) | — | — | (94) |
| Stock-based compensation | 3 | — | 2,017 | — | — | 2,017 |
| Exercise of stock options | 65 | 1 | 1,131 | — | — | 1,132 |
| Net income | — | — | — | 149,125 | — | 149,125 |
| **Balance, June 30, 2022** | 60,220 | $ 602 | $ 827,623 | $ (551,998) | $ 2,502 | $ 278,729 |

See accompanying notes to the condensed consolidated financial statements.

**Note 1—Overview**

Par Pacific Holdings, Inc. and its wholly owned subsidiaries (“Par” or the “Company”) own and operate market-leading energy and infrastructure businesses. Our strategy is to acquire and develop businesses in logistically complex, niche markets. Currently, we operate in three primary business segments:

1) **Refining** - We own and operate three refineries in Hawaii, Wyoming, and Washington.

2) **Retail** - Our retail outlets in Hawaii, Washington, and Idaho sell gasoline, diesel, and retail merchandise through Hele and “76” branded sites, “nomnom” branded company-operated convenience stores, 7-Eleven operated convenience stores, other sites operated by third parties, and unattended cardlock stations.

3) **Logistics** - We operate an extensive multi-modal logistics network spanning the Pacific, the Northwest, and the Rocky Mountain regions to transport and store our crude oil and refined products for our refineries and transport refined products to our retail sites or third-party purchasers.

As of June 30, 2022, we owned a 46.0% equity investment in Laramie Energy, LLC (“Laramie Energy”). Laramie Energy is focused on producing natural gas in Garfield, Mesa, and Rio Blanco counties, Colorado.

Our Corporate and Other reportable segment primarily includes general and administrative costs.

**Note 2—Summary of Significant Accounting Policies**

**Principles of Consolidation and Basis of Presentation**

The condensed consolidated financial statements include the accounts of Par and its subsidiaries. All intercompany balances and transactions have been eliminated in consolidation. Certain amounts previously reported in our condensed consolidated financial statements for prior periods have been reclassified to conform with the current presentation.

The accompanying condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States (“GAAP”) for interim financial information, the instructions to Form 10-Q, and Article 10 of Regulation S-X of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Accordingly, they do not include all of the information and notes required by GAAP for complete consolidated financial statements. The condensed consolidated financial statements contained in this report include all material adjustments of a normal recurring nature that, in the opinion of management, are necessary for a fair presentation of the results for the interim periods presented. The results of operations for the interim periods presented are not necessarily indicative of the results that may be expected for the complete fiscal year or for any other period. The condensed consolidated balance sheet as of December 31, 2021 was derived from our audited consolidated financial statements as of that date. These condensed consolidated financial statements should be read together with the consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2021.

**Use of Estimates**

The preparation of our condensed consolidated financial statements in conformity with GAAP requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses and the related disclosures. Actual amounts could differ from these estimates.

The continued worldwide spread and severity of the COVID-19 coronavirus, along with a number of recent global events including the conflict between Russia and Ukraine and certain developments in the global crude oil markets, have impacted our businesses, people, and operations. We are continuing to actively respond to these ongoing matters and many uncertainties remain. Due to the rapid development and fluidity of these ongoing matters, the full magnitude of these events’ impacts on our estimates and assumptions, financial condition, future results of operations, and future cash flows and liquidity is uncertain and has been and may continue to be material.

**Allowance for Credit Losses**

We are exposed to credit losses primarily through our sales of refined products. Credit limits and/or prepayment requirements are set based on such factors as the customer’s financial results, credit rating, payment history, and industry, and are reviewed annually for customers with material credit limits. Credit allowances are reviewed at least quarterly based on changes in the customer’s creditworthiness due to economic conditions, liquidity, and business strategy as publicly reported and through discussions between the customer and the Company. We establish provisions for losses on trade receivables based on the estimated credit loss we expect to incur over the life of the receivable. We did not have a material change in our allowances on trade receivables during the three and six months ended June 30, 2022 or 2021.

**Cost Classifications**

Cost of revenues (excluding depreciation) includes the hydrocarbon-related costs of inventory sold, transportation costs of delivering product to customers, crude oil consumed in the refining process, costs to satisfy our Renewable Identification Numbers ("RINs") obligations, and certain hydrocarbon fees and taxes. Cost of revenues (excluding depreciation) also includes the unrealized gains (losses) on derivatives and inventory valuation adjustments. Certain direct operating expenses related to our logistics segment are also included in Cost of revenues (excluding depreciation).

Operating expense (excluding depreciation) includes direct costs of labor, maintenance and services, energy and utility costs, property taxes, and environmental compliance costs, as well as chemicals and catalysts and other direct operating expenses.

The following table summarizes depreciation and finance lease amortization expense excluded from each line item in our condensed consolidated statements of operations (in thousands):

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| Cost of revenues | $ 5,175 | $ 5,341 | $ 10,227 | $ 10,560 |
| Operating expense | 13,183 | 13,080 | 26,080 | 25,882 |
| General and administrative expense | 771 | 715 | 1,419 | 1,595 |

**Recent Accounting Pronouncements**

There have been no developments to recent accounting pronouncements, including the expected dates of adoption and estimated effects on our financial condition, results of operations, and cash flows, from those disclosed in our Annual Report on Form 10-K for the year ended December 31, 2021.

**Note 3—Investment in Laramie Energy, LLC**

As of June 30, 2022, we had a 46.0% ownership interest in Laramie Energy. Laramie Energy is focused on producing natural gas in Garfield, Mesa, and Rio Blanco counties, Colorado. The balance of our investment in Laramie Energy was zero as of June 30, 2022 and December 31, 2021.

Laramie Energy has a term loan agreement which provides a term loan secured by a lien on its natural gas and crude oil properties and related assets. As of June 30, 2022, the term loan had an outstanding balance of $91.8 million. Under the terms of the term loan, Laramie Energy is generally prohibited from making future cash distributions to its owners, including us, except for certain permitted tax distributions. Laramie Energy's term loan matures on July 1, 2025.

Summarized financial information for Laramie Energy is as follows (in thousands):

| | June 30, 2022 | December 31, 2021 |
|---|---|---|
| Current assets | $ 52,908 | $ 68,779 |
| Non-current assets | 326,050 | 328,571 |
| Current liabilities | 60,983 | 107,976 |
| Non-current liabilities | 238,635 | 177,503 |

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| Natural gas and oil revenues | $ 57,885 | $ 37,616 | $ 108,734 | $ 119,964 |
| Income from operations | 29,954 | 5,941 | 54,068 | 53,150 |
| Net income (loss) | 383 | 133 | (32,517) | 40,584 |

Laramie Energy's net income (loss) includes (in thousands):

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| Depreciation, depletion, and amortization | $ 5,555 | $ 8,772 | $ 11,264 | $ 15,756 |
| Unrealized loss on derivative instruments | 10,734 | 731 | 53,389 | 182 |

**Note 4—Revenue Recognition**

As of June 30, 2022 and December 31, 2021, receivables from contracts with customers were $356.1 million and $189.9 million, respectively. Our refining segment recognizes deferred revenues when cash payments are received in advance of delivery of products to the customer. Deferred revenue was $30.3 million and $10.1 million as of June 30, 2022 and December 31, 2021, respectively. We have elected to apply a practical expedient not to disclose the value of unsatisfied performance obligations for (i) contracts with an original expected duration of less than one year and (ii) contracts where the variable consideration has been allocated entirely to our unsatisfied performance obligation.

The following table provides information about disaggregated revenue by major product line and includes a reconciliation of the disaggregated revenues to total segment revenues (in thousands):

| Three Months Ended June 30, 2022 | Refining | Logistics | Retail |
|---|---|---|---|
| Product or service: | | | |
| Gasoline | $ 614,942 | $ — | $ 112,231 |
| Distillates (1) | 896,601 | — | 11,224 |
| Other refined products (2) | 526,854 | — | — |
| Merchandise | — | — | 22,907 |
| Transportation and terminalling services | — | 50,633 | — |
| Other revenue | 6,058 | — | 849 |
| Total segment revenues (3) | $ 2,044,455 | $ 50,633 | $ 147,211 |

| Three Months Ended June 30, 2021 | Refining | Logistics | Retail |
|---|---|---|---|
| Product or service: | | | |
| Gasoline | $ 393,283 | $ — | $ 86,182 |
| Distillates (1) | 491,626 | — | 6,942 |
| Other refined products (2) | 270,757 | — | — |
| Merchandise | — | — | 24,146 |
| Transportation and terminalling services | — | 48,706 | — |
| Other revenue | 181 | — | 1,176 |
| Total segment revenues (3) | $ 1,155,847 | $ 48,706 | $ 118,446 |

| Six Months Ended June 30, 2022 | Refining | Logistics | Retail |
|---|---|---|---|
| Product or service: | | | |
| Gasoline | $ 1,016,051 | $ — | $ 202,006 |
| Distillates (1) | 1,484,684 | — | 19,734 |
| Other refined products (2) | 830,461 | — | — |
| Merchandise | — | — | 43,722 |
| Transportation and terminalling services | — | 93,094 | — |
| Other revenue | 12,482 | — | 1,658 |
| Total segment revenues (3) | $ 3,343,678 | $ 93,094 | $ 267,120 |

| Six Months Ended June 30, 2021 | Refining | Logistics | Retail |
|---|---|---|---|
| Product or service: | | | |
| Gasoline | $ 670,862 | $ — | $ 150,004 |
| Distillates (1) | 842,425 | — | 12,010 |
| Other refined products (2) | 480,537 | — | — |
| Merchandise | — | — | 45,432 |
| Transportation and terminalling services | — | 90,015 | — |
| Other revenue | 778 | — | 2,188 |
| Total segment revenues (3) | $ 1,994,602 | $ 90,015 | $ 209,634 |

(1) Distillates primarily include diesel and jet fuel.
(2) Other refined products include fuel oil, gas oil, asphalt, and naphtha.
(3) Refer to Note 17—Segment Information for the reconciliation of segment revenues to total consolidated revenues.

**Note 5—Inventories**

Inventories at June 30, 2022 and December 31, 2021 consisted of the following (in thousands):

| | Titled Inventory | Supply and Offtake Agreement (1) | Total |
|---|---|---|---|
| **June 30, 2022** | | | |
| Crude oil and feedstocks | $ 237,399 | $ 236,813 | $ 474,212 |
| Refined products and blendstock | 206,927 | 269,549 | 476,476 |
| Warehouse stock and other (2) | 209,478 | — | 209,478 |
| Total | $ 653,804 | $ 506,362 | $ 1,160,166 |
| | | | |
| **December 31, 2021** | | | |
| Crude oil and feedstocks | $ 102,085 | $ 199,282 | $ 301,367 |
| Refined products and blendstock | 179,737 | 142,872 | 322,609 |
| Warehouse stock and other (2) | 166,341 | — | 166,341 |
| Total | $ 448,163 | $ 342,154 | $ 790,317 |

(1) Please read Note 7—Inventory Financing Agreements for further information.
(2) Includes $160.4 million and $120.1 million of RINs and environmental credits, reported at the lower of cost or net realizable value, as of June 30, 2022 and December 31, 2021, respectively. RINs and environmental credit obligations of $460.9 million and $311.0 million, reported at market value, are included in Other accrued liabilities on our condensed consolidated balance sheets as of June 30, 2022 and December 31, 2021, respectively.

As of June 30, 2022, we had no reserve for the lower of cost or net realizable value of inventory. As of December 31, 2021, there was a $0.5 million reserve for the lower of cost or net realizable value of inventory. As of June 30, 2022 and December 31, 2021, the excess of current replacement cost over the last-in, first-out ("LIFO") inventory carrying value at the Washington refinery was approximately $111.6 million and $46.0 million, respectively.

**Note 6—Prepaid and Other Current Assets**

Prepaid and other current assets at June 30, 2022 and December 31, 2021 consisted of the following (in thousands):

| | June 30, 2022 | December 31, 2021 |
|---|---|---|
| Advances to suppliers for crude purchases | $ 12,513 | $ — |
| Collateral posted with broker for derivative instruments (1) | 72,162 | 6,053 |
| Prepaid insurance | 4,911 | 14,110 |
| Derivative assets | 33,864 | 1,260 |
| Deferred inventory financing charges | — | 4,073 |
| Other | 6,788 | 3,029 |
| Total | $ 130,238 | $ 28,525 |

(1) Our cash margin that is required as collateral deposits on our commodity derivatives cannot be offset against the fair value of open contracts except in the event of default. Please read Note 10—Derivatives for further information.

**Note 7—Inventory Financing Agreements**

The following table summarizes our outstanding obligations under our inventory financing agreements (in thousands):

| | June 30, 2022 | December 31, 2021 |
|---|---|---|
| Supply and Offtake Agreement | $ 933,001 | $ 569,158 |
| Washington Refinery Intermediation Agreement | 256,447 | 168,546 |
| Obligations under inventory financing agreements | $ 1,189,448 | $ 737,704 |

**Supply and Offtake Agreement**

Under the Second Amended and Restated Supply and Offtake Agreement (as amended, the "Supply and Offtake Agreement"), J. Aron & Company LLC ("J. Aron") finances the majority of the crude oil utilized at the Hawaii refinery, holds legal title to the crude oil stored in our storage tanks before processing until title passes to us at the tank outlet, and buys refined products produced at our Hawaii refinery, after which we repurchase the refined products prior to selling them to our retail locations or third parties. Under the Supply and Offtake Agreement, J. Aron may enter into agreements with third parties whereby J. Aron remits payments to these third parties for refinery procurement contracts for which we will become immediately obligated to reimburse J. Aron. As of June 30, 2022, we had no obligations due to J. Aron under this contractual undertakings agreement. The Supply and Offtake Agreement expires May 31, 2024 (as extended, the "Expiration Date"), subject to a one-year extension at the mutual agreement of the parties at least 120 days prior to the Expiration Date.

The Supply and Offtake Agreement also makes available a discretionary draw facility (the "Discretionary Draw Facility") to Par Hawaii Refining, LLC ("PHR"). As of June 30, 2022, the capacity of the Discretionary Draw Facility was $210.0 million and we had $208.1 million outstanding. As of December 31, 2021, our outstanding balance under the Discretionary Draw Facility was equal to our borrowing base of $126.2 million.

On April 25, 2022, we entered into an Amendment (the "S&O Amendment") to the Supply and Offtake Agreement which, among other things, amended the maximum commitment amount under the Discretionary Draw Facility from $165 million to $215 million. The S&O Amendment further increased the limit in the borrowing base for eligible hydrocarbon inventory from $82.5 million to $107.5 million. The S&O Amendment further requires a $5.0 million reserve against the borrowing base at any time more than $165 million is outstanding in discretionary draw advances made to PHR; the reserve may be reduced by the posting of cash collateral by PHR in accordance with the terms of the S&O Amendment.

Under the Supply and Offtake Agreement, we pay or receive certain fees from J. Aron based on changes in market prices over time. In 2021, we entered into multiple contracts to fix certain market fees for the period from May 2021 through May 2022 for $18.2 million. In 2022, we entered into additional contracts to fix certain fees for the month of March 2022 for $4.5 million. The amount due to or from J. Aron is recorded as an adjustment to our Obligations under inventory financing agreements as allowed under the Supply and Offtake Agreement. We had no fixed market fees due to or from J. Aron as of June 30, 2022. As of December 31, 2021, we had a payable of $6.2 million.

**Washington Refinery Intermediation Agreement**

The Washington Refinery Intermediation Agreement with Merrill Lynch Commodities, Inc. ("MLC") provides a structured financing arrangement based on U.S. Oil & Refining Co. and certain affiliated entities' crude oil and refined products inventories and associated accounts receivable. On March 9, 2022, we and MLC amended the Washington Refinery Intermediation Agreement to advance the term expiry date from December 21, 2022 to March 31, 2023. On May 9, 2022, we and MLC further amended the Washington Refinery Intermediation Agreement to increase the MLC receivable advances from $90 million to $115 million.

As of June 30, 2022, and December 31, 2021, our outstanding balance under the MLC receivable advances was equal to our borrowing base of $115.0 million and $54.5 million, respectively. Additionally, as of June 30, 2022, and December 31, 2021, we had approximately $280.5 million and $167.0 million in letters of credit outstanding through MLC's credit support, respectively.

The following table summarizes the inventory intermediation fees, which are included in Cost of revenues (excluding depreciation) on our condensed consolidated statements of operations, and Interest expense and financing costs, net related to the intermediation agreements (in thousands):

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| **Net fees and expenses:** | | | | |
| Supply and Offtake Agreement | | | | |
| Inventory intermediation fees | $ 28,522 | $ 5,280 | $ 39,445 | $ 9,050 |
| Interest expense and financing costs, net | 1,858 | 478 | 3,102 | 1,324 |
| Washington Refinery Intermediation Agreement | | | | |
| Inventory intermediation fees | $ 750 | $ 765 | $ 1,500 | $ 1,736 |
| Interest expense and financing costs, net | 2,943 | 1,134 | 4,897 | 2,111 |

The Supply and Offtake Agreement and the Washington Refinery Intermediation Agreement also provide us with the ability to economically hedge price risk on our inventories and crude oil purchases. Please read Note 10—Derivatives for further information.

**Note 8—Other Accrued Liabilities**

Other accrued liabilities at June 30, 2022 and December 31, 2021 consisted of the following (in thousands):

| | June 30, 2022 | December 31, 2021 |
|---|---|---|
| Accrued payroll and other employee benefits | $ 20,484 | $ 19,710 |
| Derivative liabilities | 41,347 | 1,431 |
| Gross environmental credit obligations (1) | 460,931 | 311,014 |
| Other | 47,289 | 38,269 |
| Total | $ 570,051 | $ 370,424 |

(1) Gross environmental credit obligations are stated at market as of June 30, 2022 and December 31, 2021. Please read Note 11—Fair Value Measurements for further information. A portion of these obligations are expected to be settled with our RINs assets and other environmental credits, which are presented as Inventories on our condensed consolidated balance sheet and are stated at the lower of cost and net realizable value. The carrying costs of these assets were $160.4 million and $120.1 million as of June 30, 2022 and December 31, 2021, respectively.

**Note 9—Debt**

The following table summarizes our outstanding debt (in thousands):

| | June 30, 2022 | December 31, 2021 |
|---|---|---|
| ABL Credit Facility due 2025 | $ — | $ — |
| 7.75% Senior Secured Notes due 2025 | 291,000 | 296,000 |
| Term Loan B due 2026 | 209,375 | 215,625 |
| 12.875% Senior Secured Notes due 2026 | 31,314 | 68,250 |
| Principal amount of long-term debt | 531,689 | 579,875 |
| Less: unamortized discount and deferred financing costs | (11,818) | (15,317) |
| Total debt, net of unamortized discount and deferred financing costs | 519,871 | 564,558 |
| Less: current maturities, net of unamortized discount and deferred financing costs | (10,874) | (10,841) |
| Long-term debt, net of current maturities | $ 508,997 | $ 553,717 |

As of June 30, 2022 and December 31, 2021, we had $44.8 million and $18.5 million, respectively, in letters of credit outstanding under the loan and security agreements with certain lenders and Bank of America, N.A., as administrative agent and collateral agent (the “ABL Credit Facility”). We had $5.9 million in cash-collateralized letters of credit and surety bonds outstanding as of June 30, 2022 and December 31, 2021 under agreements with MLC and under certain other facilities.

Under the ABL Credit Facility, the indentures governing the 7.75% Senior Secured Notes and 12.875% Senior Secured Notes, and the term loan facility with Goldman Sachs Bank USA (the “Term Loan B Facility”), our subsidiaries are restricted from paying dividends or making other equity distributions, subject to certain exceptions.

**ABL Credit Facility**

Under the ABL Credit Facility, we have a revolving credit facility that provides for revolving loans and for the issuance of letters of credit (the “ABL Revolver”). On February 2, 2022, Par Petroleum, LLC, Par Hawaii, LLC (“PHL”, formerly known as Par Hawaii, Inc. and includes the assets of the dissolved entity formerly known as Mid Pac Petroleum, LLC), Hermes Consolidated, LLC, and Wyoming Pipeline Company, LLC (collectively, the “ABL Borrowers”), entered into the Amended and Restated Loan and Security Agreement (as amended from time to time, the “ABL Loan Agreement”) dated as of February 2, 2022, with certain lenders and Bank of America, N.A., as administrative agent and collateral agent, which amended and restated the Loan and Security Agreement dated as of December 21, 2017, in its entirety. The ABL Loan Agreement increased the maximum principal amount of the ABL Revolver at any time outstanding from $85 million to $105 million, subject to a borrowing base, including a sublimit of $15 million for swingline loans and a sublimit of $65 million for the issuance of standby or commercial letters of credit, extended the maturity date of the ABL Revolver to February 2, 2025, and modified the ABL Revolver interest rate definitions to be based on the secured overnight financing rate (“SOFR”) as administered by the Federal Reserve Bank of New York, among other modifications. The ABL Loan Agreement also included an accordion feature that would allow the ABL Borrowers to increase the size of the facility by up to $50 million in the aggregate, subject to certain limitations and conditions.

On March 30, 2022, the parties to the ABL Loan Agreement and the incremental lender party thereto amended the ABL Loan Agreement to exercise the accordion feature of the ABL Loan Agreement. Under the amendment, the aggregate revolving commitments under the ABL Loan Agreement increased from $105 million to $142.5 million and the available increase under the accordion feature decreased to $12.5 million, subject to certain limitations and conditions.

As of June 30, 2022, the ABL Revolver had no outstanding revolving loans, $44.8 million in letters of credit outstanding, and a borrowing base of approximately $142.5 million.

**7.75% Senior Secured Notes Due 2025**

Our 7.75% Senior Secured Notes bear interest at a rate of 7.750% per year (payable semi-annually in arrears on June 15 and December 15 of each year, beginning on June 15, 2018) and will mature on December 15, 2025. On May 24, 2022, we repurchased and cancelled $5.0 million in aggregate principal amount of the 7.75% Senior Secured Notes at a repurchase price of 97.500% of the aggregate principal amount of notes repurchased**.** We recognized a discount of $0.1 million and incurred debt extinguishment costs of $0.1 million, which were recorded in Debt extinguishment and commitment costs on our condensed consolidated statement of operations for the six months ended June 30, 2022. As of June 30, 2022, the 7.75% Senior Secured Notes had an outstanding principal balance of $291.0 million.

**12.875% Senior Secured Notes due 2026**

The 12.875% Senior Secured Notes bear interest at an annual rate of 12.875% per year (payable semi-annually in arrears on January 15 and July 15 of each year, beginning on January 15, 2021) and will mature on January 15, 2026. We repurchased and cancelled $13.9 million and $21.7 million in aggregate principal amount of 12.875% Senior Secured Notes on May 16, 2022 and May 27, 2022, respectively, at a repurchase price of 111.125% of the aggregate principal amount of the notes repurchased, plus accrued and unpaid interest as of the repurchase date. On June 13, 2022, we repurchased an additional $1.3 million in aggregate principal amount of the notes at a repurchase price of 111.000% of the aggregate principal amount of the notes repurchased, plus accrued and unpaid interest as of the repurchase date. We paid premiums of approximately $4.1 million upon repurchases of the 12.875% Senior Secured Notes during the six months ended June 30, 2022. We incurred aggregate debt extinguishment costs of $1.6 million for these repurchases, which were recorded in Debt extinguishment and commitment costs on our condensed consolidated statement of operations for the six months ended June 30, 2022. As of June 30, 2022, $31.3 million in aggregate principal amount of the 12.875% Senior Secured Notes remained outstanding.

**Cross Default Provisions**

Included within each of our debt agreements are affirmative and negative covenants, and customary cross default provisions, that require the repayment of amounts outstanding on demand unless the triggering payment default or acceleration is remedied, rescinded, or waived. As of June 30, 2022, we were in compliance with all of our debt instruments.

**Guarantors**

In connection with our shelf registration statement on Form S-3, which was filed with the Securities and Exchange Commission (“SEC”) and became automatically effective on February 14, 2022 (“Registration Statement”), we may sell non-convertible debt securities and other securities in one or more offerings with an aggregate initial offering price of up to $750.0 million. Any non-convertible debt securities issued under the Registration Statement may be fully and unconditionally guaranteed (except for customary release provisions), on a joint and several basis, by some or all of our subsidiaries, other than subsidiaries that are “minor” within the meaning of Rule 3-10 of Regulation S-X (the “Guarantor Subsidiaries”). We have no “independent assets or operations” within the meaning of Rule 3-10 of Regulation S-X and certain of the Guarantor Subsidiaries may be subject to restrictions on their ability to distribute funds to us, whether by cash dividends, loans, or advances.

**Note 10—Derivatives**

**Commodity Derivatives**

Our condensed consolidated balance sheets present derivative assets and liabilities on a net basis. Please read Note 11—Fair Value Measurements for the gross fair value and net carrying value of our derivative instruments. Our cash margin that is required as collateral deposits cannot be offset against the fair value of open contracts except in the event of default.

Our open futures and over-the-counter (“OTC”) swaps at June 30, 2022, will settle by March 2023. At June 30, 2022, our open commodity derivative contracts represented (in thousands of barrels):

| Contract type | Purchases | Sales | Net |
|---|---|---|---|
| Futures | 12,007 | (13,192) | (1,185) |
| Swaps | 1,000 | (2,530) | (1,530) |
| Total | 13,007 | (15,722) | (2,715) |

At June 30, 2022, we also had option collars that economically hedge a portion of our internally consumed fuel at our refineries. The following table provides information on these option collars at our refineries as of June 30, 2022:

| | June 30, 2022 |
|---|---|
| Average barrels per month | 75,000 |
| Weighted-average strike price - floor (in dollars) | $ 59.34 |
| Weighted-average strike price - ceiling (in dollars) | $ 75.36 |
| Earliest commencement date | January 2022 |
| Furthest expiry date | December 2022 |

**Interest Rate Derivatives**

We are exposed to interest rate volatility in our ABL Revolver, Term Loan B Facility, Supply and Offtake Agreement, and Washington Refinery Intermediation Agreement. We may utilize interest rate swaps to manage our interest rate risk. In May 2019, we entered into an interest rate swap at an average fixed rate of 3.91% in exchange for the floating interest rate on the notional amounts due under the Retail Property Term Loan. This swap was set to expire on April 1, 2024, the maturity date of the Retail Property Term Loan. On February 23, 2021, we terminated and repaid all amounts outstanding under the Retail Property Term Loan and the related interest rate swap. At June 30, 2022, and December 31, 2021, we did not hold any interest rate derivative instruments.

The following table provides information on the fair value amounts (in thousands) of these derivatives as of June 30, 2022, and December 31, 2021, and their placement within our condensed consolidated balance sheets.

| | Balance Sheet Location | June 30, 2022 | December 31, 2021 |
|---|---|---|---|
| | | *Asset (Liability)* | |
| Commodity derivatives (1) | Prepaid and other current assets | $ 33,864 | $ 1,260 |
| Commodity derivatives | Other accrued liabilities | (41,347) | (1,431) |
| J. Aron repurchase obligation derivative | Obligations under inventory financing agreements | (45,191) | (15,151) |
| MLC terminal obligation derivative | Obligations under inventory financing agreements | 36,699 | (22,170) |

(1) Does not include cash collateral of $72.2 million and $6.1 million recorded in Prepaid and other current assets as of June 30, 2022, and December 31, 2021, respectively, and $9.5 million in Other long-term assets as of both June 30, 2022, and December 31, 2021.

