

PBF Energy Inc.
Form 10-Q
August 04, 2016

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 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, 2016

Or

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

For the transition period from _____ to _____

Commission File Number: 001-35764

PBF ENERGY INC.

(Exact name of registrant as specified in its charter)

DELAWARE 45-3763855
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

One Sylvan Way, Second Floor 07054
Parsippany, New Jersey
(Address of principal executive offices) (Zip Code)
(973) 455-7500
(Registrant's telephone number, including area code)

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files). Yes No

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

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

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

As of August 2, 2016, PBF Energy Inc. had outstanding 97,825,983 shares of Class A common stock and 27 shares of Class B common stock.

PBF ENERGY INC.
 FORM 10-Q FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2016
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This Quarterly Report on Form 10-Q is filed by PBF Energy Inc. (“PBF Energy”) which is a holding company whose primary asset is an equity interest in PBF Energy Company LLC (“PBF LLC”). PBF Energy is the sole managing member of, and owner of an equity interest representing approximately 95.2% of the outstanding economic interests in, PBF LLC as of June 30, 2016. PBF Energy operates and controls all of the business and affairs and consolidates the financial results of PBF LLC and its subsidiaries. PBF LLC is a holding company for the companies that directly and indirectly own and operate the business. PBF Holding Company LLC (“PBF Holding”) is a wholly-owned subsidiary of PBF LLC and PBF Finance Corporation (“PBF Finance”) is a wholly-owned subsidiary of PBF Holding. As of June 30, 2016, PBF LLC also holds a 49.4% limited partner interest, a non-economic general partner interest and all of the incentive distribution rights in PBF Logistics LP (“PBFX” or the “Partnership”), a publicly traded master limited partnership. PBF Energy, through its ownership of PBF LLC, consolidates the financial results of PBFX and its subsidiaries and records a noncontrolling interest in its consolidated financial statements representing the economic interests of PBFX's unit holders other than PBF LLC. Collectively, PBF Energy and its consolidated subsidiaries, including PBF LLC, PBF Holding, and PBFX are referred to hereinafter as the “Company” unless the context otherwise requires.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains certain “forward-looking statements”, as defined in the Private Securities Litigation Reform Act of 1995 (“PSLRA”), of expected future developments that involve risks and uncertainties. You can identify forward-looking statements because they contain words such as “believes,” “expects,” “may,” “should,” “seeks,” “approximately,” “intends,” “plans,” “estimates,” or “anticipates” or similar expressions that relate to our strategy, plans or intentions. All statements we make relating to our estimated and projected earnings, margins, costs, expenditures, cash flows, growth rates and financial results or to our strategies, objectives, expectations, intentions, resources and expectations regarding future industry trends are forward-looking statements made under the safe harbor of the PSLRA except to the extent such statements relate to the operations of a partnership or limited liability company. In addition, we, through our senior management, from time to time make forward-looking public statements concerning our expected future operations and performance and other developments. These forward-looking statements are subject to risks and uncertainties that may change at any time, and, therefore, our actual results may differ materially from those that we expected. We derive many of our forward-looking statements from our operating budgets and forecasts, which are based upon many detailed assumptions. While we believe that our assumptions are reasonable, we caution that it is very difficult to predict the impact of known factors, and, of course, it is impossible for us to anticipate all factors that could affect our actual results.

Important factors that could cause actual results to differ materially from our expectations, which we refer to as “cautionary statements,” are disclosed under “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and elsewhere in this Form 10-Q and the Annual Report on Form 10-K for the year ended December 31, 2015 of PBF Energy Inc., which we refer to as our 2015 Annual Report on Form 10-K, and in our other filings with the SEC. All forward-looking information in this Quarterly Report on Form 10-Q and subsequent written and oral forward-looking statements attributable to us, or persons acting on our behalf, are expressly qualified in their entirety by the cautionary statements. Some of the factors that we believe could affect our results include:

- supply, demand, prices and other market conditions for our products, including volatility in commodity prices;
- the effects of competition in our markets;
- changes in currency exchange rates, interest rates and capital costs;
- adverse developments in our relationship with both our key employees and unionized employees;
- our ability to operate our businesses efficiently, manage capital expenditures and costs (including general and administrative expenses) and generate earnings and cash flow;
- our substantial indebtedness;
- our supply and inventory intermediation arrangements expose us to counterparty credit and performance risk;
- termination of our A&R Intermediation Agreements with J. Aron could have a material adverse effect on our liquidity, as we would be required to finance our intermediate and refined products inventory covered by the agreements. Additionally, we are obligated to repurchase from J. Aron certain intermediates and finished products located at the Paulsboro and Delaware City refineries’ storage tanks upon termination of these agreements;
- restrictive covenants in our indebtedness that may adversely affect our operational flexibility;
- payments to the current and former holders of PBF LLC Series A Units and PBF LLC Series B Units under our tax receivable agreement for certain tax benefits we may claim;
- our assumptions regarding payments arising under PBF Energy’s tax receivable agreement and other arrangements relating to our organizational structure are subject to change due to various factors, including, among other factors, the timing of exchanges of PBF LLC Series A Units for shares of our Class A common

stock as contemplated by the tax receivable agreement, the price of our Class A common stock at the time of such exchanges, the extent to which such exchanges are taxable, and the amount and timing of our income;

- our expectations and timing with respect to our acquisition activity and whether such acquisitions are accretive or dilutive to shareholders;
- our expectations with respect to our capital improvement and turnaround projects;
- the status of an air permit to transfer crude through the Delaware City refinery's dock;
- the impact of disruptions to crude or feedstock supply to any of our refineries, including disruptions due to problems at PBFX or with third party logistics infrastructure or operations, including pipeline, marine and rail transportation;
- the possibility that we might reduce or not make further dividend payments;
- the inability of our subsidiaries to freely pay dividends or make distributions to us;
- the impact of current and future laws, rulings and governmental regulations, including the implementation of rules and regulations regarding transportation of crude oil by rail;
- the effectiveness of our crude oil sourcing strategies, including our crude by rail strategy and related commitments;
- adverse impacts related to recent legislation by the federal government lifting the restrictions on exporting U.S. crude oil;
- adverse impacts from changes in our regulatory environment, such as the effects of compliance with the California Global Warming Solutions Act (also referred to as "AB32"), or actions taken by environmental interest groups;
- market risks related to the volatility in the price of Renewable Identification Numbers ("RINs") required to comply with the Renewable Fuel Standards and greenhouse gas ("GHG") emission credits required to comply with various GHG emission programs, such as AB32;
- our ability to complete the successful integration of the completed acquisitions of Chalmette Refining, L.L.C and related logistic assets (collectively, the "Chalmette Acquisition") and the Torrance refinery and related logistics assets (collectively, the "Torrance Acquisition") into our business and to realize the benefits from such acquisitions;
- liabilities arising from the Chalmette Acquisition and/or Torrance Acquisition that are unforeseen or exceed our expectations;
- risk associated with the operation of PBFX as a separate, publicly-traded entity;
- potential tax consequences related to our investment in PBFX; and
- any decisions we make with respect to our energy-related logistical assets that may be transferred to PBFX.

We caution you that the foregoing list of important factors may not contain all of the material factors that are important to you. In addition, in light of these risks and uncertainties, the matters referred to in the forward-looking statements contained in this Quarterly Report on Form 10-Q may not in fact occur. Accordingly, investors should not place undue reliance on those statements.

Our forward-looking statements speak only as of the date of this Quarterly Report on Form 10-Q. Except as required by applicable law, including the securities laws of the United States, we do not intend to update or revise any forward-looking statements. All subsequent written and oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the foregoing.

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

PBF ENERGY INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(unaudited, in thousands, except share and per share data)

| | June 30, 2016 | December 31, 2015 |
|--|------------------|----------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$1,412,935 | \$ 944,320 |
| Accounts receivable | 647,866 | 454,759 |
| Inventories | 1,308,536 | 1,174,272 |
| Deferred tax asset | 315,664 | 371,186 |
| Marketable securities - current | 136,144 | — |
| Prepaid expense and other current assets | 110,828 | 77,474 |
| Total current assets | 3,931,973 | 3,022,011 |
| Property, plant and equipment, net | 2,504,921 | 2,356,638 |
| Deferred tax assets | 180,727 | 201,504 |
| Marketable securities | — | 234,258 |
| Deferred charges and other assets, net | 370,429 | 290,713 |
| Total assets | \$6,988,050 | \$ 6,105,124 |
| LIABILITIES AND EQUITY | | |
| Current liabilities: | | |
| Accounts payable | \$373,839 | \$ 315,653 |
| Accrued expenses | 1,301,795 | 1,119,189 |
| Payable to related parties pursuant to tax receivable agreement | 57,042 | 56,621 |
| Deferred tax liabilities | 24,530 | — |
| Deferred revenue | 8,448 | 4,043 |
| Current portion of long-term debt | 135,864 | — |
| Total current liabilities | 1,901,518 | 1,495,506 |
| Delaware Economic Development Authority loan | 4,000 | 4,000 |
| Long-term debt | 2,223,848 | 1,836,355 |
| Payable to related parties pursuant to tax receivable agreement | 604,376 | 604,797 |
| Other long-term liabilities | 78,452 | 68,609 |
| Total liabilities | 4,812,194 | 4,009,267 |
| Commitments and contingencies (Note 10) | | |
| Equity: | | |
| Class A common stock, \$0.001 par value, 1,000,000,000 shares authorized, 97,825,983 shares outstanding at June 30, 2016, 97,781,933 shares outstanding at December 31, 2015 | 93 | 93 |
| Class B common stock, \$0.001 par value, 1,000,000 shares authorized, 27 shares outstanding at June 30, 2016, 28 shares outstanding at December 31, 2015 | — | — |
| Preferred stock, \$0.001 par value, 100,000,000 shares authorized, no shares outstanding, at June 30, 2016 and December 31, 2015 | — | — |
| Treasury stock, at cost, 6,078,283 shares outstanding at June 30, 2016 and 6,056,719 shares outstanding at December 31, 2015 | (150,804) | (150,804) |
| Additional paid in capital | 1,930,697 | 1,904,751 |
| Retained earnings/(Accumulated deficit) | (67,478) | (83,454) |
| Accumulated other comprehensive loss | (22,302) | (23,289) |
| Total PBF Energy Inc. equity | 1,690,206 | 1,647,297 |

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| | | |
|------------------------------|-------------|-------------|
| Noncontrolling interest | 485,650 | 448,560 |
| Total equity | 2,175,856 | 2,095,857 |
| Total liabilities and equity | \$6,988,050 | \$6,105,124 |

See notes to condensed consolidated financial statements.

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PBF ENERGY INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(unaudited, in thousands, except share and per share data)

| | Three Months Ended | | Six Months Ended | |
|---|--------------------|-------------|------------------|-------------|
| | June 30, | | June 30, | |
| | 2016 | 2015 | 2016 | 2015 |
| Revenues | \$3,858,467 | \$3,550,664 | \$6,658,652 | \$6,545,800 |
| Cost and expenses: | | | | |
| Cost of sales, excluding depreciation | 3,249,444 | 2,994,745 | 5,661,539 | 5,496,960 |
| Operating expenses, excluding depreciation | 276,598 | 194,970 | 576,597 | 432,088 |
| General and administrative expenses | 43,373 | 39,223 | 80,955 | 75,269 |
| Loss (gain) on sale of assets | 3,222 | (632) | 3,222 | (991) |
| Depreciation and amortization expense | 51,060 | 48,562 | 106,993 | 96,268 |
| | 3,623,697 | 3,276,868 | 6,429,306 | 6,099,594 |
| Income from operations | 234,770 | 273,796 | 229,346 | 446,206 |
| Other (expenses) income: | | | | |
| Change in fair value of catalyst leases | (1,748) | 1,949 | (4,633) | 3,988 |
| Interest expense, net | (35,940) | (26,876) | (73,467) | (49,068) |
| Income before income taxes | 197,082 | 248,869 | 151,246 | 401,126 |
| Income tax expense | 76,434 | 90,409 | 53,934 | 139,547 |
| Net income | 120,648 | 158,460 | 97,312 | 261,579 |
| Less: net income attributable to noncontrolling interests | 17,118 | 22,650 | 23,170 | 38,447 |
| Net income attributable to PBF Energy Inc. | \$103,530 | \$135,810 | \$74,142 | \$223,132 |
| Weighted-average shares of Class A common stock outstanding | | | | |
| Basic | 97,836,366 | 86,036,809 | 97,822,875 | 85,175,066 |
| Diluted | 103,278,622 | 91,659,906 | 103,364,478 | 91,655,081 |
| Net income available to Class A common stock per share: | | | | |
| Basic | \$1.06 | \$1.58 | \$0.76 | \$2.62 |
| Diluted | \$1.06 | \$1.57 | \$0.76 | \$2.57 |
| Dividends per common share | \$0.30 | \$0.30 | \$0.60 | \$0.60 |

See notes to condensed consolidated financial statements.

PBF ENERGY INC.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(unaudited, in thousands)

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|-----------------------------------|------------|------------------------------|------------|
| | 2016 | 2015 | 2016 | 2015 |
| Net income | \$ 120,648 | \$ 158,460 | \$ 97,312 | \$ 261,579 |
| Other comprehensive income: | | | | |
| Unrealized gain (loss) on available for sale securities | 99 | (75) | 405 | (4) |
| Net gain on pension and other postretirement benefits | 316 | 400 | 632 | 800 |
| Total other comprehensive income | 415 | 325 | 1,037 | 796 |
| Comprehensive income | 121,063 | 158,785 | 98,349 | 262,375 |
| Less: comprehensive income attributable to noncontrolling interests | 17,138 | 22,668 | 23,220 | 38,492 |
| Comprehensive income attributable to PBF Energy Inc. | \$ 103,925 | \$ 136,117 | \$ 75,129 | \$ 223,883 |

See notes to condensed consolidated financial statements.

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PBF ENERGY INC.
 CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
 (unaudited, in thousands)

| | Six Months Ended June 30, | |
|---|------------------------------|-------------|
| | 2016 | 2015 |
| Cash flows from operating activities: | | |
| Net income | \$97,312 | \$261,579 |
| Adjustments to reconcile net income to net cash provided by operations: | | |
| Depreciation and amortization | 112,523 | 100,839 |
| Stock-based compensation | 12,709 | 5,394 |
| Change in fair value of catalyst lease obligations | 4,633 | (3,988) |
| Deferred income taxes | 92,973 | 74,006 |
| Non-cash change in inventory repurchase obligations | 26,172 | 89,203 |
| Pension and other post retirement benefit costs | 15,355 | 12,893 |
| Loss (gain) on disposition of property, plant and equipment | 3,222 | (991) |
| Change in non-cash lower of cost or market adjustment | (216,843) | (127,166) |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | (193,107) | 11,042 |
| Inventories | 82,579 | (84,619) |
| Prepaid expenses and other current assets | (29,170) | 29,552 |
| Accounts payable | 58,186 | 19,368 |
| Accrued expenses | 157,345 | (59,908) |
| Deferred revenue | 4,405 | 5,991 |
| Payable to related parties pursuant to tax receivable agreement | — | (10,168) |
| Other assets and liabilities | (12,160) | (5,352) |
| Net cash provided by operations | 216,134 | 317,675 |
| Cash flows from investing activities: | | |
| Expenditures for property, plant and equipment | (111,772) | (224,063) |
| Expenditures for deferred turnaround costs | (106,649) | (22,918) |
| Expenditures for other assets | (21,325) | (5,424) |
| Expenditure for PBFX Plains Asset Purchase | (98,336) | — |
| Chalmette Acquisition working capital settlement | (2,659) | — |
| Purchase of marketable securities | (1,310,000) | (1,379,386) |
| Maturities of marketable securities | 1,408,124 | 1,380,085 |
| Proceeds from sale of assets | 6,860 | 138,131 |
| Net cash used in investing activities | (235,757) | (113,575) |

See notes to condensed consolidated financial statements.

