



FOR IMMEDIATE RELEASE

**ISLAND ENERGY SERVICES SHIFTING STRATEGIC FOCUS TO LOGISTICS AND RETAIL OPERATIONS, SELLING SELECT REFINERY ASSETS TO PAR PACIFIC HOLDINGS, INC.**

**IES to continue reliable, cost-effective fuel supply to customers in Hawaii**

KAPOLEI, Hawaii – August 29, 2018 – Island Energy Services (“IES”) today announced a shift in its strategic focus to dedicated logistics and retail operations while ceasing its refining operations.

In addition, IES has reached an agreement to sell select refinery assets to Par Pacific Holdings, Inc. (“Par”). Par intends to utilize the acquired assets for continued refining operations to supply fuel to IES, which will allow IES to fulfill certain utility fuel supply contracts in Hawaii. In connection with the transaction, IES has agreed to enter into a long-term agreement with Par to provide fuel storage and throughput services.

To supply its customers, including IES’s 56 Texaco®-branded stations, IES plans to continue to source petroleum products from its current network of local and global suppliers and does not expect any disruption to Hawaii’s supply of petroleum products as a result of this transaction.

IES also expects to reinvest net sale proceeds in Hawaii to further expand its logistics infrastructure, which includes a network of tank farms, pipelines, and other distribution assets. These planned investments are intended to ensure IES remains well-positioned as a long-term valued supplier of fuel products in Hawaii. In addition, IES plans to expand its retail operations with the opening of a new Texaco®-branded station in Kapolei in early 2019 as well as other new locations throughout Hawaii.

“We recognize the impact this transaction will have on all of our employees and we are committed to supporting each of them during this transformation of the business,” IES CEO Jon Mauer said. “Our immediate and long-term focus is to continue to reliably service our customers, both through this transition and beyond.”

Mauer added, “This shift in operations better positions IES as an integrated logistics provider, anchored by our large-scale Kapolei import terminal. We look forward to maintaining our role as a trusted local fuel supplier for the state as we respond to changing market conditions, industry regulations and Hawaii’s long-term energy mandate.”

Closing of the transaction is subject to the satisfaction of customary closing conditions, including certain regulatory and compliance matters, and is expected to close before the end of the fourth quarter of 2018. Following the transaction, IES and Par will continue to operate as independent competitors.

**ABOUT ISLAND ENERGY SERVICES, LLC**

Island Energy Services, LLC is a Hawaii-based fuels marketing and logistics business providing premier petroleum products for the State of Hawaii. The company reliably serves retail, industrial, aviation, and utility customers throughout the state through a network of key storage and distribution assets comprising fuels terminals and pipelines. Assets include an import terminal in Kapolei, product distribution terminals in Honolulu and on Maui, Kauai and Hawaii Island, pipeline distribution systems and additional related logistics infrastructure throughout the state. In addition, IES's retail network includes 56 Texaco®-branded gas stations. Island Energy is headquartered in Kapolei and managed locally.

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For more information, visit [www.islandenergyservices.com](http://www.islandenergyservices.com) and [www.texacoinhawaii.com](http://www.texacoinhawaii.com).

**Press Contacts:**

John Williamson  
Anthology Marketing Group  
[john.williamson@anthologygroup.com](mailto:john.williamson@anthologygroup.com)  
Mobile: (808) 295-4075

Patrick Dugan  
Anthology Marketing Group  
[patrick.dugan@anthologygroup.com](mailto:patrick.dugan@anthologygroup.com)  
Mobile: (808) 741-2712