The following table summarizes the pre-tax gains (losses) recognized in Net income (loss) on our condensed consolidated statements of operations resulting from changes in fair value of derivative instruments not designated as hedges charged directly to earnings (in thousands):

| | | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|---|
| | Statement of Operations Location | 2022 | 2021 | 2022 | 2021 |
| Commodity derivatives | Cost of revenues (excluding depreciation) | $ (39,024) | $ (10,223) | $ (57,478) | $ (9,592) |
| J. Aron repurchase obligation derivative | Cost of revenues (excluding depreciation) | 13,229 | (4,542) | (30,040) | (5,317) |
| MLC terminal obligation derivative | Cost of revenues (excluding depreciation) | (25,796) | (31,229) | (90,192) | (55,601) |
| Interest rate derivatives | Interest expense and financing costs, net | — | — | — | 104 |

**Note 11—Fair Value Measurements**

**Assets and Liabilities Measured at Fair Value on a Recurring Basis**

***Derivative Instruments***

We utilize commodity derivative contracts to manage our price exposure to our inventory positions, future purchases of crude oil, future purchases and sales of refined products, and cost of crude oil consumed in the refining process. We may utilize interest rate swaps to manage our interest rate risk.

We classify financial assets and liabilities according to the fair value hierarchy. Financial assets and liabilities classified as Level 1 instruments are valued using quoted prices in active markets for identical assets and liabilities. These include our exchange traded futures. Level 2 instruments are valued using quoted prices for similar assets and liabilities in active markets and inputs other than quoted prices that are observable for the asset or liability. Our Level 2 instruments include OTC swaps and options. These derivatives are valued using market quotations from independent price reporting agencies and commodity exchange price curves that are corroborated with market data. Level 3 instruments are valued using significant unobservable inputs that are not supported by sufficient market activity. The valuation of the embedded derivatives related to our J. Aron repurchase and MLC terminal obligations is based on estimates of the prices and differentials assuming settlement at the end of the reporting period. Estimates of the J. Aron and MLC settlement prices are based on observable inputs, such as Brent and West Texas Intermediate Crude Oil ("WTI") indices, and unobservable inputs, such as contractual price differentials as defined in the Supply and Offtake Agreement and Washington Refinery Intermediation Agreement. Such contractual differentials vary by location and by the type of product and range from a discount of $8.61 per barrel to a premium of $71.58 per barrel as of June 30, 2022. Contractual price differentials are considered unobservable inputs; therefore, these embedded derivatives are classified as Level 3 instruments. We did not have other commodity derivatives classified as Level 3 at June 30, 2022, or December 31, 2021. Please read Note 10—Derivatives for further information on derivatives.

***Gross Environmental credit obligations***

Estimates of our gross environmental credit obligations are based on the amount of RINs or other environmental credits required to comply with U.S. Environmental Protection Agency ("EPA") regulations and the market prices of those RINs or other environmental credits as of the end of the reporting period. The gross environmental credit obligations are classified as Level 2 instruments as we obtain the pricing inputs for our RINs and other environmental credits from brokers based on market quotes on similar instruments. Please read Note 13—Commitments and Contingencies for further information on the EPA regulations related to greenhouse gases.

**Financial Statement Impact**

Fair value amounts by hierarchy level as of June 30, 2022, and December 31, 2021, are presented gross in the tables below (in thousands):

| | June 30, 2022 | | | | | |
|---|---|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Gross Fair Value | Effect of Counter-Party Netting | Net Carrying Value on Balance Sheet (1) |
| **Assets** | | | | | | |
| Commodity derivatives | $ 104,210 | $ 35,405 | $ — | $ 139,615 | $ (105,751) | $ 33,864 |
| | | | | | | |
| **Liabilities** | | | | | | |
| Commodity derivatives | $ (142,300) | $ (4,798) | $ — | $ (147,098) | $ 105,751 | $ (41,347) |
| J. Aron repurchase obligation derivative | — | — | (45,191) | (45,191) | — | (45,191) |
| MLC terminal obligation derivative | — | — | 36,699 | 36,699 | — | 36,699 |
| Gross environmental credit obligations (2) | — | (460,931) | — | (460,931) | — | (460,931) |
| Total Liabilities | $ (142,300) | $ (465,729) | $ (8,492) | $ (616,521) | $ 105,751 | $ (510,770) |

| | December 31, 2021 | | | | | |
|---|---|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Gross Fair Value | Effect of Counter-Party Netting | Net Carrying Value on Balance Sheet (1) |
| **Assets** | | | | | | |
| Commodity derivatives | $ 4,283 | $ 4,513 | $ — | $ 8,796 | $ (7,536) | $ 1,260 |
| | | | | | | |
| **Liabilities** | | | | | | |
| Commodity derivatives | $ (3,964) | $ (5,003) | $ — | $ (8,967) | $ 7,536 | $ (1,431) |
| J. Aron repurchase obligation derivative | — | — | (15,151) | (15,151) | — | (15,151) |
| MLC terminal obligation derivative | — | — | (22,170) | (22,170) | — | (22,170) |
| Gross environmental credit obligations (2) | — | (311,014) | — | (311,014) | — | (311,014) |
| Total Liabilities | $ (3,964) | $ (316,017) | $ (37,321) | $ (357,302) | $ 7,536 | $ (349,766) |

(1) Does not include cash collateral of $81.7 million and $15.6 million as of June 30, 2022, and December 31, 2021, respectively, included within Prepaid and other current assets and Other long-term assets on our condensed consolidated balance sheets.

(2) Does not include RINs assets and other environmental credits of $160.4 million and $120.1 million presented as Inventories on our condensed consolidated balance sheet and stated at the lower of cost and net realizable value as of June 30, 2022, and December 31, 2021, respectively.

A roll forward of Level 3 derivative instruments measured at fair value on a recurring basis is as follows (in thousands):

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| Balance, at beginning of period | $ (52,678) | $ (21,162) | $ (37,321) | $ (30,958) |
| Settlements | 56,753 | 20,569 | 149,061 | 55,512 |
| Acquired | — | — | — | — |
| Total gains (losses) included in earnings | (12,567) | (35,771) | (120,232) | (60,918) |
| Balance, at end of period | $ (8,492) | $ (36,364) | $ (8,492) | $ (36,364) |

The carrying value and fair value of long-term debt and other financial instruments as of June 30, 2022 and December 31, 2021 are as follows (in thousands):

| | June 30, 2022 | |
|---|---|---|
| | Carrying Value | Fair Value |
| ABL Credit Facility due 2025 (2) | $ — | $ — |
| 7.75% Senior Secured Notes due 2025 (1) | 286,348 | 275,723 |
| Term Loan B Facility due 2026 (1) | 203,546 | 200,477 |
| 12.875% Senior Secured Notes due 2026 (1) | 29,977 | 34,408 |

| | December 31, 2021 | |
|---|---|---|
| | Carrying Value | Fair Value |
| ABL Credit Facility due 2025 (2) | $ — | $ — |
| 7.75% Senior Secured Notes due 2025 (1) | 290,621 | 299,700 |
| Term Loan B Facility due 2026 (1) | 208,903 | 214,827 |
| 12.875% Senior Secured Notes due 2026 (1) | 65,034 | 75,758 |

(1) The fair value measurements of the 7.75% Senior Secured Notes, Term Loan B Facility, and 12.875% Senior Secured Notes are considered Level 2 measurements in the fair value hierarchy as discussed below.

(2) The fair value measurement of the ABL Credit Facility is considered a Level 3 measurement in the fair value hierarchy.

The fair value of the 7.75% Senior Secured Notes, Term Loan B Facility, and 12.875% Senior Secured Notes were determined using a market approach based on quoted prices. The inputs used to measure the fair value are classified as Level 2 inputs within the fair value hierarchy because the 7.75% Senior Secured Notes, Term Loan B Facility, and 12.875% Senior Secured Notes may not be actively traded.

The carrying value of our ABL Credit Facility was determined to approximate fair value as of June 30, 2022. The fair value of all non-derivative financial instruments recorded in current assets, including cash and cash equivalents, restricted cash, and trade accounts receivable, and current liabilities, including accounts payable, approximate their carrying value due to their short-term nature.

**Note 12—Leases**

We have cancellable and non-cancellable finance and operating lease liabilities for the lease of land, vehicles, office space, retail facilities, and other facilities used in the storage and transportation of crude oil and refined products. Most of our leases include one or more options to renew, with renewal terms that can extend the lease term from one to 30 years or more. There are no material residual value guarantees associated with any of our leases.

The following table provides information on the amounts (in thousands) of our right-of-use assets (“ROU assets”) and liabilities as of June 30, 2022 and December 31, 2021 and their placement within our condensed consolidated balance sheets:

| Lease type | Balance Sheet Location | June 30, 2022 | December 31, 2021 |
|---|---|---|---|
| **Assets** | | | |
| Finance | Property, plant, and equipment | $ 21,150 | $ 20,556 |
| Finance | Accumulated amortization | (9,362) | (8,397) |
| Finance | Property, plant, and equipment, net | $ 11,788 | $ 12,159 |
| Operating | Operating lease right-of-use assets | 333,057 | 383,824 |
| Total right-of-use assets | | $ 344,845 | $ 395,983 |
| | | | |
| **Liabilities** | | | |
| Current | | | |
| Finance | Other accrued liabilities | $ 1,714 | $ 1,540 |
| Operating | Operating lease liabilities | 51,678 | 53,640 |
| Long-term | | | |
| Finance | Finance lease liabilities | 7,214 | 7,691 |
| Operating | Operating lease liabilities | 287,648 | 335,094 |
| Total lease liabilities | | $ 348,254 | $ 397,965 |

The following table summarizes the weighted-average lease terms and discount rates of our leases as of June 30, 2022 and December 31, 2021:

| | June 30, 2022 | December 31, 2021 |
|---|---|---|
| **Weighted-average remaining lease term (in years)** | | |
| Finance | 5.91 | 6.29 |
| Operating | 9.88 | 11.28 |
| **Weighted-average discount rate** | | |
| Finance | 7.33 % | 7.46 % |
| Operating | 6.89 % | 6.70 % |

The following table summarizes the lease costs and income recognized in our condensed consolidated statements of operations (in thousands):

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| **Lease cost (income) type** | **2022** | **2021** | **2022** | **2021** |
| Finance lease cost | | | | |
| Amortization of finance lease ROU assets | $ 484 | $ 460 | $ 968 | $ 950 |
| Interest on lease liabilities | 162 | 149 | 323 | 323 |
| Operating lease cost | 21,993 | 23,367 | 44,247 | 45,744 |
| Variable lease cost | 1,491 | 1,633 | 2,737 | 3,405 |
| Short-term lease cost | 1,359 | 174 | 2,345 | 203 |
| Net lease cost | $ 25,489 | $ 25,783 | $ 50,620 | $ 50,625 |
| | | | | |
| Operating lease income (1) | $ (3,219) | $ (727) | $ (4,065) | $ (1,489) |

(1) From time to time, we enter into lease arrangements where we are the lessor in order to utilize a portion of our fixed assets not currently used in our primary operations. All of these lessor leases are classified as operating leases, whereby we do not derecognize the underlying asset, and the income from our customers is recognized as revenue on a straight-line basis over the lease term. The majority of our lessor income comes from leases with lease terms of one year or less and the estimated future undiscounted cash flows from lessor income are not expected to be material.

The following table summarizes the supplemental cash flow information related to leases as follows (in thousands):

| | Six Months Ended June 30, | |
|---|---|---|
| **Lease type** | **2022** | **2021** |
| Cash paid for amounts included in the measurement of liabilities | | |
| Financing cash flows from finance leases | $ 761 | $ 1,874 |
| Operating cash flows from finance leases | 311 | 325 |
| Operating cash flows from operating leases | 42,901 | 44,023 |
| Non-cash supplemental amounts | | |
| ROU assets obtained in exchange for new finance lease liabilities | 594 | 1,102 |
| ROU assets obtained in exchange for new operating lease liabilities | 13,692 | 87,331 |
| ROU assets terminated in exchange for release from operating lease liabilities | 32,902 | 113 |

The table below includes the estimated future undiscounted cash flows for finance and operating leases as of June 30, 2022 (in thousands):

| For the year ending December 31, | Finance leases | Operating leases | Total |
|---|---|---|---|
| 2022 (1) | $ 1,133 | $ 39,157 | $ 40,290 |
| 2023 | 2,286 | 64,249 | 66,535 |
| 2024 | 1,955 | 53,762 | 55,717 |
| 2025 | 1,794 | 49,532 | 51,326 |
| 2026 | 1,327 | 44,599 | 45,926 |
| 2027 | 1,097 | 42,523 | 43,620 |
| Thereafter | 1,582 | 153,056 | 154,638 |
| Total lease payments | 11,174 | 446,878 | 458,052 |
| Less amount representing interest | (2,246) | (107,552) | (109,798) |
| Present value of lease liabilities | $ 8,928 | $ 339,326 | $ 348,254 |

(1) Represents the period from July 1, 2022 to December 31, 2022.

Additionally, we have $3.8 million and $6.1 million in future undiscounted cash flows for finance and operating leases that have not yet commenced, respectively. These leases are expected to commence when the lessor has made the equipment or location available to us to operate or begin construction, respectively.

***Sale-Leaseback Transactions***

In February and March 2021, PHL and Par Hawaii Property Company, LLC (collectively, the "Sellers"), both our wholly owned subsidiaries, and MDC Coast HI 1, LLC, a subsidiary of Realty Income Corporation (the "Buyer"), entered into sale-leaseback transactions with respect to twenty-two (22) retail convenience store/fuel station properties located in Hawaii. We recognized a gain of $63.9 million as a result of these transactions, which is included in Loss (gain) on sale of assets, net on our condensed consolidated statements of operations for the six months ended June 30, 2021.

**Note 13—Commitments and Contingencies**

In the ordinary course of business, we are a party to various lawsuits and other contingent matters. We establish accruals for specific legal matters when we determine that the likelihood of an unfavorable outcome is probable and the loss is reasonably estimable. It is possible that an unfavorable outcome of one or more of these lawsuits or other contingencies could have a material impact on our financial condition, results of operations, or cash flows.

**Tax and Related Matters**

We are also party to various other legal proceedings, claims, and regulatory, tax or government audits, inquiries and investigations that arise in the ordinary course of business. For example, during the first quarter of 2022 we received a tax assessment in the amount of $1.4 million from the Washington Department of Revenue related to its audit of certain taxes allegedly payable on certain sales of raw vacuum gas oil that occurred between 2014 and 2016. We believe the Department of Revenue's interpretation is in conflict with its prior guidance and we intend to appeal. By opinion dated September 22, 2021, the Hawaii Attorney General reversed a prior 1964 opinion exempting various business transactions conducted in Hawaii free trade zones from certain state taxes. We and other similarly situated state taxpayers who had previously claimed such exemptions are currently being audited for such prior tax periods. Similarly, on September 30, 2021, we received notice of a complaint filed on May 17, 2021, on camera and under seal in the first circuit court of the state of Hawaii alleging that Par Hawaii Refining, LLC, Par Pacific Holdings, Inc. and certain unnamed defendants made false claims and statements in connection with various state tax returns related to our business conducted within the Hawaii free trade zones, and seeking unspecified damages, penalties, interest and injunctive relief. We dispute the allegations in the complaint and intend to vigorously defend ourselves in such proceeding. We believe the likelihood of an unfavorable outcome in these matters to be neither probable nor reasonably estimable.

**Environmental Matters**

Like other petroleum refiners, our operations are subject to extensive and periodically-changing federal, state, and local environmental laws and regulations governing air emissions, wastewater discharges, and solid and hazardous waste management activities. Many of these regulations are becoming increasingly stringent and the cost of compliance can be expected to increase over time.

Periodically, we receive communications from various federal, state, and local governmental authorities asserting violations of environmental laws and/or regulations. These governmental entities may also propose or assess fines or require corrective actions for these asserted violations. Except as disclosed below, we do not anticipate that any such matters currently asserted will have a material impact on our financial condition, results of operations, or cash flows.

***Wyoming Refinery***

Our Wyoming refinery is subject to a number of consent decrees, orders, and settlement agreements involving the EPA and/or the Wyoming Department of Environmental Quality, some of which date back to the late 1970s and several of which remain in effect, requiring further actions at the Wyoming refinery. The largest cost component arising from these various decrees relates to the investigation, monitoring, and remediation of soil, groundwater, surface water, and sediment contamination associated with the facility's historic operations. Investigative work by Wyoming Refining and negotiations with the relevant agencies as to remedial approaches remain ongoing on a number of aspects of the contamination, meaning that investigation, monitoring, and remediation costs are not reasonably estimable for some elements of these efforts. As of June 30, 2022, we have accrued $15.3 million for the well-understood components of these efforts based on current information, approximately one-third of which we expect to incur in the next five years and the remainder to be incurred over approximately 30 years.

Additionally, we believe the Wyoming refinery will need to modify or close a series of wastewater impoundments in the next several years and replace those impoundments with a new wastewater treatment system. Based on current information, reasonable estimates we have received suggest costs of approximately $11.6 million to design and construct a new wastewater treatment system.

Finally, among the various historic consent decrees, orders, and settlement agreements into which Wyoming Refining has entered, there are several penalty orders associated with exceedances of permitted limits by the Wyoming refinery's wastewater discharges. Although the frequency of these exceedances has declined over time, Wyoming Refining may become subject to new penalty enforcement action in the next several years, which could involve penalties in excess of $300,000.

***Regulation of Greenhouse Gases***

The EPA regulates greenhouse gases ("GHG") under the federal Clean Air Act ("CAA"). New construction or material expansions that meet certain GHG emissions thresholds will likely require that, among other things, a GHG permit be issued in accordance with the federal CAA regulations and we will be required, in connection with such permitting, to undertake a technology review to determine appropriate controls to be implemented with the project in order to reduce GHG emissions.

Furthermore, the EPA is currently developing refinery-specific GHG regulations and performance standards that are expected to impose GHG emission limits and/or technology requirements. These control requirements may affect a wide range of refinery operations. Any such controls could result in material increased compliance costs, additional operating restrictions for our business, and an increase in the cost of the products we produce, which could have a material adverse effect on our financial condition, results of operations, or cash flows.

Additionally, the EPA's final rule updating standards that control toxic air emissions from petroleum refineries imposed additional controls and monitoring requirements on flaring operations, storage tanks, sulfur recovery units, delayed coking units, and required fenceline monitoring. Compliance with this rule has not had a material impact on our financial condition, results of operations, or cash flows to date.

Several states have also passed legislation related to GHGs. For example, in 2021, the State of Washington passed climate legislation requiring fuel suppliers to gradually reduce the carbon intensity of transportation fuels to 20 percent below 2017 levels by 2038 and subjecting entities that emit significant amounts of carbon dioxide, such as fuel suppliers, to a cap-and-trade system for reducing GHG emissions beginning January 1, 2023. In 2007, the State of Hawaii passed Act 234, which required that GHG emissions be rolled back on a statewide basis to 1990 levels by the year 2020. In June of 2014, the Hawaii Department of Health ("DOH") adopted regulations that require each major facility to reduce $CO_2$ emissions by 16% by 2020 relative to a calendar year 2010 baseline (the first year in which GHG emissions were reported to the EPA under 40 CFR Part 98). The Hawaii refinery's capacity to materially reduce fuel use and GHG emissions is limited because most energy conservation measures have already been implemented over the past 20 years. The regulation allows for "partnering" with other facilities (principally power plants) that have already dramatically reduced greenhouse emissions or are on schedule to reduce $CO_2$ emissions in order to comply independently with the state's Renewable Portfolio Standards. Accordingly, our Hawaii refinery submitted a GHG reduction plan that incorporates the partnering provisions and demonstrates that additional reductions are not cost-effective or necessary because of the Hawaii refinery's baseline allocation and because the State of Hawaii has already reached the 1990 levels according to a report prepared by the DOH in January 2019. Compliance with federal and state GHG regulations could result in material increased compliance costs and an increase in the cost of our products.

In 2007, the U.S. Congress passed the Energy Independence and Security Act (the "EISA") which, among other things, set a target fuel economy standard of 35 miles per gallon for the combined fleet of cars and light trucks in the U.S. by model year 2020 and contained an expanded Renewable Fuel Standard (the "RFS"). In August 2012, the EPA and National Highway Traffic Safety Administration ("NHTSA") jointly adopted regulations that establish vehicle carbon dioxide emissions standards and an average industry fuel economy of 54.5 miles per gallon by model year 2025. On August 8, 2018, the EPA and NHTSA jointly proposed to revise existing fuel economy standards for model years 2021-2025 and to set standards for 2026 for the first time. On March 31, 2020, the agencies released updated fuel economy and vehicle emissions standards, which provide for an increase in stringency by 1.5% each year through model year 2026, as compared with the standards issued in 2012 that required 5% annual increases. Higher fuel economy standards have the potential to reduce demand for our refined transportation fuel products.

Under EISA, the RFS requires an increasing amount of renewable fuel to be blended into the nation's transportation fuel supply, up to 36 billion gallons by 2022. Over time, higher annual RFS requirements have the potential to reduce demand for our refined transportation fuel products. In the near term, the RFS will be satisfied primarily with fuel ethanol blended into gasoline. We, and other refiners subject to the RFS, may meet the RFS requirements by blending the necessary volumes of renewable fuels produced by us or purchased from third parties. To the extent that refiners will not or cannot blend renewable fuels into the products they produce in the quantities required to satisfy their obligations under the RFS program, those refiners must purchase renewable credits, referred to as RINs, to maintain compliance. To the extent that we exceed the minimum volumetric requirements for blending of renewable fuels, we have the option of retaining these RINs for current or future RFS compliance or selling those RINs on the open market. As of June 30, 2022, our estimate of the renewable volume obligation ("RVO") liability for the 2021 and 2022 compliance years is based on the RFS volumetric requirements which the EPA finalized on June 3, 2022.

Additionally, the RFS enables the EPA to exempt certain small refineries from the renewable fuels blending requirements in the event such requirements would cause disproportionate economic hardship to that refinery. We petitioned the EPA for a small refinery waiver for certain of our refineries for 2019-2020, but in January 2021, the EPA announced it would cease granting hardship exemptions to small refineries that had not received continuous exemptions since 2011. In HollyFrontier Cheyenne Refining, LLC v. Renewable Fuels Association, the United States Supreme Court recently held that the CAA authorizes the EPA to exempt a small refinery from compliance with the renewable fuel standards program even if the small refinery had not received an exemption in each year since the program began in 2011. On June 3, 2022, the EPA denied our pending small refinery exemption applications for 2019-2020.

The RFS may present production and logistics challenges for both the renewable fuels and petroleum refining and marketing industries in that we may have to enter into arrangements with other parties or purchase D3 waivers from the EPA to meet our obligations to use advanced biofuels, including biomass-based diesel and cellulosic biofuel, with potentially uncertain supplies of these new fuels.

In October 2010, the EPA issued a partial waiver decision under the federal CAA to allow for an increase in the amount of ethanol permitted to be blended into gasoline from 10% ("E10") to 15% ("E15") for 2007 and newer light duty motor vehicles. In 2019, the EPA approved year-round sales of E15. On July 2, 2021, a three-judge panel of the U.S. Court of Appeals for the District of Columbia Circuit vacated the EPA's approval of year-round E15 sales. However, on April 29, 2022, in response to supply challenges caused in part by Russia's invasion of Ukraine, the EPA issued an emergency waiver to permit E15 sales during the summer of 2022. There are numerous issues, including state and federal regulatory issues, that need to be addressed before E15 can be marketed on a large scale for use in traditional gasoline engines; however, increased renewable fuel in the nation's transportation fuel supply could reduce demand for our refined products.

In March 2014, the EPA published a final Tier 3 gasoline standard that requires, among other things, that gasoline contain no more than 10 parts per million ("ppm") sulfur on an annual average basis and no more than 80 ppm sulfur on a per-gallon basis. The standard also lowers the allowable benzene, aromatics, and olefins content of gasoline. The effective date for the new standard was January 1, 2017, however, approved small volume refineries had until January 1, 2020 to meet the standard. The Par East Hawaii refinery was required to comply with Tier 3 gasoline standards within 30 months of June 21, 2016, the date it was disqualified from small volume refinery status. On March 19, 2015, the EPA confirmed the small refinery status of our Wyoming refinery. The Par East Hawaii refinery, our Wyoming refinery, and our Washington refinery, acquired in January 2019, were all granted small refinery status by the EPA for 2018. All of our refineries are compliant with the final

Tier 3 gasoline standard.

Beginning on June 30, 2014, new sulfur standards for fuel oil used by marine vessels operating within 200 miles of the U.S. coastline (which includes the entire Hawaiian Island chain) were lowered from 10,000 ppm (1%) to 1,000 ppm (0.1%). The sulfur standards began at the Hawaii refinery and were phased in so that by January 1, 2015, they were to be fully aligned with the International Marine Organization ("IMO") standards and deadline. The more stringent standards apply universally to both U.S. and foreign-flagged ships. Although the marine fuel regulations provided vessel operators with a few compliance options such as installation of on-board pollution controls and demonstration unavailability, many vessel operators will be forced to switch to a distillate fuel while operating within the Emission Control Area ("ECA"). Beyond the 200 mile ECA, large ocean vessels are still allowed to burn marine fuel with up to 3.5% sulfur. Our Hawaii refinery is capable of producing the 1% sulfur residual fuel oil that was previously required within the ECA. Although our Hawaii refinery remains in a position to supply vessels traveling to and through Hawaii, the market for 0.1% sulfur distillate fuel and 3.5% sulfur residual fuel is much more competitive. In addition to U.S. fuels requirements, the IMO has also adopted newer standards that further reduce the global limit on sulfur content in maritime fuels to 0.5% beginning in 2020 ("IMO 2020").

**Environmental Agreement**

On September 25, 2013, Par Petroleum, LLC (formerly Hawaii Pacific Energy, a wholly owned subsidiary of Par created for purposes of the acquisition of PHR), Tesoro Corporation ("Tesoro"), and PHR entered into an Environmental Agreement ("Environmental Agreement") that allocated responsibility for known and contingent environmental liabilities related to the acquisition of PHR, including a consent decree.

***Indemnification***

In addition to its obligation to reimburse us for capital expenditures incurred pursuant to a consent decree, Tesoro agreed to indemnify us for claims and losses arising out of related breaches of Tesoro's representations, warranties, and covenants in the Environmental Agreement, certain defined "corrective actions" relating to pre-existing environmental conditions, third-party claims arising under environmental laws for personal injury or property damage arising out of or relating to releases of hazardous materials that occurred prior to the date of the closing of the PHR acquisition, any fine, penalty, or other cost assessed by a governmental authority in connection with violations of environmental laws by PHR prior to the date of the closing of the PHR acquisition, certain groundwater remediation work, fines, or penalties imposed on PHR by a consent decree related to acts or omissions of Tesoro prior to the date of the closing of the PHR acquisition, and claims and losses related to the Pearl City Superfund Site.

Tesoro's indemnification obligations are subject to certain limitations as set forth in the Environmental Agreement. These limitations include a deductible of $1 million and a cap of $15 million for certain of Tesoro's indemnification obligations related to certain pre-existing conditions, as well as certain restrictions regarding the time limits for submitting notice and supporting documentation for remediation actions.

**Recovery Trusts**

We emerged from the reorganization of Delta Petroleum Corporation ("Delta") on August 31, 2012 ("Emergence Date"), when the plan of reorganization ("Plan") was consummated. On the Emergence Date, we formed the Delta Petroleum General Recovery Trust ("General Trust"). The General Trust was formed to pursue certain litigation against third parties, including preference actions, fraudulent transfer and conveyance actions, rights of setoff and other claims, or causes of action under the U.S. Bankruptcy Code and other claims and potential claims that Delta and its subsidiaries (collectively, "Debtors") hold against third parties. On February 27, 2018, the Bankruptcy Court entered its final decree closing the Chapter 11 bankruptcy cases of Delta and the other Debtors, discharging the trustee for the General Trust, and finding that all assets of the General Trust were resolved, abandoned, or liquidated and have been distributed in accordance with the requirements of the Plan. In addition, the final decree required the Company or the General Trust, as applicable, to maintain the current accruals owed on account of the remaining claims of the U.S. Government and Noble Energy, Inc.