PBF ENERGY INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)

(unaudited, in thousands)

| | Six Months Ended June 30, | |
|--|------------------------------|--------------|
| | 2016 | 2015 |
| Cash flows from financing activities: | | |
| Proceeds from issuance of PBFX common units, net of underwriters' discount and commissions | \$51,575 | \$— |
| Distributions to PBF Energy Company LLC members | (2,971 |) (8,262) |
| Distributions to PBFX unit holders | (14,864 |) (11,033) |
| Dividend payments | (58,696 |) (51,545) |
| Proceeds from PBFX Senior Notes | — | 350,000 |
| Proceeds from PBFX revolver borrowings | 98,500 | 24,500 |
| Repayments of PBFX revolver borrowings | (30,000 |) (275,100) |
| Repayments of PBFX Term Loan borrowings | (98,336 |) (700) |
| Proceeds from Rail Facility revolver borrowings | — | 70,750 |
| Repayments of Rail Facility revolver borrowings | (6,970 |) (64,626) |
| Proceeds from revolver borrowings | 550,000 | — |
| Purchases of treasury stock | — | (4,000) |
| Deferred financing costs and other | — | (8,135) |
| Net cash provided by financing activities | 488,238 | 21,849 |
| Net increase in cash and cash equivalents | 468,615 | 225,949 |
| Cash and cash equivalents, beginning of period | 944,320 | 397,873 |
| Cash and cash equivalents, end of period | \$1,412,935 | \$623,822 |
| Supplemental cash flow disclosures | | |
| Non-cash activities: | | |
| Accrued construction in progress and unpaid fixed assets | \$8,149 | \$21,367 |

See notes to condensed consolidated financial statements.

PBF ENERGY INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(IN THOUSANDS, EXCEPT SHARE, UNIT, PER SHARE, PER UNIT AND BARREL DATA)

1. DESCRIPTION OF THE BUSINESS AND BASIS OF PRESENTATION

Description of the Business

PBF Energy Inc. (“PBF Energy”) was formed as a Delaware corporation in 2011 and completed an initial public offering in December 2012. PBF Energy is the sole managing member of PBF Energy Company LLC (“PBF LLC”), a Delaware limited liability company, with a controlling interest in PBF LLC and its subsidiaries. PBF Energy consolidates the financial results of PBF LLC and its subsidiaries and records a noncontrolling interest in its consolidated financial statements representing the economic interests of PBF LLC's members other than PBF Energy. PBF LLC, together with its consolidated subsidiaries, owns and operates oil refineries and related facilities in North America. PBF Holding Company LLC (“PBF Holding”) is a wholly-owned subsidiary of PBF LLC. PBF Finance Corporation (“PBF Finance”) is a wholly-owned subsidiary of PBF Holding. Delaware City Refining Company LLC (“Delaware City Refining” or “DCR”), PBF Power Marketing LLC, PBF Energy Limited, Paulsboro Refining Company LLC, Paulsboro Natural Gas Pipeline Company LLC, Toledo Refining Company LLC, Chalmette Refining, L.L.C. (“Chalmette Refining”) and MOEM Pipeline LLC are PBF LLC’s principal operating subsidiaries and are all wholly-owned subsidiaries of PBF Holding. In addition, PBF LLC, through Chalmette Refining, holds an 80% interest in and consolidates Collins Pipeline Company and T&M Terminal Company.

As of June 30, 2016, PBF LLC also holds a 49.4% limited partner interest and all of the incentive distribution rights in PBF Logistics LP (“PBFX”), a publicly traded master limited partnership (refer to Note 2 “PBF Logistics LP” of our Notes to Condensed Consolidated Financial Statements). PBF Logistics GP LLC (“PBF GP”) owns the noneconomic general partner interest and serves as the general partner of PBFX and is wholly-owned by PBF LLC. PBF Energy, through its ownership of PBF LLC, consolidates the financial results of PBFX and its subsidiaries and records a noncontrolling interest in its consolidated financial statements representing the economic interests of PBFX's unit holders other than PBF LLC. Collectively, PBF Energy and its consolidated subsidiaries, including PBF LLC, PBF Holding, and PBFX are referred to hereinafter as the “Company” unless the context otherwise requires.

On February 6, 2015, the Company completed a public offering of 3,804,653 shares of Class A common stock in a secondary offering (the “February 2015 secondary offering”). All of the shares in the February 2015 secondary offering were sold by funds affiliated with Blackstone Group L.P., or Blackstone, and First Reserve Management, L.P., or First Reserve. In connection with the February 2015 secondary offering, Blackstone and First Reserve exchanged all of their remaining PBF LLC Series A Units for an equivalent number of shares of Class A common stock of PBF Energy, and as a result, Blackstone and First Reserve no longer hold any PBF LLC Series A Units or shares of PBF Energy Class A common stock. PBF Energy did not receive any proceeds from the February 2015 secondary offering. As of June 30, 2016, the Company owns 97,825,983 PBF LLC Series C Units and the Company's current and former executive officers and directors and certain employees and others beneficially own 4,964,901 PBF LLC Series A Units. As of June 30, 2016, the holders of the Company's issued and outstanding shares of Class A common stock have 95.2% of the voting power in the Company and the members of PBF LLC other than PBF Energy through their holdings of Class B common stock have the remaining 4.8% of the voting power in the Company.

Substantially all of the Company’s operations are in the United States. The Company operates in two reportable business segments: Refining and Logistics. The Company’s oil refineries are all engaged in the refining of crude oil and other feedstocks into petroleum products, and are aggregated into the Refining segment. PBFX is a publicly traded master limited partnership that was formed to operate logistical assets such as crude oil and refined petroleum products terminals, pipelines, and storage facilities. PBFX's operations are aggregated into the Logistics segment. Prior to the PBFX Plains Asset Purchase on April 29, 2016 (refer to "Note 3 Acquisitions"), PBFX did not generate third party revenue and intersegment revenues from affiliates are eliminated in consolidation. Prior to the PBFX initial public offering in May 2014, PBFX's assets, other than those acquired in connection with the PBFX Plains Asset Purchase, were operated within the refining operations of the Company's Delaware City and Toledo refineries. The assets, did not generate third party revenue nor, apart from Delaware Pipeline Company LLC, any intra-entity

PBF ENERGY INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(IN THOUSANDS, EXCEPT SHARE, UNIT, PER SHARE, PER UNIT AND BARREL DATA)

revenue and were not considered to be a separate reportable segment. To generate earnings and cash flows from operations, the Company is primarily dependent upon processing crude oil and selling refined petroleum products at margins sufficient to cover fixed and variable costs and other expenses. Crude oil and refined petroleum products are commodities; and factors largely out of the Company's control can cause prices to vary over time. The potential margin volatility can have a material effect on the Company's financial position, earnings and cash flow.

Basis of Presentation

The unaudited condensed consolidated financial information furnished herein reflects all adjustments (consisting of normal recurring accruals) which are, in the opinion of management, considered necessary for a fair presentation of the financial position and the results of operations and cash flows of the Company for the periods presented. All intercompany accounts and transactions have been eliminated in consolidation. These unaudited condensed consolidated financial statements of the Company have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") for interim financial information. Accordingly, they do not include all of the information and notes required by GAAP for complete financial statements. These interim condensed consolidated financial statements should be read in conjunction with the financial statements included in the Annual Report on Form 10-K for the year ended December 31, 2015 of PBF Energy. The results of operations for the three and six months ended June 30, 2016 are not necessarily indicative of the results to be expected for the full year.

Recently Adopted Accounting Guidance

Effective January 1, 2016, the Company adopted Accounting Standard Update ("ASU") No. 2015-02, "Consolidation (Topic 810): Amendments to the Consolidation Analysis" ("ASU 2015-02"), which changed existing consolidation requirements associated with the analysis a reporting entity must perform to determine whether it should consolidate certain types of legal entities, including limited partnerships and variable interest entities. The Company's adoption of this guidance did not impact our consolidated financial statements.

Effective January 1, 2016, the Company adopted ASU No. 2015-16, "Business Combinations (Topic 805): Simplifying the Accounting for Measurement-Period Adjustments" ("ASU 2015-16"), which requires (i) that an acquirer recognize adjustments to provisional amounts that are identified during the measurement period in the reporting period in which the adjustment amounts are determined, (ii) that the acquirer record, in the same period's financial statements, the effect on earnings of changes in depreciation, amortization, or other income effects, if any, as a result of the change to the provisional amounts, calculated as if the accounting had been completed at the acquisition date, (iii) that an entity present separately on the face of the income statement or disclose in the notes the portion of the amount recorded in current-period earnings by line item that would have been recorded in previous reporting periods if the adjustment to the provisional amounts had been recognized as of the acquisition date. The adoption of this guidance did not materially affect any of the Company's financial statements or related disclosures.

Recent Accounting Pronouncements

In August 2015, the Financial Accounting Standards Board ("FASB") issued ASU No. 2015-14, "Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date" ("ASU 2015-14"), which defers the effective date of ASU 2014-09, "Revenue from Contracts with Customers" ("ASU 2014-09") for all entities by one year. The guidance in ASU 2014-09 will replace most existing revenue recognition guidance in GAAP when it becomes effective. Under ASU 2015-14, this guidance becomes effective for interim and annual periods beginning after December 15, 2017 and permits the use of either the retrospective or cumulative effect transition method. Under ASU 2015-14, early adoption is permitted only as of annual reporting periods beginning after December 15, 2016, including interim reporting periods within that reporting period. The Company is currently evaluating the impact of this new standard on its consolidated financial statements and related disclosures.

In November 2015, the FASB issued ASU No. 2015-17, "Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes" ("ASU 2015-17"), which requires deferred tax liabilities and assets be classified as noncurrent in a classified statement of financial position. Under ASU 2015-17, this guidance becomes effective for annual periods beginning after December 15, 2016 and interim periods within annual periods beginning after December

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15, 2016 and interim periods within those years with early adoption permitted as of the beginning of an annual or interim period after the issuance of the ASU. The Company is currently evaluating the impact of this new standard on its consolidated financial statements and related disclosures.

In January 2016, the FASB issued ASU No. 2016-01, "Financial Instruments - Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities" ("ASU 2016-01"), which amends how entities measure equity investments that do not result in consolidation and are not accounted for under the equity method and how they present changes in the fair value of financial liabilities measured under the fair value option that are attributable to their own credit. ASU 2016-01 also changes certain disclosure requirements and other aspects of current GAAP but does not change the guidance for classifying and measuring investments in debt securities and loans. Under ASU 2016-01, this guidance becomes effective for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. Early adoption is permitted in certain circumstances. The Company is currently evaluating the impact of this new standard on its consolidated financial statements and related disclosures.

In February 2016, the FASB issued ASU No. 2016-02, "Leases (Topic 842)" ("ASU 2016-02"), to increase the transparency and comparability about leases among entities. The new guidance requires lessees to recognize a lease liability and a corresponding lease asset for virtually all lease contracts. It also requires additional disclosures about leasing arrangements. ASU 2016-02 is effective for interim and annual periods beginning after December 15, 2018, and requires a modified retrospective approach to adoption. Early adoption is permitted. The Company is currently evaluating the impact of this new standard on its consolidated financial statements and related disclosures.

In March 2016, the FASB issued ASU No. 2016-06, "Derivatives and Hedging (Topic 815): Contingent Put and Call Options in Debt Instruments No. 2016-06 March 2016 a consensus of the FASB Emerging Issues Task Force" ("ASU 2016-06"), to increase consistency in practice in applying guidance on determining if an embedded derivative is clearly and closely related to the economic characteristics of the host contract, specifically for assessing whether call (put) options that can accelerate the repayment of principal on a debt instrument meet the clearly and closely related criterion. The guidance in ASU 2016-06 applies to all entities that are issuers of or investors in debt instruments (or hybrid financial instruments that are determined to have a debt host) with embedded call (put) options. ASU 2016-06 is effective for interim and annual periods beginning after December 15, 2016, and requires a modified retrospective approach to adoption. Early adoption is permitted. The Company is currently evaluating the impact of this new standard on its consolidated financial statements and related disclosures.

In March 2016, the FASB issued ASU No. 2016-09, "Compensation - Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting" ("ASU 2016-09") which is intended to simplify certain aspects of the accounting for share-based payments to employees. The guidance in ASU 2016-09 requires all income tax effects of awards to be recognized in the income statement when the awards vest or are settled rather than recording excess tax benefits or deficiencies in additional paid-in capital. The guidance in ASU 2016-09 also allows an employer to repurchase more of an employee's shares than it can today for tax withholding purposes without triggering liability accounting and to make a policy election to account for forfeitures as they occur. ASU 2016-09 also contains additional guidance for nonpublic entities that do not apply to the Company. ASU 2016-09 is effective for interim and annual periods beginning after December 15, 2016, and requires a modified retrospective approach to adoption. Early adoption is permitted. The Company is currently evaluating the impact of this new standard on its consolidated financial statements and related disclosures.

In June 2016, the FASB issued ASU No. 2016-13, "Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments" ("ASU 2016-13") which requires credit losses on available-for-sale debt securities to be presented as an allowance rather than as a write-down. This approach is an improvement to current GAAP because an entity will be able to record reversals of credit losses (in situations in which the estimate of credit losses declines) in current period net income, which in turn should align the income statement recognition of credit losses with the reporting period in which changes occur. Current GAAP prohibits reflecting those improvements in current period earnings. ASU 2016-13 is effective for interim and annual periods beginning after December 15, 2019, and requires a modified retrospective approach to adoption. Early adoption is permitted for

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interim and annual periods beginning after December 15, 2018. The Company is currently evaluating the impact of this new standard on its consolidated financial statements and related disclosures.

2. PBF LOGISTICS LP

On May 14, 2014, PBFX completed its initial public offering (the "PBFX Offering") of 15,812,500 common units. In addition, on April 5, 2016, PBFX completed a public offering of an aggregate of 2,875,000 common units, including 375,000 common units that were sold pursuant to the exercise of an over-allotment option, for net proceeds of \$51,575, after deducting underwriting discounts and commissions and other offering expenses (the "April 2016 PBFX Equity Offering").

On April 29, 2016, PBFX purchased 4 refined product terminals located in the greater Philadelphia region (the "East Coast Terminals") from an affiliate of Plains All American Pipeline, L.P. for total cash consideration of \$100,000 (the "PBFX Plains Asset Purchase"), less a preliminary estimate for working capital, which is subject to final purchase price valuation and working capital adjustment. This acquisition expands PBFX's storage and terminaling footprint and introduces third-party customers to its revenue base. The acquisition was financed through a combination of cash on hand and borrowings from the PBFX senior secured revolving credit facility (the "PBFX Revolving Credit Facility"). As of June 30, 2016, PBF LLC holds a 49.4% limited partner interest in PBFX (consisting of 2,572,944 common units and 15,886,553 subordinated units) and all of PBFX's incentive distribution rights, with the remaining 50.6% limited partner interest held by public common unit holders. PBF LLC also owns indirectly a non-economic general partner interest in PBFX through its wholly-owned subsidiary, PBF GP, the general partner of PBFX. During the subordination period (as set forth in the partnership agreement of PBFX) holders of the subordinated units are not entitled to receive any distribution of available cash until the common units have received the minimum quarterly distribution plus any arrearages in the payment of the minimum quarterly distribution from prior quarters. If PBFX does not pay distributions on the subordinated units, the subordinated units will not accrue arrearages for those unpaid distributions. Each subordinated unit will convert into one common unit at the end of the subordination period. PBFX engages in the receiving, handling, storage and transferring of crude oil, refined products and intermediates from sources located throughout the United States and Canada for PBF Energy in support of certain of its refineries, as well as for third party customers. As of June 30, 2016, all of PBFX's revenue is derived from either third-party or affiliate revenue at its East Coast Terminals or long-term, fee-based commercial agreements with PBF Holding, which include minimum volume commitments, for receiving, handling, storing and transferring crude oil and refined products. PBF Energy also has agreements with PBFX that establish fees for certain general and administrative services and operational and maintenance services provided by PBF Holding to PBFX. These transactions, other than those with third parties, are eliminated by PBF Energy in consolidation.

PBFX's initial assets consisted of a light crude oil rail unloading terminal at the Delaware City refinery that also services the Paulsboro refinery (which is referred to as the "Delaware City Rail Terminal"), and a crude oil truck unloading terminal at the Toledo refinery (which is referred to as the "Toledo Truck Terminal") that are integral components of the crude oil delivery operations at three of PBF Energy's refineries. In a series of drop-down transactions subsequent to the PBFX Offering, PBF Holding distributed certain additional assets to PBF LLC which, in turn, contributed such assets to PBFX consisting of the Delaware City heavy crude unloading rack, which is also capable of unloading light crude oil (the "DCR West Rack"), a tank farm and related facilities located at PBF Energy's Toledo refinery, including a propane storage and loading facility (the "Toledo Storage Facility"), and a products pipeline, truck rack and related facilities located at our Delaware City refinery (collectively the "Delaware City Products Pipeline and Truck Rack"). Additionally, on April 29, 2016, PBFX made its initial third-party asset purchase acquiring the East Coast Terminals.