As of June 30, 2022, two related claims totaling approximately $22.4 million remained to be resolved and we have accrued approximately $0.5 million representing the estimated value of claims remaining to be settled which are deemed probable and estimable at period end.

One of the two remaining claims was filed by the U.S. Government for approximately $22.4 million relating to ongoing litigation concerning a plugging and abandonment obligation in Pacific Outer Continental Shelf Lease OCS-P 0320, comprising part of the Sword Unit in the Santa Barbara Channel, California. The second unliquidated claim, which is related to the same plugging and abandonment obligation, was filed by Noble Energy Inc., the operator and majority interest owner of the

Sword Unit. We believe the probability of issuing stock to satisfy the full claim amount is remote, as the obligations upon which such proof of claim is asserted are joint and several among all working interest owners and Delta, our predecessor, only owned an approximate 3.4% aggregate working interest in the unit.

The settlement of claims is subject to ongoing litigation and we are unable to predict with certainty how many shares will be required to satisfy all claims. Pursuant to the Plan, allowed claims are settled at a ratio of 54.4 shares per $1,000 of claim.

**Note 14—Stockholders' Equity**

**Share Repurchase Program**

On November 10, 2021, the Board authorized and approved a share repurchase program for up to $50 million of the outstanding shares of the Company's common stock, with no specified end date. During the six months ended June 30, 2022, we repurchased 362 thousand shares under this share repurchase program for a total of $5.0 million. No shares were repurchased during the three months ended June 30, 2022.

**Incentive Plans**

The following table summarizes our compensation costs recognized in General and administrative expense (excluding depreciation) and Operating expense (excluding depreciation) under the Amended and Restated Par Pacific Holdings, Inc. 2012 Long-term Incentive Plan and Stock Purchase Plan (in thousands):

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| Restricted Stock Awards | $ 1,153 | $ 1,252 | $ 2,902 | $ 2,364 |
| Restricted Stock Units | 338 | 328 | 1,011 | 656 |
| Stock Option Awards | 525 | 499 | 1,761 | 945 |

During the three and six months ended June 30, 2022, we granted 36 thousand and 397 thousand shares of restricted stock and restricted stock units with a fair value of approximately $0.5 million and $5.9 million, respectively. As of June 30, 2022, there were approximately $11.0 million of total unrecognized compensation costs related to restricted stock awards and restricted stock units, which are expected to be recognized on a straight-line basis over a weighted-average period of 1.8 years.

During the six months ended June 30, 2022, we granted 449 thousand stock option awards with a weighted-average exercise price of $14.91 per share, but no grants were made for the three months ended June 30, 2022. As of June 30, 2022, there were approximately $5.4 million of total unrecognized compensation costs related to stock option awards, which are expected to be recognized on a straight-line basis over a weighted-average period of 2.0 years.

During the six months ended June 30, 2022, we granted 50 thousand performance restricted stock units to executive officers, but no grants were made for the three months ended June 30, 2022. These performance restricted stock units had a fair value of approximately $0.7 million and are subject to certain annual performance targets based on three-year-performance periods as defined by our Board of Directors. As of June 30, 2022, there were approximately $1.3 million of total unrecognized compensation costs related to the performance restricted stock units, which are expected to be recognized on a straight-line basis over a weighted-average period of 2.0 years.

**Note 15—Income (Loss) per Share**

The following table sets forth the computation of basic and diluted income (loss) per share (in thousands, except per share amounts):

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| Net income (loss) | $ 149,125 | $ (108,958) | $ 12,074 | $ (171,185) |
| Less: Undistributed income allocated to participating securities | — | — | — | — |
| Net income (loss) attributable to common stockholders | 149,125 | (108,958) | 12,074 | (171,185) |
| Plus: Net income effect of convertible securities | — | — | — | — |
| Numerator for diluted income (loss) per common share | $ 149,125 | $ (108,958) | $ 12,074 | $ (171,185) |
| | | | | |
| Basic weighted-average common stock shares outstanding | 59,479 | 59,367 | 59,449 | 56,837 |
| Plus: dilutive effects of common stock equivalents (1) | 163 | — | 195 | — |
| Diluted weighted-average common stock shares outstanding | 59,642 | 59,367 | 59,644 | 56,837 |
| | | | | |
| Basic income (loss) per common share | $ 2.51 | $ (1.84) | $ 0.20 | $ (3.01) |
| Diluted income (loss) per common share | $ 2.50 | $ (1.84) | $ 0.20 | $ (3.01) |
| | | | | |
| Diluted income (loss) per common share excludes the following equity instruments because their effect would be anti-dilutive: | | | | |
| Shares of unvested restricted stock | 247 | 830 | 439 | 828 |
| Shares of stock options | 2,402 | 2,288 | 2,404 | 2,188 |
| Common stock equivalents using the if-converted method of settling the 5.00% Convertible Senior Notes (2) | — | 2,258 | — | 2,480 |

(1) Entities with a net loss from continuing operations are prohibited from including potential common shares in the computation of diluted per share amounts. We have utilized the basic shares outstanding to calculate both basic and diluted Net Loss per common share for the three and six months ended June 30, 2021.

(2) We had no 5.00% Convertible Senior Notes outstanding for the three and six months ended June 30, 2022.

**Note 16—Income Taxes**

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management continues to conclude that we did not meet the "more likely than not" requirement in order to recognize deferred tax assets on the remaining amounts and a valuation allowance has been recorded for substantially all of our net deferred tax assets at June 30, 2022 and December 31, 2021.

We believe that any adjustment to our uncertain tax positions would not have a material impact on our financial statements given the Company's deferred tax and corresponding valuation allowance position as of June 30, 2022 and December 31, 2021.

As of December 31, 2021, we had approximately $1.6 billion in net operating loss carryforwards ("NOL carryforwards"); however, we currently have a valuation allowance against this and substantially all of our other deferred taxed assets.

Our net taxable income must be apportioned to various states based upon the income tax laws of the states in which we derive our revenue. Our NOL carryforwards will not always be available to offset taxable income apportioned to the various states. The states from which our refining, retail, and logistics revenues are derived are not the same states in which our NOLs were incurred; therefore, we expect to incur state tax liabilities in connection with our refining, retail, and logistics operations.

**Note 17—Segment Information**

We report the results for the following four reportable segments: (i) Refining, (ii) Retail, (iii) Logistics, and (iv) Corporate and Other.

Summarized financial information concerning reportable segments consists of the following (in thousands):

| Three Months Ended June 30, 2022 | Refining | Logistics | Retail | Corporate, Eliminations and Other (1) | Total |
|---|---|---|---|---|---|
| Revenues | 2,044,455 | 50,633 | 147,211 | (135,967) | $ 2,106,332 |
| Cost of revenues (excluding depreciation) | 1,799,577 | 25,739 | 119,642 | (136,033) | 1,808,925 |
| Operating expense (excluding depreciation) | 59,101 | 3,797 | 19,444 | — | 82,342 |
| Depreciation and amortization | 16,979 | 5,211 | 2,600 | 793 | 25,583 |
| Loss (gain) on sale of assets, net | — | (12) | — | 27 | 15 |
| General and administrative expense (excluding depreciation) | — | — | — | 15,438 | 15,438 |
| Acquisition and integration costs | — | — | — | — | — |
| **Operating income (loss)** | $ 168,798 | $ 15,898 | $ 5,525 | $ (16,192) | $ 174,029 |
| Interest expense and financing costs, net | | | | | (18,154) |
| Debt extinguishment and commitment costs | | | | | (5,672) |
| Other income, net | | | | | 47 |
| Income before income taxes | | | | | 150,250 |
| Income tax expense | | | | | (1,125) |
| **Net income** | | | | | $ 149,125 |
| | | | | | |
| Capital expenditures | $ 8,666 | $ 2,177 | $ 1,508 | $ 336 | $ 12,687 |

| Three Months Ended June 30, 2021 | Refining | Logistics | Retail | Corporate, Eliminations and Other (1) | Total |
|---|---|---|---|---|---|
| Revenues | $ 1,155,847 | $ 48,706 | $ 118,446 | $ (105,474) | $ 1,217,525 |
| Cost of revenues (excluding depreciation) | 1,190,797 | 25,314 | 86,671 | (105,484) | 1,197,298 |
| Operating expense (excluding depreciation) | 47,944 | 3,494 | 17,383 | — | 68,821 |
| Depreciation and amortization | 14,561 | 5,377 | 2,874 | 736 | 23,548 |
| Loss (gain) on sale of assets, net | 1,664 | (21) | (1,133) | — | 510 |
| General and administrative expense (excluding depreciation) | — | — | — | 12,201 | 12,201 |
| Acquisition and integration costs | — | — | — | (352) | (352) |
| **Operating income (loss)** | $ (99,119) | $ 14,542 | $ 12,651 | $ (12,575) | $ (84,501) |
| Interest expense and financing costs, net | | | | | (17,186) |
| Debt extinguishment and commitment costs | | | | | (6,628) |
| Other expense, net | | | | | (36) |
| Loss before income taxes | | | | | (108,351) |
| Income tax expense | | | | | (607) |
| **Net loss** | | | | | $ (108,958) |
| | | | | | |
| Capital expenditures | $ 2,432 | $ 1,112 | $ 1,983 | $ 302 | $ 5,829 |

(1) Includes eliminations of intersegment revenues and cost of revenues of $136.0 million and $105.5 million for the three months ended June 30, 2022 and 2021, respectively.

| Six Months Ended June 30, 2022 | Refining | Logistics | Retail | Corporate, Eliminations and Other (1) | Total |
|---|---|---|---|---|---|
| Revenues | $ 3,343,678 | $ 93,094 | $ 267,120 | $ (247,267) | $ 3,456,625 |
| Cost of revenues (excluding depreciation) | 3,143,492 | 49,488 | 213,484 | (247,290) | 3,159,174 |
| Operating expense (excluding depreciation) | 117,401 | 7,570 | 38,775 | — | 163,746 |
| Depreciation and amortization | 32,312 | 10,298 | 5,291 | 1,462 | 49,363 |
| Loss (gain) on sale of assets, net | — | (12) | — | 27 | 15 |
| General and administrative expense (excluding depreciation) | — | — | — | 31,331 | 31,331 |
| Acquisition and integration costs | — | — | — | 63 | 63 |
| **Operating income (loss)** | $ 50,473 | $ 25,750 | $ 9,570 | $ (32,860) | $ 52,933 |
| Interest expense and financing costs, net | | | | | (34,548) |
| Debt extinguishment and commitment costs | | | | | (5,672) |
| Other income, net | | | | | 49 |
| Income before income taxes | | | | | 12,762 |
| Income tax expense | | | | | (688) |
| **Net income** | | | | | $ 12,074 |
| | | | | | |
| Capital expenditures | $ 21,495 | $ 3,910 | $ 3,089 | $ 526 | $ 29,020 |

| Six Months Ended June 30, 2021 | Refining | Logistics | Retail | Corporate, Eliminations and Other (1) | Total |
|---|---|---|---|---|---|
| Revenues | $ 1,994,602 | $ 90,015 | $ 209,634 | $ (188,046) | $ 2,106,205 |
| Cost of revenues (excluding depreciation) | 2,074,274 | 47,396 | 152,543 | (188,052) | 2,086,161 |
| Operating expense (excluding depreciation) | 101,282 | 7,390 | 34,337 | — | 143,009 |
| Depreciation and amortization | 28,625 | 10,631 | 5,534 | 1,638 | 46,428 |
| Loss (gain) from sale of assets, net | (19,595) | (21) | (44,786) | — | (64,402) |
| General and administrative expense (excluding depreciation) | — | — | — | 24,086 | 24,086 |
| Acquisition and integration costs | — | — | — | 86 | 86 |
| **Operating income (loss)** | $ (189,984) | $ 24,619 | $ 62,006 | $ (25,804) | $ (129,163) |
| Interest expense and financing costs, net | | | | | (35,337) |
| Debt extinguishment and commitment costs | | | | | (8,135) |
| Gain on curtailment of pension obligation | | | | | 2,032 |
| Other income, net | | | | | 25 |
| Loss before income taxes | | | | | (170,578) |
| Income tax expense | | | | | (607) |
| **Net loss** | | | | | $ (171,185) |
| | | | | | |
| Capital expenditures | $ 7,007 | $ 3,963 | $ 2,575 | $ 462 | $ 14,007 |

(1) Includes eliminations of intersegment revenues and cost of revenues of $247.3 million and $188.0 million for the six months ended June 30, 2022 and 2021, respectively.

## Note 18—Related Party Transactions

### Equity Group Investments ("EGI") - Service Agreement

On September 17, 2013, we entered into a letter agreement ("Services Agreement") with Equity Group Investments ("EGI"), an affiliate of Zell Credit Opportunities Fund, LP ("ZCOF"), which owned 10% or more of our common stock directly or through affiliates during the second quarter of 2022. Pursuant to the Services Agreement, EGI agreed to provide us with ongoing strategic, advisory, and consulting services that may include (i) advice on financing structures and our relationship with lenders and bankers, (ii) advice regarding public and private offerings of debt and equity securities, (iii) advice regarding asset dispositions, acquisitions, or other asset management strategies, (iv) advice regarding potential business acquisitions, dispositions, or combinations involving us or our affiliates, or (v) such other advice directly related or ancillary to the above strategic, advisory, and consulting services as may be reasonably requested by us.

EGI does not receive a fee for the provision of the strategic, advisory, or consulting services set forth in the Services Agreement, but may be periodically reimbursed by us, upon request, for (i) travel and out-of-pocket expenses, provided that, in the event that such expenses exceed $50 thousand in the aggregate with respect to any single proposed matter, EGI will obtain our consent prior to incurring additional costs, and (ii) provided that we provide prior consent to their engagement with respect to any particular proposed matter, all reasonable fees and disbursements of counsel, accountants, and other professionals incurred in connection with EGI's services under the Services Agreement. In consideration of the services provided by EGI under the Services Agreement, we agreed to indemnify EGI for certain losses relating to or arising out of the Services Agreement or the services provided thereunder.

The Services Agreement has a term of one year and will be automatically extended for successive one-year periods unless terminated by either party at least 60 days prior to any extension date. There were no costs incurred related to this agreement during the three and six months ended June 30, 2022 or 2021.

## Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

### Overview

We are a growth-oriented company based in Houston, Texas, that owns and operates market-leading energy and infrastructure businesses.

Our business is organized into three primary segments:

1) **Refining** - We own and operate three refineries with total operating throughput capacity of 154 Mbpd in Hawaii, Wyoming, and Washington.

2) **Retail** - Our retail outlets in Hawaii, Washington, and Idaho sell gasoline, diesel, and retail merchandise through Hele and "76" branded sites, "nomnom" branded company-operated convenience stores, 7-Eleven operated convenience stores, other sites operated by third parties, and unattended cardlock stations.

3) **Logistics** - We operate an extensive multi-modal logistics network spanning the Pacific, the Northwest, and the Rocky Mountain regions to transport and store crude oil and refined products for our refineries and transport refined products to our retail sites or third-party purchasers.

As of June 30, 2022, we owned a 46.0% equity investment in Laramie Energy. Laramie Energy is focused on producing natural gas in Garfield, Mesa, and Rio Blanco counties, Colorado. Given the improved outlook for natural gas, we are considering strategic alternatives with respect to our investment in Laramie Energy, including, among other things, a change in the size of our investment.

We have four reportable segments: (i) Refining, (ii) Retail, (iii) Logistics, and (iv) Corporate and Other. Our Corporate and Other reportable segment primarily includes general and administrative costs. Please read Note 17—Segment Information to our condensed consolidated financial statements included in this Quarterly Report on Form 10-Q for detailed information on our operating results by segment.

### Recent Events Affecting Comparability of Periods

During the first half of 2022, the global market for energy commodities experienced rising prices and significant volatility. The price of crude oil continues to rise as the global economy recovers from lows related to the COVID-19 pandemic. The Organization of the Petroleum Exporting Companies ("OPEC") and its oil-producing allies are forecasting production increases and increasing global demand throughout 2022. This rise in demand is driven by a recovery of global travel to pre-pandemic levels as well as a rise in gasoline demand as people return to in-office work and traveling. In March, the U.S. Centers for Disease Control and Prevention ("CDC") lifted its Travel Health Notice for cruise ships in response to the decline in COVID-19 cases, and, as of April, the U.S. Transportation Security Administration ("TSA") no longer requires masking on U.S. domestic flights. Airline companies, which represent a significant portion of our Hawaii market through jet fuel sales, have forecasted significant increases in air travel volumes for the remainder of 2022 and Hawaii visitor counts for the first half of 2022 are in excess of 90% of pre-pandemic levels.

Over the past 12 months, energy prices increased 41.6% and U.S. gasoline prices increased 11.2% in June alone. Rising gasoline prices, and rising energy prices overall, are indicators of inflation and the U.S. Federal Reserve (the "Fed") has begun taking steps to try to curb inflation. In summer 2022, the Fed increased its benchmark interest rate by 75 basis points twice, to 1.75% in June and to 2.5% in July, bringing the benchmark rate to its highest level since December 2018. Following the July increase, the Fed indicated that it was open to further increases in September. These actions by the Fed are intended to cool rising U.S. inflation rates, which have increased 9.1% year over year as of June 2022, by slowing economic growth and nonessential consumer spending (including travel). If consumer spending decreases as a result of these actions, it is expected that demand and prices for our products will decrease in kind.

In response to the Russian invasion of Ukraine in February, the international community imposed economic sanctions and other limitations on Russian exports, which further decreased the global supply of crude oil and drove up the price of crude oil. On March 3, 2022, we suspended purchases of Russian crude oil for our Hawaii refinery in response to the Russia-Ukraine conflict. We have turned to other grades of crude oil to meet fuel production requirements.

As of the date of this Quarterly Report on Form 10-Q, the Russia-Ukraine conflict is ongoing and continues to impact the global economy. We will continue to monitor the effects the conflict has on the global financial markets and our operations. Please read Item 1A. — Risk Factors for more information on the Russia-Ukraine conflict and its potential impacts on our business. Additionally, the financial results contained in this Quarterly Report on Form 10-Q reflect rebounding demand driven by decreasing COVID-19 pandemic-related demand suppression experienced in the regions in which we operate. Although case counts are increasing relative to early in the pandemic, widespread vaccine availability has lessened the severity of COVID-19 cases leading to increased travel and public contact. The pandemic is ongoing and the impacts of the virus on people and businesses continue to evolve as of the date of this report. The full magnitude of the impact of these and other events on our financial condition, future results of operations, and future cash flows and liquidity is uncertain and has been and may continue to be material.

**Results of Operations**

***Three months ended June 30, 2022 compared to the three months ended June 30, 2021***

***Net Income (Loss).*** Our financial results for the second quarter of 2022 improved from a net loss of $109.0 million for the three months ended June 30, 2021 to net income of $149.1 million for the three months ended June 30, 2022. The increase was primarily driven by higher product crack spreads and a favorable change in FIFO benefit at our Hawaii refinery, partially offset by higher purchased product differentials and derivative costs and higher RINs expenses.

***Adjusted EBITDA and Adjusted Net Income (Loss).*** For the three months ended June 30, 2022, Adjusted EBITDA was $242.1 million compared to $26.7 million for the three months ended June 30, 2021. The increase was primarily related to improved crack spreads across all of our refineries, partially offset by unfavorable purchased product differentials and realized derivatives at our Hawaii refinery and higher costs related to our inventory financing agreements.

For the three months ended June 30, 2022, Adjusted Net Income was $197.2 million compared to a loss of $14.7 million for the three months ended June 30, 2021. The improvement was primarily related to the factors described above for the increase in Adjusted EBITDA.

***Six months ended June 30, 2022 compared to the six months ended June 30, 2021***

***Net Income (Loss).*** Our financial results improved from a net loss of $171.2 million for the six months ended June 30, 2021 to net income of $12.1 million for the six months ended June 30, 2022. The increase in profitability was primarily driven by higher product crack spreads, partially offset by unfavorable purchased product differentials and derivatives costs, higher costs associated with our inventory financing agreements, and a gain of $63.9 million related to the 2021 Hawaii sale-leaseback transactions in the six months ended June 30, 2021 with no such gain in the 2022 comparable period.

***Adjusted EBITDA and Adjusted Net Income (Loss).*** For the six months ended June 30, 2022, Adjusted EBITDA was $254.5 million compared to $40.4 million for the six months ended June 30, 2021. The improvement was primarily related to favorable crack spreads across all of our refineries, partially offset by unfavorable purchased product differentials and realized derivatives at our Hawaii refinery and higher costs related to our inventory financing agreements. Other factors impacting our results period over period include increased fuel burn costs, a 4% decrease in refining sales volume primarily related to the Washington refinery turnaround in 2022, and higher operating expenses compared to the comparable period in 2021.

For the six months ended June 30, 2022, Adjusted Net Income was $169.9 million compared to a loss of $42.0 million for the six months ended June 30, 2021. The improvement was primarily related to the same factors described above for the increase in Adjusted EBITDA.

The following tables summarize our consolidated results of operations for the three and six months ended June 30, 2022 compared to the three and six months ended June 30, 2021 (in thousands). The following should be read in conjunction with our condensed consolidated financial statements and notes thereto included elsewhere in this Quarterly Report on Form 10-Q.

| | Three Months Ended June 30, | | | |
|---|---|---|---|---|
| | 2022 | 2021 | $ Change | % Change |
| Revenues | $ 2,106,332 | $ 1,217,525 | $ 888,807 | 73% |
| Cost of revenues (excluding depreciation) | 1,808,925 | 1,197,298 | 611,627 | 51% |
| Operating expense (excluding depreciation) | 82,342 | 68,821 | 13,521 | 20% |
| Depreciation and amortization | 25,583 | 23,548 | 2,035 | 9% |
| Loss on sale of assets, net | 15 | 510 | (495) | (97)% |
| General and administrative expense (excluding depreciation) | 15,438 | 12,201 | 3,237 | 27% |
| Acquisition and integration costs | — | (352) | 352 | 100% |
| Total operating expenses | 1,932,303 | 1,302,026 | | |
| Operating income (loss) | 174,029 | (84,501) | | |
| Other income (expense) | | | | |
| Interest expense and financing costs, net | (18,154) | (17,186) | (968) | 6% |
| Debt extinguishment and commitment costs | (5,672) | (6,628) | 956 | (14)% |
| Other income (expense), net | 47 | (36) | 83 | 231% |
| Total other expense, net | (23,779) | (23,850) | | |
| Income (loss) before income taxes | 150,250 | (108,351) | | |
| Income tax expense | (1,125) | (607) | (518) | 85% |
| **Net income (loss)** | $ 149,125 | $ (108,958) | | |

| | Six Months Ended June 30, | | | |
|---|---|---|---|---|
| | 2022 | 2021 | $ Change | % Change |
| Revenues | $ 3,456,625 | $ 2,106,205 | $ 1,350,420 | 64% |
| Cost of revenues (excluding depreciation) | 3,159,174 | 2,086,161 | 1,073,013 | 51% |
| Operating expense (excluding depreciation) | 163,746 | 143,009 | 20,737 | 15% |
| Depreciation and amortization | 49,363 | 46,428 | 2,935 | 6% |
| Loss (gain) on sale of assets, net | 15 | (64,402) | 64,417 | (100)% |
| General and administrative expense (excluding depreciation) | 31,331 | 24,086 | 7,245 | 30% |
| Acquisition and integration costs | 63 | 86 | (23) | (27)% |
| Total operating expenses | 3,403,692 | 2,235,368 | | |
| Operating income (loss) | 52,933 | (129,163) | | |
| Other income (expense) | | | | |
| Interest expense and financing costs, net | (34,548) | (35,337) | 789 | (2)% |
| Debt extinguishment and commitment costs | (5,672) | (8,135) | 2,463 | (30)% |
| Gain on curtailment of pension obligation | — | 2,032 | (2,032) | (100)% |
| Other income, net | 49 | 25 | 24 | 96% |
| Total other expense, net | (40,171) | (41,415) | | |
| Income (loss) before income taxes | 12,762 | (170,578) | | |
| Income tax expense | (688) | (607) | (81) | (13)% |
| **Net income (loss)** | $ 12,074 | $ (171,185) | | |

The following tables summarize our operating income (loss) by segment for the three and six months ended June 30, 2022 and 2021 (in thousands). The following should be read in conjunction with our condensed consolidated financial statements and notes thereto included elsewhere in this Quarterly Report on Form 10-Q.

| **Three months ended June 30, 2022** | **Refining** | **Logistics** | **Retail** | **Corporate, Eliminations and Other (1)** | **Total** |
|---|---|---|---|---|---|
| Revenues | $ 2,044,455 | $ 50,633 | $ 147,211 | $ (135,967) | $ 2,106,332 |
| Cost of revenues (excluding depreciation) | 1,799,577 | 25,739 | 119,642 | (136,033) | 1,808,925 |
| Operating expense (excluding depreciation) | 59,101 | 3,797 | 19,444 | — | 82,342 |
| Depreciation and amortization | 16,979 | 5,211 | 2,600 | 793 | 25,583 |
| Loss (gain) on sale of assets, net | — | (12) | — | 27 | 15 |
| General and administrative expense (excluding depreciation) | — | — | — | 15,438 | 15,438 |
| Acquisition and integration costs | — | — | — | — | — |
| **Operating income (loss)** | $ 168,798 | $ 15,898 | $ 5,525 | $ (16,192) | $ 174,029 |

| **Three months ended June 30, 2021** | **Refining** | **Logistics** | **Retail** | **Corporate, Eliminations and Other (1)** | **Total** |
|---|---|---|---|---|---|
| Revenues | $ 1,155,847 | $ 48,706 | $ 118,446 | $ (105,474) | $ 1,217,525 |
| Cost of revenues (excluding depreciation) | 1,190,797 | 25,314 | 86,671 | (105,484) | 1,197,298 |
| Operating expense (excluding depreciation) | 47,944 | 3,494 | 17,383 | — | 68,821 |
| Depreciation and amortization | 14,561 | 5,377 | 2,874 | 736 | 23,548 |
| Loss (gain) on sale of assets, net | 1,664 | (21) | (1,133) | — | 510 |
| General and administrative expense (excluding depreciation) | — | — | — | 12,201 | 12,201 |
| Acquisition and integration costs | — | — | — | (352) | (352) |
| **Operating income (loss)** | $ (99,119) | $ 14,542 | $ 12,651 | $ (12,575) | $ (84,501) |

(1) Includes eliminations of intersegment Revenues and Cost of revenues (excluding depreciation) of $136.0 million and $105.5 million for the three months ended June 30, 2022 and 2021, respectively.

| **Six months ended June 30, 2022** | **Refining** | **Logistics** | **Retail** | **Corporate, Eliminations and Other (1)** | **Total** |
|---|---|---|---|---|---|
| Revenues | $ 3,343,678 | $ 93,094 | $ 267,120 | $ (247,267) | $ 3,456,625 |
| Cost of revenues (excluding depreciation) | 3,143,492 | 49,488 | 213,484 | (247,290) | 3,159,174 |
| Operating expense (excluding depreciation) | 117,401 | 7,570 | 38,775 | — | 163,746 |
| Depreciation and amortization | 32,312 | 10,298 | 5,291 | 1,462 | 49,363 |
| Loss (gain) on sale of assets, net | — | (12) | — | 27 | 15 |
| General and administrative expense (excluding depreciation) | — | — | — | 31,331 | 31,331 |
| Acquisition and integration costs | — | — | — | 63 | 63 |
| **Operating income (loss)** | $ 50,473 | $ 25,750 | $ 9,570 | $ (32,860) | $ 52,933 |

| Six months ended June 30, 2021 | Refining | Logistics | Retail | Corporate, Eliminations and Other (1) | Total |
|---|---|---|---|---|---|
| Revenues | $ 1,994,602 | $ 90,015 | $ 209,634 | $ (188,046) | $ 2,106,205 |
| Cost of revenues (excluding depreciation) | 2,074,274 | 47,396 | 152,543 | (188,052) | 2,086,161 |
| Operating expense (excluding depreciation) | 101,282 | 7,390 | 34,337 | — | 143,009 |
| Depreciation and amortization | 28,625 | 10,631 | 5,534 | 1,638 | 46,428 |
| Loss (gain) from sale of assets, net | (19,595) | (21) | (44,786) | — | (64,402) |
| General and administrative expense (excluding depreciation) | — | — | — | 24,086 | 24,086 |
| Acquisition and integration costs | — | — | — | 86 | 86 |
| **Operating income (loss)** | $ (189,984) | $ 24,619 | $ 62,006 | $ (25,804) | $ (129,163) |

(1) Includes eliminations of intersegment Revenues and Cost of revenues (excluding depreciation) of $247.3 million and $188.0 million for the six months ended June 30, 2022 and 2021, respectively.