PBFX, a variable interest entity, is consolidated by PBF Energy through its ownership of PBF LLC. PBF LLC through its ownership of PBF GP, has the sole ability to direct the activities of PBFX that most significantly impact its economic performance. PBF LLC is considered to be the primary beneficiary of PBFX for accounting purposes.

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3. ACQUISITIONS

Chalmette Acquisition

On November 1, 2015, the Company acquired from ExxonMobil, Mobil Pipe Line Company and PDV Chalmette, L.L.C., 100% of the ownership interests of Chalmette Refining, which owns the Chalmette refinery and related logistics assets (collectively, the "Chalmette Acquisition"). The Chalmette refinery, located outside of New Orleans, Louisiana, is a dual-train coking refinery and is capable of processing both light and heavy crude oil. Subsequent to the closing of the Chalmette Acquisition, Chalmette Refining is a wholly-owned subsidiary of PBF Holding. Chalmette Refining is strategically positioned on the Gulf Coast with logistics connectivity that offers flexible raw material sourcing and product distribution opportunities, including the potential to export products and provides geographic diversification into PADD 3.

Chalmette Refining owns 100% of the MOEM Pipeline, providing access to the Empire Terminal, as well as the CAM Connection Pipeline, providing access to the Louisiana Offshore Oil Port facility through a third party pipeline. Chalmette Refining also owns 80% of each of the Collins Pipeline Company and T&M Terminal Company, both located in Collins, Mississippi, which provide a clean products outlet for the refinery to the Plantation and Colonial Pipelines. Also included in the acquisition are a marine terminal capable of importing waterborne feedstocks and loading or unloading finished products; a clean products truck rack which provides access to local markets; and a crude and product storage facility.

The aggregate purchase price for the Chalmette Acquisition was \$322,000 in cash, plus inventory and final working capital of \$245,963. As described below, the valuation of the working capital was finalized in the first quarter of 2016. The transaction was financed through a combination of cash on hand and borrowings under PBF Holding's asset based revolving credit agreement (the "Revolving Loan").

The Company accounted for the Chalmette Acquisition as a business combination under GAAP whereby we recognize assets acquired and liabilities assumed in an acquisition at their estimated fair values as of the date of acquisition. Any excess consideration transferred over the estimated fair values of the identifiable net assets acquired is recorded as goodwill. The final purchase price and fair value allocation were completed as of March 31, 2016. During the measurement period, which ended in March 2016, adjustments were made to the Company's preliminary fair value estimates related primarily to inventories and accounts payable.

The following table summarizes the final amounts recognized for assets acquired and liabilities assumed as of the acquisition date. The total purchase consideration and the fair values of the assets and liabilities at the acquisition date were as follows:

| | Purchase Price |
|---------------------|-------------------|
| Net cash | \$587,005 |
| Cash acquired | (19,042) |
| Total consideration | \$567,963 |

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| | Fair Value Allocation |
|---|--------------------------|
| Accounts receivable | \$ 1,126 |
| Inventories | 271,434 |
| Prepaid expenses and other current assets | 913 |
| Property, plant and equipment | 356,961 |
| Deferred charges and other assets | 8,312 |
| Accounts payable | (4,870) |
| Accrued expenses | (28,371) |
| Deferred tax liability | (25,721) |
| Noncontrolling interests | (11,821) |
| Fair value of net assets acquired | \$ 567,963 |

In addition, in connection with the acquisition of Chalmette Refining, the Company acquired Collins Pipeline Company and T&M Terminal Company, which are both C-corporations for tax purposes. As a result, the Company recognized a deferred tax liability of \$25,721 attributable to the book and tax basis difference in the C-corporation assets, which had a corresponding impact on noncontrolling interests of \$5,144.

The Company's consolidated financial statements for the three and six months ended June 30, 2016 include the results of operations of the Chalmette refinery whereas the same periods in 2015 do not include the results of operations of the Chalmette refinery. On an unaudited pro forma basis, the revenues and net income of the Company assuming the acquisition had occurred on January 1, 2014, are shown below. The unaudited pro forma information does not purport to present what the Company's actual results would have been had the acquisition occurred on January 1, 2014, nor is the financial information indicative of the results of future operations. The unaudited pro forma financial information includes the depreciation and amortization expense related to the acquisition and interest expense associated with the financing of the Chalmette Acquisition.

| (Unaudited) | Six Months Ended June 30, 2015 |
|---|--------------------------------------|
| Pro forma revenues | \$8,831,441 |
| Pro forma net income attributable to PBF Energy Inc. | \$301,850 |
| Pro forma net income available to Class A common stock per share: | |
| Basic | \$3.12 |
| Diluted | \$3.07 |

The unaudited amount of revenues and net income above have been calculated after conforming Chalmette Refining's accounting policies to those of the Company and certain one-time adjustments.

PBFX Plains Asset Purchase

On April 29, 2016, PBFX's wholly-owned subsidiary, PBF Logistics Products Terminals LLC, completed the purchase of the East Coast Terminals, including product storage tanks, pipeline connections to the Colonial Pipeline Company, Buckeye Partners, Sunoco Logistics Partners and other proprietary pipeline systems, truck loading lanes and marine facilities capable of handling barges and ships. This acquisition expands PBFX's storage and terminaling footprint and introduces third-party customers to its revenue base.

The aggregate purchase price for the PBFX Plains Asset Purchase was \$100,000, less a preliminary estimate for working capital of \$1,664, which is subject to final purchase price valuation and working capital adjustment. The consideration for the transaction was funded by PBFX with \$98,336 in proceeds from the sale of marketable securities. PBFX borrowed an additional \$98,500 under the PBFX Revolving Credit Facility, which was used to

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repay \$98,336 of the PBFX Term Loan (as defined below) in order to release \$98,336 in marketable securities that had collateralized the PBFX Term Loan.

PBFX accounted for the PBFX Plains Asset Purchase as a business combination under GAAP whereby PBFX recognizes assets acquired and liabilities assumed in an acquisition at their estimated fair values as of the date of acquisition. Any excess consideration transferred over the estimated fair values of the identifiable net assets acquired is recorded as goodwill. The final purchase price and its allocation are dependent on final reconciliations of working capital and other items subject to agreement by both parties.

The total purchase consideration and the estimated fair values of the assets and liabilities at the acquisition date were as follows:

| | |
|---|-------------------|
| | Purchase Price |
| Gross purchase price | \$ 100,000 |
| Preliminary working capital adjustment (1,664) | |
| Total consideration | \$ 98,336 |

The following table summarizes the preliminary amounts recognized for assets acquired and liabilities assumed as of the acquisition date:

| | |
|--|--------------------------|
| | Fair Value Allocation |
| Prepaid expenses and other current assets | 4,184 |
| Property, plant and equipment | 99,342 |
| Accounts payable and accrued expenses (3,174) | |
| Other long-term liabilities (2,016) | |
| Estimated fair value of net assets acquired | \$ 98,336 |

The Company's consolidated financial statements for the three and six months ended June 30, 2016 include the results of operations of the East Coast Terminals whereas the same periods in 2015 do not include the results of operations of the East Coast Terminals. For the period from its acquisition on April 29, 2016 to June 30, 2016, the East Coast Terminals contributed revenues of \$3,314 and net income of \$1,529. On an unaudited pro forma basis, the revenues and net income of the Company assuming the PBFX Asset Purchase had occurred on January 1, 2015, are shown below. The unaudited pro forma information does not purport to present what the Company's actual results would have been had the PBFX Asset Purchase occurred on January 1, 2015, nor is the financial information indicative of the results of future operations. The unaudited pro forma financial information includes the depreciation and amortization expense related to the acquisition and interest expense associated with the PBFX Plains Asset Purchase financing.

| | | |
|---|--------------------------------------|--------------------------------------|
| (Unaudited) | Six Months Ended June 30, 2016 | Six Months Ended June 30, 2015 |
| Pro forma revenues | \$6,665,446 | \$6,554,429 |
| Pro forma net income attributable to PBF Energy Inc. | \$77,518 | \$221,628 |
| Pro forma net income available to Class A common stock per share: | | |
| Basic | \$0.79 | \$2.60 |
| Diluted | \$0.79 | \$2.56 |

The unaudited amount of revenues and net income above have been calculated after conforming the East Coast Terminals' accounting policies to those of the Company and certain one-time adjustments.

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Acquisition Expenses

The Company incurred acquisition related costs consisting primarily of consulting and legal expenses related to the Chalmette Acquisition, the Torrance Acquisition (as defined in "Note 18 - Subsequent Events"), the PBFX Plains Asset Purchase and other pending and non-consummated acquisitions of \$4,988 and \$9,712 in the three and six months ended June 30, 2016, respectively. In the three and six months ended June 30, 2015, the Company incurred acquisition related costs of \$129 and \$679, respectively. These costs are included in the condensed consolidated statements of operations in General and administrative expenses.

Cash Held for Torrance Acquisition

At June 30, 2016, the Company's Cash and cash equivalents included \$998,542 that was held to fund the Torrance Acquisition that closed on July 1, 2016.

4. NONCONTROLLING INTERESTS

Noncontrolling Interest in PBF LLC

PBF Energy is the sole managing member of, and has a controlling interest in, PBF LLC. As the sole managing member of PBF LLC, PBF Energy operates and controls all of the business and affairs of PBF LLC and its subsidiaries. As of December 31, 2015 and June 30, 2016, PBF Energy's equity interest in PBF LLC represented approximately 95.1% and 95.2%, respectively, of the outstanding interests.

PBF Energy consolidates the financial results of PBF LLC and its subsidiaries, and records a noncontrolling interest for the economic interest in PBF Energy held by the members of PBF LLC other than PBF Energy. Noncontrolling interest on the consolidated statements of operations includes the portion of net income or loss attributable to the economic interest in PBF Energy held by the members of PBF LLC other than PBF Energy. Noncontrolling interest on the consolidated balance sheets includes the portion of net assets of PBF Energy attributable to the members of PBF LLC other than PBF Energy.

The noncontrolling interest ownership percentage of PBF LLC as of December 31, 2015 and June 30, 2016 is calculated as follows:

| | Outstanding | | | | |
|-------------------|-------------|------------|-------------|---|--|
| | Shares of | | Total * | | |
| December 31, 2015 | 4,985,358 | 97,781,933 | 102,767,291 | | |
| | 4.9 | % 95.1 | % 100.0 | % | |
| June 30, 2016 | 4,964,901 | 97,825,983 | 102,790,884 | | |
| | 4.8 | % 95.2 | % 100.0 | % | |

* Assumes all of the holders of PBF LLC Series A Units exchange their PBF LLC Series A Units for shares of PBF Energy's Class A common stock on a one-for-one basis.

Noncontrolling Interest in PBFX

PBF LLC holds a 49.4% limited partner interest in PBFX and owns all of PBFX's incentive distribution rights, with the remaining 50.6% limited partner interest owned by public common unit holders as of June 30, 2016. PBF LLC is also the sole member of PBF GP, the general partner of PBFX.

PBF Energy, through its ownership of PBF LLC, consolidates the financial results of PBFX, and records a noncontrolling interest for the economic interest in PBFX held by the public common unit holders. Noncontrolling interest on the consolidated statements of operations includes the portion of net income or loss attributable to the economic interest in PBFX held by the public common unit holders of PBFX other than PBF Energy (through its

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ownership in PBF LLC). Noncontrolling interest on the consolidated balance sheets includes the portion of net assets of PBFX attributable to the public common unit holders of PBFX.

The noncontrolling interest ownership percentage of PBFX as of December 31, 2015 and June 30, 2016, is calculated as follows:

| | Units of PBFX Held by the Public | Units of PBFX Held by PBF LLC (Including Subordinated Units) | Total |
|-------------------|--|---|------------|
| December 31, 2015 | 15,924,676 | 18,459,497 | 34,384,173 |
| | 46.3 % | 53.7 % | 100.0 % |
| June 30, 2016 | 18,876,597 | 18,459,497 | 37,336,094 |
| | 50.6 % | 49.4 % | 100.0 % |

Noncontrolling Interest in Subsidiaries of PBF Holding

Subsequent to the Chalmette Acquisition, PBF Holding recorded noncontrolling interests in two subsidiaries of Chalmette Refining. PBF Holding, through Chalmette Refining, owns an 80% ownership interest in both Collins Pipeline Company and T&M Terminal Company. The Company recorded a noncontrolling interest in the earnings of these subsidiaries of \$90 and \$393 for the three and six months ended June 30, 2016, respectively.

Changes in Noncontrolling Interests

The following table summarizes the changes in equity for the controlling and noncontrolling interests of PBF Energy for the six months ended June 30, 2016 and 2015:

| | PBF Energy Inc. Equity | Noncontrolling Interest in PBF LLC | Noncontrolling Interest in PBFX | Total Equity |
|---|---------------------------|--|---------------------------------------|--------------|
| Balance at January 1, 2016 | \$ 1,647,297 | \$ 108,243 | \$ 340,317 | \$2,095,857 |
| Comprehensive income | 75,129 | 7,008 | 16,212 | 98,349 |
| Dividends and distributions | (58,696) | (2,971) | (14,864) | (76,531) |
| Issuance of additional PBFX common units | 16,304 | — | 35,271 | 51,575 |
| Stock-based compensation | 9,999 | — | 2,710 | 12,709 |
| Exercise of PBF LLC options and warrants, net | 1,058 | (327) | — | 731 |
| Other | (885) | (4,972) | (977) | (6,834) |
| Balance at June 30, 2016 | \$ 1,690,206 | \$ 106,981 | \$ 378,669 | \$2,175,856 |

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| | PBF Energy Inc. Equity | Noncontrolling Interest in PBF LLC | Noncontrolling Interest in PBFX | Total Equity |
|---|---------------------------|--|---------------------------------------|--------------|
| Balance at January 1, 2015 | \$ 1,218,213 | \$ 138,734 | \$ 336,369 | \$1,693,316 |
| Comprehensive income | 223,883 | 21,265 | 17,227 | 262,375 |
| Dividends and distributions | (51,545) | (8,262) | (11,033) | (70,840) |
| Record deferred tax asset and liabilities and tax receivable agreement associated with secondary offerings | (13,948) | — | — | (13,948) |
| Record allocation of noncontrolling interest upon completion of secondary offerings | 39,976 | (39,976) | — | — |
| Issuance of additional PBFX common units | 11,390 | — | (11,390) | — |
| Stock-based compensation | 3,591 | 190 | 1,613 | 5,394 |
| Exercise of PBF LLC options and warrants, net | 1,692 | (1,605) | — | 87 |
| Purchase of treasury stock | (4,000) | — | — | (4,000) |
| Balance at June 30, 2015 | \$ 1,429,252 | \$ 110,346 | \$ 332,786 | \$1,872,384 |

5. INVENTORIES

Inventories consisted of the following:

June 30, 2016

| | Titled Inventory | Inventory Supply and Intermediation Arrangements | Total |
|----------------------------------|---------------------|---|-------------|
| Crude oil and feedstocks | \$1,034,615 | \$ — | \$1,034,615 |
| Refined products and blendstocks | 739,813 | 371,013 | 1,110,826 |
| Warehouse stock and other | 63,588 | — | 63,588 |
| | \$1,838,016 | \$ 371,013 | \$2,209,029 |
| Lower of cost or market reserve | (765,620) | (134,873) | (900,493) |
| Total inventories | \$1,072,396 | \$ 236,140 | \$1,308,536 |

December 31, 2015

| | Titled Inventory | Inventory Supply and Intermediation Arrangements | Total |
|----------------------------------|---------------------|---|--------------|
| Crude oil and feedstocks | \$1,137,605 | \$ — | \$1,137,605 |
| Refined products and blendstocks | 687,389 | 411,357 | 1,098,746 |
| Warehouse stock and other | 55,257 | — | 55,257 |
| | \$1,880,251 | \$ 411,357 | \$2,291,608 |
| Lower of cost or market reserve | (966,564) | (150,772) | (1,117,336) |
| Total inventories | \$913,687 | \$ 260,585 | \$1,174,272 |

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Inventory under inventory supply and intermediation arrangements included certain crude oil stored at the Company's Delaware City refinery's storage facilities that the Company was obligated to purchase as it was consumed in connection with its Crude Supply Agreement that expired on December 31, 2015; and light finished products sold to counterparties in connection with the A&R Intermediation Agreements and stored in the Paulsboro and Delaware City refineries' storage facilities.