Below is a summary of key operating statistics for the refining segment for the three and six months ended June 30, 2022 and 2021:

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| **Total Refining Segment** | | | | |
| Feedstocks Throughput (Mbpd) | 141.3 | 140.7 | 129.8 | 134.1 |
| Refined product sales volume (Mbpd) | 143.4 | 146.6 | 133.0 | 138.5 |
| | | | | |
| **Hawaii Refinery** | | | | |
| Feedstocks Throughput (Mbpd) | 84.1 | 84.0 | 83.4 | 82.6 |
| Yield (% of total throughput) | | | | |
| Gasoline and gasoline blendstocks | 22.9 % | 24.7 % | 24.0 % | 24.7 % |
| Distillates | 38.0 % | 46.8 % | 39.6 % | 44.9 % |
| Fuel oils | 33.6 % | 25.6 % | 31.5 % | 26.5 % |
| Other products | 2.4 % | (0.4)% | 1.4 % | 0.5 % |
| Total yield | 96.9 % | 96.7 % | 96.5 % | 96.6 % |
| Refined product sales volume (Mbpd) | | | | |
| On-island sales volume | 80.2 | 87.3 | 79.2 | 82.6 |
| Exports sales volume | — | — | — | — |
| Total refined product sales volume | 80.2 | 87.3 | 79.2 | 82.6 |
| | | | | |
| Adjusted Gross Margin per bbl ($/throughput bbl) (1) | $ 18.71 | $ 2.73 | $ 11.22 | $ 3.51 |
| Production costs per bbl ($/throughput bbl) (2) | 4.50 | 3.40 | 4.45 | 3.69 |
| D&A per bbl ($/throughput bbl) | 0.66 | 0.65 | 0.66 | 0.66 |
| | | | | |
| **Washington Refinery** | | | | |
| Feedstocks Throughput (Mbpd) | 40.5 | 38.7 | 30.4 | 35.2 |
| Yield (% of total throughput) | | | | |
| Gasoline and gasoline blendstocks | 24.2 % | 23.6 % | 24.4 % | 24.0 % |
| Distillates | 34.4 % | 34.1 % | 34.1 % | 35.0 % |
| Asphalt | 20.8 % | 21.5 % | 19.7 % | 19.9 % |
| Other products | 17.4 % | 17.8 % | 18.6 % | 18.2 % |
| Total yield | 96.8 % | 97.0 % | 96.8 % | 97.1 % |
| | | | | |
| Refined product sales volume (Mbpd) | 44.6 | 40.9 | 37.1 | 40.1 |
| | | | | |
| Adjusted Gross Margin per bbl ($/throughput bbl) (1) | $ 20.50 | $ 1.97 | $ 14.17 | $ 2.14 |
| Production costs per bbl ($/throughput bbl) (2) | 3.40 | 3.28 | 4.71 | 3.76 |
| D&A per bbl ($/throughput bbl) | 2.03 | 1.49 | 2.45 | 1.62 |

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| **Wyoming Refinery** | | | | |
| Feedstocks Throughput (Mbpd) | 16.7 | 18.0 | 16.0 | 16.3 |
| Yield (% of total throughput) | | | | |
| Gasoline and gasoline blendstocks | 48.1 % | 45.6 % | 49.1 % | 47.1 % |
| Distillates | 43.6 % | 46.6 % | 43.4 % | 45.9 % |
| Fuel oils | 2.2 % | 2.4 % | 2.3 % | 2.0 % |
| Other products | 3.4 % | 2.5 % | 2.5 % | 1.9 % |
| Total yield | 97.3 % | 97.1 % | 97.3 % | 96.9 % |
| | | | | |
| Refined product sales volume (Mbpd) | 18.6 | 18.4 | 16.7 | 15.8 |
| | | | | |
| Adjusted Gross Margin per bbl ($/throughput bbl) (1) | $ 43.34 | $ 15.10 | $ 34.97 | $ 13.38 |
| Production costs per bbl ($/throughput bbl) (2) | 6.97 | 5.71 | 7.46 | 6.78 |
| D&A per bbl ($/throughput bbl) | 2.92 | 2.63 | 3.07 | 2.85 |
| | | | | |
| **Market Indices (average $ per barrel)** | | | | |
| 3-1-2 Singapore Crack Spread (3) | $ 36.80 | $ 4.38 | $ 26.56 | $ 4.09 |
| Pacific Northwest 5-2-2-1 Index (4) | 46.16 | 16.05 | 34.09 | 13.77 |
| Wyoming 3-2-1 Index (5) | 54.55 | 30.04 | 40.62 | 25.53 |
| | | | | |
| **Crude Oil Prices (average $ per barrel)** | | | | |
| Brent | $ 111.98 | $ 69.08 | $ 104.98 | $ 65.22 |
| WTI | 108.52 | 66.17 | 101.80 | 62.18 |
| ANS | 115.84 | 69.44 | 107.74 | 65.57 |
| Bakken Clearbrook | 112.44 | 65.99 | 105.45 | 61.82 |
| WCS Hardisty | 93.35 | 53.33 | 87.97 | 49.77 |
| Brent M1-M3 | 4.23 | 0.96 | 4.18 | 0.89 |

(1) We calculate Adjusted Gross Margin per barrel by dividing Adjusted Gross Margin by total refining throughput. Adjusted Gross Margin for our Washington refinery is determined under the last-in, first-out (“LIFO”) inventory costing method. Adjusted Gross Margin for our other refineries is determined under the first-in, first-out (“FIFO”) inventory costing method. The definition of Adjusted Gross Margin was modified beginning with the financial results reported for periods in fiscal year 2022. We have recast Adjusted Gross Margin for prior periods when reported to conform to the modified presentation. Please see discussion of Adjusted Gross Margin below.

(2) Management uses production costs per barrel to evaluate performance and compare efficiency to other companies in the industry. There are a variety of ways to calculate production costs per barrel; different companies within the industry calculate it in different ways. We calculate production costs per barrel by dividing all direct production costs, which include the costs to run the refineries including personnel costs, repair and maintenance costs, insurance, utilities, and other miscellaneous costs, by total refining throughput. Our production costs are included in Operating expense (excluding depreciation) on our condensed consolidated statement of operations, which also includes costs related to our bulk marketing operations.

(3) We believe the 3-1-2 Singapore Crack Spread (or three barrels of Brent crude oil converted into one barrel of gasoline and two barrels of distillates (diesel and jet fuel)) is the most representative market indicator for our operations in Hawaii.

(4) We believe the Pacific Northwest 5-2-2-1 Index is the most representative market indicator for our operations in Tacoma, Washington. The Pacific Northwest 5-2-2-1 Index is computed by taking two parts gasoline (sub-octane), two parts middle distillates (ultra-low sulfur diesel (“ULSD”) and jet fuel), and one part fuel oil as created from five barrels of Alaskan North Slope (“ANS”) crude oil.

(5) The profitability of our Wyoming refinery is heavily influenced by crack spreads in nearby markets. We believe the Wyoming 3-2-1 Index is the most representative market indicator for our operations in Wyoming. The Wyoming 3-2-1 Index is computed by taking two parts gasoline and one part distillates (ULSD) as created from three barrels of West Texas Intermediate Crude Oil (“WTI”). Pricing is based 50% on applicable product pricing in Rapid City, South Dakota, and 50% on applicable product pricing in Denver, Colorado.

Below is a summary of key operating statistics for the retail segment for the three and six months ended June 30, 2022 and 2021:

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| **Retail Segment** | | | | |
| Retail sales volumes (thousands of gallons) | 25,862 | 28,871 | 50,770 | 53,672 |

***Non-GAAP Performance Measures***

Management uses certain financial measures to evaluate our operating performance that are considered non-GAAP financial measures. These measures should not be considered in isolation or as substitutes or alternatives to their most directly comparable GAAP financial measures or any other measure of financial performance or liquidity presented in accordance with GAAP. These non-GAAP measures may not be comparable to similarly titled measures used by other companies since each company may define these terms differently.

We believe Adjusted Gross Margin (as defined below) provides useful information to investors because it eliminates the gross impact of volatile commodity prices and adjusts for certain non-cash items and timing differences created by our inventory financing agreements and lower of cost and net realizable value adjustments to demonstrate the earnings potential of the business before other fixed and variable costs, which are reported separately in Operating expense (excluding depreciation) and Depreciation and amortization. Management uses Adjusted Gross Margin per barrel to evaluate operating performance and compare profitability to other companies in the industry and to industry benchmarks. We believe Adjusted Net Income (Loss) and Adjusted EBITDA (as defined below) are useful supplemental financial measures that allow investors to assess the financial performance of our assets without regard to financing methods, capital structure, or historical cost basis, the ability of our assets to generate cash to pay interest on our indebtedness, and our operating performance and return on invested capital as compared to other companies without regard to financing methods and capital structure.

Beginning with financial results reported for periods in fiscal year 2022, the inventory valuation adjustment was modified to include the first-in, first-out (“FIFO”) inventory gains (losses) associated with our titled manufactured inventory in Hawaii. This modification was made to better align Adjusted Net Income (Loss) and Adjusted EBITDA with the cash flow of the Hawaii refining business. Prior to 2022, the impacts of FIFO inventory gains (losses) associated with Hawaii titled manufactured inventory were eliminated through the inventory valuation adjustment. Beginning with financial results reported for the second quarter of 2022, Adjusted Gross Margin, Adjusted Net Income (Loss), and Adjusted EBITDA also exclude the mark-to-market losses (gains) associated with our net RINs liability. This modification was made to better reflect our operating performance and to improve comparability between periods. We have recast Adjusted Gross Margin, Adjusted Net Income (Loss), and Adjusted EBITDA for prior periods when reported to conform to the modified presentation.

***Adjusted Gross Margin***

Adjusted Gross Margin is defined as operating income (loss) excluding:

- operating expense (excluding depreciation);
- depreciation and amortization (“D&A”);
- impairment expense;
- loss (gain) on sale of assets, net;
- inventory valuation adjustment (which adjusts for timing differences to reflect the economics of our inventory financing agreements, including lower of cost or net realizable value adjustments, the impact of the embedded derivative repurchase or terminal obligations, contango (gains) and backwardation losses associated with our Washington inventory and intermediation obligation, and purchase price allocation adjustments; beginning in 2022, this also includes the FIFO inventory (gains) losses associated with our titled manufactured inventory in Hawaii);
- LIFO layer liquidation impacts associated with our Washington inventory;

- Renewable Identification Numbers ("RINs") mark-to-market adjustments (which represents the income statement effect of reflecting our RINs liability on a net basis; beginning with financial results reported for the second quarter of 2022, this also includes the mark-to-market losses (gains) associated with our net RINs liability); and
- unrealized loss (gain) on derivatives.

Adjusted Gross Margin can also be defined as revenues less cost of revenues (excluding depreciation) excluding:

- inventory valuation adjustment;
- unrealized loss (gain) on derivatives;
- LIFO layer liquidation impacts associated with our Washington inventory; and
- RINs mark-to-market adjustments.

We define cost of revenues (excluding depreciation) as:

- the hydrocarbon-related costs of inventory sold,
- transportation costs of delivering product to customers,
- crude oil consumed in the refining process,
- costs to satisfy our RINs and environmental credit obligations,
- certain hydrocarbon fees and taxes, and
- the unrealized gain (loss) on derivatives and the inventory valuation adjustment that we exclude from Adjusted Gross Margin.

The following tables present a reconciliation of Adjusted Gross Margin to the most directly comparable GAAP financial measure, operating income (loss), on a historical basis, for selected segments, for the periods indicated (in thousands):

| **Three months ended June 30, 2022** | **Refining** | **Logistics** | **Retail** |
|---|---|---|---|
| **Operating income** | $ 168,798 | $ 15,898 | $ 5,525 |
| Operating expense (excluding depreciation) | 59,101 | 3,797 | 19,444 |
| Depreciation and amortization | 16,979 | 5,211 | 2,600 |
| Loss (gain) on sale of assets, net | — | (12) | — |
| Inventory valuation adjustment | (7,557) | — | — |
| RINs mark-to-market adjustments | 78,548 | — | — |
| Unrealized gain on derivatives | (28,607) | — | — |
| **Adjusted Gross Margin (1)** | $ 287,262 | $ 24,894 | $ 27,569 |

| **Three months ended June 30, 2021** | **Refining** | **Logistics** | **Retail** |
|---|---|---|---|
| **Operating income (loss)** | $ (99,119) | $ 14,542 | $ 12,651 |
| Operating expense (excluding depreciation) | 47,944 | 3,494 | 17,383 |
| Depreciation and amortization | 14,561 | 5,377 | 2,874 |
| Loss (gain) on sale of assets, net | 1,664 | (21) | (1,133) |
| Inventory valuation adjustment | 29,657 | — | — |
| LIFO liquidation adjustment | 2,263 | — | — |
| RINs mark-to-market adjustments | 54,158 | — | — |
| Unrealized loss on derivatives | 1,404 | — | — |
| **Adjusted Gross Margin (2)** | $ 52,532 | $ 23,392 | $ 31,775 |

| Six months ended June 30, 2022 | | Refining | | Logistics | | Retail |
|---|---|---|---|---|---|---|
| **Operating income** | $ | 50,473 | $ | 25,750 | $ | 9,570 |
| Operating expense (excluding depreciation) | | 117,401 | | 7,570 | | 38,775 |
| Depreciation and amortization | | 32,312 | | 10,298 | | 5,291 |
| Gain on sale of assets, net | | — | | (12) | | — |
| Inventory valuation adjustment | | 73,096 | | — | | — |
| RINs mark-to-market adjustments | | 89,850 | | — | | — |
| Unrealized gain on derivatives | | (13,155) | | — | | — |
| **Adjusted Gross Margin (1)** | $ | 349,977 | $ | 43,606 | $ | 53,636 |

| Six months ended June 30, 2021 | | Refining | | Logistics | | Retail |
|---|---|---|---|---|---|---|
| **Operating income (loss)** | $ | (189,984) | $ | 24,619 | $ | 62,006 |
| Operating expense (excluding depreciation) | | 101,282 | | 7,390 | | 34,337 |
| Depreciation and amortization | | 28,625 | | 10,631 | | 5,534 |
| Loss (gain) on sale of assets, net | | (19,595) | | (21) | | (44,786) |
| Inventory valuation adjustment | | 52,743 | | — | | — |
| LIFO liquidation adjustment | | 4,151 | | — | | — |
| RINs mark-to-market adjustments | | 131,060 | | — | | — |
| Unrealized gain on derivatives | | (2,608) | | — | | — |
| **Adjusted Gross Margin (2)** | $ | 105,674 | $ | 42,619 | $ | 57,091 |

(1) For the three and six months ended June 30, 2022, there was no impairment expense or LIFO liquidation adjustment recorded in Operating income (loss).
(2) For the three and six months ended June 30, 2021, there was no impairment expense recorded in Operating income (loss).

***Adjusted Net Income (Loss) and Adjusted EBITDA***

Adjusted Net Income (Loss) is defined as Net income (loss) excluding:

- inventory valuation adjustment (which adjusts for timing differences to reflect the economics of our inventory financing agreements, including lower of cost or net realizable value adjustments, the impact of the embedded derivative repurchase or terminal obligations, contango (gains) and backwardation losses associated with our Washington inventory and intermediation obligation, and purchase price allocation adjustments; beginning in 2022, this also includes the FIFO inventory (gains) losses associated with our titled manufactured inventory in Hawaii);
- the LIFO layer liquidation impacts associated with our Washington inventory;
- RINs mark-to-market adjustments (which represents the income statement effect of reflecting our RINs liability on a net basis; beginning with financial results reported for the second quarter of 2022, this also includes the mark-to-market losses (gains) associated with our net RINs liability);
- unrealized (gain) loss on derivatives;
- acquisition and integration costs;
- debt extinguishment and commitment costs;
- increase in (release of) tax valuation allowance and other deferred tax items;
- changes in the value of contingent consideration and common stock warrants;
- severance costs;
- (gain) loss on sale of assets;
- impairment expense;
- impairment expense associated with our investment in Laramie Energy and our share of Laramie Energy's asset impairment losses in excess of our basis difference; and
- Par's share of Laramie Energy's unrealized loss (gain) on derivatives.

Adjusted EBITDA is defined as Adjusted Net Income (Loss) excluding:

- D&A;
- interest expense and financing costs;
- equity losses (earnings) from Laramie Energy excluding Par's share of unrealized loss (gain) on derivatives, impairment of Par's investment, and our share of Laramie Energy's asset impairment losses in excess of our basis difference; and
- income tax expense (benefit).

The following table presents a reconciliation of Adjusted Net Income (Loss) and Adjusted EBITDA to the most directly comparable GAAP financial measure, Net income (loss), on a historical basis for the periods indicated (in thousands):

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| **Net Income (Loss)** | $ 149,125 | $ (108,958) | $ 12,074 | $ (171,185) |
| Inventory valuation adjustment | (7,557) | 29,657 | 73,096 | 52,743 |
| LIFO liquidation adjustment | — | 2,263 | — | 4,151 |
| RINs mark-to-market adjustments | 78,548 | 54,158 | 89,850 | 131,060 |
| Unrealized loss (gain) on derivatives | (28,607) | 1,404 | (13,155) | (2,608) |
| Acquisition and integration costs | — | (352) | 63 | 86 |
| Debt extinguishment and commitment costs | 5,672 | 6,628 | 5,672 | 8,135 |
| Severance costs | 35 | — | 2,263 | 16 |
| Loss (gain) on sale of assets, net | 15 | 510 | 15 | (64,402) |
| **Adjusted Net Income (Loss) (1)** | 197,231 | (14,690) | 169,878 | (42,004) |
| Depreciation and amortization | 25,583 | 23,548 | 49,363 | 46,428 |
| Interest expense and financing costs, net | 18,154 | 17,186 | 34,548 | 35,337 |
| Income tax expense | 1,125 | 607 | 688 | 607 |
| **Adjusted EBITDA (1)** | $ 242,093 | $ 26,651 | $ 254,477 | $ 40,368 |

(1) For the three and six months ended June 30, 2022 and 2021, there was no change in value of contingent consideration, change in value of common stock warrants, change in valuation allowance or other deferred tax items, impairment expense, or equity losses (earnings) from Laramie Energy, LLC, including impairments associated with our investment in Laramie Energy, our share of Laramie Energy's asset impairment losses in excess of our basis difference, and our share of Laramie Energy's unrealized loss (gain) on derivatives.

**Factors Impacting Segment Results**

***Three months ended June 30, 2022 compared to the three months ended June 30, 2021***

***Refining.*** Operating income for our refining segment was $168.8 million for the three months ended June 30, 2022, an increase of $267.9 million compared to an operating loss of $99.1 million for the three months ended June 30, 2021. The increase in profitability was primarily driven by an increase in product crack spreads across all of our refineries and a favorable change in FIFO benefit in Hawaii, partially offset by unfavorable purchased product differentials and derivatives costs, including crack spread hedges, at our Hawaii refinery and a $20.1 million increase in RINs expenses.

***Logistics.*** Operating income for our logistics segment was $15.9 million for the three months ended June 30, 2022, an increase of $1.4 million compared to $14.5 million for the three months ended June 30, 2021. The increase is due to higher throughput revenues across our Washington and Wyoming assets.

***Retail.*** Operating income for our retail segment was $5.5 million for the three months ended June 30, 2022, a decrease of $7.2 million compared to $12.7 million for the three months ended June 30, 2021. The decrease was primarily due to a 10% decline in fuel volumes and a 5% decrease in fuel margins related to higher crude oil prices and higher operating expenses in the three months ended June 30, 2022 related to higher planned repairs and maintenance expenses, increased employee costs, and higher credit card processing fees due to increased gasoline prices.

*Six months ended June 30, 2022 compared to the six months ended June 30, 2021*

***Refining.*** Operating income for our refining segment was $50.5 million for the six months ended June 30, 2022, an increase of $240.5 million compared to an operating loss of $190.0 million for the six months ended June 30, 2021. The increase in profitability was primarily driven by an increase in product crack spreads across all of our refineries, a $47.8 million decrease in RINs expenses, and a favorable change in FIFO benefit in Hawaii, partially offset by unfavorable purchased product differentials and derivatives costs, including crack spread hedges, and fuel burn costs at our Hawaii refinery, higher costs associated with our inventory financing agreements, and a 4% decrease in refining sales volume primarily related to the Washington refinery turnaround in 2022. Other factors impacting our results period over period include a gain on sale of assets of $19.6 million in the six months ended June 30, 2021 primarily related to the 2021 Hawaii sale-leaseback transactions we closed in the first quarter of 2021 with no such gain in 2022.

***Logistics.*** Operating income for our logistics segment was $25.8 million for the six months ended June 30, 2022, which was relatively consistent with $24.6 million for the six months ended June 30, 2021.

***Retail.*** Operating income for our retail segment was $9.6 million for the six months ended June 30, 2022, a decrease of $52.4 million compared to $62.0 million for the six months ended June 30, 2021. The decrease in profitability is primarily due to a gain on sale of assets of $44.8 million in the six months ended June 30, 2021 primarily related to the 2021 Hawaii sale-leaseback transactions we closed in the first quarter of 2021 with no such gain in 2022 and higher operating expenses in the six months ended June 30, 2022 primarily related to higher planned repairs and maintenance expenses, higher rent expense related to the additional leases from our 2021 Hawaii sale-leaseback transactions, and higher credit card processing fees due to increased gasoline prices.

**Adjusted Gross Margin**

*Three months ended June 30, 2022 compared to the three months ended June 30, 2021*

***Refining.*** For the three months ended June 30, 2022, our refining Adjusted Gross Margin was $287.3 million, an increase of $234.8 million compared to $52.5 million for the three months ended June 30, 2021. The increase was primarily driven by improved crack spreads partially offset by unfavorable realized derivatives costs, including crack spread hedges, higher purchased product differentials, and higher inventory financing costs primarily at our Hawaii refinery. Adjusted Gross Margin for the Hawaii refinery increased from $2.73 per barrel during the three months ended June 30, 2021 to $18.71 per barrel during the three months ended June 30, 2022 primarily due to improved crack spreads, partially offset by unfavorable crude and purchased product differentials, unfavorable realized derivatives, and higher costs associated with our inventory financing agreement. Adjusted Gross Margin for the Wyoming refinery increased by $28.24 per barrel primarily due to improved crack spreads. Adjusted Gross Margin for the Washington refinery increased by $18.53 per barrel primarily due to improved crack spreads, partially offset by unfavorable feedstock costs.

***Logistics.*** For the three months ended June 30, 2022, our logistics Adjusted Gross Margin was $24.9 million, an increase of $1.5 million compared to $23.4 million for the three months ended June 30, 2021. The increase is primarily due to higher throughput revenues across our Washington and Wyoming assets.

***Retail.*** For the three months ended June 30, 2022, our retail Adjusted Gross Margin was $27.6 million, a decrease of $4.2 million compared to $31.8 million for the three months ended June 30, 2021. The decrease was primarily due to a 10% decline in sales volumes and a 5% decrease in fuel margins related to higher crude oil prices.

*Six months ended June 30, 2022 compared to the six months ended June 30, 2021*

***Refining.*** For the six months ended June 30, 2022, our refining Adjusted Gross Margin was $350.0 million, an increase of $244.3 million compared to $105.7 million for the six months ended June 30, 2021. The increase was primarily due to favorable crack spreads across all our refineries partially offset by unfavorable purchased product differentials and higher realized derivatives costs, including crack spread hedges, inventory financing agreement, fuel burn, and refined product costs. Adjusted Gross Margin for the Hawaii refinery improved from $3.51 per barrel during the six months ended June 30, 2021 to $11.22 per barrel during the six months ended June 30, 2022 primarily due to improved crack spreads, partially offset by unfavorable crude and purchased product differentials, unfavorable realized derivatives, and higher costs associated with our inventory financing agreement. Adjusted Gross Margin for the Wyoming refinery increased by $21.59 per barrel primarily due to improved crack spreads and a favorable FIFO change of $12.7 million, partially offset by unfavorable feedstock costs. Adjusted Gross Margin for the Washington refinery increased by $12.03 per barrel primarily due to favorable crack spreads partially offset by unfavorable feedstock costs and reduced sales volumes related to the 2022 turnaround.

***Logistics.*** For the six months ended June 30, 2022, our logistics Adjusted Gross Margin was $43.6 million, which was relatively consistent with $42.6 million for the six months ended June 30, 2021.

***Retail.*** For the six months ended June 30, 2022, our retail Adjusted Gross Margin was $53.6 million, a decrease of $3.5 million compared to $57.1 million for the six months ended June 30, 2021. The decrease was primarily due to a a 1% decrease in fuel margins related to higher crude oil prices and a 5% decline in fuel sales volumes.

**Discussion of Consolidated Results**

***Three months ended June 30, 2022 compared to the three months ended June 30, 2021***

***Revenues.*** For the three months ended June 30, 2022, revenues were $2.1 billion, a $0.9 billion increase compared to $1.2 billion for the three months ended June 30, 2021. The increase was primarily due to an increase of $0.9 billion in third-party refining segment revenue as a result of increases in Brent and WTI crude oil prices and an increase in average product crack spreads, partially offset by a 2% decrease in refining sales volumes. Average Brent crude oil prices increased to $111.98 per barrel during the second quarter of 2022 compared to $69.08 per barrel during the second quarter of 2021, and average WTI crude oil prices increased to $108.52 per barrel during the second quarter of 2022 compared to $66.17 per barrel during the second quarter of 2021. Revenues at our retail segment increased $28.8 million primarily due to a 48% increase in fuel prices.

***Cost of Revenues (Excluding Depreciation).*** For the three months ended June 30, 2022, cost of revenues (excluding depreciation) was $1.8 billion, a $0.6 billion increase compared to $1.2 billion for the three months ended June 30, 2021. The increase was primarily driven by higher Brent and WTI crude oil prices as discussed above and unfavorable purchased product differentials and derivatives costs at our Hawaii refinery, partially offset by lower refining sales volumes as discussed above and favorable changes in FIFO benefit at our Hawaii refinery. Other factors impacting our results period over period include 66% higher fuel costs at our retail segment.

***Operating Expense (Excluding Depreciation).*** For the three months ended June 30, 2022, operating expense (excluding depreciation) was $82.3 million, a $13.5 million increase when compared to $68.8 million for the three months ended June 30, 2021. The increase in operating expenses was primarily driven by higher utility and maintenance costs and increased employee costs.

***Depreciation and Amortization.*** For the three months ended June 30, 2022, D&A was $25.6 million, an increase of $2.1 million compared to $23.5 million for the three months ended June 30, 2021. The increase was primarily due to the amortization of our Washington refinery turnaround projects completed in the first quarter of 2022.

***Loss on Sale of Assets, Net.*** During the three months ended June 30, 2022, there was an immaterial loss on sale of assets. During the three months ended June 30, 2021, we recorded a loss of $0.5 million primarily related to the sale and disposal of certain retail locations.