Due to the lower crude oil and refined product pricing environment beginning at the end of 2014 and continuing throughout 2015 and into 2016, the Company recorded adjustments to value its inventories to the lower of cost or market. During the three months ended June 30, 2016, the Company recorded an adjustment to value its inventories to the lower of cost or market which increased operating income and net income by \$157,780 and \$95,264, respectively, reflecting the net change in the lower of cost or market inventory reserve from \$1,058,273 at March 31, 2016 to \$900,493 at June 30, 2016. During the six months ended June 30, 2016, the Company recorded an adjustment to value its inventories to the lower of cost or market which increased operating income and net income by \$216,843 and \$130,973, respectively, reflecting the net change in the lower of cost or market inventory reserve from \$1,117,336 at December 31, 2015 to \$900,493 at June 30, 2016.

During the three months ended June 30, 2015, the Company recorded an adjustment to value its inventories to the lower of cost or market which increased operating income and net income by \$105,958 and \$63,363, respectively, reflecting the net change in the lower of cost or market inventory reserve from \$668,902 at March 31, 2015 to \$562,944 at June 30, 2015. During the six months ended June 30, 2015, the Company recorded an adjustment to value its inventories to the lower of cost or market which increased operating income and net income by \$127,166 and \$76,045, respectively, reflecting the net change in the lower of cost or market inventory reserve from \$690,110 at December 31, 2014 to \$562,944 at June 30, 2015.

6. DEFERRED CHARGES AND OTHER ASSETS, NET

Deferred charges and other assets, net consisted of the following:

| | June 30, 2016 | December 31, 2015 |
|--|------------------|----------------------|
| Deferred turnaround costs, net | \$232,501 | \$ 177,236 |
| Catalyst, net | 90,444 | 77,725 |
| Linefill | 13,504 | 13,504 |
| Restricted cash | 1,500 | 1,500 |
| Intangible assets, net | 199 | 219 |
| Other | 32,281 | 20,529 |
| Total deferred charges and other assets, net | \$370,429 | \$ 290,713 |

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7. ACCRUED EXPENSES

Accrued expenses consisted of the following:

| | June 30, 2016 | December 31, 2015 |
|--|------------------|----------------------|
| Inventory-related accruals | \$764,093 | \$ 548,800 |
| Inventory supply and intermediation arrangements | 248,345 | 252,380 |
| Accrued transportation costs | 78,236 | 91,546 |
| Excise and sales tax payable | 47,577 | 34,129 |
| Renewable energy credit obligations | 42,753 | 19,472 |
| Accrued interest | 28,440 | 24,806 |
| Accrued utilities | 20,546 | 25,192 |
| Customer deposits | 19,654 | 20,395 |
| Accrued salaries and benefits | 15,604 | 61,011 |
| Accrued construction in progress | 7,200 | 7,400 |
| Other | 29,347 | 34,058 |
| Total accrued expenses | \$1,301,795 | \$ 1,119,189 |

The Company has the obligation to repurchase certain intermediates and finished products that are held in the Company's refinery storage tanks at the Delaware City and Paulsboro refineries in accordance with the A&R Intermediation Agreements with J. Aron & Company, a subsidiary of The Goldman Sachs Group, Inc. ("J. Aron"). As of June 30, 2016 and December 31, 2015, a liability is recognized for the Inventory supply and intermediation arrangements and is recorded at market price for the J. Aron owned inventory held in the Company's storage tanks under the A&R Inventory Intermediation Agreements, with any change in the market price being recorded in cost of sales.

The Company is subject to obligations to purchase Renewable Identification Numbers ("RINs") required to comply with the Renewable Fuels Standard. The Company's overall RINs obligation is based on a percentage of domestic shipments of on-road fuels as established by the Environmental Protection Agency ("EPA"). To the degree the Company is unable to blend the required amount of biofuels to satisfy its RINs obligation, RINs must be purchased on the open market to avoid penalties and fines. The Company records its RINs obligation on a net basis in Accrued expenses when its RINs liability is greater than the amount of RINs earned and purchased in a given period and in Prepaid expenses and other current assets when the amount of RINs earned and purchased is greater than the RINs liability.

8. MARKETABLE SECURITIES

The U.S Treasury securities purchased by the Company with the proceeds from the PBFX Offering are used as collateral to secure a three-year, \$300,000 term loan facility entered into by PBFX (the "PBFX Term Loan"). PBFX anticipates holding the securities for an indefinite amount of time (the securities will be rolled over as they mature). As necessary and at the discretion of PBFX, these securities are expected to be liquidated and the proceeds used to fund future capital expenditures. While PBFX does not routinely sell marketable securities prior to their scheduled maturity dates, some of PBFX's investments may be held and restricted for the purpose of funding future capital expenditures and acquisitions, so these investments are classified as available-for-sale marketable securities as they may occasionally be sold prior to their scheduled maturity dates due to the unexpected timing of cash needs. The carrying value of these marketable securities approximates fair value and are measured using Level 1 inputs. The maturities of the marketable securities range from one to three months and are classified on the balance sheet in current assets as of June 30, 2016. As described in "Note 3 - Acquisitions", \$98,336 of marketable securities

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were sold by PBFX to fund the consideration for the PBFX Plains Asset Purchase during the three months ended June 30, 2016.

As of June 30, 2016 and December 31, 2015, the Company held \$136,144 and \$234,258, respectively, in marketable securities. As of June 30, 2016, the marketable securities were classified as current whereas at December 31, 2015, they were classified as non-current. The classification of the marketable securities on the balance sheet is consistent with the PBFX Term Loan they collateralize. The gross unrecognized holding gains and losses as of June 30, 2016 and December 31, 2015 were not material. The net realized gains or losses from the sale of marketable securities were not material for the three and six months ended June 30, 2016 and 2015.

9. INCOME TAXES

PBF Energy files federal and applicable state corporate income tax returns and recognizes income taxes on its pre-tax income, which to date has consisted solely of its share of PBF LLC's pre-tax income (approximately 95.1% as of December 31, 2015 and approximately 95.2% as of June 30, 2016). PBF LLC is organized as a limited liability company and PBFX is a master limited partnership, both of which are treated as "flow-through" entities for federal income tax purposes and therefore are not subject to income taxes apart from the income tax attributable to two subsidiaries of Chalmette Refining that are treated as C-Corporations for income tax purposes. As a result, PBF Energy's condensed consolidated financial statements do not reflect any benefit or provision for income taxes on the pre-tax income or loss attributable to the noncontrolling interests in PBF LLC or PBFX apart from the income tax of \$366 and \$1,165 for the three and six months ended June 30, 2016 attributable to those two C-Corporation subsidiaries of Chalmette Refining.

The income tax provision in the PBF Energy condensed consolidated financial statements of operations consisted of the following:

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|-------------------------------|-----------------------------|----------|---------------------------|-----------|
| | 2016 | 2015 | 2016 | 2015 |
| Current tax expense (benefit) | \$36,415 | \$39,571 | \$(39,039) | \$65,541 |
| Deferred tax expense | 40,019 | 50,838 | 92,973 | 74,006 |
| Total tax expense | \$76,434 | \$90,409 | \$53,934 | \$139,547 |

Income tax expense (benefit) is based on income before taxes attributable to PBF Energy and excludes income before taxes attributable to noncontrolling interests as such interests are not subject to income taxes. The difference between the Company's income tax expense (benefit) and the income tax provision computed by applying the United States statutory rate and the difference between the Company's effective income tax rate and the United States statutory rate are reconciled below:

| | Three Months Ended June 30, 2016 | | Three Months Ended June 30, 2015 | |
|--|----------------------------------|--------|----------------------------------|---------|
| Provision at Federal statutory rate | \$62,931 | 35.0% | \$79,177 | 35.0% |
| Increase (decrease) attributable to flow-through of certain tax adjustments: | | | | |
| State income taxes (net federal income tax) | 8,324 | 4.6 % | 11,786 | 5.2 % |
| Non deductible/nontaxable items | 52 | — % | 340 | 0.2 % |
| Adjustment for manufacturer's benefit | — | — % | (1,609) | (0.7)% |
| Rate differential from foreign jurisdictions | 3,505 | 2.0 % | 1,803 | 0.8 % |
| Other | 1,622 | 0.7 % | (1,088) | (0.5)% |
| Total | \$76,434 | 42.3 % | \$90,409 | 40.0 % |

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| | Six Months Ended June 30, 2016 | | Six Months Ended June 30, 2015 | |
|--|--------------------------------------|---------|-----------------------------------|---------|
| Provision at Federal statutory rate | \$44,770 | 35.0 % | \$126,938 | 35.0 % |
| Increase (decrease) attributable to flow-through of certain tax adjustments: | | | | |
| State income taxes (net federal income tax) | 5,922 | 4.6 % | 18,895 | 5.2 % |
| Non deductible/nontaxable items | 187 | 0.2 % | 866 | 0.2 % |
| Adjustment for manufacturer's benefit | — | — % | (2,815) | (0.8)% |
| Rate differential from foreign jurisdictions | 3,130 | 2.5 % | (3,826) | (1.0)% |
| Other | (75) | (0.4)% | (511) | (0.1)% |
| Total | \$53,934 | 41.9 % | \$139,547 | 38.5 % |

The Company's effective income tax rate for the three and six months ended June 30, 2016, including the impact of income attributable to noncontrolling interests of \$17,118 and \$23,170, respectively, was 38.8% and 35.7%, respectively. The Company's effective income tax rate for the three and six months ended June 30, 2015, including the impact of income attributable to noncontrolling interests of \$22,650 and \$38,447, respectively, was 36.3% and 34.8%, respectively.

PBF Energy has determined there are no material uncertain tax positions as of June 30, 2016. PBF Energy does not have any unrecognized tax benefits.

10. COMMITMENTS AND CONTINGENCIES

Environmental Matters

The Company's refineries are subject to extensive and frequently changing federal, state and local laws and regulations, including, but not limited to, those relating to the discharge of materials into the environment or that otherwise relate to the protection of the environment, waste management and the characteristics and the compositions of fuels. Compliance with existing and anticipated laws and regulations can increase the overall cost of operating the refineries, including remediation, operating costs and capital costs to construct, maintain and upgrade equipment and facilities.

In connection with the Paulsboro refinery acquisition, the Company assumed certain environmental remediation obligations. The environmental liability of \$11,340 recorded as of June 30, 2016 (\$10,367 as of December 31, 2015) represents the present value of expected future costs discounted at a rate of 8.0%. The current portion of the environmental liability is recorded in Accrued expenses and the non-current portion is recorded in Other long-term liabilities. As of June 30, 2016 and December 31, 2015, this liability is self-guaranteed by the Company.

In connection with the acquisition of the Delaware City assets, Valero Energy Corporation ("Valero") remains responsible for certain pre-acquisition environmental obligations up to \$20,000 and the predecessor to Valero in ownership of the refinery retains other historical obligations.

In connection with the acquisition of the Delaware City assets and the Paulsboro refinery, the Company and Valero purchased ten year, \$75,000 environmental insurance policies to insure against unknown environmental liabilities at each site. In connection with the Toledo refinery acquisition, Sunoco, Inc. (R&M) ("Sunoco") remains responsible for environmental remediation for conditions that existed on the closing date for twenty years from March 1, 2011, subject to certain limitations.

In connection with the acquisition of the Chalmette refinery, the Company obtained \$3,936 in financial assurance (in the form of a surety bond) to cover estimated potential site remediation costs associated with an agreed to Administrative Order of Consent with the EPA. The estimated cost assumes remedial activities will continue for a minimum of 30 years. Further, in connection with the acquisition of the Chalmette refinery, the Company

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purchased a ten year, \$100,000 environmental insurance policy to insure against unknown environmental liabilities at the refinery.

In connection with the PBFX Plains Asset Purchase, PBFX is responsible for the environmental remediation costs for conditions that existed on the closing date up to a maximum of \$250 per year for 10 years, with Plains All American Pipeline, L.P. remaining responsible for any and all additional costs above such amounts during such period. The environmental liability of \$2,273 recorded as of June 30, 2016 represents the present value of expected future costs discounted at a rate of 1.83%. At June 30, 2016 the undiscounted liability is \$2,500 and PBFX expects to make aggregate payments for this liability of \$1,250 over the next five years. The current portion of the environmental liability is recorded in accounts payable and accrued liabilities and the non-current portion is recorded in other long-term liabilities.

In 2010, New York State adopted a Low-Sulfur Heating Oil mandate that, beginning July 1, 2012, requires all heating oil sold in New York State to contain no more than 15 parts per million (“PPM”) sulfur. Since July 1, 2012, other states in the Northeast market began requiring heating oil sold in their state to contain no more than 15 PPM sulfur. Currently, all of the Northeastern states and Washington DC have adopted sulfur controls on heating oil. Most of the Northeastern states will now require heating oil with 15 PPM or less sulfur by July 1, 2018 (except for Pennsylvania and Maryland - 500 ppm sulfur required). All of the heating oil the Company currently produces meets these specifications. The mandate and other requirements do not currently have a material impact on the Company's financial position, results of operations or cash flows.

The EPA issued the final Tier 3 Gasoline standards on March 3, 2014 under the Clean Air Act. This final rule establishes more stringent vehicle emission standards and further reduces the sulfur content of gasoline starting in January of 2017. The new standard is set at 10 PPM sulfur in gasoline on an annual average basis starting January 1, 2017, with a credit trading program to provide compliance flexibility. The EPA responded to industry comments on the proposed rule and maintained the per gallon sulfur cap on gasoline at the existing 80 PPM cap. The standards set by the new rule are not expected to have a material impact on the Company's financial position, results of operations or cash flows.

The EPA was required to release the final annual standards for the Reformulated Fuels Standard (“RFS”) for 2014 no later than Nov 29, 2013 and for 2015 no later than Nov 29, 2014. The EPA did not meet these requirements but did release proposed standards for 2014. The EPA did not finalize this proposal in 2014. The EPA published the final 2014-2016 Renewable standards late in 2015. The EPA essentially set the standards for 2014 and 2015 at the estimated actual renewable fuel used in each year given they were for the most part regulating activities that had already occurred. In setting the 2016 standards the EPA recognized the E10 blend wall and used the general waiver authority to set the 2016 renewable fuel requirement lower than the original requirements stated in the Energy Independence Security Act (“EISA”). These new standards are being challenged by both renewable fuel producers and obligated parties in legal actions. The courts are attempting to consolidate some of these challenges. It appears unlikely the courts will be able resolve these issues before EPA releases the final 2017 standards late in 2016 assuming they stay on schedule. The EPA did propose the 2017 standards in May of 2016 and raised the requirements above the 2016 standards. Numerous public interest groups have publicly indicated that they believe that the EPA is relying on perhaps somewhat aggressive expectations of E15 and E85 marketing in proposing the new standards. The EPA is receiving comments on the new proposal and is targeting to release the final rule by the end of November 2016 as required. The Company is currently evaluating the final standards and they may have a material impact on the Company's cost of compliance with RFS 2.

The EPA published a Final Rule to the Clean Water Act (“CWA”) Section 316(b) in August 2014 regarding cooling water intake structures, which includes requirements for petroleum refineries. The purpose of this rule is to prevent fish from being trapped against cooling water intake screens (impingement) and to prevent fish from being drawn through cooling water systems (entrainment). Facilities will be required to implement Best Technology Available (BTA) as soon as possible, but state agencies have the discretion to establish implementation time lines. The Company continues to evaluate the impact of this regulation, and at this time does not anticipate it having a material impact on

the Company's financial position, results of operations or cash flows.

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In addition, on December 1, 2015 the EPA finalized revisions to an existing air regulation concerning Maximum Achievable Control Technologies (“MACT”) for Petroleum Refineries. The regulation requires additional continuous monitoring systems for eligible process safety valves relieving to atmosphere, minimum flare gas heat (Btu) content, and delayed coke drum vent controls to be installed by January 30, 2019. In addition, a program for ambient fence line monitoring for benzene will need to be implemented by January 30, 2018. The Company is currently evaluating the final standards to evaluate the impact of this regulation, and at this time does not anticipate it will have a material impact on the Company's financial position, results of operations or cash flows.