***General and Administrative Expense (Excluding Depreciation).*** For the three months ended June 30, 2022, general and administrative expense (excluding depreciation) was $15.4 million, an increase of $3.2 million compared to $12.2 million for the three months ended June 30, 2021. The increase was primarily due to an increase in employee costs.

***Interest Expense and Financing Costs, Net.*** For the three months ended June 30, 2022, our interest expense and financing costs were $18.2 million, an increase of $1.0 million compared to $17.2 million for the three months ended June 30, 2021. The increase was primarily due to higher fees related to our inventory financing, partially offset by lower outstanding debt balances driven by the partial redemption of the outstanding 12.875% Senior Secured Notes in June 2021 and the repurchase and cancellation of a portion of such notes in the second quarter of 2022, and the final maturity of the 5.00% Convertible Senior Notes on June 15, 2021. Please read Note 7—Inventory Financing Agreements and Note 9—Debt to our condensed consolidated financial statements for further discussion on our intermediation agreements and indebtedness, respectively.

***Debt Extinguishment and Commitment Costs.*** For the three months ended June 30, 2021, our debt extinguishment costs were $6.6 million and primarily represented extinguishment costs associated with the redemption of $36.8 million of 12.875% Senior Secured Notes in June 2021. For the three months ended June 30, 2022, our debt extinguishment and commitment costs were $5.7 million and primarily represented extinguishment costs associated with the repurchase and cancellation of an additional $36.9 million of 12.875% Senior Secured Notes in the second quarter of 2022. Please read Note 9—Debt to our condensed consolidated financial statements for further discussion on our indebtedness.

***Income Taxes.*** For the three months ended June 30, 2022, we recorded income tax expense of $1.1 million primarily related to increased taxable income. For the three months ended June 30, 2021, we recorded an income tax expense of $0.6 million primarily related to foreign taxes.

***Six months ended June 30, 2022 compared to the six months ended June 30, 2021***

***Revenues.*** For the six months ended June 30, 2022, revenues were $3.5 billion, a $1.4 billion increase compared to $2.1 billion for the six months ended June 30, 2021. The increase was primarily due to an increase of $1.3 billion in third-party revenues at our refining segment, primarily related to higher crude oil prices and crack spreads across all our refining locations, partially offset by a 4% decrease in refining sales volume, primarily related to the Washington refinery turnaround in 2022. Average Brent crude oil prices rose to $104.98 in the six months ended June 30, 2022 compared to $65.22 per barrel in the six months ended June 30, 2021, and average WTI crude oil prices rose to $101.8 per barrel during the six months ended June 30, 2022 compared to $62.18 in the six months ended June 30, 2021. Revenues at our retail segment increased $57.5 million primarily due to a 45% increase in fuel prices.

***Cost of Revenues (Excluding Depreciation).*** For the six months ended June 30, 2022, cost of revenues (excluding depreciation) was $3.2 billion, a $1.1 billion increase compared to $2.1 billion for the six months ended June 30, 2021. The increase was primarily due to increases in Brent and WTI crude oil prices as discussed above, higher purchased product differentials and derivative costs at our Hawaii refinery, and higher costs associated with our inventory financing agreements, partially offset by a 4% decrease in refining sales volume and a favorable change in FIFO benefit at our Hawaii refinery. Other factors impacting our results period over period include 61% higher fuel costs at our retail segment.

***Operating Expense (Excluding Depreciation).*** For the six months ended June 30, 2022, operating expense (excluding depreciation) was $163.7 million, an increase of $20.7 million when compared to $143.0 million for the six months ended June 30, 2021. The increase was primarily driven by higher utility and maintenance expenses, increased employee costs, and higher rental expenses primarily related to the leases from our Hawaii sale-leaseback transactions in 2021.

***Depreciation and Amortization.*** For the six months ended June 30, 2022, D&A was $49.4 million, an increase of $3.0 million compared to $46.4 million for the six months ended June 30, 2021. The increase was primarily due to the amortization of our Washington refinery turnaround projects completed in the first quarter of 2022.

***Loss on Sale of Assets, Net.*** For the six months ended June 30, 2022, there was an immaterial loss on sale of assets, net. For the six months ended June 30, 2021, the gain on sale of assets, net was approximately $64.4 million and primarily related to the Hawaii sale-leaseback transactions we closed in the first quarter of 2021.

***General and Administrative Expense (Excluding Depreciation).*** For the six months ended June 30, 2022, general and administrative expense (excluding depreciation) was $31.3 million, an increase of $7.2 million compared to $24.1 million for the six months ended June 30, 2021. The increase was primarily due to higher employee costs.

***Interest Expense and Financing Costs, Net.*** For the six months ended June 30, 2022, our interest expense and financing costs were $34.5 million, a decrease of $0.8 million when compared to $35.3 million for the six months ended June 30, 2021. The decrease was primarily due to lower outstanding debt balances in 2022 driven by early partial repayments of the outstanding 12.875% Senior Secured Notes in the second quarters of 2021 and 2022 and the full repayment at maturity of the 5.00% Convertible Senior Notes in June 2021, partially offset by higher fees related to our inventory financing. Please read Note 7—Inventory Financing Agreements and Note 9—Debt to our condensed consolidated financial statements for further discussion on our intermediation agreements and indebtedness, respectively.

***Debt Extinguishment and Commitment Costs.*** For the six months ended June 30, 2021, our debt extinguishment and commitment costs were $8.1 million and primarily represented $6.6 million in extinguishment costs associated with the redemption of $36.8 million of 12.875% Senior Secured Notes in June 2021 and $1.4 million in extinguishment costs associated with the repayment of the Retail Property Term Loan on February 23, 2021. For the six months ended June 30, 2022, our debt extinguishment and commitment costs were $5.7 million and primarily represented extinguishment costs associated with the repurchase and cancellation of an additional $36.9 million of 12.875% Senior Secured Notes in the second quarter of 2022. Please read Note 9—Debt to our condensed consolidated financial statements for further discussion on our indebtedness.

***Gain on Curtailment of Pension Obligation.*** For the six months ended June 30, 2021, we recorded a $2.0 million gain on curtailment of pension obligation related to the March 2021 Wyoming Refining plan amendment. No such gain was recorded during the six months ended June 30, 2022.

***Income Taxes.*** For the six months ended June 30, 2022, we recorded an income tax expense of $0.7 million primarily related to increased taxable income. For the six months ended June 30, 2021, we recorded an income tax expense of $0.6 million primarily driven by foreign taxes.

***Consolidating Condensed Financial Information***

On December 21, 2017, Par Petroleum, LLC (the "Issuer") issued its 7.75% Senior Secured Notes due 2025 in a private offering under Rule 144A and Regulation S of the Securities Act. On January 11, 2019, the Issuers (defined below) entered into a term loan and guaranty agreement with Goldman Sachs Bank USA, as administrative agent, and the lenders party thereto with respect to a $250.0 million term loan (the "Term Loan B"). On June 5, 2020, the Issuers issued their 12.875% Senior Secured Notes due 2026 in a private offering under Rule 144A and Regulation S of the Securities Act. The 7.75% Senior Secured Notes, the Term Loan B, and the 12.875% Senior Secured Notes were co-issued by Par Petroleum Finance Corp. (together with the Issuer, the "Issuers"), which has no independent assets or operations. The 7.75% Senior Secured Notes, Term Loan B, and 12.875% Senior Secured Notes are guaranteed on a senior unsecured basis only as to payment of principal and interest by Par Pacific Holdings, Inc. (the "Parent") and are guaranteed on a senior secured basis by all of the subsidiaries of Par Petroleum, LLC.

The following supplemental condensed consolidating financial information reflects (i) the Parent's separate accounts, (ii) Par Petroleum, LLC and its consolidated subsidiaries' accounts (which are all guarantors of the 7.75% Senior Secured Notes, Term Loan B, and 12.875% Senior Secured Notes), (iii) the accounts of subsidiaries of the Parent that are not guarantors of the 7.75% Senior Secured Notes, Term Loan B, or 12.875% Senior Secured Notes and consolidating adjustments and eliminations, and (iv) the Parent's consolidated accounts for the dates and periods indicated. For purposes of the following condensed consolidating information, the Parent's investment in its subsidiaries is accounted for under the equity method of accounting (dollar amounts in thousands).

| | As of June 30, 2022 | | | |
|---|---|---|---|---|
| | Parent Guarantor | Issuer and Subsidiaries | Non-Guarantor Subsidiaries and Eliminations | Par Pacific Holdings, Inc. and Subsidiaries |
| **ASSETS** | | | | |
| **Current assets** | | | | |
| Cash and cash equivalents | $ 4,804 | $ 181,345 | $ 29 | $ 186,178 |
| Restricted cash | 330 | 3,670 | — | 4,000 |
| Trade accounts receivable | — | 370,771 | 2 | 370,773 |
| Inventories | — | 1,160,166 | — | 1,160,166 |
| Prepaid and other current assets | 6,489 | 123,753 | (4) | 130,238 |
| Due from related parties | 103,766 | — | (103,766) | — |
| **Total current assets** | 115,389 | 1,839,705 | (103,739) | 1,851,355 |
| **Property, plant, and equipment** | | | | |
| Property, plant, and equipment | 19,740 | 1,173,052 | 3,955 | 1,196,747 |
| Less accumulated depreciation and amortization | (14,983) | (338,875) | (3,027) | (356,885) |
| **Property, plant, and equipment, net** | 4,757 | 834,177 | 928 | 839,862 |
| **Long-term assets** | | | | |
| Operating lease right-of-use assets | 2,969 | 330,088 | — | 333,057 |
| Investment in subsidiaries | 229,798 | — | (229,798) | — |
| Intangible assets, net | — | 14,905 | — | 14,905 |
| Goodwill | — | 124,664 | 2,598 | 127,262 |
| Other long-term assets | 723 | 90,347 | (12,171) | 78,899 |
| **Total assets** | $ 353,636 | $ 3,233,886 | $ (342,182) | $ 3,245,340 |
| **LIABILITIES AND STOCKHOLDERS' EQUITY** | | | | |
| **Current liabilities** | | | | |
| Current maturities of long-term debt | $ — | $ 10,874 | $ — | $ 10,874 |
| Obligations under inventory financing agreements | — | 1,189,448 | — | 1,189,448 |
| Accounts payable | 1,523 | 247,687 | 1,479 | 250,689 |
| Accrued taxes | 22 | 37,173 | — | 37,195 |
| Operating lease liabilities | 556 | 51,122 | — | 51,678 |
| Other accrued liabilities | 2,064 | 567,616 | 371 | 570,051 |
| Due to related parties | 66,995 | 42,470 | (109,465) | — |
| **Total current liabilities** | 71,160 | 2,146,390 | (107,615) | 2,109,935 |
| **Long-term liabilities** | | | | |
| Long-term debt, net of current maturities | — | 508,997 | — | 508,997 |
| Finance lease liabilities | 2 | 11,673 | (4,461) | 7,214 |
| Operating lease liabilities | 3,745 | 283,903 | — | 287,648 |
| Other liabilities | — | 39,375 | 13,442 | 52,817 |
| **Total liabilities** | 74,907 | 2,990,338 | (98,634) | 2,966,611 |
| **Commitments and contingencies** | | | | |
| **Stockholders' equity** | | | | |
| Preferred stock | — | — | — | — |
| Common stock | 602 | — | — | 602 |
| Additional paid-in capital | 827,623 | 409,686 | (409,686) | 827,623 |
| Accumulated earnings (deficit) | (551,998) | (167,943) | 167,943 | (551,998) |
| Accumulated other comprehensive income (loss) | 2,502 | 1,805 | (1,805) | 2,502 |
| **Total stockholders' equity** | 278,729 | 243,548 | (243,548) | 278,729 |
| **Total liabilities and stockholders' equity** | $ 353,636 | $ 3,233,886 | $ (342,182) | $ 3,245,340 |

| | As of December 31, 2021 | | | |
|---|---|---|---|---|
| | Parent Guarantor | Issuer and Subsidiaries | Non-Guarantor Subsidiaries and Eliminations | Par Pacific Holdings, Inc. and Subsidiaries |
| **ASSETS** | | | | |
| **Current assets** | | | | |
| Cash and cash equivalents | $ 4,086 | $ 108,105 | $ 30 | $ 112,221 |
| Restricted cash | 330 | 3,670 | — | 4,000 |
| Trade accounts receivable | — | 195,104 | 4 | 195,108 |
| Inventories | — | 790,317 | — | 790,317 |
| Prepaid and other current assets | 15,664 | 12,864 | (3) | 28,525 |
| Due from related parties | 94,676 | — | (94,676) | — |
| **Total current assets** | 114,756 | 1,110,060 | (94,645) | 1,130,171 |
| **Property, plant, and equipment** | | | | |
| Property, plant, and equipment | 19,535 | 1,156,906 | 3,956 | 1,180,397 |
| Less accumulated depreciation and amortization | (13,869) | (307,091) | (2,932) | (323,892) |
| **Property, plant, and equipment, net** | 5,666 | 849,815 | 1,024 | 856,505 |
| **Long-term assets** | | | | |
| Operating lease right-of-use assets | 3,280 | 380,544 | — | 383,824 |
| Investment in subsidiaries | 207,483 | — | (207,483) | — |
| Intangible assets, net | — | 16,234 | — | 16,234 |
| Goodwill | — | 124,664 | 2,598 | 127,262 |
| Other long-term assets | 724 | 57,382 | (1,851) | 56,255 |
| **Total assets** | $ 331,909 | $ 2,538,699 | $ (300,357) | $ 2,570,251 |
| **LIABILITIES AND STOCKHOLDERS' EQUITY** | | | | |
| **Current liabilities** | | | | |
| Current maturities of long-term debt | $ — | $ 10,841 | $ — | $ 10,841 |
| Obligations under inventory financing agreements | — | 737,704 | — | 737,704 |
| Accounts payable | 1,386 | 151,676 | 1,481 | 154,543 |
| Accrued taxes | 48 | 28,593 | — | 28,641 |
| Operating lease liabilities | 608 | 53,032 | — | 53,640 |
| Other accrued liabilities | 9,805 | 360,246 | 373 | 370,424 |
| Due to related parties | 50,195 | 10,261 | (60,456) | — |
| **Total current liabilities** | 62,042 | 1,352,353 | (58,602) | 1,355,793 |
| **Long-term liabilities** | | | | |
| Long-term debt, net of current maturities | — | 553,717 | — | 553,717 |
| Finance lease liabilities | 17 | 12,192 | (4,518) | 7,691 |
| Operating lease liabilities | 4,150 | 330,944 | — | 335,094 |
| Other liabilities | — | 63,098 | (10,842) | 52,256 |
| **Total liabilities** | 66,209 | 2,312,304 | (73,962) | 2,304,551 |
| **Commitments and contingencies** | | | | |
| **Stockholders' equity** | | | | |
| Preferred stock | — | — | — | — |
| Common stock | 602 | — | — | 602 |
| Additional paid-in capital | 821,713 | 409,686 | (409,686) | 821,713 |
| Accumulated earnings (deficit) | (559,117) | (185,096) | 185,096 | (559,117) |
| Accumulated other comprehensive income (loss) | 2,502 | 1,805 | (1,805) | 2,502 |
| **Total stockholders' equity** | 265,700 | 226,395 | (226,395) | 265,700 |
| **Total liabilities and stockholders' equity** | $ 331,909 | $ 2,538,699 | $ (300,357) | $ 2,570,251 |

| | Three Months Ended June 30, 2022 | | | |
|---|---|---|---|---|
| | Parent Guarantor | Issuer and Subsidiaries | Non-Guarantor Subsidiaries and Eliminations | Par Pacific Holdings, Inc. and Subsidiaries |
| **Revenues** | $ — | $ 2,106,284 | $ 48 | $ 2,106,332 |
| | | | | |
| **Operating expenses** | | | | |
| Cost of revenues (excluding depreciation) | — | 1,808,925 | — | 1,808,925 |
| Operating expense (excluding depreciation) | — | 82,342 | — | 82,342 |
| Depreciation and amortization | 576 | 24,960 | 47 | 25,583 |
| Loss (gain) on sale of assets, net | 27 | (12) | — | 15 |
| General and administrative expense (excluding depreciation) | 4,756 | 10,682 | — | 15,438 |
| Acquisition and integration costs | — | — | — | — |
| **Total operating expenses** | 5,359 | 1,926,897 | 47 | 1,932,303 |
| | | | | |
| **Operating income (loss)** | (5,359) | 179,387 | 1 | 174,029 |
| | | | | |
| **Other income (expense)** | | | | |
| Interest expense and financing costs, net | (4) | (18,242) | 92 | (18,154) |
| Debt extinguishment and commitment costs | — | (5,672) | — | (5,672) |
| Other income (expense), net | 3 | 44 | — | 47 |
| Equity earnings (losses) from subsidiaries | 154,485 | — | (154,485) | — |
| **Total other income (expense), net** | 154,484 | (23,870) | (154,393) | (23,779) |
| | | | | |
| **Income (loss) before income taxes** | 149,125 | 155,517 | (154,392) | 150,250 |
| Income tax benefit (expense) (1) | — | (38,096) | 36,971 | (1,125) |
| **Net income (loss)** | $ 149,125 | $ 117,421 | $ (117,421) | $ 149,125 |
| | | | | |
| **Adjusted EBITDA** | $ (4,753) | $ 246,798 | $ 48 | $ 242,093 |

| | Three Months Ended June 30, 2021 | | | |
|---|---|---|---|---|
| | Parent Guarantor | Issuer and Subsidiaries | Non-Guarantor Subsidiaries and Eliminations | Par Pacific Holdings, Inc. and Subsidiaries |
| **Revenues** | $ — | $ 1,217,501 | $ 24 | $ 1,217,525 |
| | | | | |
| **Operating expenses** | | | | |
| Cost of revenues (excluding depreciation) | — | 1,197,298 | — | 1,197,298 |
| Operating expense (excluding depreciation) | — | 68,821 | — | 68,821 |
| Depreciation and amortization | 618 | 22,882 | 48 | 23,548 |
| Loss (gain) on sale of assets, net | — | 569 | (59) | 510 |
| General and administrative expense (excluding depreciation) | 3,104 | 9,097 | — | 12,201 |
| Acquisition and integration costs | (352) | — | — | (352) |
| **Total operating expenses** | 3,370 | 1,298,667 | (11) | 1,302,026 |
| | | | | |
| **Operating income (loss)** | (3,370) | (81,166) | 35 | (84,501) |
| | | | | |
| **Other income (expense)** | | | | |
| Interest expense and financing costs, net | (1,204) | (16,074) | 92 | (17,186) |
| Debt extinguishment and commitment costs | — | (6,628) | — | (6,628) |
| Gain on curtailment of pension obligation | — | — | — | — |
| Other income (expense), net | (6) | (31) | 1 | (36) |
| Equity earnings (losses) from subsidiaries | (104,361) | — | 104,361 | — |
| **Total other income (expense), net** | (105,571) | (22,733) | 104,454 | (23,850) |
| | | | | |
| **Income (loss) before income taxes** | (108,941) | (103,899) | 104,489 | (108,351) |
| Income tax benefit (expense) (1) | (17) | 28,655 | (29,245) | (607) |
| **Net income (loss)** | $ (108,958) | $ (75,244) | $ 75,244 | $ (108,958) |
| | | | | |
| **Adjusted EBITDA** | $ (3,110) | $ 29,736 | $ 25 | $ 26,651 |

| | Six Months Ended June 30, 2022 | | | |
|---|---|---|---|---|
| | Parent Guarantor | Issuer and Subsidiaries | Non-Guarantor Subsidiaries and Eliminations | Par Pacific Holdings, Inc. and Subsidiaries |
| **Revenues** | $ — | $ 3,456,564 | $ 61 | $ 3,456,625 |
| | | | | |
| **Operating expenses** | | | | |
| Cost of revenues (excluding depreciation) | — | 3,159,174 | — | 3,159,174 |
| Operating expense (excluding depreciation) | — | 163,746 | — | 163,746 |
| Depreciation and amortization | 1,204 | 48,063 | 96 | 49,363 |
| Loss (gain) on sale of assets, net | 27 | (12) | — | 15 |
| General and administrative expense (excluding depreciation) | 8,934 | 22,397 | — | 31,331 |
| Acquisition and integration costs | 63 | — | — | 63 |
| **Total operating expenses** | 10,228 | 3,393,368 | 96 | 3,403,692 |
| | | | | |
| **Operating income (loss)** | (10,228) | 63,196 | (35) | 52,933 |
| | | | | |
| **Other income (expense)** | | | | |
| Interest expense and financing costs, net | (9) | (34,725) | 186 | (34,548) |
| Debt extinguishment and commitment costs | — | (5,672) | — | (5,672) |
| Other income (expense), net | (4) | 53 | — | 49 |
| Equity earnings (losses) from subsidiaries | 22,315 | — | (22,315) | — |
| **Total other income (expense), net** | 22,302 | (40,344) | (22,129) | (40,171) |
| | | | | |
| **Income (loss) before income taxes** | 12,074 | 22,852 | (22,164) | 12,762 |
| Income tax benefit (expense) (1) | — | (5,699) | 5,011 | (688) |
| **Net income (loss)** | $ 12,074 | $ 17,153 | $ (17,153) | $ 12,074 |
| | | | | |
| **Adjusted EBITDA** | $ (8,587) | $ 263,003 | $ 61 | $ 254,477 |

| | Six Months Ended June 30, 2021 | | | |
|---|---|---|---|---|
| | Parent Guarantor | Issuer and Subsidiaries | Non-Guarantor Subsidiaries and Eliminations | Par Pacific Holdings, Inc. and Subsidiaries |
| **Revenues** | $ — | $ 2,106,181 | $ 24 | $ 2,106,205 |
| | | | | |
| **Operating expenses** | | | | |
| Cost of revenues (excluding depreciation) | — | 2,086,161 | — | 2,086,161 |
| Operating expense (excluding depreciation) | — | 143,726 | (717) | 143,009 |
| Depreciation and amortization | 1,284 | 45,001 | 143 | 46,428 |
| Loss (gain) on sale of assets, net | — | (10,639) | (53,763) | (64,402) |
| General and administrative expense (excluding depreciation) | 6,209 | 17,877 | — | 24,086 |
| Acquisition and integration costs | 86 | — | — | 86 |
| **Total operating expenses** | 7,579 | 2,282,126 | (54,337) | 2,235,368 |
| | | | | |
| **Operating income (loss)** | (7,579) | (175,945) | 54,361 | (129,163) |
| | | | | |
| **Other income (expense)** | | | | |
| Interest expense and financing costs, net | (2,494) | (32,971) | 128 | (35,337) |
| Debt extinguishment and commitment costs | — | (6,719) | (1,416) | (8,135) |
| Gain on curtailment of pension obligation | — | 2,032 | — | 2,032 |
| Other income (expense), net | (13) | 38 | — | 25 |
| Equity earnings (losses) from subsidiaries | (161,082) | — | 161,082 | — |
| **Total other income (expense), net** | (163,589) | (37,620) | 159,794 | (41,415) |
| | | | | |
| **Income (loss) before income taxes** | (171,168) | (213,565) | 214,155 | (170,578) |
| Income tax benefit (expense) (1) | (17) | 51,528 | (52,118) | (607) |
| **Net income (loss)** | $ (171,185) | $ (162,037) | $ 162,037 | $ (171,185) |
| | | | | |
| **Adjusted EBITDA** | $ (6,222) | $ 45,849 | $ 741 | $ 40,368 |

(1) The income tax benefit (expense) of the Parent Guarantor and Issuer and Subsidiaries is determined using the separate return method. The Non-Guarantor Subsidiaries and Eliminations column includes tax benefits recognized at the Par consolidated level that are primarily associated with changes to the consolidated valuation allowance and other deferred tax balances.

### *Non-GAAP Financial Measures*

Adjusted EBITDA for the supplemental consolidating condensed financial information, which is segregated at the "Parent Guarantor," "Issuer and Subsidiaries," and "Non-Guarantor Subsidiaries and Eliminations" levels, is calculated in the same manner as for the Par Pacific Holdings, Inc. Adjusted EBITDA calculations. See "Results of Operations — Non-GAAP Performance Measures — Adjusted Net Income (Loss) and Adjusted EBITDA" above.

The following tables present a reconciliation of Adjusted EBITDA to the most directly comparable GAAP financial measure, Net income (loss), on a historical basis for the periods indicated (in thousands):

| | Three Months Ended June 30, 2022 | | | |
|---|---|---|---|---|
| | Parent Guarantor | Issuer and Subsidiaries | Non-Guarantor Subsidiaries and Eliminations | Par Pacific Holdings, Inc. and Subsidiaries |
| **Net income (loss)** | $ 149,125 | $ 117,421 | $ (117,421) | $ 149,125 |
| Inventory valuation adjustment | — | (7,557) | — | (7,557) |
| RINs mark-to-market adjustments | — | 78,548 | — | 78,548 |
| Unrealized loss (gain) on derivatives | — | (28,607) | — | (28,607) |
| Acquisition and integration costs | — | — | — | — |
| Debt extinguishment and commitment costs | — | 5,672 | — | 5,672 |
| Severance costs | — | 35 | — | 35 |
| Loss (gain) on sale of assets, net | 27 | (12) | — | 15 |
| Depreciation and amortization | 576 | 24,960 | 47 | 25,583 |
| Interest expense and financing costs, net | 4 | 18,242 | (92) | 18,154 |
| Equity losses (income) from subsidiaries | (154,485) | — | 154,485 | — |
| Income tax expense (benefit) | — | 38,096 | (36,971) | 1,125 |
| **Adjusted EBITDA (3)** | $ (4,753) | $ 246,798 | $ 48 | $ 242,093 |

| | Three Months Ended June 30, 2021 | | | |
|---|---|---|---|---|
| | Parent Guarantor | Issuer and Subsidiaries | Non-Guarantor Subsidiaries and Eliminations | Par Pacific Holdings, Inc. and Subsidiaries |
| **Net income (loss)** | $ (108,958) | $ (75,244) | $ 75,244 | $ (108,958) |
| Inventory valuation adjustment | — | 29,657 | — | 29,657 |
| LIFO liquidation adjustment | — | 2,263 | — | 2,263 |
| RINs mark-to-market adjustments | — | 54,158 | — | 54,158 |
| Unrealized loss on derivatives | — | 1,404 | — | 1,404 |
| Acquisition and integration costs | (352) | — | — | (352) |
| Debt extinguishment and commitment costs | — | 6,628 | — | 6,628 |
| Loss (gain) on sale of assets, net | — | 569 | (59) | 510 |
| Depreciation and amortization | 618 | 22,882 | 48 | 23,548 |
| Interest expense and financing costs, net | 1,204 | 16,074 | (92) | 17,186 |
| Equity losses (income) from subsidiaries | 104,361 | — | (104,361) | — |
| Income tax expense (benefit) | 17 | (28,655) | 29,245 | 607 |
| **Adjusted EBITDA (3)** | $ (3,110) | $ 29,736 | $ 25 | $ 26,651 |

| | Six Months Ended June 30, 2022 | | | |
|---|---|---|---|---|
| | Parent Guarantor | Issuer and Subsidiaries | Non-Guarantor Subsidiaries and Eliminations | Par Pacific Holdings, Inc. and Subsidiaries |
| **Net income (loss)** | $ 12,074 | $ 17,153 | $ (17,153) | $ 12,074 |
| Inventory valuation adjustment | — | 73,096 | — | 73,096 |
| RINs mark-to-market adjustments | — | 89,850 | — | 89,850 |
| Unrealized loss (gain) on derivatives | — | (13,155) | — | (13,155) |
| Acquisition and integration costs | 63 | — | — | 63 |
| Debt extinguishment and commitment costs | — | 5,672 | — | 5,672 |
| Severance costs | 351 | 1,912 | — | 2,263 |
| Loss (gain) on sale of assets, net | 27 | (12) | — | 15 |
| Depreciation and amortization | 1,204 | 48,063 | 96 | 49,363 |
| Interest expense and financing costs, net | 9 | 34,725 | (186) | 34,548 |
| Equity losses (income) from subsidiaries | (22,315) | — | 22,315 | — |
| Income tax expense (benefit) | — | 5,699 | (5,011) | 688 |
| **Adjusted EBITDA (1)** | $ (8,587) | $ 263,003 | $ 61 | $ 254,477 |

| | Six Months Ended June 30, 2021 | | | |
|---|---|---|---|---|
| | Parent Guarantor | Issuer and Subsidiaries | Non-Guarantor Subsidiaries and Eliminations | Par Pacific Holdings, Inc. and Subsidiaries |
| **Net income (loss)** | $ (171,185) | $ (162,037) | $ 162,037 | $ (171,185) |
| Inventory valuation adjustment | — | 52,743 | — | 52,743 |
| LIFO liquidation adjustment | — | 4,151 | — | 4,151 |
| RINs mark-to-market adjustments | — | 131,060 | — | 131,060 |
| Unrealized loss (gain) on derivatives | — | (2,608) | — | (2,608) |
| Acquisition and integration costs | 86 | — | — | 86 |
| Debt extinguishment and commitment costs | — | 6,719 | 1,416 | 8,135 |
| Severance costs | — | 16 | — | 16 |
| Loss (gain) on sale of assets, net | — | (10,639) | (53,763) | (64,402) |
| Depreciation and amortization | 1,284 | 45,001 | 143 | 46,428 |
| Interest expense and financing costs, net | 2,494 | 32,971 | (128) | 35,337 |
| Equity losses (income) from subsidiaries | 161,082 | — | (161,082) | — |
| Income tax expense (benefit) | 17 | (51,528) | 52,118 | 607 |
| **Adjusted EBITDA (1)** | $ (6,222) | $ 45,849 | $ 741 | $ 40,368 |

(1) For the three and six months ended June 30, 2022 and 2021, there was no change in valuation allowance and other deferred tax items, change in value of common stock warrants, impairment expense, impairment of investment in Laramie Energy, unrealized gain on derivatives included in equity earnings from Laramie Energy, or equity losses from Laramie Energy. For the three and six months ended June 30, 2022, there was no LIFO liquidation adjustment.

**Liquidity and Capital Resources**

Our liquidity and capital requirements are primarily a function of our debt maturities and debt service requirements and contractual obligations, capital expenditures, turnaround outlays, and working capital needs. Examples of working capital needs include purchases and sales of commodities and associated margin and collateral requirements, facility maintenance costs, and other costs such as payroll. Our primary sources of liquidity are cash flows from operations, cash on hand, amounts available under our credit agreements, and access to capital markets.

Our liquidity position as of June 30, 2022 was $285.8 million and consisted of $280.9 million at Par Petroleum, LLC and subsidiaries, $4.8 million at Par Pacific Holdings, and $0.1 million at all our other subsidiaries.

As of June 30, 2022, we had access to the ABL Credit Facility, the J. Aron Discretionary Draw Facility, the MLC receivable advances, and cash on hand of $186.2 million. In addition, we have the Supply and Offtake Agreement with J. Aron and the Washington Refinery Intermediation Agreement, which are used to finance the majority of the inventory at our Hawaii and Washington refineries, respectively. Generally, the primary uses of our capital resources have been in the operations of our refining and retail segments, payments related to acquisitions, and to repay or refinance indebtedness.

We believe our cash flows from operations and available capital resources will be sufficient to meet our current capital expenditures, working capital, and debt service requirements for the next 12 months. We may seek to raise additional debt or equity capital to fund any other significant changes to our business or to refinance existing debt. We cannot offer any assurances that such capital will be available in sufficient amounts or at an acceptable cost.

We may from time to time seek to retire or repurchase our 7.75% Senior Secured Notes, our 12.875% Senior Secured Notes, or our common stock through cash purchases and/or exchanges for equity securities, in open market purchases, privately negotiated transactions, or otherwise. Such repurchases or exchanges, if any, will depend on prevailing market conditions, our liquidity requirements, contractual restrictions, and other factors. The amounts involved may be material. The Term Loan B Facility may also require annual prepayments of principal with a variable percentage of our excess cash flow, 50% or 25% depending on our consolidated year end secured leverage ratio (as defined in the Term Loan B Facility agreement).

***Cash Flows***

The following table summarizes cash activities for the six months ended June 30, 2022 and 2021 (in thousands):

| | Six Months Ended June 30, | |
|---|---|---|
| | 2022 | 2021 |
| Net cash provided by operating activities | $ 27,657 | $ 1,815 |
| Net cash provided by (used in) investing activities | (28,952) | 88,847 |
| Net cash provided by financing activities | 75,252 | 15,358 |

***Cash flows for the six months ended June 30, 2022***

Net cash provided by operating activities for the six months ended June 30, 2022 was driven primarily by non-cash charges to operations of approximately $49.9 million and net income of $12.1 million, partially offset by net cash used for changes in operating assets and liabilities of approximately $34.3 million. Non-cash charges to operations consisted primarily of the following adjustments:

- depreciation and amortization expenses of $49.4 million;
- stock based compensation costs of $5.8 million; and
- debt commitment and extinguishment costs of $5.7 million;

partially offset by

- unrealized gain on derivatives contracts of $13.2 million.

Net cash used for changes in operating assets and liabilities resulted primarily from:

- net increases in our inventories and accounts receivable resulting from higher crude oil and refined product prices and higher inventory volumes at our Hawaii refinery; and
- increase in prepaid and other primarily driven by $66.1 million increase in collateral posted with broker to support commodity derivative positions;

partially offset by

- net increases in our Supply and Offtake Agreement and Washington Refinery Intermediation Agreement obligations and accounts payable; and
- an increase in gross environmental credit obligations primarily related to current period production volumes and increases in RINs prices.

Net cash used in investing activities for the six months ended June 30, 2022 consisted primarily of $29.0 million in additions to property, plant, and equipment driven by profit improvement and turnaround projects including crude recovery and debottlenecking projects at our Tacoma refinery, maintenance and tank replacement projects at our Wyoming refinery, and co-generation engine and combustion and tank projects at our Hawaii refinery.

Net cash provided by financing activities was approximately $75.3 million for the six months ended June 30, 2022 and consisted primarily of the following activities:

- net borrowings under the J. Aron Discretionary Draw Facility and MLC receivable advances of $142.3 million;

partially offset by

- net repayments of debt of $57.0 million primarily driven by the partial repurchase and cancellation of our 7.75% Senior Secured Notes and 12.875% Senior Secured Notes;
- repurchases of common stock of $6.5 million.

***Cash flows for the six months ended June 30, 2021***

Net cash provided by operating activities was approximately $1.8 million for the six months ended June 30, 2021, which resulted from a net loss of approximately $171.2 million, partially offset by net cash provided by changes in operating assets and liabilities of approximately $191.2 million and non-cash earnings from operations of approximately $18.2 million. The change in our operating assets and liabilities for the six months ended June 30, 2021 was primarily due to an increase in our gross environmental credit obligations of $204.0 million and a net increase in our Supply and Offtake Agreement and Washington Refinery Intermediation Agreement obligations of $199.6 million, partially offset by increases in inventories of $184.1 million and accounts receivable of $99.5 million. Net cash provided by changes in operating assets and liabilities also includes an increase of $5.7 million in deferred turnaround costs.

Net cash provided by investing activities was approximately $88.8 million for the six months ended June 30, 2021 and primarily related to proceeds received from the 2021 Hawaii sale-leaseback transactions partially offset by $14.0 million of additions to property, plant, and equipment.

Net cash provided by financing activities for the six months ended June 30, 2021 was approximately $15.4 million, which consisted primarily of proceeds of $87.2 million from our March 2021 equity offering of common stock and net borrowings associated with the J. Aron deferred payment and MLC receivable advances of approximately $76.0 million, partially offset by net debt and insurance premium repayments of approximately $141.3 million and $5.6 million in extinguishment costs related to the repayment of the Retail Property Term Loan and the redemption of a portion of the 12.875% Senior Secured Notes.

***Cash Requirements***

There have been no material changes to the cash requirements disclosed in our Annual Report on Form 10-K for the year ended December 31, 2021, outside the ordinary course of business except as follows:

***Washington Refinery Intermediation Agreement.*** We and MLC entered into amendments to the Washington Refinery Intermediation Agreement on March 9, 2022, and May 9, 2022, which, among other things, increased the MLC receivable advances. Please read Note 7—Inventory Financing Agreements for more information.

***Supply and Offtake Agreement.*** We and J. Aron entered into amendments to the Supply and Offtake Agreement on April 25, 2022, and May 17, 2022, which, among other things, increased the capacity under the Discretionary Draw Facility. Please read Note 7—Inventory Financing Agreements for more information.

***ABL Credit Facility.*** On February 2, 2022, the ABL Borrowers entered into the ABL Loan Agreement with certain lenders and Bank of America, N.A., which amended and restated the first Loan and Security Agreement in its entirety. The ABL Loan Agreement was further amended on March 30, 2022. Please read Note 9—Debt for more information.

***Debt Repayments.*** During the six months ended June 30, 2022, we repurchased and cancelled $5.0 million and $36.9 million in aggregate principal amounts of the 7.75% Senior Secured Notes and 12.875% Senior Secured Notes, respectively. Please read Note 9—Debt for more information.

**Critical Accounting Estimates**

There have been no material changes to critical accounting estimates disclosed in our Annual Report on Form 10-K.

**Forward-Looking Statements**

Certain statements in this Quarterly Report on Form 10-Q may constitute “forward-looking” statements as defined in Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), the Private Securities Litigation Reform Act of 1995 (“PSLRA”), or in releases made by the SEC, all as may be amended from time to time. Such forward-looking statements involve known and unknown risks, uncertainties, and other important factors including, without limitation, our expectations regarding the impact of COVID-19 along with a number of recent global events including the conflict between Russia and Ukraine and certain developments in the global crude oil markets on our business, our customers, and the markets where we operate; our beliefs regarding available capital resources; our beliefs regarding the likely results or impact of certain disputes or contingencies and any potential fines or penalties; our beliefs regarding the fair value of certain assets, and our expectations with respect to laws and regulations, including environmental regulations and related compliance costs and any fines or penalties related thereto; our expectations regarding the sufficiency of our cash flows and liquidity; our expectations regarding anticipated capital expenditures, including the timing and cost of compliance with consent decrees and other enforcement actions; our expectations regarding the impact of the adoption of certain accounting standards; our estimates regarding the fair value of certain indebtedness; estimated costs to settle claims from the Delta bankruptcy; the estimated value of, and our ability to settle, legal claims remaining to be settled against third parties; our expectations regarding the synergies or other benefits of our acquisitions; our expectations regarding certain tax liabilities and debt obligations; management’s assumptions about future events; our ability to raise additional debt or equity capital; our ability to make strategic investments in business opportunities; and the estimates, assumptions, and projections regarding future financial condition, results of operations, liquidity, and cash flows. These and other forward-looking statements could cause the actual results, performance, or achievements of Par and its subsidiaries to differ materially from any future results, performance, or achievements expressed or implied by such forward-looking statements. Statements that are not historical fact are forward-looking statements. Forward-looking statements can be identified by, among other things, the use of forward-looking language, such as the words “plan,” “believe,” “expect,” “anticipate,” “intend,” “estimate,” “project,” “may,” “will,” “would,” “could,” “should,” “seeks,” or “scheduled to,” or other similar words, or the negative of these terms or other variations of these terms or comparable language, or by discussion of strategy or intentions. These cautionary statements are being made pursuant to the Securities Act, the Exchange Act, and the PSLRA with the intention of obtaining the benefits of the “safe harbor” provisions of such laws.

The forward-looking statements contained in this Quarterly Report on Form 10-Q are largely based on our expectations, which reflect estimates and assumptions made by our management. These estimates and assumptions reflect our best judgment based on currently known market conditions and other factors. Although we believe such estimates and assumptions to be reasonable, they are inherently uncertain and involve a number of risks and uncertainties that are beyond our control, including those set out in our most recent Annual Report on Form 10-K and this Quarterly Report on Form 10-Q under “Risk Factors.”

In addition, management’s assumptions about future events may prove to be inaccurate. All readers are cautioned that the forward-looking statements contained in this Quarterly Report on Form 10-Q are not guarantees of future performance; and we cannot assure any reader that such statements will be realized or that the forward-looking events and circumstances will occur. Actual results may differ materially from those anticipated or implied in the forward-looking statements due to factors described above and under Critical Accounting Estimates and Risk Factors included in our most recent Annual Report on Form 10-K and in this Quarterly Report on Form 10-Q. All forward-looking statements speak only as of the date they are made. Additionally, significant uncertainties remain with respect to COVID-19 and its economic effects. Due to the unpredictable and unprecedented nature of the COVID-19 pandemic, we cannot identify all potential risks to, and impacts on, our business, including the ultimate adverse economic impact to the Company’s business, results of operations, financial condition, and liquidity. There can be no guarantee that the operational and financial measures the Company has taken, and may take in the future, will be fully effective. We do not intend to update or revise any forward-looking statements as a result of new information, future events, or otherwise. These cautionary statements qualify all forward-looking statements attributable to us or persons acting on our behalf.

## Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

**Commodity Price Risk**

Our earnings, cash flows, and liquidity are significantly affected by commodity price volatility. Our Revenues fluctuate with refined product prices and our Cost of revenues (excluding depreciation) fluctuates with movements in crude oil and feedstock prices. Assuming all other factors remain constant, a $1 per barrel change in average gross refining margins, based on our throughput for the three months ended June 30, 2022 of 141 thousand barrels per day, would change annualized operating income by approximately $50.9 million. This analysis may differ from actual results.

In order to manage commodity price risks, we utilize exchange-traded futures, options, and over-the-counter (“OTC”) swaps associated with:

- the price for which we sell our refined products;
- the price we pay for crude oil and other feedstocks;
- our crude oil and refined products inventory; and
- our fuel requirements for our refineries.

All of our futures and OTC swaps are executed to economically hedge our physical commodity purchases, sales, and inventory. All our open futures and OTC swaps at June 30, 2022, will settle by March 2023. Based on our net open positions at June 30, 2022, a $1 change in the price of crude oil, assuming all other factors remain constant, would result in a change of approximately $2.7 million to the fair value of these derivative instruments and Cost of revenues (excluding depreciation).

Our predominant variable operating cost is the cost of fuel consumed in the refining process, which is included in Cost of revenues (excluding depreciation) on our condensed consolidated statements of operations. For the three and six months ended June 30, 2022, we consumed approximately 141 thousand and 130 thousand barrels per day, respectively, of crude oil during the refining process across all our refineries. We internally consumed approximately 3% of this throughput in the refining process during the three and six months ended June 30, 2022, which is accounted for as a fuel cost. We have executed option collars to economically hedge our internally consumed fuel cost at all our refineries. Please read Note 10—Derivatives to our condensed consolidated financial statements for more information.

**Compliance Program Price Risk**

We are exposed to market risks related to the volatility in the price of RINs required to comply with the Renewable Fuel Standard. Our renewable volume obligation (“RVO”) is based on a percentage of our Hawaii, Wyoming, and Washington refineries’ production of on-road transportation fuel. The EPA sets the RVO percentages annually. On June 3, 2022, the EPA finalized the 2021 and 2022 RVOs, reduced the existing 2020 RVO, denied 69 small refinery exemption petitions including ours, and proposed that certain small refineries be permitted to use an alternative RIN retirement schedule for their 2019-2020 compliance obligations. To the degree we are unable to blend the required amount of biofuels to satisfy our RVO, we must purchase RINs on the open market. To mitigate the impact of this risk on our results of operations and cash flows, we may purchase RINs when we deem the price of these instruments to be favorable. Some of these contracts are derivative instruments, however, we elect the normal purchases normal sales exception and do not record these contracts at their fair values.

**Interest Rate Risk**

As of June 30, 2022, we had $209.4 million in debt principal that was subject to floating interest rates. We also had interest rate exposure in connection with our liabilities under the J. Aron Supply and Offtake Agreement and the MLC Washington Refinery Intermediation Agreement for which we pay charges based on the three-month London Interbank Offered Rate (“LIBOR”). An increase of 1% in the variable rate on our indebtedness, after considering the instruments subject to minimum interest rates, would result in an increase to our Cost of revenues (excluding depreciation) and Interest expense and financing costs, net, of approximately $6.0 million and $3.1 million per year, respectively. We may utilize interest rate swaps to manage our interest rate risk. As of June 30, 2022, we did not hold any open interest rate swaps.

We have several contracts that reference LIBOR, some of which terminate after LIBOR is anticipated to cease being reported in 2023. Our facilities that currently reference LIBOR include transition language consistent with the scheduled transition. We do not expect the transition away from LIBOR to have a material impact on our financial condition, results of operations, or cash flows.

**Credit Risk**

We are subject to risk of losses resulting from nonpayment or nonperformance by our counterparties. 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.

**Item 4. CONTROLS AND PROCEDURES**

**Evaluation of Disclosure Controls and Procedures**

In connection with the preparation of this Quarterly Report on Form 10-Q, as of June 30, 2022, an evaluation was performed under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in

Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that these disclosure controls and procedures were effective as of June 30, 2022.

**Changes in Internal Control over Financial Reporting**

There were no changes during the quarter ended June 30, 2022 in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II – OTHER INFORMATION

### Item 1. LEGAL PROCEEDINGS

From time to time, we may be involved in litigation relating to claims arising out of our operations in the normal course of our business. Please read Note 13—Commitments and Contingencies to our condensed consolidated financial statements for more information.

### Item 1A. RISK FACTORS

We are subject to certain risks. For a discussion of these risks, see "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2021. These "Risk Factors" may be amplified by the uncertain and unprecedented nature of the COVID-19 pandemic.

***Our business, financial condition, results of operations, and liquidity have been adversely affected by the ongoing COVID-19 pandemic that has caused, and is expected to continue to cause, the global slowdown of economic activity (including the decrease in demand for crude oil and the refined products that we produce and sell), disruptions in global supply chains, and significant volatility and disruption of financial markets and that also has adversely affected workforces, customers, and regional and local economies.***

Because the severity, magnitude, and duration of the COVID-19 pandemic and its economic consequences are uncertain, rapidly changing, and difficult to predict, the impact on our business, results of operations, financial condition, and liquidity remains uncertain and difficult to predict. The ultimate impact of the COVID-19 pandemic on our results of operations and financial condition continues to be uncertain and depends on numerous factors that continue to evolve, many of which are not within our control, and which we may not be able to effectively respond to, including, but not limited to: governmental, business, and individuals' actions that have been and continue to be taken in response to the pandemic (including restrictions on travel and transport, workforce pressures and social distancing, and stay-at-home orders); the effect of the pandemic on economic activity and actions taken in response; the effect on our customers and their demand for our products; the effect of the pandemic on the creditworthiness of our customers; national or global supply chain challenges or disruption; workforce availability; facility closures; commodity cost volatility; general economic uncertainty in key global markets and financial market volatility and ability to access capital markets; global economic conditions and levels of economic growth; and the pace of recovery when the COVID-19 pandemic subsides, as well as response to a potential reoccurrence.

Further, the COVID-19 pandemic, and the volatile regional and global economic conditions stemming from the pandemic, could also precipitate or aggravate the other risk factors that we identify in our 2021 Annual Report on Form 10-K, which could materially adversely affect our business, financial condition, results of operations (including revenues and profitability), and liquidity and/or stock price. Additionally, COVID-19 may also continue to affect our operating and financial results in a manner that is not presently known to us or that we currently do not consider to present significant risks to our operations.

***Geopolitical conflicts, including the conflict between Russia and Ukraine, could increase the cost of our crude oil feedstocks and affect the demand for our products.***

In February 2022, following Russia's invasion of Ukraine, the U.S. and other countries announced sanctions against Russia, including restrictions on the importation of Russian crude oil. On March 3, 2022, we suspended purchases of Russian crude oil for our Hawaii refinery in response to the Russia-Ukraine conflict. The U.S. and other countries may impose wider sanctions and take stronger actions should the conflict further escalate. While it is difficult to predict the impact these sanctions will ultimately have on Par Pacific, any further sanctions imposed or actions taken by the U.S. or other countries, and any retaliatory measures by Russia in response, such as restrictions on energy supplies from Russia, may increase our costs, reduce our sales and earnings, or otherwise have an adverse effect on our operations. Additionally, Russia's invasion of Ukraine and the international response to the conflict may exacerbate inflationary pressures, including with respect to commodity prices and energy costs. Rapid and significant changes in commodity costs may increase the cost of our crude oil feedstocks and affect the demand for our products.

***Changes in the availability of and the cost of labor could adversely affect our business.***

Changes in labor markets due to COVID-19 and other factors, including inflationary pressures, have increased the competition for recruiting and retaining talent. As a result of these factors, our business could be adversely impacted by increases in labor, health care, and benefits costs necessary to attract and retain high quality employees with the right skill sets to meet our needs. In addition, our wages and benefits programs may be insufficient to attract and retain top performing employees, especially in a rising wage market. Any failure by us to attract, develop, retain, motivate, and maintain good relationships with qualified individuals could adversely affect our business and results of operations.

## Item 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

### Dividends

We have not paid dividends on our common stock and we do not expect to do so in the foreseeable future. In addition, under the ABL Credit Facility, the indentures governing the 7.75% Senior Secured Notes and the 12.875% Senior Secured Notes, and the Term Loan B Facility, our subsidiaries are restricted from paying dividends or making other equity distributions, subject to certain exceptions.

### Stock Repurchases

The following table sets forth certain information with respect to repurchases of our common stock during the quarter ended June 30, 2022:

| Period | Total number of shares (or units) purchased (1) | Average price paid per share (or unit) | Total number of shares (or units) purchased as part of publicly announced plans or programs (1) | Maximum number (or approximate dollar value) of shares (or units) that may yet be purchased under the plans or programs (1) |
|---|---|---|---|---|
| April 1 - April 30, 2022 | 1,195 | $ 13.57 | — | $ 44,258,250 |
| May 1 - May 31, 2022 | 54 | 14.64 | — | 44,258,250 |
| June 1 - June 30, 2022 | — | — | — | 44,258,250 |
| **Total** | 1,249 | $ 13.62 | — | |

(1) Shares repurchased not associated with the share repurchase program were surrendered by employees to pay taxes withheld upon the vesting of restricted stock awards. On November 10, 2021, the Board authorized and approved a share repurchase program for up to $50 million of the outstanding shares of the Company’s common stock, with no specified end date.

## Item 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

## Item 4. MINE SAFETY DISCLOSURE

Not applicable.

## Item 5. OTHER INFORMATION

None.

**Item 6. EXHIBITS**

| | |
|---|---|
| 2.1 | Third Amended Joint Chapter 11 Plan of Reorganization of Delta Petroleum Corporation and Its Debtor Affiliates dated August 16, 2012. Incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed on September 7, 2012. |
| 2.2 | Membership Interest Purchase Agreement dated as of June 17, 2013, by and among Tesoro Corporation, Tesoro Hawaii, LLC, and Hawaii Pacific Energy, LLC Incorporated by reference to Exhibit 2.4 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2013, filed on August 14, 2013. |
| 2.3 | Agreement and Plan of Merger dated as of June 2, 2014, by and among the Company, Bogey, Inc., Koko'oha Investments, Inc., and Bill D. Mills, in his capacity as the Shareholders' Representative. Incorporated by reference to Exhibit 2.5 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2014, filed on August 11, 2014. |
| 2.4 | Amendment of Agreement and Plan of Merger dated as of September 9, 2014, by and among the Company, Bogey, Inc., Koko'oha Investments, Inc., and Bill D. Mills, in his capacity as the Shareholders' Representative. Incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on September 10, 2014. |
| 2.5 | Second Amendment of Agreement and Plan of Merger dated as of December 31, 2014, by and among Par Petroleum Corporation, Bogey, Inc., Koko'oha Investments, Inc., and Bill D. Mills, in his capacity as the Shareholder's Representative. Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on January 7, 2015. |
| 2.6 | Third Amendment to Agreement and Plan of Merger dated as of March 31, 2015, by and among the Company, Bogey, Inc., Koko'oha Investments, Inc., and Bill D. Mills, in his capacity as the Shareholders' Representative. Incorporated by reference to Exhibit 2.4 to the Company's Current Report on Form 8-K filed on April 2, 2015. |
| 2.7 | Unit Purchase Agreement, dated as of June 13, 2016, between Par Wyoming, LLC and Black Elk Refining, LLC. Incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed on June 15, 2016. |
| 2.8 | First Amendment to Unit Purchase Agreement dated as of July 14, 2016, between Par Wyoming, LLC and Black Elk Refining, LLC. Incorporated by reference to Exhibit 2.2 to the Company's Current Report on Form 8-K filed on July 15, 2016. |
| 2.9 | Purchase and Sale Agreement dated as of November 26, 2018, among Par Petroleum, LLC, TrailStone NA Oil & Refining Holdings, LLC, and solely for certain purposes specified therein, the Company. Incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K/A filed on November 30, 2018. # |
| 2.10 | Amendment No. 1 to Purchase and Sale Agreement dated as of January 11, 2019, among Par Petroleum, LLC, TrailStone NA Oil & Refining Holdings, LLC and Par Pacific Holdings, Inc. Incorporated by reference to Exhibit 2.2 to the Company's Current Report on Form 8-K filed on January 14, 2019. |
| 3.1 | Restated Certificate of Incorporation of the Company dated October 20, 2015. Incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed on October 20, 2015. |
| 3.2 | Second Amended and Restated Bylaws of the Company dated October 20, 2015. Incorporated by reference to Exhibit 3.3 to the Company's Current Report on Form 8-K filed on October 20, 2015. |
| 4.1 | Form of the Company's Common Stock Certificate. Incorporated by reference to Exhibit 4.1 to the Company's Annual Report on Form 10-K filed on March 31, 2014. |
| 4.2 | Stockholders Agreement dated April 10, 2015. Incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on April 13, 2015. |
| 4.3 | Registration Rights Agreement effective as of August 31, 2012, by and among the Company, Zell Credit Opportunities Master Fund, L.P., Waterstone Capital Management, L.P., Pandora Select Partners, LP, Iam Mini-Fund 14 Limited, Whitebox Multi-Strategy Partners, LP, Whitebox Credit Arbitrage Partners, LP, HFR RVA Combined Master Trust, Whitebox Concentrated Convertible Arbitrage Partners, LP, and Whitebox Asymmetric Partners, LP. Incorporated by reference to Exhibit 4.3 to the Company's Current Report on Form 8-K filed on September 7, 2012. |
| 4.4 | First Amendment to Registration Rights Agreement dated as of December 19, 2018, by and among the Company and the holders party thereto. Incorporated by reference to Exhibit 4.3 to the Company's registration statement on Form S-3 filed on December 21, 2018. |
| 4.5 | Indenture, dated December 21, 2017, among Par Petroleum, LLC, Par Petroleum Finance Corp., the Guarantors (as defined therein), and Wilmington Trust, National Association, as Trustee and Collateral Trustee. Incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on December 22, 2017. |
| 4.6 | First Supplemental Indenture, dated November 20, 2018, among Par Petroleum, LLC, Par Petroleum Finance Corp., the Guarantors (as defined therein), and Wilmington Trust, National Association, as Trustee. Incorporated by reference to Exhibit 4.21 to the Company's registration statement on Form S-3 filed on December 21, 2018. |

| | |
|---|---|
| 4.7 | Second Supplemental Indenture, dated January 11, 2019, among Par Tacoma, LLC (f/k/a TrailStone NA Asset Finance I, LLC), U.S. Oil & Refining Co., McChord Pipeline Co., Par Petroleum, LLC, Par Petroleum Finance Corp., Par Pacific Holdings, Inc., the other guarantors party thereto, and Wilmington Trust, National Association. Incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed on January 14, 2019. |
| 4.8 | Third Supplemental Indenture, dated August 15, 2019, among Par Hawaii, LLC (successor by conversion to Par Hawaii, Inc.), Par Petroleum, LLC, Par Petroleum Finance Corp., Par Pacific Holdings, Inc., the other guarantors party thereto, and Wilmington Trust, National Association. Incorporated by reference to Exhibit 4.23 to the Company's Quarterly Report on Form 10-Q filed on August 10, 2020. |
| 4.9 | Indenture, dated as of June 5, 2020, among Par Petroleum, LLC, Par Petroleum Finance Corp., the Guarantors (as defined therein) and Wilmington Trust, National Association, as Trustee and Collateral Trustee. Incorporated by reference to Exhibit 4.1 to the Company's current report on Form 8-K filed on June 8, 2020. |
| 10.1 | Amendment to Second Amended and Restated Supply and Offtake Agreement, dated as of April 25, 2022, by and among Par Hawaii Refining LLC, Par Petroleum, LLC, as guarantor, and J. Aron & Company LLC. Incorporated by reference to Exhibit 10.1 to the Company's current report on Form 8-K filed on April 28, 2022. |
| 10.2 | Amendment to Second Amended and Restated Supply and Offtake Agreement, dated as of May 17, 2022, by and among Par Hawaii Refining LLC, Par Petroleum, LLC, as guarantor, and J. Aron & Company LLC. Incorporated by reference to Exhibit 10.1 to the Company's current report on Form 8-K filed on May 19, 2022. |
| 10.3 | Amendment #2 to the Par Pacific Holdings, Inc. Severance Plan for Senior Officers, dated as of May 23, 2022. Incorporated by reference to Exhibit 10.1 to the Company's current report on Form 8-K filed on May 25, 2022. |
| 10.4 | Twenty-Second Amendment to First Lien ISDA 2022 Master Agreement entered into as of April 21, 2022, by and between U.S. Oil & Refining Co. and Merrill Lynch Commodities, Inc.* |
| 10.5 | Twenty-Third Amendment to First Lien ISDA 2022 Master Agreement entered into as of May 9, 2022, by and between U.S. Oil & Refining Co. and Merrill Lynch Commodities, Inc.* |
| 10.6 | Twenty-Fourth Amendment to First Lien ISDA 2022 Master Agreement entered into as of May 17, 2022, by and between U.S. Oil & Refining Co. and Merrill Lynch Commodities, Inc.* |
| 10.7 | Twenty-Fifth Amendment to First Lien ISDA 2022 Master Agreement entered into as of June 28, 2022, by and between U.S. Oil & Refining Co. and Merrill Lynch Commodities, Inc.* |
| 10.8 | Employment Offer Letter with Richard Creamer dated March 29, 2022.* |
| 31.1 | Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. * |
| 31.2 | Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. * |
| 32.1 | Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350. ** |
| 32.2 | Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350. ** |
| 101.INS | Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.* |
| 101.SCH | Inline XBRL Taxonomy Extension Schema Documents.* |
| 101.CAL | Inline XBRL Taxonomy Extension Calculation Linkbase Document.* |
| 101.LAB | Inline XBRL Taxonomy Extension Label Linkbase Document.* |
| 101.PRE | Inline XBRL Taxonomy Extension Presentation Linkbase Document.* |
| 101.DEF | Inline XBRL Taxonomy Extension Definition Linkbase Document.* |
| 104 | Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).* |

* Filed herewith.