In late 2015, the EPA initiated enforcement proceedings against companies it believes produced invalid RINs. The Company purchased RINs to satisfy a portion of its obligations under the Renewable Fuels Standard program for calendar year 2012 and had purchased some RINs the EPA considered invalid. The Company continues to purchase RINs to satisfy its obligations under the RFS program, and on April 11, 2016, PBF Holding was notified by the EPA that the EPA's records indicated that PBF Holding used potentially invalid RINs generated by one of the companies. The EPA directed PBF Holding to resubmit reports to remove the potentially invalid RINs and to replace the invalid RINs with valid RINs with the same D Code. The Company has retired the invalid RINs and on May 6, 2016, the counterparty who sold the RINs to the Company replaced the RINs. The counterparty has also agreed to indemnify the Company for certain penalties to the extent imposed by the EPA. On July 28, 2016, the Company and the EPA entered an Administrative Settlement Agreement to resolve the matter which requires the payment of a \$250 penalty. The Company expects to be reimbursed by the counterparty for this penalty under the indemnification agreement. In any event, the penalty is not expected to have a material effect on its financial condition, results of operations or cash flows.

The Company is also currently subject to certain other existing environmental claims and proceedings. The Company believes that there is only a remote possibility that future costs related to any of these other known contingent liability exposures would have a material impact on its financial position, results of operations or cash flows.

PBF LLC Limited Liability Company Agreement

The holders of limited liability company interests in PBF LLC, including PBF Energy, generally have to include for purposes of calculating their U.S. federal, state and local income taxes their share of any taxable income of PBF LLC, regardless of whether such holders receive cash distributions from PBF LLC. PBF Energy ultimately may not receive cash distributions from PBF LLC equal to its share of such taxable income or even equal to the actual tax due with respect to that income. For example, PBF LLC is required to include in taxable income PBF LLC's allocable share of PBFX's taxable income and gains (such share to be determined pursuant to the partnership agreement of PBFX), regardless of the amount of cash distributions received by PBF LLC from PBFX, and such taxable income and gains will flow-through to PBF Energy to the extent of its allocable share of the taxable income of PBF LLC. As a result, at certain times, the amount of cash otherwise ultimately available to PBF Energy on account of its indirect interest in PBFX may not be sufficient for PBF Energy to pay the amount of taxes it will owe on account of its indirect interests in PBFX.

Taxable income of PBF LLC generally is allocated to the holders of PBF LLC units (including PBF Energy) pro-rata in accordance with their respective share of the net profits and net losses of PBF LLC. In general, PBF LLC is required to make periodic tax distributions to the members of PBF LLC, including PBF Energy, pro-rata in accordance with their respective percentage interests for such period (as determined under the amended and restated limited liability company agreement of PBF LLC), subject to available cash and applicable law and contractual restrictions (including pursuant to our debt instruments) and based on certain assumptions. Generally, these tax distributions are required to be in an amount equal to our estimate of the taxable income of PBF LLC for the year multiplied by an assumed tax rate equal to the highest effective marginal combined U.S. federal, state and local income tax rate prescribed for an individual or corporate resident in New York, New York (taking into account the nondeductibility of certain expenses). If, with respect to any given calendar year, the aggregate periodic tax distributions were less than the actual taxable income of PBF LLC multiplied by the assumed tax rate, PBF LLC is required to make a “true up” tax distribution, no later than March 15 of the following year, equal to such difference,

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subject to the available cash and borrowings of PBF LLC. PBF LLC obtains funding to pay its tax distributions by causing PBF Holding to distribute cash to PBF LLC and from distributions it receives from PBFX.

Tax Receivable Agreement

PBF Energy entered into a tax receivable agreement with the PBF LLC Series A and PBF LLC Series B Unit holders (the "Tax Receivable Agreement") that provides for the payment by PBF Energy to such persons of an amount equal to 85% of the amount of the benefits, if any, that PBF Energy is deemed to realize as a result of (i) increases in tax basis, as described below, and (ii) certain other tax benefits related to entering into the Tax Receivable Agreement, including tax benefits attributable to payments under the Tax Receivable Agreement. For purposes of the Tax Receivable Agreement, the benefits deemed realized by PBF Energy will be computed by comparing the actual income tax liability of PBF Energy (calculated with certain assumptions) to the amount of such taxes that PBF Energy would have been required to pay had there been no increase to the tax basis of the assets of PBF LLC as a result of purchases or exchanges of PBF LLC Series A Units for shares of PBF Energy's Class A common stock and had PBF Energy not entered into the Tax Receivable Agreement. The term of the Tax Receivable Agreement will continue until all such tax benefits have been utilized or expired unless: (i) PBF Energy exercises its right to terminate the Tax Receivable Agreement, (ii) PBF Energy breaches any of its material obligations under the Tax Receivable Agreement or (iii) certain changes of control occur, in which case all obligations under the Tax Receivable Agreement will generally be accelerated and due as calculated under certain assumptions.

The payment obligations under the Tax Receivable Agreement are obligations of PBF Energy and not of PBF LLC, PBF Holding or PBFX. In general, PBF Energy expects to obtain funding for these annual payments from PBF LLC, primarily through tax distributions, which PBF LLC makes on a pro-rata basis to its owners. Such owners include PBF Energy, which holds a 95.2% interest in PBF LLC as of June 30, 2016 (95.1% as of December 31, 2015). PBF LLC obtains funding to pay its tax distributions by causing PBF Holding to distribute cash to PBF LLC and from distributions it receives from PBFX.

As of June 30, 2016, the Company has recognized a liability for the tax receivable agreement of \$661,418 (\$661,418 as of December 31, 2015) reflecting the estimate of the undiscounted amounts that the Company expects to pay under the agreement.

11. DIVIDENDS AND DISTRIBUTIONS

With respect to dividends and distributions paid during the six months ended June 30, 2016, PBF LLC made aggregate non-tax quarterly distributions of \$0.60 per unit to its members, of which \$58,696 was distributed pro-rata to PBF Energy and the balance was distributed to its other members. PBF Energy used this \$58,696 to pay quarterly cash dividends of \$0.30 per share of Class A common stock on March 8, 2016 and May 31, 2016.

With respect to distributions paid during the six months ended June 30, 2016, PBFX paid a distribution on outstanding common and subordinated units of \$0.41 per unit on March 8, 2016 and \$0.42 per unit on May 31, 2016, for a total distribution of \$31,099, of which \$16,496 was distributed to PBF LLC and the balance was distributed to its public unit holders.

12. TREASURY STOCK

On August 19, 2014, the Company's Board of Directors authorized the repurchase of up to \$200,000 of the Company's Class A common stock (the "Repurchase Program"). On October 29, 2014, the Company's Board of Directors approved an additional \$100,000 increase to the existing Repurchase Program. The Repurchase Program expires on September 30, 2016. No repurchases of the Company's Class A common stock were made during the six months ended June 30, 2016. From the inception of the Repurchase Program through June 30, 2016, the Company has purchased approximately 6.05 million shares of the Company's Class A common stock through open market transactions under the Repurchase Program, for a total of \$150,804.

These repurchases may be made from time to time through various methods, including open market transactions, block trades, accelerated share repurchases, privately negotiated transactions or otherwise, certain of which may

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be effected through Rule 10b5-1 and Rule 10b-18 plans. The timing and number of shares repurchased will depend on a variety of factors, including price, capital availability, legal requirements and economic and market conditions. The Company is not obligated to purchase any shares under the Repurchase Program, and repurchases may be suspended or discontinued at any time without prior notice.

As of June 30, 2016, the Company has the ability to purchase an additional \$149,196 in common stock under the approved Repurchase Program.

13. EMPLOYEE BENEFIT PLANS

The components of net periodic benefit cost related to the Company’s defined benefit plans consisted of the following:

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|--|--------------------------------------|---------|---------------------------------|----------|
| | 2016 | 2015 | 2016 | 2015 |
| Pension Benefits | | | | |
| Components of net periodic benefit cost: | | | | |
| Service cost | \$7,339 | \$5,789 | \$14,679 | \$11,579 |
| Interest cost | 775 | 707 | 1,551 | 1,416 |
| Expected return on plan assets | (1,107) | (829) | (2,213) | (1,659) |
| Amortization of prior service costs | 13 | 13 | 26 | 26 |
| Amortization of loss | 194 | 311 | 388 | 622 |
| Net periodic benefit cost | \$7,214 | \$5,991 | \$14,431 | \$11,984 |
| | Three Months Ended June 30, | | Six Months Ended June 30, | |
| | 2016 | 2015 | 2016 | 2015 |
| Post Retirement Medical Plan | | | | |
| Components of net periodic benefit cost: | | | | |
| Service cost | \$219 | \$244 | \$439 | \$488 |
| Interest cost | 133 | 134 | 267 | 269 |
| Amortization of prior service costs | 109 | 76 | 218 | 152 |
| Amortization of loss (gain) | — | — | — | — |
| Net periodic benefit cost | \$461 | \$454 | \$924 | \$909 |

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14. FAIR VALUE MEASUREMENTS

The tables below present information about the Company's financial assets and liabilities measured and recorded at fair value on a recurring basis and indicate the fair value hierarchy of the inputs utilized to determine the fair values as of June 30, 2016 and December 31, 2015.

We have elected to offset the fair value amounts recognized for multiple derivative contracts executed with the same counterparty; however, fair value amounts by hierarchy level are presented on a gross basis in the tables below. We have posted cash margin with various counterparties to support hedging and trading activities. The cash margin posted is required by counterparties as collateral deposits and cannot be offset against the fair value of open contracts except in the event of default. We have no derivative contracts that are subject to master netting arrangements that are reflected gross on the balance sheet.

| | As of June 30, 2016 | | | | | Net Carrying Value on Balance Sheet |
|--|-------------------------|------------|------------|---------------------------------|---------------------------------------|---|
| | Fair Value Hierarchy | | | Total Gross Fair Value | Effect of Counter-party Netting | |
| | Level 1 | Level 2 | Level 3 | | | |
| Assets: | | | | | | |
| Money market funds | \$25,005 | \$ — | — | —\$25,005 | N/A | \$25,005 |
| Marketable securities | 136,144 | — | — | 136,144 | N/A | 136,144 |
| Commodity contracts | 17,039 | 23,098 | 493 | 40,630 | (26,175) | 14,455 |
| Derivatives included with inventory intermediation agreement obligations | — | 9,338 | — | 9,338 | — | 9,338 |
| Liabilities: | | | | | | |
| Commodity contracts | 21,690 | 4,485 | — | 26,175 | (26,175) | — |
| Catalyst lease obligations | — | 36,436 | — | 36,436 | — | 36,436 |
| | As of December 31, 2015 | | | | | |
| | Fair Value Hierarchy | | | Total Gross Fair Value | Effect of Counter-party Netting | Net Carrying Value on Balance Sheet |
| | Level 1 | Level 2 | Level 3 | | | |
| | Assets: | | | | | |
| Money market funds | \$631,280 | \$ — | — | —\$631,280 | N/A | \$631,280 |
| Marketable securities | 234,258 | — | — | 234,258 | N/A | 234,258 |
| Commodity contracts | 63,810 | 31,256 | 3,543 | 98,609 | (52,482) | 46,127 |
| Derivatives included with inventory intermediation agreement obligations | — | 35,511 | — | 35,511 | — | 35,511 |
| Derivatives included with inventory supply arrangement obligations | — | — | — | — | — | — |
| Liabilities: | | | | | | |
| Commodity contracts | 49,960 | 2,522 | — | 52,482 | (52,482) | — |
| Catalyst lease obligations | — | 31,802 | — | 31,802 | — | 31,802 |

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The valuation methods used to measure financial instruments at fair value are as follows:

• Money market funds categorized in Level 1 of the fair value hierarchy are measured at fair value based on quoted market prices and included within Cash and cash equivalents.

• Marketable securities, consisting primarily of US Treasury securities, categorized in Level 1 of the fair value hierarchy are measured at fair value based on quoted market prices.

The commodity contracts categorized in Level 1 of the fair value hierarchy are measured at fair value based on quoted prices in an active market. The commodity contracts categorized in Level 2 of the fair value hierarchy are measured at fair value using a market approach based upon future commodity prices for similar instruments quoted in active markets.

The commodity contracts categorized in Level 3 of the fair value hierarchy consist of commodity price swap contracts that relate to forecasted purchases of crude oil for which quoted forward market prices are not readily available due to market illiquidity. The forward prices used to value these swaps were derived using broker quotes, prices from other third party sources and other available market based data.

The derivatives included with inventory supply arrangement obligations, derivatives included with inventory intermediation agreement obligations and the catalyst lease obligations are categorized in Level 2 of the fair value hierarchy and are measured at fair value using a market approach based upon commodity prices for similar instruments quoted in active markets.

Non-qualified pension plan assets are measured at fair value using a market approach based on published net asset values of mutual funds as a practical expedient. As of June 30, 2016 and December 31, 2015, \$9,811 and \$9,325, respectively, were included within Deferred charges and other assets, net for these non-qualified pension plan assets.

The table below summarizes the changes in fair value measurements categorized in Level 3 of the fair value hierarchy:

| | Three Months | | Six Months | |
|--------------------------------------|--------------|----------|------------|----------|
| | Ended | | Ended | |
| | June 30, | | June 30, | |
| | 2016 | 2015 | 2016 | 2015 |
| Balance at beginning of period | \$1,915 | \$9,678 | \$3,543 | \$1,521 |
| Purchases | — | — | — | — |
| Settlements | (746) | (10,111) | (1,003) | (11,311) |
| Unrealized gain included in earnings | (676) | 2,338 | (2,047) | 11,695 |
| Transfers into Level 3 | — | — | — | — |
| Transfers out of Level 3 | — | — | — | — |
| Balance at end of period | \$493 | \$1,905 | \$493 | \$1,905 |

There were no transfers between levels during the three and six months ended June 30, 2016 and 2015, respectively.

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Fair value of debt

The table below summarizes the fair value and carrying value of debt as of June 30, 2016 and December 31, 2015.

| | June 30, 2016 | | December 31, 2015 | |
|---|----------------|-------------|-------------------|-------------|
| | Carrying value | Fair value | Carrying value | Fair value |
| Senior Secured Notes due 2020 (a) | \$670,243 | \$704,783 | \$669,644 | \$706,246 |
| Revolving Loan (b) | 550,000 | 550,000 | — | — |
| Senior Secured Notes due 2023 (a) | 500,000 | 483,584 | 500,000 | 492,452 |
| PBFX Senior Notes (a) | 350,000 | 344,714 | 350,000 | 321,722 |
| PBFX Term Loan (b) | 135,864 | 135,864 | 234,200 | 234,200 |
| PBFX Revolving Credit Facility (b) | 93,000 | 93,000 | 24,500 | 24,500 |
| Rail Facility (b) | 60,521 | 60,521 | 67,491 | 67,491 |
| Catalyst leases (c) | 36,436 | 36,436 | 31,802 | 31,802 |
| | 2,396,064 | 2,408,902 | 1,877,637 | 1,878,413 |
| Less - Current maturities | 135,864 | 135,864 | — | — |
| Less - Unamortized deferred financing costs | 36,352 | n/a | 41,282 | n/a |
| Long-term debt | \$2,223,848 | \$2,273,038 | \$1,836,355 | \$1,878,413 |

(a) The estimated fair value, categorized as a Level 2 measurement, was calculated based on the present value of future expected payments utilizing implied current market interest rates based on quoted prices of the Senior Secured Notes and the PBFX Senior Notes.

(b) The estimated fair value approximates carrying value, categorized as a Level 2 measurement, as these borrowings bear interest based upon short-term floating market interest rates.

(c) Catalyst leases are valued using a market approach based upon commodity prices for similar instruments quoted in active markets and are categorized as a Level 2 measurement. The Company has elected the fair value option for accounting for its catalyst lease repurchase obligations as the Company's liability is directly impacted by the change in fair value of the underlying catalyst.

15. DERIVATIVES

The Company uses derivative instruments to mitigate certain exposures to commodity price risk. Prior to December 31, 2015, the Company's crude supply agreement contained purchase obligations for certain volumes of crude oil and other feedstocks. In addition, the Company entered into Inventory Intermediation Agreements commencing in July 2013 that contain purchase obligations for certain volumes of intermediates and refined products. The purchase obligations related to crude oil, feedstocks, intermediates and refined products under these agreements are derivative instruments that have been designated as fair value hedges in order to hedge the commodity price volatility of certain refinery inventory. The fair value of these purchase obligation derivatives is based on market prices of the underlying crude oil and refined products. The level of activity for these derivatives is based on the level of operating inventories. As of June 30, 2016, there were no barrels of crude oil and feedstocks (no barrels at December 31, 2015) outstanding under these derivative instruments designated as fair value hedges and no barrels (no barrels at December 31, 2015) outstanding under these derivative instruments not designated as hedges. As of June 30, 2016, there were 3,300,487 barrels of intermediates and refined products (3,776,011 barrels at December 31, 2015) outstanding under these derivative instruments designated as fair value hedges and no barrels (no barrels at December 31, 2015) outstanding

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under these derivative instruments not designated as hedges. These volumes represent the notional value of the contract.

The Company also enters into economic hedges primarily consisting of commodity derivative contracts that are not designated as hedges and are used to manage price volatility in certain crude oil and feedstock inventories as well as crude oil, feedstock, and refined product sales or purchases. The objective in entering into economic hedges is consistent with the objectives discussed above for fair value hedges. As of June 30, 2016, there were 30,486,500 barrels of crude oil and 5,857,000 barrels of refined products (39,577,000 and 4,599,136, respectively, as of December 31, 2015), outstanding under short and long term commodity derivative contracts not designated as hedges representing the notional value of the contracts.

The following tables provide information about the fair values of these derivative instruments as of June 30, 2016 and December 31, 2015 and the line items in the condensed consolidated balance sheet in which the fair values are reflected.

| Description | Balance Sheet Location | Fair Value Asset/(Liability) |
|--|------------------------|---------------------------------|
| Derivatives designated as hedging instruments: | | |
| June 30, 2016: | | |
| Derivatives included with the inventory intermediation agreement obligations | Accrued expenses | \$ 9,338 |
| December 31, 2015 | | |
| Derivatives included with the inventory intermediation agreement obligations | Accrued expenses | \$ 35,511 |
| Derivatives not designated as hedging instruments: | | |
| June 30, 2016: | | |
| Commodity contracts | Accounts receivable | \$ 14,455 |
| December 31, 2015 | | |
| Commodity contracts | Accounts receivable | \$ 46,127 |

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The following table provides information about the gain or loss recognized in income on these derivative instruments and the line items in the condensed consolidated financial statements in which such gains and losses are reflected.

| Description | Location of Gain or (Loss) Recognized in Income on Derivatives | Gain or (Loss) Recognized in Income on Derivatives |
|--|--|--|
| Derivatives designated as hedging instruments: | | |
| For the three months ended June 30, 2016: | | |
| Derivatives included with the inventory intermediation agreement obligations | Cost of sales | \$ 8,973 |
| For the three months ended June 30, 2015: | | |
| Derivatives included with inventory supply arrangement obligations | Cost of sales | \$ (1,808) |
| Derivatives included with the inventory intermediation agreement obligations | Cost of sales | \$ (20,888) |
| For the six months ended June 30, 2016: | | |
| Derivatives included with the inventory intermediation agreement obligations | Cost of sales | \$ (26,172) |
| For the six months ended June 30, 2015: | | |
| Derivatives included with inventory supply arrangement obligations | Cost of sales | \$ (4,629) |
| Derivatives included with the inventory intermediation agreement obligations | Cost of sales | \$ (84,574) |
| Derivatives not designated as hedging instruments: | | |
| For the three months ended June 30, 2016: | | |
| Commodity contracts | Cost of sales | \$ (19,134) |
| For the three months ended June 30, 2015: | | |
| Commodity contracts | Cost of sales | \$ (3,969) |
| For the six months ended June 30, 2016: | | |
| Commodity contracts | Cost of sales | \$ (39,087) |
| For the six months ended June 30, 2015: | | |
| Commodity contracts | Cost of sales | \$ (45,097) |
| Hedged items designated in fair value hedges: | | |
| For the three months ended June 30, 2016: | | |
| Intermediate and refined product inventory | Cost of sales | \$ (8,973) |
| For the three months ended June 30, 2015: | | |
| Crude oil and feedstock inventory | Cost of sales | \$ 1,808 |
| Intermediate and refined product inventory | Cost of sales | \$ 20,888 |
| For the six months ended June 30, 2016: | | |
| Intermediate and refined product inventory | Cost of sales | \$ 26,172 |
| For the six months ended June 30, 2015: | | |
| Crude oil and feedstock inventory | Cost of sales | \$ 4,629 |
| Intermediate and refined product inventory | Cost of sales | \$ 84,574 |

The Company had no ineffectiveness related to the Company's fair value hedges for the three and six months ended June 30, 2016 and 2015.

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16. SEGMENT INFORMATION

The Company's operations are organized into two reportable segments, Refining and Logistics. Operations that are not included in the Refining and Logistics segments are included in Corporate. Intersegment transactions are eliminated in the consolidated financial statements and are included in Eliminations.

Refining

As of June 30, 2016, the Company's Refining Segment includes the operations of its four refineries which are located in Toledo, Ohio, Delaware City, Delaware, Paulsboro, New Jersey and New Orleans, Louisiana. The refineries produce unbranded transportation fuels, heating oil, petrochemical feedstocks, lubricants and other petroleum products in the United States. The Company purchases crude oil, other feedstocks and blending components from various third-party suppliers. The Company sells products throughout the Northeast, Midwest and Gulf Coast of the United States, as well as in other regions of the United States and Canada, and is able to ship products to other international destinations.

Logistics

The Company formed PBFX, a publicly traded master limited partnership, to own or lease, operate, develop and acquire crude oil and refined petroleum products terminals, pipelines, storage facilities and similar logistics assets. PBFX's assets consist of (i) a rail terminal which has a double loop track and ancillary pumping and unloading equipment located at the Delaware City refinery; (ii) a truck terminal comprised of six lease automatic custody transfer units accepting crude oil deliveries by truck located at the Toledo refinery; (iii) a heavy crude rail unloading rack located at the Delaware City refinery; (iv) a tank farm, including a propane storage and loading facility at the Toledo Refinery; (v) an interstate petroleum products pipeline and a 15-lane truck loading rack both located at the Delaware City refinery; and (vi) the East Coast Terminals consisting of product storage tanks and terminal operations with pipeline connections to the Colonial Pipeline Company, Buckeye Partners, Sunoco Logistics Partners and other proprietary pipeline systems, truck loading lanes and marine facilities capable of handling barges and ships. PBFX provides various rail, truck and marine terminaling services, pipeline transportation services and storage services to PBF Holding and/or its subsidiaries and third party customers through fee-based commercial agreements. Apart from the East Coast Terminals, PBFX currently does not generate third party revenue and, as such, intersegment related-party revenues are eliminated in consolidation. Prior to the PBFX Offering, PBFX's assets were operated within the refining operations of the Company's Delaware City and Toledo refineries and did not generate third party revenue nor, apart from Delaware Pipeline Company LLC, any intra-entity revenue and were not considered to be a separate reportable segment.

The Company evaluates the performance of its segments based primarily on income from operations. Income from operations includes those revenues and expenses that are directly attributable to management of the respective segment. The Logistics segment's revenues include inter-segment transactions with the Company's Refining segment at prices the Company believes are substantially equivalent to the prices that could have been negotiated with unaffiliated parties with respect to similar services. Activities of the Company's business that are not included in the two operating segments are included in Corporate. Such activities consist primarily of corporate staff operations and other items that are not specific to the normal operations of the two operating segments. The Company does not allocate certain items of other income and expense, including income taxes, to the individual segments. The Refinery segment's operating subsidiaries and PBFX are primarily pass-through entities with respect to income taxes.

Disclosures regarding our reportable segments with reconciliations to consolidated totals for the three and six months ended June 30, 2016 and June 30, 2015 are presented below.

Total assets of each segment consist of net property, plant and equipment, inventories, cash and cash equivalents, accounts receivables and other assets directly associated with the segment's operations. Corporate assets consist primarily of deferred tax assets, property, plant and equipment and other assets not directly related to our refinery and logistic operations.

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| | Three Months Ended June 30, 2016 | | | | | Consolidated |
|---------------------------------------|----------------------------------|-----------|-----------|--------------|--|--------------|
| | Refining | Logistics | Corporate | Eliminations | | Total |
| Revenues | \$3,855,773 | \$40,659 | \$ — | \$(37,965) | | \$3,858,467 |
| Depreciation and amortization expense | 47,540 | 2,142 | 1,378 | | | 51,060 |
| Income (loss) from operations | 248,724 | 23,888 | (37,842) | — | | 234,770 |
| Interest expense, net | 1,142 | 7,634 | 27,164 | — | | 35,940 |
| Capital expenditures (1) | 88,480 | 99,963 | 6,559 | — | | 195,002 |
| | Three Months Ended June 30, 2015 | | | | | Consolidated |
| | Refining | Logistics | Corporate | Eliminations | | Total |
| Revenues | \$3,550,664 | \$34,868 | \$ — | \$(34,868) | | \$3,550,664 |
| Depreciation and amortization expense | 44,421 | 1,637 | 2,504 | — | | 48,562 |
| Income (loss) from operations | 287,442 | 24,734 | (38,380) | — | | 273,796 |
| Interest expense, net | 4,575 | 4,930 | 17,371 | — | | 26,876 |
| Capital expenditures | 126,107 | 144 | 425 | — | | 126,676 |
| | Six Months Ended June 30, 2016 | | | | | Consolidated |
| | Refining | Logistics | Corporate | Eliminations | | Total |
| Revenues | \$6,655,958 | \$77,208 | \$ — | \$(74,514) | | \$6,658,652 |
| Depreciation and amortization expense | 100,136 | 3,782 | 3,075 | — | | 106,993 |
| Income (loss) from operations | 253,691 | 50,211 | (74,556) | — | | 229,346 |
| Interest expense, net | 2,114 | 14,863 | 56,490 | — | | 73,467 |
| Capital expenditures (1) | 228,080 | 100,402 | 12,259 | — | | 340,741 |
| | Six Months Ended June 30, 2015 | | | | | Consolidated |
| | Refining | Logistics | Corporate | Eliminations | | Total |
| Revenues | \$6,545,800 | \$67,713 | \$ — | \$(67,713) | | \$6,545,800 |
| Depreciation and amortization expense | 87,451 | 3,270 | 5,547 | — | | 96,268 |
| Income (loss) from operations | 476,081 | 44,450 | (74,325) | — | | 446,206 |
| Interest expense, net | 9,290 | 6,885 | 32,893 | — | | 49,068 |
| Capital expenditures | 250,575 | 220 | 1,610 | — | | 252,405 |
| | Balance at June 30, 2016 | | | | | Consolidated |
| | Refining | Logistics | Corporate | Eliminations | | Total |
| Total assets | \$5,956,975 | \$458,582 | \$594,397 | \$(21,904) | | \$6,988,050 |
| | Balance at December 31, 2015 | | | | | Consolidated |
| | Refining | Logistics | Corporate | Eliminations | | Total |
| Total assets | \$5,087,554 | \$422,902 | \$618,617 | \$(23,949) | | \$6,105,124 |

The Refining segment includes capital expenditures of \$2,659 for the working capital settlement related to the (1) acquisition of the Chalmette refinery and the Logistics segment includes \$98,336 for the PBFX Plains Asset Purchase that were finalized in the first and second quarters of 2016, respectively.

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17. NET INCOME PER SHARE OF PBF ENERGY

The following table sets forth the computation of basic and diluted net income per Class A common share attributable to PBF Energy:

| | Three Months Ended | | Six Months Ended | |
|--|--------------------|------------|------------------|------------|
| | June 30, | | June 30, | |
| | 2016 | 2015 | 2016 | 2015 |
| Basic Earnings Per Share: | | | | |
| Numerator for basic net income per Class A common share - net income attributable to PBF Energy | \$103,530 | \$135,810 | \$74,142 | \$223,132 |
| Denominator for basic net income per Class A common share - weighted average shares | 97,836,366 | 86,036,809 | 97,822,873 | 85,175,066 |
| Basic net income attributable to PBF Energy per Class A common share | \$1.06 | \$1.58 | \$0.76 | \$2.62 |
| Diluted Earnings Per Share: | | | | |
| Numerator: | | | | |
| Net income attributable to PBF Energy | \$103,530 | \$135,810 | \$74,142 | \$223,132 |
| Plus: Net income attributable to noncontrolling interest ⁽¹⁾ | 9,399 | 13,432 | 6,958 | 21,220 |
| Less: Income tax expense on net income attributable to noncontrolling interest ⁽¹⁾ | (3,722) | (5,400) | (2,755) | (8,530) |
| Numerator for diluted net income per Class A common share - net income attributable to PBF Energy ⁽¹⁾ | \$109,207 | \$143,842 | \$78,345 | \$235,822 |
| Denominator ⁽¹⁾ : | | | | |
| Denominator for basic net income per Class A common share-weighted average shares | 97,836,366 | 86,036,809 | 97,822,873 | 85,175,066 |
| Effect of dilutive securities: | | | | |
| Conversion of PBF LLC Series A Units | 4,947,813 | 5,129,114 | 4,952,115 | 5,980,462 |
| Common stock equivalents ⁽²⁾ | 494,443 | 493,983 | 589,488 | 499,553 |
| Denominator for diluted net income per common share-adjusted weighted average shares | 103,278,622 | 91,659,906 | 103,364,476 | 91,655,081 |
| Diluted net income attributable to PBF Energy per Class A common share | \$1.06 | \$1.57 | \$0.76 | \$2.57 |

The diluted earnings per share calculation generally assumes the conversion of all outstanding PBF LLC Series A Units to Class A common stock of PBF Energy. The net income attributable to PBF Energy, used in the numerator (1) of the diluted earnings per share calculation is adjusted to reflect the net income, as well as the corresponding income tax expense (based on a 39.6% statutory tax rate for both the three and six months ended June 30, 2016 and 40.2% statutory tax rate for both the three and six months ended June 30, 2015) attributable to the converted units.

Represents an adjustment to weighted-average diluted shares outstanding to assume the full exchange of common stock equivalents, including options and warrants for PBF LLC Series A Units and options for shares of PBF Energy Class A common stock as calculated under the treasury stock method (to the extent the impact of such exchange would not be anti-dilutive). Common stock equivalents excludes the effects of options to purchase (2) 3,467,125 and 2,919,125 shares of PBF Energy Class A common stock because they are anti-dilutive for the three and six months ended June 30, 2016, respectively. Common stock equivalents excludes the effects of options to purchase 2,874,500 and 2,874,500 shares of PBF Energy Class A common stock because they are anti-dilutive for the three and six months ended June 30, 2015, respectively.

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18. SUBSEQUENT EVENTS

Torrance Acquisition

On July 1, 2016, the Company completed its acquisition of the Torrance refinery and related logistics assets (collectively, the "Torrance Acquisition") from ExxonMobil Oil Corporation and its subsidiary, Mobil Pacific Pipeline Company (together, the "Sellers"). The Torrance refinery, located in Torrance, California, is a high-conversion, delayed-coking refinery. The facility is strategically positioned in Southern California with advantaged logistics connectivity that offers flexible raw material sourcing and product distribution opportunities primarily in the California, Las Vegas and Phoenix area markets.

In addition to refining assets, the transaction includes a number of high-quality logistics assets including a sophisticated network of crude and products pipelines, product distribution terminals and refinery crude and product storage facilities. The most significant of the logistics assets is a crude gathering and transportation system which delivers San Joaquin Valley crude oil directly from the field to the refinery. Additionally, included in the transaction are several pipelines which provide access to sources of crude oil including the Ports of Long Beach and Los Angeles, as well as clean product outlets with a direct pipeline supplying jet fuel to the Los Angeles airport. The refinery also has crude and product storage facilities.

The purchase price for the assets was \$537,500, plus preliminary working capital of \$460,934, which is subject to final valuation within ninety days of closing. In addition, the Company assumed certain pre-existing environmental and regulatory emission credit obligations in connection with the Torrance Acquisition. The transaction was financed through a combination of cash on hand including proceeds from our October 2015 Equity Offering, the 2023 Senior Secured Notes offering and borrowings under our Revolving Loan. A determination of the acquisition-date fair values of the assets acquired and the liabilities assumed and the working capital at closing calculation is pending the completion of an independent appraisal and other evaluations.

The Torrance Acquisition provides the Company with a broader more diversified asset base and increases the number of operating refineries from four to five and the Company's combined crude oil throughput capacity. The acquisition also provides the Company with a presence in the attractive Petroleum Administration for Defense Districts ("PADD") 5 market.

Rail Facility Revolving Credit Facility

On July 15, 2016, the Rail Facility was amended to, among other things, extend the maturity from April 29, 2017 to October 31, 2017. The amendment also reduced the aggregate commitment to the amount outstanding, therefore, eliminating the commitment fee and requires the Company to repay \$20,000 of the outstanding balance on or prior to January 1, 2017.

Dividend Declared

On July 29, 2016, the Company announced a dividend of \$0.30 per share on outstanding Class A common stock. The dividend is payable on August 23, 2016 to Class A common stockholders of record at the close of business on August 9, 2016.