** Furnished herewith.

\# Portions of this exhibit have been redacted in accordance with Item 601(b)(10) of Regulation S-K.

## SIGNATURES

Pursuant to the requirements of the Securities Exchange of Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PAR PACIFIC HOLDINGS, INC.
(Registrant)

| | |
|---|---|
| By: | /s/ William Pate |
| | William Pate |
| | President and Chief Executive Officer |
| By: | /s/ William Monteleone |
| | William Monteleone |
| | Executive Vice President and Chief Financial Officer |

Date: August 9, 2022

**TWENTY-SECOND AMENDMENT TO**
**FIRST LIEN ISDA 2002 MASTER AGREEMENT**

This **TWENTY-SECOND AMENDMENT TO FIRST LIEN ISDA 2002 MASTER AGREEMENT** (this "***Amendment***") is entered into as of April 21, 2022, by and among **U.S. OIL & REFINING CO.**, a Delaware corporation ("***Party B***") and **MERRILL LYNCH COMMODITIES, INC.**, a Delaware corporation ("***Party A***") and is acknowledged and agreed to by the Guarantors signatory hereto. Capitalized terms used but not defined in this Amendment have the meanings assigned to them in the First Lien ISDA Master Agreement (as defined below).

**RECITALS**

**WHEREAS**, Party A has entered into certain intermediation arrangements with Party B pursuant to the terms of that certain First Lien ISDA 2002 Master Agreement, dated as of March 17, 2016, by and between Party A and Party B (including the schedule, exhibits, attachments and annexes thereto and the transactions thereunder, and as amended by that certain First Amendment to First Lien ISDA 2002 Master Agreement, dated as of July 18, 2016, that certain Second Amendment to the First Lien ISDA 2002 Master Agreement, dated as of September 29, 2016, that certain Third Amendment to the First Lien ISDA 2002 Master Agreement, dated as of April 1, 2017, that certain Fourth Amendment to the First Lien ISDA 2002 Master Agreement, dated as of March 13, 2018, that certain Fifth Amendment to the First Lien ISDA 2002 Master Agreement, dated as of June 5, 2018, that certain Sixth Amendment to the First Lien ISDA 2002 Master Agreement, dated as of September 1, 2018, that certain Seventh Amendment to the First Lien ISDA 2002 Master Agreement, dated as of October 2, 2018, that certain Eighth Amendment to the First Lien ISDA 2002 Master Agreement, dated as of January 11, 2019, that certain Ninth Amendment to the First Lien ISDA 2002 Master Agreement, dated as of November 1, 2019, that certain Tenth Amendment to the First Lien ISDA 2002 Master Agreement, dated as of April 21, 2020, that certain Eleventh Amendment to the First Lien ISDA 2002 Master Agreement, dated as of July 28, 2020, that certain Twelfth Amendment to the First Lien ISDA 2002 Master Agreement, dated as of February 1, 2021, that certain Thirteenth Amendment to the First Lien ISDA 2002 Master Agreement, dated as of February 11, 2021, that certain Fourteenth Amendment to the First Lien ISDA 2002 Master Agreement, dated as of April 27, 2021, that certain Fifteenth Amendment to the First Lien ISDA 2002 Master Agreement, dated as of August 16, 2021, that certain Sixteenth Amendment to the First Lien ISDA 2002 Master Agreement, dated as of August 24, 2021, that certain Seventeenth Amendment to the First Lien ISDA 2002 Master Agreement, dated as of October 22, 2021, that certain Eighteenth Amendment to the First Lien ISDA 2002 Master Agreement, dated as of December 17, 2021, that certain Nineteenth Amendment to the First Lien ISDA 2002 Master Agreement, dated as of February 24, 2022, that certain Twentieth Amendment to the First Lien ISDA 2002 Master Agreement, dated as of March 9, 2022, that certain Twenty-First Amendment to the First Lien ISDA 2002 Master Agreement, dated as of March 25, 2022, and as subsequently further amended, restated, supplemented, replaced or otherwise modified from time to time, the "***First Lien ISDA Master Agreement***"); and

**WHEREAS**, the parties desire to adjust the TD Forward Maximum Volumes specified in the First Lien ISDA Master Agreement.

**NOW, THEREFORE**, in consideration of the mutual agreements contained herein and in the Transaction Documents and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, hereby agree as follows:

**SECTION 1. Amendments**. Effective on and after the Effective Date (as defined below) the First Lien ISDA Master Agreement is hereby amended as follows:

**1.1** Part 3 (TD Forward Initial Volume; TD Forward Maximum Volume) of Attachment 1 (Hydrocarbons) shall be deleted in its entirety and replaced with the following:

| **Hydrocarbon Group** | **TD Forward Initial Volume (bbls)** | **TD Forward Maximum Volume (bbls)** |
|---|---|---|
| Crude | 1,092,873 | 1,496,682 |
| Gasolines | 239,389 | 345,000 |
| Ethanol | N/A | 138,893 |
| Distillates | 74,545 | 122,000 |
| Fuel Oil | 127,178 | 79,301 |
| Jet | 99,478 | 46,430 |
| Asphalt | 131,949 | 205,000 |
| Vacuum Gas Oil | 86,588 | 226,694 |

**SECTION 2. Effectiveness**. This Amendment shall become effective as of the date hereof upon the satisfaction, or waiver in writing by Party A, of each of the conditions set forth in this Section 2 (the "***Effective Date***"):

**2.1 Documentation.** Party B and Party A shall have executed and delivered this Amendment.

**2.2 Representations and Warranties.** After giving effect to this Amendment, each of the representations and warranties contained in Section 3 hereof shall be true and correct in all material respects.

**SECTION 3. Representations and Warranties of Party B.** To induce Party A to grant this Amendment, Party B hereby represents and warrants as follows:

**3.1 Authority; No Conflicts.** The execution, delivery and performance by Party B of this Amendment is within its organizational powers, has been duly authorized by all necessary action, and does not (a) require any consent or approval of any holders of Equity Interests of Party B, other than those already obtained; (b) contravene the organizational documents of Party B; (c) violate any Applicable Law; or (d) result in or require the imposition of any Lien on any property of Party B other than Permitted Liens.

**3.2 Enforceability.** Party B has duly executed and delivered this Amendment. This Amendment constitutes the legal, valid and binding obligation of Party B enforceable in accordance with its terms, except as enforceability may be limited by any applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity.

**3.3 No Default.** As of the date hereof, immediately prior to and after giving effect to this Amendment, no Event of Default, Potential Event of Default or Termination Event has occurred and is continuing under the First Lien ISDA Master Agreement or any other Transaction Document.

**3.4 Other Representations and Warranties.** All representations and warranties of Party B and the other Transaction Parties (and, as applicable, Par LLC) set forth in Section 3 of the First Lien ISDA Master Agreement (including the Additional Representations in Part 14) and any other documents and transactions entered into in connection herewith or contemplated hereby, are, after giving effect to this Amendment, true and correct in all material respects on and as of the date hereof to the same extent as though made on and as of such date, except (a) to the extent such representations and warranties specifically relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects on and as of such earlier date, and (b) to the extent that such representations and warranties are qualified as to "materiality" or "material adverse effect" (or words of like import) shall be satisfied in all respects as so qualified.

**SECTION 4. Covenants.**

**4.1 Expenses.** On or within ten (10) Business Days after the later of (a) the Effective Date and (b) Party B's receipt of any invoice in respect of Permitted Fees and Expenses (as defined below) (such later date, the "***Expense Payment Date***"), Party B shall pay or reimburse Party A for all reasonable and documented out-of-pocket expenses (including the reasonable and documented out of pocket legal fees and expenses of Stroock & Stroock & Lavan LLP, special counsel to Party A, to the extent Party B has received an invoice in respect of such fees and expenses) incurred by Party A in connection with the preparation, negotiation, execution, delivery and administration of this Amendment, any other Transaction Documents and any other Collateral Documents or any amendment, amendment and restatement, modification or waiver of the provisions thereof (collectively, the "***Permitted Fees and Expenses***").

**SECTION 5. Effect on the First Lien ISDA Master Agreement and Other Transaction Documents.**

**5.1** Except as expressly modified hereby, the First Lien ISDA Master Agreement and other Transaction Documents are and shall continue to be in full force and effect and are hereby in all respects ratified and confirmed.

**5.2** The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a modification to any right, power or remedy of Party A under the First Lien ISDA Master Agreement or any of the other Transaction Documents, nor constitute a waiver of any provision of the First Lien ISDA Master Agreement or any of the other Transaction Documents.

**5.3** Each Grantor hereby agrees that this Amendment and the terms and conditions herein contained shall in no manner affect (other than expressly provided herein) or impair the Obligations (as defined in the Collateral Agreement) or the Liens securing the payment and performance thereof.

**SECTION 6. Miscellaneous.**

**6.1 Parties in Interest.** All of the terms and provisions of this Amendment shall bind and inure to the benefit of the parties hereto and their respective successors and assigns.

**6.2 Counterparts.** This Amendment may be executed in one or more counterparts and by different parties hereto in separate counterparts each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument; signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document. However, this Amendment shall bind no party until Party B and Party A have executed and delivered a counterpart. Delivery of an executed counterpart of a signature page to this Amendment by telecopier or other electronic transmission (i.e., a "pdf" or " tif" document) shall be effective as delivery of a manually executed counterpart of this Amendment.

**6.3 GOVERNING LAW. THIS AMENDMENT AND ANY AND ALL CONTROVERSIES ARISING OUT OF OR IN RELATION TO THIS AMENDMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, INCLUDING SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW.**

**6.4 Headings.** Any Section and paragraph headings used herein are for convenience of reference only, are not part of this Amendment and shall not affect the construction of, or be taken into consideration in interpreting, this Amendment.

[*Remainder of page intentionally left blank*.]

**IN WITNESS WHEREOF,** the parties hereto have caused this Amendment to be duly executed by their respective authorized officers as of the date and year first above written.

**U.S. OIL & REFINING CO.**

By: /s/ Thor A. Nielsen

Name: Thor A. Nielsen

Title: VP & Treasurer

[*Signature Page to Twenty-Second Amendment to First Lien ISDA 2002 Master Agreement*]

**MERRILL LYNCH COMMODITIES, INC.**

By: /s/ Don W Ellithorpe

Name: Don W Ellithorpe

Title: Vice President

[*Signature Page to Twenty-Second Amendment to First Lien ISDA 2002 Master Agreement*]

Acknowledged and Agreed:

**PAR PETROLEUM, LLC**

By: /s/ Thor A. Nielsen

Name: Thor A. Nielsen

Title: VP & Treasurer

**MCCHORD PIPELINE CO.**

By: /s/ Thor A. Nielsen

Name: Thor A. Nielsen

Title: VP & Treasurer

***Execution Version***

**TWENTY-THIRD AMENDMENT TO**
**FIRST LIEN ISDA 2002 MASTER AGREEMENT**

This **TWENTY-THIRD AMENDMENT TO FIRST LIEN ISDA 2002 MASTER AGREEMENT** (this "***Amendment***") is entered into as of May 9, 2022, by and among **U.S. OIL & REFINING CO.**, a Delaware corporation ("***Party B***") and **MERRILL LYNCH COMMODITIES, INC.**, a Delaware corporation ("***Party A***") and is acknowledged and agreed to by the Guarantors signatory hereto. Capitalized terms used but not defined in this Amendment have the meanings assigned to them in the First Lien ISDA Master Agreement (as defined below).

**RECITALS**

**WHEREAS**, Party A has entered into certain intermediation arrangements with Party B pursuant to the terms of that certain First Lien ISDA 2002 Master Agreement, dated as of March 17, 2016, by and between Party A and Party B (including the schedule, exhibits, attachments and annexes thereto and the transactions thereunder, and as amended by that certain First Amendment to First Lien ISDA 2002 Master Agreement, dated as of July 18, 2016, that certain Second Amendment to the First Lien ISDA 2002 Master Agreement, dated as of September 29, 2016, that certain Third Amendment to the First Lien ISDA 2002 Master Agreement, dated as of April 1, 2017, that certain Fourth Amendment to the First Lien ISDA 2002 Master Agreement, dated as of March 13, 2018, that certain Fifth Amendment to the First Lien ISDA 2002 Master Agreement, dated as of June 5, 2018, that certain Sixth Amendment to the First Lien ISDA 2002 Master Agreement, dated as of September 1, 2018, that certain Seventh Amendment to the First Lien ISDA 2002 Master Agreement, dated as of October 2, 2018, that certain Eighth Amendment to the First Lien ISDA 2002 Master Agreement, dated as of January 11, 2019, that certain Ninth Amendment to the First Lien ISDA 2002 Master Agreement, dated as of November 1, 2019, that certain Tenth Amendment to the First Lien ISDA 2002 Master Agreement, dated as of April 21, 2020, that certain Eleventh Amendment to the First Lien ISDA 2002 Master Agreement, dated as of July 28, 2020, that certain Twelfth Amendment to the First Lien ISDA 2002 Master Agreement, dated as of February 1, 2021, that certain Thirteenth Amendment to the First Lien ISDA 2002 Master Agreement, dated as of February 11, 2021, that certain Fourteenth Amendment to the First Lien ISDA 2002 Master Agreement, dated as of April 27, 2021, that certain Fifteenth Amendment to the First Lien ISDA 2002 Master Agreement, dated as of August 16, 2021, that certain Sixteenth Amendment to the First Lien ISDA 2002 Master Agreement, dated as of August 24, 2021, that certain Seventeenth Amendment to the First Lien ISDA 2002 Master Agreement, dated as of October 22, 2021, that certain Eighteenth Amendment to the First Lien ISDA 2002 Master Agreement, dated as of December 17, 2021, that certain Nineteenth Amendment to the First Lien ISDA 2002 Master Agreement, dated as of February 24, 2022, that certain Twentieth Amendment to the First Lien ISDA 2002 Master Agreement, dated as of March 9, 2022, that certain Twenty-First Amendment to the First Lien ISDA 2002 Master Agreement, dated as of March 25, 2022, that certain Twenty-Second Amendment to the First Lien ISDA 2002 Master Agreement, dated as of April 21, 2022, and as subsequently further amended, restated, supplemented, replaced or otherwise modified from time to time, the "***First Lien ISDA Master Agreement***"); and

**WHEREAS**, the parties desire to make certain changes to the First Lien ISDA Master Agreement, as set forth in more detail herein.

**NOW, THEREFORE**, in consideration of the mutual agreements contained herein and in the Transaction Documents and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, hereby agree as follows:

**SECTION 1. Amendments**. Effective on and after the Effective Date (as defined below) the First Lien ISDA Master Agreement is hereby amended as follows:

**1.1** By deleting the defined term "Total Receivables Advance Maximum" in Part 20 of the First Lien ISDA Master Agreement in its entirety and replaced with the following:

"“***Total Receivables Advance Maximum***” has the meaning set forth in the Fee Letter, as amended by that certain supplement to the Fee Letter, dated as of May 9, 2022 and as may be further amended, restated, supplemented or otherwise modified from time to time."

**SECTION 2. Effectiveness**. This Amendment shall become effective as of the date hereof upon the satisfaction, or waiver in writing by Party A, of each of the conditions set forth in this Section 2 (the "***Effective Date***"):

**2.1 Documentation.** Party B and Party A shall have executed and delivered (a) this Amendment and (b) that certain supplement to the Fee Letter, dated as of the date hereof, between Party A and Party B.

**2.2 Representations and Warranties.** After giving effect to this Amendment, each of the representations and warranties contained in Section 3 hereof shall be true and correct in all material respects.

**2.3 Additional Deliverables.** Party A shall have received such additional information, agreements, instruments, documents and other materials from Party B, any Transaction Party or Par LLC which Party A shall reasonably request.

**SECTION 3. Representations and Warranties of Party B.** To induce Party A to grant this Amendment, Party B hereby represents and warrants as follows:

**3.1 Authority; No Conflicts.** The execution, delivery and performance by Party B of this Amendment is within its organizational powers, has been duly authorized by all necessary action, and does not (a) require any consent or approval of any holders of Equity Interests of Party B, other than those already obtained; (b) contravene the organizational documents of Party B; (c) violate any Applicable Law; or (d) result in or require the imposition of any Lien on any property of Party B other than Permitted Liens.

**3.2 Enforceability.** Party B has duly executed and delivered this Amendment. This Amendment constitutes the legal, valid and binding obligation of Party B enforceable in accordance with its terms, except as enforceability may be limited by any applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity.

**3.3 No Default.** As of the date hereof, immediately prior to and after giving effect to this Amendment, no Event of Default, Potential Event of Default or Termination Event has occurred and is continuing under the First Lien ISDA Master Agreement or any other Transaction Document.

**3.4 Other Representations and Warranties.** All representations and warranties of Party B and the other Transaction Parties (and, as applicable, Par LLC) set forth in Section 3 of the First Lien ISDA Master Agreement (including the Additional Representations in Part 14) and any other documents and transactions entered into in connection herewith or contemplated hereby, are, after giving effect to this Amendment, true and correct in all material respects on and as of the date hereof to the same extent as though made on and as of such date, except (a) to the extent such representations and warranties specifically relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects on and as of such earlier date, and (b) to the extent that such representations and warranties are qualified as to "materiality" or "material adverse effect" (or words of like import) shall be satisfied in all respects as so qualified.

**SECTION 4. Covenants.**

**4.1 Expenses.** On or within ten (10) Business Days after the later of (a) the Effective Date and (b) Party B's receipt of any invoice in respect of Permitted Fees and Expenses (as defined below) (such later date, the "***Expense Payment Date***"), Party B shall pay or reimburse Party A for all reasonable and documented out-of-pocket expenses (including the reasonable and documented out of pocket legal fees and expenses of Stroock & Stroock & Lavan LLP, special counsel to Party A, to the extent Party B has received an invoice in respect of such fees and expenses) incurred by Party A in connection with the preparation, negotiation, execution, delivery and administration of this Amendment, any other Transaction Documents and any other Collateral Documents or any amendment, amendment and restatement, modification or waiver of the provisions thereof (collectively, the "***Permitted Fees and Expenses***").

**SECTION 5. Effect on the First Lien ISDA Master Agreement and Other Transaction Documents.**

**5.1** Except as expressly modified hereby, the First Lien ISDA Master Agreement and other Transaction Documents are and shall continue to be in full force and effect and are hereby in all respects ratified and confirmed.

**5.2** The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a modification to any right, power or remedy of Party A under the First Lien ISDA Master Agreement or any of the other Transaction Documents, nor constitute a waiver of any provision of the First Lien ISDA Master Agreement or any of the other Transaction Documents.

**5.3** Each Grantor hereby agrees that this Amendment and the terms and conditions herein contained shall in no manner affect (other than expressly provided herein) or impair the Obligations (as defined in the Collateral Agreement) or the Liens securing the payment and performance thereof.

**SECTION 6. Miscellaneous.**

**6.1 Parties in Interest.** All of the terms and provisions of this Amendment shall bind and inure to the benefit of the parties hereto and their respective successors and assigns.

**6.2 Counterparts.** This Amendment may be executed in one or more counterparts and by different parties hereto in separate counterparts each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument; signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document. However, this Amendment shall bind no party until Party B and Party A have executed and delivered a counterpart. Delivery of an executed counterpart of a signature page to this Amendment by telecopier or other electronic transmission (i.e., a "pdf" or " tif" document) shall be effective as delivery of a manually executed counterpart of this Amendment.

**6.3 GOVERNING LAW. THIS AMENDMENT AND ANY AND ALL CONTROVERSIES ARISING OUT OF OR IN RELATION TO THIS AMENDMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, INCLUDING SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW.**

**6.4 Headings.** Any Section and paragraph headings used herein are for convenience of reference only, are not part of this Amendment and shall not affect the construction of, or be taken into consideration in interpreting, this Amendment.

[*Remainder of page intentionally left blank*.]

**IN WITNESS WHEREOF,** the parties hereto have caused this Amendment to be duly executed by their respective authorized officers as of the date and year first above written.

**U.S. OIL & REFINING CO.**

By: /s/ Thor A. Nielsen

Name: Thor A. Nielsen

Title: VP & Treasurer

**MERRILL LYNCH COMMODITIES, INC.**

By: /s/ Jeremy Crew

Name: Jeremy Crew

Title: MD

[*Signature Page to Twenty-Third Amendment to First Lien ISDA 2002 Master Agreement*]

Acknowledged and Agreed:

**PAR PETROLEUM, LLC**

By: /s/ Thor A. Nielsen

Name: Thor A. Nielsen

Title: VP & Treasurer

**MCCHORD PIPELINE CO.**

By: /s/ Thor A. Nielsen

Name: Thor A. Nielsen

Title: VP & Treasurer

[*Signature Page to Twenty-Third Amendment to First Lien ISDA 2002 Master Agreement*]

**TWENTY-FOURTH AMENDMENT TO**
**FIRST LIEN ISDA 2002 MASTER AGREEMENT**

This **TWENTY-FOURTH AMENDMENT TO FIRST LIEN ISDA 2002 MASTER AGREEMENT** (this "***Amendment***") is entered into as of May 17, 2022, by and among **U.S. OIL & REFINING CO.**, a Delaware corporation ("***Party B***") and **MERRILL LYNCH COMMODITIES, INC.**, a Delaware corporation ("***Party A***") and is acknowledged and agreed to by the Guarantors signatory hereto. Capitalized terms used but not defined in this Amendment have the meanings assigned to them in the First Lien ISDA Master Agreement (as defined below).

**RECITALS**

**WHEREAS**, Party A has entered into certain intermediation arrangements with Party B pursuant to the terms of that certain First Lien ISDA 2002 Master Agreement, dated as of March 17, 2016, by and between Party A and Party B (including the schedule, exhibits, attachments and annexes thereto and the transactions thereunder, and as amended by that certain First Amendment to First Lien ISDA 2002 Master Agreement, dated as of July 18, 2016, that certain Second Amendment to the First Lien ISDA 2002 Master Agreement, dated as of September 29, 2016, that certain Third Amendment to the First Lien ISDA 2002 Master Agreement, dated as of April 1, 2017, that certain Fourth Amendment to the First Lien ISDA 2002 Master Agreement, dated as of March 13, 2018, that certain Fifth Amendment to the First Lien ISDA 2002 Master Agreement, dated as of June 5, 2018, that certain Sixth Amendment to the First Lien ISDA 2002 Master Agreement, dated as of September 1, 2018, that certain Seventh Amendment to the First Lien ISDA 2002 Master Agreement, dated as of October 2, 2018, that certain Eighth Amendment to the First Lien ISDA 2002 Master Agreement, dated as of January 11, 2019, that certain Ninth Amendment to the First Lien ISDA 2002 Master Agreement, dated as of November 1, 2019, that certain Tenth Amendment to the First Lien ISDA 2002 Master Agreement, dated as of April 21, 2020, that certain Eleventh Amendment to the First Lien ISDA 2002 Master Agreement, dated as of July 28, 2020, that certain Twelfth Amendment to the First Lien ISDA 2002 Master Agreement, dated as of February 1, 2021, that certain Thirteenth Amendment to the First Lien ISDA 2002 Master Agreement, dated as of February 11, 2021, that certain Fourteenth Amendment to the First Lien ISDA 2002 Master Agreement, dated as of April 27, 2021, that certain Fifteenth Amendment to the First Lien ISDA 2002 Master Agreement, dated as of August 16, 2021, that certain Sixteenth Amendment to the First Lien ISDA 2002 Master Agreement, dated as of August 24, 2021, that certain Seventeenth Amendment to the First Lien ISDA 2002 Master Agreement, dated as of October 22, 2021, that certain Eighteenth Amendment to the First Lien ISDA 2002 Master Agreement, dated as of December 17, 2021, that certain Nineteenth Amendment to the First Lien ISDA 2002 Master Agreement, dated as of February 24, 2022, that certain Twentieth Amendment to the First Lien ISDA 2002 Master Agreement, dated as of March 9, 2022, that certain Twenty-First Amendment to the First Lien ISDA 2002 Master Agreement, dated as of March 25, 2022, that certain Twenty-Second Amendment to the First Lien ISDA 2002 Master Agreement, dated as of April 21, 2022, that certain Twenty-Third Amendment to the First Lien ISDA 2002 Master Agreement, dated as of May 9, 2022, and as subsequently further amended, restated, supplemented, replaced or otherwise modified from time to time, the "***First Lien ISDA Master Agreement***"); and

**WHEREAS**, the parties desire to adjust the TD Forward Maximum Volumes specified in the First Lien ISDA Master Agreement.