PBFX Distributions

On July 29, 2016, the Board of Directors of PBF GP announced a distribution of \$0.43 per unit on outstanding common and subordinated units of PBFX. The distribution is payable on August 23, 2016 to PBFX unit holders of record at the close of business on August 9, 2016.

Related Party

On July 1, 2016, the Company entered into a consulting services agreement with Thomas D. O'Malley, the former Executive Chairman of the Company. Compensation for the services under the agreement will be \$1,000 annually.

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The consulting services agreement expires on December 31, 2018. In addition, Mr. O'Malley will receive payments and benefits afforded to him under his Third Amended and Restated Employment Agreement in connection with his retirement.

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ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the audited financial statements of PBF Energy Inc. included in the Annual Report on Form 10-K for the year ended December 31, 2015 and the unaudited financial statements and related notes included in this report. The following discussion contains "forward-looking statements" that reflect our future plans, estimates, beliefs and expected performance. Our actual results may differ materially from those currently anticipated and expressed in such forward-looking statements as a result of a number of factors. We caution that assumptions, expectations, projections, intentions or beliefs about future events may, and often do, vary from actual results and the differences can be material. Please see "Cautionary Note Regarding Forward-Looking Statements."

Unless the context indicates otherwise, the terms "we," "us," and "our" refer to PBF Energy and its consolidated subsidiaries, including PBF LLC, PBF Holding and its subsidiaries and PBFX and its subsidiaries.

Overview

We are one of the largest independent petroleum refiners and suppliers of unbranded transportation fuels, heating oil, petrochemical feedstocks, lubricants and other petroleum products in the United States. We sell our products throughout the Northeast, Midwest and Gulf Coast of the United States, as well as in other regions of the United States and Canada, and are able to ship products to other international destinations. We were formed in 2008 to pursue acquisitions of crude oil refineries and downstream assets in North America. As of June 30, 2016, we owned and operated four domestic oil refineries and related assets, which we acquired in 2010, 2011 and 2015. As of June 30, 2016, our refineries have a combined processing capacity, known as throughput, of approximately 730,000 barrels per day ("bpd"), and a weighted-average Nelson Complexity Index of 11.7. We operate in two reportable business segments: Refining and Logistics.

As of June 30, 2016, our four refineries are located in Toledo, Ohio, Delaware City, Delaware, Paulsboro, New Jersey and New Orleans, Louisiana. Our Mid-Continent refinery at Toledo processes light, sweet crude, and has a throughput capacity of 170,000 bpd and a Nelson Complexity Index of 9.2. The majority of Toledo's West Texas Intermediate ("WTI") based crude is delivered via pipelines that originate in both Canada and the United States. Since our acquisition of Toledo in 2011, we have added additional truck and rail crude unloading capabilities that provide feedstock sourcing flexibility for the refinery and enables Toledo to run a more cost-advantaged crude slate. Our East Coast refineries at Delaware City and Paulsboro have a combined refining capacity of 370,000 bpd and Nelson Complexity Indices of 11.3 and 13.2, respectively. These high-conversion refineries process primarily medium and heavy, sour crudes and have the flexibility to receive crude and feedstock via both water and rail. We have expanded and upgraded existing on-site railroad infrastructure at our Delaware City refinery, including the expansion of the crude rail unloading facilities that was completed in February 2013. The Delaware City rail unloading facility, which was transferred to PBFX in 2014, allows our East Coast refineries the flexibility to source WTI-based crudes from Western Canada and the Mid-Continent, when doing so provides cost advantages versus traditional Brent-based international crudes. We believe this sourcing optionality can be a beneficial component to the profitability of our East Coast refining system in certain crude pricing environments. The Chalmette refinery, located outside of New Orleans, Louisiana, is a 189,000 bpd, dual-train coking refinery with a Nelson Complexity of 12.7 and is capable of processing both light and heavy crude oil. The facility is strategically positioned on the Gulf Coast with strong logistics connectivity that offers flexible raw material sourcing and product distribution opportunities, including the potential to export products.

As of June 30, 2016, we owned 97,825,983 PBF LLC Series C Units and our current and former executive officers and directors and certain employees and others held 4,964,901 PBF LLC Series A Units (we refer to all of the holders of the PBF LLC Series A Units as "the members of PBF LLC other than PBF Energy"). As a result, the holders of our issued and outstanding shares of our Class A common stock have approximately 95.2% of the voting power in us, and the members of PBF LLC other than PBF Energy through their holdings of Class B common stock have approximately 4.8% of the voting power in us.

Recent Developments

Recent significant business developments affecting the Company are discussed below.

Torrance Acquisition

On July 1, 2016, the Company acquired from ExxonMobil Oil Corporation (“ExxonMobil”) and its subsidiary, Mobil Pacific Pipeline Company (together, the “Torrance Sellers”), the Torrance refinery and related logistics assets (collectively, the “Torrance Acquisition”). The Torrance refinery, located on 750 acres in Torrance, California, is a high-conversion 155,000 barrel per day, delayed-coking refinery with a Nelson Complexity of 14.9. The facility is strategically positioned in Southern California with advantaged logistics connectivity that offers flexible raw material sourcing and product distribution opportunities primarily in the California, Las Vegas and Phoenix area markets. The Torrance Acquisition is expected to further increase the Company's total throughput capacity to approximately 900,000 bpd.

In addition to refining assets, the Torrance Acquisition includes a number of high-quality logistics assets including a sophisticated network of crude and products pipelines, product distribution terminals and refinery crude and product storage facilities. The most significant of the logistics assets is a 171-mile crude gathering and transportation system which delivers San Joaquin Valley crude oil directly from the field to the refinery. Additionally, included in the transaction are several pipelines which provide access to sources of crude oil including the Ports of Long Beach and Los Angeles, as well as clean product outlets with a direct pipeline supplying jet fuel to the Los Angeles airport. The Torrance refinery also has crude and product storage facilities with approximately 8.6 million barrels of shell capacity. The purchase price for the assets was \$537.5 million, plus preliminary working capital of \$460.9 million, which is to subject to final valuation within ninety days of closing. In addition, the Company assumed certain pre-existing environmental and regulatory emission credit obligations in connection with the Torrance Acquisition. The transaction was financed through a combination of cash on hand including proceeds from our October 2015 Equity Offering and the 2023 Senior Secured Notes offering and borrowings under our Revolving Loan. A determination of the acquisition-date fair values of the assets acquired and the liabilities assumed and the working capital at closing is pending the completion of an independent appraisal and other evaluations.

The Torrance Acquisition provides the Company with a broader more diversified asset base and increases the number of operating refineries from four to five and the Company's combined crude oil throughput capacity. The acquisition also provides the Company with a presence in the attractive Petroleum Administration for Defense Districts (“PADD”) 5 market.

Factors Affecting Comparability Between Periods

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

PBFX Plains Asset Purchase

On April 29, 2016, PBFX's wholly-owned subsidiary, PBF Logistics Products Terminals LLC, completed the purchase of the assets of four refined product terminals located in the greater Philadelphia region (the “East Coast Terminals”) from an affiliate of Plains All American Pipeline, L.P. The East Coast Terminals include a total of 57 product tanks with a total shell capacity of approximately 4.2 million barrels, pipeline connections to the Colonial Pipeline Company, Buckeye Partners, Sunoco Logistics Partners and other proprietary pipeline systems, 26 truck loading lanes and marine facilities capable of handling barges and ships. With the Plains Asset Purchase, PBFX increased its total shell capacity to over 8.1 million barrels. This acquisition expands PBFX's storage and terminaling footprint and introduces third-party customers to its revenue base.

The total cash consideration for the Plains Asset Purchase was approximately \$100.0 million, less estimated working capital of \$1.7 million, which is subject to final valuation. The transaction was financed by PBFX with

\$98.3 million in proceeds from the sale of marketable securities. PBFX borrowed an additional \$98.5 million under the PBFX Revolving Credit Facility, which were used to repay \$98.3 million of the PBFX Term Loan in order to release \$98.3 million in marketable securities that had collateralized the PBFX Term Loan.

April 2016 PBFX Equity Offering

On April 5, 2016, PBFX completed a public offering of an aggregate of 2,875,000 common units, including 375,000 common units that were sold pursuant to the exercise of an over-allotment option, for net proceeds of \$51.6 million, after deducting underwriting discounts and commissions and other offering expenses (the “April 2016 PBFX Equity Offering”). As a result of the April 2016 PBFX Equity Offering, as of June 30, 2016, PBF LLC holds a 49.4% limited partner interest in PBFX and owns all of PBFX's IDRs, with the remaining 50.6% limited partner interest owned by public common unit holders.

Chalmette Acquisition

On November 1, 2015, the Company acquired from ExxonMobil Oil Corporation, Mobil Pipe Line Company and PDV Chalmette, Inc., 100% of the ownership interests of Chalmette Refining, which owns the Chalmette refinery and related logistics assets. The Chalmette refinery, located outside of New Orleans, Louisiana, is a dual-train coking refinery and is capable of processing both light and heavy crude oil. Subsequent to the closing of the Chalmette Acquisition, Chalmette Refining is a wholly-owned subsidiary of PBF Holding.

Chalmette Refining owns 100% of the MOEM Pipeline, providing access to the Empire Terminal, as well as the CAM Connection Pipeline, providing access to the Louisiana Offshore Oil Port facility through a third party pipeline. Chalmette Refining also owns 80% of each of the Collins Pipeline Company and T&M Terminal Company, both located in Collins, Mississippi, which provide a clean products outlet for the refinery to the Plantation and Colonial Pipelines. Also included in the acquisition are a marine terminal capable of importing waterborne feedstocks and loading or unloading finished products; a clean products truck rack which provides access to local markets; and a crude and product storage facility.

The aggregate purchase price for the Chalmette Acquisition was \$322.0 million in cash, plus inventory and working capital of \$246.0 million, which was finalized in the first quarter of 2016. The transaction was financed through a combination of cash on hand and borrowings under the Company's Revolving Loan.

Initial Public Offering of PBFX and Subsequent Drop-Down Transactions

On May 14, 2014, PBFX completed its initial public offering (the “PBFX Offering”) of 15,812,500 common units, including 2,062,500 common units issued upon exercise of the underwriters' over-allotment option. Subsequent to the PBFX Offering, PBF Holding and PBF LLC entered into a series of drop-down transactions with PBFX and completed the acquisition of the East Coast Terminals.

PBFX is a fee-based, growth-oriented, Delaware master limited partnership formed by PBF Energy to own or lease, operate, develop and acquire crude oil and refined petroleum products terminals, pipelines, storage facilities and similar logistics assets. PBFX engages in the receiving, handling and transferring of crude oil and the receipt, storage and delivery of crude oil, refined products and intermediates. PBFX's assets consist of a light crude oil rail unloading terminal at the Delaware City refinery that also services the Paulsboro refinery (which we refer to as the “Delaware City Rail Terminal”), a crude oil truck unloading terminal at the Toledo refinery (which we refer to as the “Toledo Truck Terminal”), the DCR West Rack, the Toledo Storage Facility, the Delaware City Products Pipeline and Truck Rack and the East Coast Terminals. Apart from the East Coast Terminals, PBFX's revenue is derived from long-term, fee-based commercial agreements with subsidiaries of PBF Energy, which include minimum volume commitments, for receiving, handling, transferring and storing crude oil and refined products. These transactions are eliminated by PBF Energy in consolidation.

During 2014, PBFX acquired from PBF LLC the DCR West Rack, a heavy crude oil rail unloading facility (also, capable of unloading light crude oil) at the Delaware City refinery and the Toledo Storage Facility, a tank farm and related facilities located at our Toledo refinery, including a propane storage and loading facility.

On May 14, 2015, PBF LLC contributed to PBFX all of the issued and outstanding limited liability company interests of Delaware Pipeline Company LLC and Delaware City Logistics Company LLC, whose assets consist of a product pipeline, truck rack and related facilities located at our Delaware City refinery (collectively referred to as the “Delaware City Products Pipeline and Truck Rack”).

Amended and Restated Asset Based Revolving Credit Facility

On an ongoing basis, the Third Amended and Restated Revolving Credit Agreement (“Revolving Loan”) is available to be used for working capital and other general corporate purposes. In November and December 2015, PBF Holding increased the maximum availability under the Revolving Loan to \$2.60 billion and \$2.64 billion, respectively, in accordance with its accordion feature.

Senior Secured Notes Offering

On November 24, 2015, PBF Holding and PBF Finance Corporation issued \$500.0 million in aggregate principal amount of 7.0% senior secured notes due 2023 (the “2023 Senior Secured Notes”). The net proceeds were approximately \$490.0 million after deducting the initial purchasers’ discount and offering expenses. The Company used the proceeds for general corporate purposes, including to fund a portion of the purchase price for the Torrance Acquisition.

Rail Facility Revolving Credit Facility

Effective March 25, 2014, PBF Rail Logistics Company LLC (“PBF Rail”), an indirect wholly-owned subsidiary of PBF Holding, entered into a \$250.0 million secured revolving credit agreement (the “Rail Facility”). The primary purpose of the Rail Facility is to fund the acquisition by PBF Rail of coiled and insulated crude tank cars and non-coiled and non-insulated general purpose crude tank cars (the “Eligible Railcars”) before December 2015. The amount available to be advanced under the Rail Facility equals 70% of the lesser of the aggregate Appraised Value of the Eligible Railcars, or the aggregate Purchase Price of such Eligible Railcars, as these terms are defined in the credit agreement. On April 29, 2015, the Rail Facility was amended to, among other things, extend the maturity from March 31, 2016 to April 29, 2017, reduce the total commitment from \$250.0 million to \$150.0 million, and reduce the commitment fee on the unused portion of the Rail Facility. Additionally, the total commitment amount was reduced further to \$100.0 million in 2016, and the Rail Facility was amended again on July 15, 2016 to, among other things, extend the maturity from April 29, 2017 to October 31, 2017. The amendment also reduced the aggregate commitment to the amount outstanding, therefore, eliminating the commitment fee, and requires the Company to repay \$20.0 million of the outstanding balance on or prior to January 1, 2017. At any time prior to maturity PBF Rail may repay any advances without premium or penalty.

PBFX Debt Facilities

On May 12, 2015, PBFX entered into an Indenture among the Partnership, PBF Logistics Finance Corporation, a Delaware corporation and wholly-owned subsidiary of PBFX (“PBF Logistics Finance,” and together with PBFX, the “Issuers”), the Guarantors named therein (certain subsidiaries of PBFX) and Deutsche Bank Trust Company Americas, as Trustee, under which the Issuers issued \$350.0 million in aggregate principal amount of 6.875% Senior Notes due 2023 (the “PBFX Senior Notes”). PBF LLC has provided a limited guarantee of collection of the principal amount of the PBFX Senior Notes, but is not otherwise subject to the covenants of the indenture. Of the \$350.0 million aggregate PBFX Senior Notes, \$19.9 million were purchased by certain of PBF Energy’s officers and directors and their affiliates pursuant to a separate private placement transaction. After deducting offering expenses, PBFX received net proceeds of approximately \$343.0 million from the PBFX Senior Notes offering.

J. Aron Intermediation Agreements

On May 29, 2015, PBF Holding entered into amended and restated inventory intermediation agreements (the “A&R Intermediation Agreements”) with J. Aron & Company (“J. Aron”) pursuant to which certain terms of the existing inventory intermediation agreements were amended, including, among other things, pricing and an extension of the term for a period of two years from the original expiry date of July 1, 2015, subject to certain early termination rights. In addition, the A&R Intermediation Agreements include one-year renewal clauses by mutual consent of both parties. Pursuant to each A&R Intermediation Agreement, J. Aron will continue to purchase and hold title to certain of the intermediate and finished products (the “Products”) produced by the Paulsboro and Delaware City refineries (the

“Refineries”), respectively, and delivered into tanks at the Refineries. Furthermore, J. Aron agrees to sell the Products back to Paulsboro refinery and Delaware City refinery as the Products are discharged out of the Refineries' tanks. J. Aron has the right to store the Products purchased in tanks under the A&R Intermediation Agreements

and will retain these storage rights for the term of the agreements. PBF Holding will continue to market and sell the Products independently to third parties.

Crude Oil Acquisition Agreement Terminations

Effective December 31, 2015, our crude oil supply agreement with Statoil for the Delaware City refinery expired. Subsequent to the termination of the Statoil supply agreement, we purchase all of our crude and feedstock needs independently from a variety of suppliers, including Saudi Aramco and others, on the spot market or through term agreements. Subsequent to the Chalmette Acquisition we entered into a contract with PDVSA for the supply of 40,000 to 60,000 bpd of crude oil that can be processed at any of our East or Gulf Coast refineries.