**NOW, THEREFORE**, in consideration of the mutual agreements contained herein and in the Transaction Documents and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, hereby agree as follows:

**SECTION 1. Amendments**. Effective on and after the Effective Date (as defined below) the First Lien ISDA Master Agreement is hereby amended as follows:

**1.1** Part 3 (TD Forward Initial Volume; TD Forward Maximum Volume) of Attachment 1 (Hydrocarbons) shall be deleted in its entirety and replaced with the following:

| Hydrocarbon Group | TD Forward Initial Volume (bbls) | TD Forward Maximum Volume (bbls) |
|---|---|---|
| Crude | 1,092,873 | 1,400,000 |
| Gasolines | 239,389 | 330,000 |
| Ethanol | N/A | 150,000 |
| Distillates | 74,545 | 150,000 |
| Fuel Oil | 127,178 | 85,000 |
| Jet | 99,478 | 65,000 |
| Asphalt | 131,949 | 245,000 |
| Vacuum Gas Oil | 86,588 | 235,000 |

**SECTION 2. Effectiveness**. This Amendment shall become effective as of the date hereof upon the satisfaction, or waiver in writing by Party A, of each of the conditions set forth in this Section 2 (the "***Effective Date***"):

**2.1 Documentation.** Party B and Party A shall have executed and delivered this Amendment.

**2.2 Representations and Warranties.** After giving effect to this Amendment, each of the representations and warranties contained in Section 3 hereof shall be true and correct in all material respects.

**SECTION 3. Representations and Warranties of Party B.** To induce Party A to grant this Amendment, Party B hereby represents and warrants as follows:

**3.1 Authority; No Conflicts.** The execution, delivery and performance by Party B of this Amendment is within its organizational powers, has been duly authorized by all necessary action, and does not (a) require any consent or approval of any holders of Equity Interests of Party B, other than those already obtained; (b) contravene the organizational documents of Party B; (c) violate any Applicable Law; or (d) result in or require the imposition of any Lien on any property of Party B other than Permitted Liens.

**3.2 Enforceability.** Party B has duly executed and delivered this Amendment. This Amendment constitutes the legal, valid and binding obligation of Party B enforceable in accordance with its terms, except as enforceability may be limited by any applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity.

**3.3 No Default.** As of the date hereof, immediately prior to and after giving effect to this Amendment, no Event of Default, Potential Event of Default or Termination Event has occurred and is continuing under the First Lien ISDA Master Agreement or any other Transaction Document.

**3.4 Other Representations and Warranties.** All representations and warranties of Party B and the other Transaction Parties (and, as applicable, Par LLC) set forth in Section 3 of the First Lien ISDA Master Agreement (including the Additional Representations in Part 14) and any other documents and transactions entered into in connection herewith or contemplated hereby, are, after giving effect to this Amendment, true and correct in all material respects on and as of the date hereof to the same extent as though made on and as of such date, except (a) to the extent such representations and warranties specifically relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects on and as of such earlier date, and (b) to the extent that such representations and warranties are qualified as to "materiality" or "material adverse effect" (or words of like import) shall be satisfied in all respects as so qualified.

**SECTION 4. Covenants.**

**4.1 Expenses.** On or within ten (10) Business Days after the later of (a) the Effective Date and (b) Party B's receipt of any invoice in respect of Permitted Fees and Expenses (as defined below) (such later date, the "***Expense Payment Date***"), Party B shall pay or reimburse Party A for all reasonable and documented out-of-pocket expenses (including the reasonable and documented out of pocket legal fees and expenses of Stroock & Stroock & Lavan LLP, special counsel to Party A, to the extent Party B has received an invoice in respect of such fees and expenses) incurred by Party A in connection with the preparation, negotiation, execution, delivery and administration of this Amendment, any other Transaction Documents and any other Collateral Documents or any amendment, amendment and restatement, modification or waiver of the provisions thereof (collectively, the "***Permitted Fees and Expenses***").

**SECTION 5. Effect on the First Lien ISDA Master Agreement and Other Transaction Documents.**

**5.1** Except as expressly modified hereby, the First Lien ISDA Master Agreement and other Transaction Documents are and shall continue to be in full force and effect and are hereby in all respects ratified and confirmed.

**5.2** The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a modification to any right, power or remedy of Party A under the First Lien ISDA Master Agreement or any of the other Transaction Documents, nor constitute a waiver of any provision of the First Lien ISDA Master Agreement or any of the other Transaction Documents.

**5.3** Each Grantor hereby agrees that this Amendment and the terms and conditions herein contained shall in no manner affect (other than expressly provided herein) or impair the Obligations (as defined in the Collateral Agreement) or the Liens securing the payment and performance thereof.

**SECTION 6. Miscellaneous.**

**6.1 Parties in Interest.** All of the terms and provisions of this Amendment shall bind and inure to the benefit of the parties hereto and their respective successors and assigns.

**6.2 Counterparts.** This Amendment may be executed in one or more counterparts and by different parties hereto in separate counterparts each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument; signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document. However, this Amendment shall bind no party until Party B and Party A have executed and delivered a counterpart. Delivery of an executed counterpart of a signature page to this Amendment by telecopier or other electronic transmission (i.e., a "pdf" or " tif" document) shall be effective as delivery of a manually executed counterpart of this Amendment.

**6.3 GOVERNING LAW. THIS AMENDMENT AND ANY AND ALL CONTROVERSIES ARISING OUT OF OR IN RELATION TO THIS AMENDMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, INCLUDING SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW.**

**6.4 Headings.** Any Section and paragraph headings used herein are for convenience of reference only, are not part of this Amendment and shall not affect the construction of, or be taken into consideration in interpreting, this Amendment.

[*Remainder of page intentionally left blank*.]

**IN WITNESS WHEREOF,** the parties hereto have caused this Amendment to be duly executed by their respective authorized officers as of the date and year first above written.

**U.S. OIL & REFINING CO.**

By: /s/ Thor A. Nielsen

Name: Thor A. Nielsen

Title: VP & Treasurer

**MERRILL LYNCH COMMODITIES, INC.**

By: /s/ Kent C. Chenovert

Name: Kent C. Chenovert

Title: Managing Director

[*Signature Page to Twenty-Fourth Amendment to First Lien ISDA 2002 Master Agreement*]

Acknowledged and Agreed:

**PAR PETROLEUM, LLC**

By: /s/ Thor A. Nielsen

Name: Thor A. Nielsen

Title: VP & Treasurer

**MCCHORD PIPELINE CO.**

By: /s/ Thor A. Nielsen

Name: Thor A. Nielsen

Title: VP & Treasurer

***Execution Version***

# TWENTY-FIFTH AMENDMENT TO FIRST LIEN ISDA 2002 MASTER AGREEMENT

This **TWENTY-FIFTH AMENDMENT TO FIRST LIEN ISDA 2002 MASTER AGREEMENT** (this "***Amendment***") is entered into as of June 28, 2022, by and among **U.S. OIL & REFINING CO.**, a Delaware corporation ("***Party B***") and **MERRILL LYNCH COMMODITIES, INC.**, a Delaware corporation ("***Party A***") and is acknowledged and agreed to by the Guarantors signatory hereto. Capitalized terms used but not defined in this Amendment have the meanings assigned to them in the First Lien ISDA Master Agreement (as defined below).

## RECITALS

**WHEREAS**, Party A has entered into certain intermediation arrangements with Party B pursuant to the terms of that certain First Lien ISDA 2002 Master Agreement, dated as of March 17, 2016, by and between Party A and Party B (including the schedule, exhibits, attachments and annexes thereto and the transactions thereunder, and as amended by that certain First Amendment to First Lien ISDA 2002 Master Agreement, dated as of July 18, 2016, that certain Second Amendment to the First Lien ISDA 2002 Master Agreement, dated as of September 29, 2016, that certain Third Amendment to the First Lien ISDA 2002 Master Agreement, dated as of April 1, 2017, that certain Fourth Amendment to the First Lien ISDA 2002 Master Agreement, dated as of March 13, 2018, that certain Fifth Amendment to the First Lien ISDA 2002 Master Agreement, dated as of June 5, 2018, that certain Sixth Amendment to the First Lien ISDA 2002 Master Agreement, dated as of September 1, 2018, that certain Seventh Amendment to the First Lien ISDA 2002 Master Agreement, dated as of October 2, 2018, that certain Eighth Amendment to the First Lien ISDA 2002 Master Agreement, dated as of January 11, 2019, that certain Ninth Amendment to the First Lien ISDA 2002 Master Agreement, dated as of November 1, 2019, that certain Tenth Amendment to the First Lien ISDA 2002 Master Agreement, dated as of April 21, 2020, that certain Eleventh Amendment to the First Lien ISDA 2002 Master Agreement, dated as of July 28, 2020, that certain Twelfth Amendment to the First Lien ISDA 2002 Master Agreement, dated as of February 1, 2021, that certain Thirteenth Amendment to the First Lien ISDA 2002 Master Agreement, dated as of February 11, 2021, that certain Fourteenth Amendment to the First Lien ISDA 2002 Master Agreement, dated as of April 27, 2021, that certain Fifteenth Amendment to the First Lien ISDA 2002 Master Agreement, dated as of August 16, 2021, that certain Sixteenth Amendment to the First Lien ISDA 2002 Master Agreement, dated as of August 24, 2021, that certain Seventeenth Amendment to the First Lien ISDA 2002 Master Agreement, dated as of October 22, 2021, that certain Eighteenth Amendment to the First Lien ISDA 2002 Master Agreement, dated as of December 17, 2021, that certain Nineteenth Amendment to the First Lien ISDA 2002 Master Agreement, dated as of February 24, 2022, that certain Twentieth Amendment to the First Lien ISDA 2002 Master Agreement, dated as of March 9, 2022, that certain Twenty-First Amendment to the First Lien ISDA 2002 Master Agreement, dated as of March 25, 2022, that certain Twenty-Second Amendment to the First Lien ISDA 2002 Master Agreement, dated as of April 21, 2022, that certain Twenty-Third Amendment to the First Lien ISDA 2002 Master Agreement, dated as of May 9, 2022, that certain Twenty-Fourth Amendment to First Lien ISDA 2002 Master Agreement, dated as of May 17, 2022, and as subsequently further amended, restated, supplemented, replaced or otherwise modified from time to time, the "***First Lien ISDA Master Agreement***"); and

**WHEREAS**, the parties desire to amend the First Lien ISDA Master Agreement as set forth herein.

**NOW, THEREFORE**, in consideration of the mutual agreements contained herein and in the Transaction Documents and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, hereby agree as follows:

**SECTION 1. Amendments**. Effective on and after the Effective Date (as defined below) the First Lien ISDA Master Agreement is hereby amended as follows:

**1.1** Attachment 1 (Hydrocarbons) and Attachment 6 (Applicable Curves) to the First Lien ISDA Master Agreement are deleted in their entirety and replaced with the new Attachment 1 and the new Attachment 6 set forth on Exhibit A hereto.

**1.2** Part 4 of Attachment 2 (Payments; Invoicing) to the First Lien ISDA Master Agreement shall be amended by inserting the phrase ", the Monthly WTI Fee for each Hydrocarbon Group (other than Crude and Ethanol)" immediately after the phrase "Undrawn Receivables Fee".

**1.3** Part 5 of Attachment 2 (Payments; Invoicing) to the First Lien ISDA Master Agreement is amended by inserting the following new definition in proper alphabetical order**:**

"***Monthly WTI Fee***" has the meaning set forth in the Fee Letter.

**1.4** Part 20 of the ISDA Schedule shall be amended by adding the following new definition to such Part 20 in the proper alphabetical order:

""***Applicable Haircut***" means, for each Hydrocarbon Group, the haircut specified for such Hydrocarbon Group on Attachment 1, as modified from time to time as per Part 7(h) (which modifications, for the avoidance of doubt, need not take the form of formal amendments to Attachment 1)."

**1.5** Part 7(h) of the ISDA Schedule shall be retitled as "***Applicable Index; Applicable Differentials*; *Applicable Haircuts*"** and the following new paragraph (v) shall be added at the end of such Part 7(h):

"(v) From time to time in connection with Party A's review of the Applicable Indexes and Applicable Differentials in accordance with Part 7(h)(i) of this Schedule, Party A may review the Applicable Haircuts relating to one or more Hydrocarbon Groups and shall use good faith commercially reasonable efforts to determine what adjustments, if any, are necessary to ensure that each (x) accurately reflects Party B's then-current Hydrocarbon slates, (y) accurately reflects then-current market values, volatility spreads and differential risks and (z) is and remains suitable for the purposes for which each is used by this Agreement. Party A's determinations of the adjustments to any Applicable Haircuts shall be made using a commercially reasonable methodology utilizing Relevant Information (including volatility spreads relating to one or more indices or futures contracts (including, without limitation, NYMEX RBOB and NYMEX Heating Oil)), Applicable Indices and Applicable Differentials. If Party A determines that one mor more Applicable Haircuts should be adjusted, such adjustments shall take effect (and Attachment 1 shall be deemed amended accordingly) in connection with the applicable Month-End Invoice, and shall be used for purposes of calculations in preparing such Month-End Invoice."

**SECTION 2. Effectiveness**. This Amendment shall become effective immediately upon (i) the satisfaction, or waiver in writing by Party A of each of the conditions set forth in this Section 2 and (ii) the parties entry into Additional TD Forward Delivery Transactions and TD Forward Return Transactions (the "July TD Forwards") in connection with the preparation of the Month-

End Invoice for June, 2022 pursuant to Part 9(a)(ii) of the ISDA Schedule, (the "***Effective Date***"):

**2.1 Documentation.** Party B and Party A shall have executed and delivered this Amendment.

**2.2 Representations and Warranties.** After giving effect to this Amendment, each of the representations and warranties contained in Section 3 hereof shall be true and correct in all material respects.

For the avoidance of doubt, the terms of this Amendment shall be effective beginning with the July TD Forwards and shall not apply to TD Forward Transactions entered into prior to the Effective Date.

**SECTION 3. Representations and Warranties of Party B.** To induce Party A to grant this Amendment, Party B hereby represents and warrants as follows:

**3.1 Authority; No Conflicts.** The execution, delivery and performance by Party B of this Amendment is within its organizational powers, has been duly authorized by all necessary action, and does not (a) require any consent or approval of any holders of Equity Interests of Party B, other than those already obtained; (b) contravene the organizational documents of Party B; (c) violate any Applicable Law; or (d) result in or require the imposition of any Lien on any property of Party B other than Permitted Liens.

**3.2 Enforceability.** Party B has duly executed and delivered this Amendment. This Amendment constitutes the legal, valid and binding obligation of Party B enforceable in accordance with its terms, except as enforceability may be limited by any applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity.

**3.3 No Default.** As of the date hereof, immediately prior to and after giving effect to this Amendment, no Event of Default, Potential Event of Default or Termination Event has occurred and is continuing under the First Lien ISDA Master Agreement or any other Transaction Document.

**3.4 Other Representations and Warranties.** All representations and warranties of Party B and the other Transaction Parties (and, as applicable, Par LLC) set forth in Section 3 of the First Lien ISDA Master Agreement (including the Additional Representations in Part 14) and any other documents and transactions entered into in connection herewith or contemplated hereby, are, after giving effect to this Amendment, true and correct in all material respects on and as of the date hereof to the same extent as though made on and as of such date, except (a) to the extent such representations and warranties specifically relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects on and as of such earlier date, and (b) to the extent that such representations and warranties are qualified as to "materiality" or "material adverse effect" (or words of like import) shall be satisfied in all respects as so qualified.

**SECTION 4. Covenants.**

**4.1 Expenses.** On or within ten (10) Business Days after the later of (a) the Effective Date and (b) Party B's receipt of any invoice in respect of Permitted Fees and Expenses (as defined below) (such later date, the "***Expense Payment Date***"), Party B shall pay or reimburse

Party A for all reasonable and documented out-of-pocket expenses (including the reasonable and documented out of pocket legal fees and expenses of Stroock & Stroock & Lavan LLP, special counsel to Party A, to the extent Party B has received an invoice in respect of such fees and expenses) incurred by Party A in connection with the preparation, negotiation, execution, delivery and administration of this Amendment, any other Transaction Documents and any other Collateral Documents or any amendment, amendment and restatement, modification or waiver of the provisions thereof (collectively, the "***Permitted Fees and Expenses***").

**SECTION 5. Effect on the First Lien ISDA Master Agreement and Other Transaction Documents.**

**5.1** Except as expressly modified hereby, the First Lien ISDA Master Agreement and other Transaction Documents are and shall continue to be in full force and effect and are hereby in all respects ratified and confirmed.

**5.2** The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a modification to any right, power or remedy of Party A under the First Lien ISDA Master Agreement or any of the other Transaction Documents, nor constitute a waiver of any provision of the First Lien ISDA Master Agreement or any of the other Transaction Documents.

**5.3** Each Grantor hereby agrees that this Amendment and the terms and conditions herein contained shall in no manner affect (other than expressly provided herein) or impair the Obligations (as defined in the Collateral Agreement) or the Liens securing the payment and performance thereof.

**SECTION 6. Miscellaneous.**

**6.1 Parties in Interest.** All of the terms and provisions of this Amendment shall bind and inure to the benefit of the parties hereto and their respective successors and assigns.

**6.2 Counterparts.** This Amendment may be executed in one or more counterparts and by different parties hereto in separate counterparts each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument; signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document. However, this Amendment shall bind no party until Party B and Party A have executed and delivered a counterpart. Delivery of an executed counterpart of a signature page to this Amendment by telecopier or other electronic transmission (i.e., a "pdf" or " tif" document) shall be effective as delivery of a manually executed counterpart of this Amendment.

**6.3 GOVERNING LAW. THIS AMENDMENT AND ANY AND ALL CONTROVERSIES ARISING OUT OF OR IN RELATION TO THIS AMENDMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, INCLUDING SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW.**

**6.4 Headings.** Any Section and paragraph headings used herein are for convenience of reference only, are not part of this Amendment and shall not affect the construction of, or be taken into consideration in interpreting, this Amendment.

[*Remainder of page intentionally left blank.*]

**IN WITNESS WHEREOF,** the parties hereto have caused this Amendment to be duly executed by their respective authorized officers as of the date and year first above written.

**U.S. OIL & REFINING CO.**

By: /s/ Thor A. Nielsen

Name: Thor A. Nielsen

Title: VP & Treasurer

**MERRILL LYNCH COMMODITIES, INC.**

By: /s/ Don W Ellithorpe

Name: Don W Ellithorpe

Title: Vice President

[*Signature Page to Twenty-Fifth Amendment to First Lien ISDA 2002 Master Agreement*]

Acknowledged and Agreed:

**PAR PETROLEUM, LLC**

By: /s/ Thor A. Nielsen

Name: Thor A. Nielsen

Title: VP & Treasurer

**MCCHORD PIPELINE CO.**

By: /s/ Thor A. Nielsen

Name: Thor A. Nielsen

Title: VP & Treasurer

Par Pacific

March 28, 2022

Richard L. Creamer
1848 N Paddock Green Street
Wichita, Kansas 67206

Dear Richard:

On behalf of Par Pacific Holdings, Inc. ("Par Pacific" or the "Company"), I am pleased to extend this letter as confirmation of the terms of your offer of employment with the Company as further described below.

1. **Position and Organization**. Commencing as soon as you are available, you will start in a full-time position as Executive Vice President of Refining and Logistics with a work location of Houston, Texas, reporting directly to William Pate, President & CEO. By signing this letter, you confirm with the Company that you are under no contractual or other legal obligations that would prohibit you from performing your duties with the Company.

2. **Compensation. And Employee Benefits**. Based on the exempt status of this position, you will be paid a starting base salary at the rate of $420,000 per year, pro-rated based on your Commencement Date, payable on the Company's regular payroll date and in accordance with the Company's standard payroll practice. This offer includes benefits uniformly provided to other full-time, regular, non-represented employees of the Company. Please refer to the summary of our benefits program provided separately for details. You will also be eligible for relocation benefits under the Par Pacific Executive Relocation Plan. Further detail of the benefits will be provided upon commencement of your employment.

3. **Sign-on Cash Bonus**. As part of the employment offer, the Company agrees to pay you a sign-or bonus of $296,515.54 once employment commences that will be reflected on your first paycheck. Should you leave Company employment prior to completing 12 consecutive months of employment for any reason other than layoff, you agree to repay the gross amount of the bonus, which shall be due immediately and which may, at the Company's option, be deducted from any compensation payment(s) made to you. Should you leave Company employment after completing 12 consecutive months but before completing 24 consecutive months, you agree to repay 50% of the gross amount of the bonus in the same manner. You agree that if you fail to repay the Company pursuant to the terms of this Agreement and Par Pacific is required to put the matter into collections or otherwise institute legal action, you will be required to pay Par Pacific its costs and reasonable attorneys' fees.

4. **Sign-on Restricted Stock Incentive**. As a sign-on grant, subject to the approval of the Compensation Committee of the Board of Directors of Par Pacific Holdings, Inc., you will be granted a value of $250,000 in restricted stock of the Company. The restricted stock will be subject to the terms and conditions of the Par Pacific Holdings, Inc. 2012 Long Term Incentive Plan. The actual number of shares granted will be determined consistent with the current Company equity plans at the discretion of the Compensation Committee. The terms of any restricted stock grants will be customary awards of this type and include key terms such as a vesting schedule under which shares will vest of a four (4) year period.

5. **Annual Incentive Program**. You will be eligible to participate in the Company's Annual Incentive Program ("AIP") with a target cash incentive equal to 75% of your base pay earned during the performance year. Your eligibility to participate in the Company's AIP will start with the 2022 performance year. Potential payouts under the AIP are based on various financial and operating performance goals of the Company as well as individual performance and typically are made, if at all, in the first half of the following calendar year as business

conditions allow. Annual performance goals and target percentages are subject to approval by the Compensation Committee of the Board of Directors of Par Pacific, and there is no guarantee of award payments where financial and performance goals are not met.

6. **Your Long-Term Incentive Pay Potential**. You will also be eligible to participate in equity programs approved by the Compensation Committee. Currently, these programs include annual grants of awards under the Par Pacific Long-Term Incentive Plan (LTIP) in the form of restricted stock units (RSUs), stock options, and performance units. Your annual LTIP target for all forms of combined equity is valued at 140% of your base salary. Your first eligibility for an annual grant under this LTIP would be in the first quarter of 2023 and the actual number of shares or options granted would be determined consistent with Par's equity plans and subject to terms and conditions of the Par Pacific Long-Term Incentive Plan.

An equity grant awarded in one year does not guarantee an equity grant will be awarded in subsequent years. All equity grants under the LTIP are discretionary and based on both company and individual performance and are subject to approval by the Compensation Committee of the Board of Directors of Par Pacific. Please note that payment, administration, and eligibility of the LTIP will follow the terms established in the LTIP and any applicable stock agreements.

7. **Vacation**. Effective with your hire date, you will be eligible for unlimited hours of vacation as approved by your supervisor.

8. **Confidential Information and Invention Assignment Agreement**. Like all Company employees, you will be required, as a condition of your employment with the Company, to sign the Company's enclosed standard Confidential Information and Invention Assignment Agreement.

9. **Employment Relationship**. Employment with the Company is for no specific period of time. Your employment with the Company will be "at will," meaning that either you or the Company may terminate your employment at any time and for any reason, with or without cause. Any contrary representations which may have been made to you are superseded by this offer. This is the full and complete agreement between you and the Company on this term. Although your job duties, title, compensation and benefits, as well as the Company's personnel policies and procedures, may change from time to time, the "at will" nature of your employment may only be changed in an express written agreement signed by you and a duly-authorized officer of the Company.

10. **Outside Activities**. While you render services to the Company, you agree that you will not engage in any other employment, consulting or other business activity without the written consent of the Company.

11. **Taxes. Withholding and Required Deductions**. All forms of compensation referred to in this letter are subject to all applicable taxes, withholding and any other deductions required by applicable law.

12. **Miscellaneous**.

(a) **Governing Law**. The validity, interpretation, construction and performance of this letter, and all acts and transactions pursuant hereto shall be governed, construed and interpreted in accordance with the laws of the state of Texas (US-TX), without giving effect to principles of conflicts of law.

(b) **Entire Agreement**. This letter sets forth the entire agreement and understanding of the parties relating to the subject matter herein and supersedes all prior or contemporaneous discussions, understandings and agreements, whether oral or written, between them relating to the subject matter hereof. **THIS LETTER IS NOT AN EMPLOYMENT CONTRACT, BUT MERELY SETS FORTH THE INITIAL TERMS OF YOUR EMPLOYMENT WITH THE COMPANY, WHICH MAY BE CHANGED FROM TIME TO TIME.**

(c) **Counterparts**. This letter may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, and all of which together shall constitute one and the same agreement. Execution of a facsimile copy will have the same force and effect as execution of an original, and a facsimile signature will be deemed an original and valid signature.

(d) **Electronic Delivery**. The Company may, in its sole discretion, decide to deliver any documents or notices related to this Agreement, securities of the Company or any of its affiliates or any other matter, including documents and/or notices required to be delivered to you by applicable securities law or any other law or the Company's Certificate of Incorporation or Bylaws by email or any other electronic means. You hereby consent to (i) conduct business electronically (ii) receive such documents and notices by such electronic delivery and (iii) sign documents electronically and agree to participate through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

If you wish to accept this offer, please sign and date both the enclosed duplicate original of this letter and the enclosed Confidential Information and Invention Assignment Agreement and return them to me. This offer is contingent upon completion of the pre-employment process to the satisfaction of the Company. As a condition of continuing employment with the Company, you must successfully complete a drug scree n and a background check. As required, by law, your employment with the Company is also contingent upon your providing legal proof of your identity and authorization to work in the United States. The required documents must be submitted within three (3) business days from your first date of employment, as specified by the requirements of the Immigration Reform and Control Act of 1986.

We are excited about the prospect of you accepting this offer. We look forward to you rejoining Par Pacific!

Sincerely,

PAR PACIFIC HOLDINGS, INC.
Matthew R. Legg, Senior Vice President & Chief Human Resources Officer

/s/ Matthew R. Legg
(Signature)

3/28/2022
Date:

ACCEPTED AND AGREED:

Richard Creamer

/s/ Richard Creamer
(Signature)

3/29/2022
Date:

Attachment A: Confidential Information and Invention Assignment Agreement

**Exhibit 31.1**

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO RULE 13a-14(a)/15d-14(a) PROMULGATED UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED**

I, William Pate, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Par Pacific Holdings, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)), for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 9, 2022

/s/ William Pate

William Pate
President and Chief Executive Officer

**Exhibit 31.2**

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO RULE 13a-14(a)/15d-14(a) PROMULGATED UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED**

I, William Monteleone, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Par Pacific Holdings, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)), for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: August 9, 2022

/s/ William Monteleone

William Monteleone
Chief Financial Officer

**Exhibit 32.1**

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Par Pacific Holdings, Inc. (the “Company”) on Form 10-Q for the period ended June 30, 2022 (the “Report”), as filed with the Securities and Exchange Commission on the date hereof, I, William Pate, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ William Pate

William Pate
President and Chief Executive Officer

August 9, 2022

**Exhibit 32.2**

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER**
**PURSUANT TO 18 U.S.C. SECTION 1350,**
**AS ADOPTED PURSUANT TO SECTION 906**
**OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Par Pacific Holdings, Inc. (the “Company”) on Form 10-Q for the period ended June 30, 2022 (the “Report”), as filed with the Securities and Exchange Commission on the date hereof, I, William Monteleone, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ William Monteleone

William Monteleone
Chief Financial Officer

August 9, 2022