Public Offerings

On February 6, 2015, funds affiliated with Blackstone and First Reserve exchanged 3,804,653 PBF LLC Series A units for the same number of shares of PBF Energy Class A common stock which were subsequently sold in a secondary public offering (the "February 2015 secondary offering" and collectively with the secondary offerings completed in 2013 and 2014, the "secondary offerings"). As a result of these secondary offerings, Blackstone and First Reserve no longer hold any PBF LLC Series A units. The holders of PBF LLC Series B Units, which include certain current and former executive officers of PBF Energy, received a portion of the proceeds of the sales of the PBF Energy Class A common stock by Blackstone and First Reserve in accordance with the amended and restated limited liability company agreement of PBF LLC. PBF Energy did not receive any proceeds from the secondary offerings. On October 13, 2015, we completed a public offering of an aggregate of 11,500,000 shares of Class A common stock (the "October 2015 Equity Offering"), including 1,500,000 shares of Class A common stock that was sold pursuant to the exercise of an over-allotment option, for net proceeds of \$344.0 million, after deducting underwriting discounts and commissions and other offering expenses.

As of December 31, 2015, we owned 97,781,933 PBF LLC Series C Units and our current and former executive officers and directors and certain employees beneficially owned 4,985,358 PBF LLC Series A Units, and the holders of our issued and outstanding shares of Class A common stock had 95.1% of the voting power in us and the members of PBF LLC other than PBF Energy through their holdings of Class B common stock had the remaining 4.9% of the voting power in us.

As of June 30, 2016, we currently own 97,825,983 PBF LLC Series C Units and our current and former executive officers and directors and certain employees and others beneficially own 4,964,901 PBF LLC Series A Units, and the holders of our issued and outstanding shares of Class A common stock have 95.2% of the voting power in us and the members of PBF LLC other than PBF Energy through their holdings of Class B common stock have the remaining 4.8% of the voting power in us.

Results of Operations

The tables below reflect our consolidated financial and operating highlights for the three and six months ended June 30, 2016 and 2015 (amounts in thousands, except per share data). We operate in two reportable business segments: Refining and Logistics. Our oil refineries, excluding the assets owned by PBFX, are all engaged in the refining of crude oil and other feedstocks into petroleum products, and are aggregated into the Refining segment. PBFX is a publicly traded master limited partnership that operates logistical assets such as crude oil and refined petroleum products terminals, pipelines and storage facilities. PBFX's operations are aggregated into the Logistics segment. Prior to the PBFX Offering and PBFX's acquisition of the DCR West Rack, the Toledo Storage Facility and the Delaware City Products Pipeline and Truck Rack, PBFX's assets were operated within the refining operations of our Delaware City and Toledo refineries and did not generate third party revenue nor, apart from Delaware Pipeline Company LLC, any intra-entity revenue and were not considered to be a separate reportable segment. We did not analyze our results by individual segments as, apart from the East Coast Terminals, our Logistics segment did not have any third party revenue and substantially all of its operating results eliminate in consolidation.

| | Three Months Ended | | Six Months Ended | |
|---|--------------------|-------------|------------------|-------------|
| | June 30, | | June 30, | |
| | 2016 | 2015 | 2016 | 2015 |
| Revenue | \$3,858,467 | \$3,550,664 | \$6,658,652 | \$6,545,800 |
| Cost of sales, excluding depreciation | 3,249,444 | 2,994,745 | 5,661,539 | 5,496,960 |
| | 609,023 | 555,919 | 997,113 | 1,048,840 |
| Operating expenses, excluding depreciation | 276,598 | 194,970 | 576,597 | 432,088 |
| General and administrative expenses | 43,373 | 39,223 | 80,955 | 75,269 |
| Loss (gain) on sale of assets | 3,222 | (632) | 3,222 | (991) |
| Depreciation and amortization expense | 51,060 | 48,562 | 106,993 | 96,268 |
| Income from operations | 234,770 | 273,796 | 229,346 | 446,206 |
| Change in fair value of catalyst leases | (1,748) | 1,949 | (4,633) | 3,988 |
| Interest expense, net | (35,940) | (26,876) | (73,467) | (49,068) |
| Income before income taxes | 197,082 | 248,869 | 151,246 | 401,126 |
| Income tax expense | 76,434 | 90,409 | 53,934 | 139,547 |
| Net income | 120,648 | 158,460 | 97,312 | 261,579 |
| Less: net income attributable to noncontrolling interests | 17,118 | 22,650 | 23,170 | 38,447 |
| Net income attributable to PBF Energy Inc. | \$103,530 | \$135,810 | \$74,142 | \$223,132 |
| Gross margin | \$289,944 | \$319,258 | \$328,799 | \$535,585 |
| Gross refining margin (1) | \$571,025 | \$523,689 | \$925,227 | \$989,785 |
| Net income available to Class A common stock per share: | | | | |
| Basic | \$1.06 | \$1.58 | \$0.76 | \$2.62 |
| Diluted | \$1.06 | \$1.57 | \$0.76 | \$2.57 |

(1) See Non-GAAP Financial Measures below.

Operating Highlights

| | Three Months Ended June 30, | | Six Months Ended June 30, | | |
|---|-----------------------------------|--------|---------------------------------|--------|---|
| | 2016 | 2015 | 2016 | 2015 | |
| Key Operating Information | | | | | |
| Production (bpd in thousands) | 702.7 | 492.6 | 678.0 | 472.5 | |
| Crude oil and feedstocks throughput (bpd in thousands) | 698.1 | 491.1 | 674.0 | 479.5 | |
| Total crude oil and feedstocks throughput (millions of barrels) | 63.5 | 44.7 | 122.7 | 86.8 | |
| Gross margin per barrel of throughput | \$4.56 | \$7.15 | \$2.68 | \$6.17 | |
| Gross refining margin, excluding special items, per barrel of throughput (1) | \$6.50 | \$9.35 | \$5.77 | \$9.93 | |
| Refinery operating expenses, excluding depreciation, per barrel of throughput | \$4.27 | \$4.30 | \$4.63 | \$4.90 | |
| Crude and feedstocks (% of total throughput) (2): | | | | | |
| Heavy crude | 18 | % 13 | % 16 | % 14 | % |
| Medium crude | 44 | % 48 | % 47 | % 47 | % |
| Light crude | 27 | % 28 | % 25 | % 28 | % |
| Other feedstocks and blends | 11 | % 11 | % 12 | % 11 | % |
| Yield (% of total throughput): | | | | | |
| Gasoline and gasoline blendstocks | 47 | % 45 | % 48 | % 47 | % |
| Distillates and distillate blendstocks | 32 | % 36 | % 31 | % 36 | % |
| Lubes | 1 | % 1 | % 1 | % 1 | % |
| Chemicals | 4 | % 3 | % 4 | % 3 | % |
| Other | 16 | % 15 | % 16 | % 13 | % |

(1) See Non-GAAP Financial Measures below.

We define heavy crude oil as crude oil with American Petroleum Institute (API) gravity less than 24 degrees.

(2) We define medium crude oil as crude oil with API gravity between 24 and 35 degrees. We define light crude oil as crude oil with API gravity higher than 35 degrees.

The table below summarizes certain market indicators relating to our operating results as reported by Platts.

| | Three Months | | Six Months | |
|---|---------------------------------------|----------|------------|----------|
| | Ended | | Ended | |
| | June 30, | | June 30, | |
| | 2016 | 2015 | 2016 | 2015 |
| | (dollars per barrel, except as noted) | | | |
| Dated Brent Crude | \$45.65 | \$62.01 | \$40.08 | \$58.21 |
| West Texas Intermediate (WTI) crude oil | \$45.53 | \$57.85 | \$39.64 | \$53.25 |
| Light Louisiana Sweet (LLS) crude oil | \$47.39 | \$62.93 | \$41.51 | \$57.97 |
| Crack Spreads | | | | |
| Dated Brent (NYH) 2-1-1 | \$15.32 | \$19.83 | \$13.30 | \$17.83 |
| WTI (Chicago) 4-3-1 | \$16.51 | \$20.57 | \$12.77 | \$18.05 |
| LLS (Gulf Coast) 2-1-1 | \$10.76 | \$15.01 | \$9.76 | \$14.32 |
| Crude Oil Differentials | | | | |
| Dated Brent (foreign) less WTI | \$0.11 | \$4.16 | \$0.44 | \$4.97 |
| Dated Brent less Maya (heavy, sour) | \$7.83 | \$6.70 | \$7.94 | \$8.39 |
| Dated Brent less WTS (sour) | \$0.96 | \$3.44 | \$0.95 | \$5.09 |
| Dated Brent less ASCI (sour) | \$3.67 | \$2.66 | \$3.96 | \$4.10 |
| WTI less WCS (heavy, sour) | \$11.75 | \$8.29 | \$11.55 | \$10.12 |
| WTI less Bakken (light, sweet) | \$0.43 | \$2.14 | \$0.98 | \$3.61 |
| WTI less Syncrude (light, sweet) | \$(2.72) | \$(4.02) | \$(3.56) | \$(2.27) |
| Natural gas (dollars per MMBTU) | \$2.25 | \$2.74 | \$2.11 | \$2.77 |

Three Months Ended June 30, 2016 Compared to the Three Months Ended June 30, 2015

Overview— Net income was \$120.6 million for the three months ended June 30, 2016 compared to net income of \$158.5 million for the three months ended June 30, 2015. Net income attributable to PBF Energy was \$103.5 million, or \$1.06 per diluted share, for the three months ended June 30, 2016 (\$1.06 per share on a fully exchanged, fully diluted basis based on adjusted fully-converted net income, or \$0.14 per share on a fully exchanged, fully diluted basis based on adjusted fully-converted net income excluding special items, as described below in Non-GAAP Financial Measures) compared to net income attributable to PBF Energy of \$135.8 million, or \$1.57 per diluted share, for the three months ended June 30, 2015 (\$1.57 per share on a fully exchanged, fully diluted basis based on adjusted fully-converted net income, or \$0.88 per share on a fully exchanged, fully diluted basis based on adjusted fully-converted net income excluding special items, as described below in Non-GAAP Financial Measures). The net income or loss attributable to PBF Energy represents PBF Energy's equity interest in PBF LLC's pre-tax income, less applicable income tax expense. PBF Energy's weighted-average equity interest in PBF LLC was 95.2% and 94.4% for the three months ended June 30, 2016 and 2015, respectively.

Our results for the three months ended June 30, 2016 were positively impacted by a non-cash special item consisting of a pre-tax inventory lower of cost or market ("LCM") adjustment of approximately \$157.8 million or \$95.3 million net of tax. Our results for the three months ended June 30, 2015 were positively impacted by a pre-tax inventory LCM adjustment of approximately \$106.0 million or \$63.4 million net of tax. These LCM adjustments were recorded due to significant changes in the price of crude oil and refined products in the periods presented. Excluding the impact of the net change in LCM reserve, our results were negatively impacted by lower crack spreads, increased costs to comply with the Renewable Fuel Standard and higher interest costs, offset by a positive earnings contribution from the Chalmette refinery and higher throughput in the Mid-Continent.

Revenues— Revenues totaled \$3.9 billion for the three months ended June 30, 2016 compared to \$3.6 billion for the three months ended June 30, 2015, an increase of approximately \$0.3 billion, or 8.7%. Revenues per barrel

were \$60.74 and \$79.46 for the three months ended June 30, 2016 and 2015, respectively, a decrease of 23.6% directly related to lower hydrocarbon commodity prices. For the three months ended June 30, 2016, the total throughput rates at our East Coast, Mid-Continent and Gulf Coast refineries averaged approximately 351,700 bpd, 174,200 bpd and 172,200 bpd, respectively. For the three months ended June 30, 2015, the total throughput rates at our East Coast and Mid-Continent refineries averaged approximately 349,000 bpd and 142,100 bpd, respectively. The throughput rates at our East Coast refineries in 2016 compared to 2015 remained relatively consistent for the periods presented while the increase in throughput at our Mid-Continent refinery is due to unplanned downtime in the second quarter of 2015. Our Gulf Coast refinery was not acquired until the fourth quarter of 2015. For the three months ended June 30, 2016, the total barrels sold at our East Coast, Mid-Continent and Gulf Coast refineries averaged approximately 385,300 bpd, 180,000 bpd and 211,800 bpd, respectively. For the three months ended June 30, 2015, the total barrels sold at our East Coast and Mid-Continent refineries averaged approximately 372,300 bpd and 151,000 bpd, respectively. Total refined product barrels sold were higher than throughput rates, reflecting sales from inventory as well as sales and purchases of refined products outside the refinery.

Gross Margin— Gross margin, including refinery operating expenses and depreciation, totaled \$289.9 million, or \$4.56 per barrel of throughput, for the three months ended June 30, 2016 compared to \$319.3 million, or \$7.15 per barrel of throughput, for the three months ended June 30, 2015, a decrease of \$29.4 million. Gross refining margin (as described below in Non-GAAP Financial Measures) totaled \$571.0 million, or \$8.98 per barrel of throughput (\$413.2 million or \$6.50 per barrel of throughput excluding the impact of special items), for the three months ended June 30, 2016 compared to \$523.7 million, or \$11.72 per barrel of throughput (\$417.7 million or \$9.35 per barrel of throughput excluding the impact of special items) for the three months ended June 30, 2015, an increase of approximately \$47.3 million. Excluding the impact of special items, gross margin and gross refining margin decreased primarily due to lower crack spreads as persistent above-average refined product inventory levels weighed on margins, unfavorable movements in certain crude differentials, and increased costs to comply with the Renewable Fuel Standard, partially offset by higher throughput rates in the Mid-Continent and positive margin contributions from the Chalmette refinery acquired in the fourth quarter of 2015. Costs to comply with our obligation under the Renewable Fuel Standard, excluding our Gulf Coast refinery, totaled \$70.1 million for the three months ended June 30, 2016 compared to \$36.1 million for the three months ended June 30, 2015. In addition, gross margin and gross refining margin were positively impacted by a non-cash LCM adjustment of approximately \$157.8 million on a net basis resulting from the change in crude oil and refined product prices from the end of the first quarter of 2016 to the end of the second quarter of 2016 which, while remaining below historical costs, increased since the prior quarter. The non-cash LCM adjustment increased gross margin and gross refining margin by approximately \$106.0 million in the three months ended June 30, 2015.

Average industry refining margins in the Mid-Continent were weaker during the three months ended June 30, 2016 as compared to the same period in 2015. The WTI (Chicago) 4-3-1 industry crack spread was approximately \$16.51 per barrel or 19.7% lower in the three months ended June 30, 2016 as compared to \$20.57 per barrel in the same period in 2015. Our margins were negatively impacted from our refinery specific crude slate in the Mid-Continent which was impacted by a declining WTI/Bakken differential. Alternatively, those margins were positively impacted by an improving WTI/Syncrude differential, which averaged a premium of \$2.72 per barrel during the three months ended June 30, 2016 as compared to a premium of \$4.02 per barrel in the same period of 2015.

The Dated Brent (NYH) 2-1-1 industry crack spread was approximately \$15.32 per barrel, or 22.7% lower in the three months ended June 30, 2016 as compared to \$19.83 per barrel in the same period in 2015. The Dated Brent/WTI differential was \$4.05 lower in the three months ended June 30, 2016 as compared to the same period in 2015. In addition, the WTI/Bakken differential was approximately \$1.71 per barrel less favorable in the three months ended June 30, 2016 as compared to the same period in 2015. Reductions in these benchmark crude differentials typically result in higher crude costs and negatively impact our earnings.

Operating Expenses— Operating expenses totaled \$276.6 million for the three months ended June 30, 2016 compared to \$195.0 million for the three months ended June 30, 2015, an increase of \$81.6 million, or 41.9%. Of the total \$276.6 million of operating expenses for the three months ended June 30, 2016, \$271.5 million or \$4.27 per barrel of throughput, related to expenses incurred by the Refining segment, while the remaining \$5.1 million

related to expenses incurred by the Logistics segment (\$2.8 million of operating expenses for the three months ended June 30, 2015 related to the Logistics segment). The increase in operating expenses was mainly attributable to the operations of the Chalmette refinery acquired in November 2015, which totaled approximately \$83.0 million for the quarter. In addition, higher salary and benefits expenses for the quarter due to increased headcount were offset by lower maintenance, energy and utility expenses. The operating expenses related to the Logistics segment consists of costs related to the operation and maintenance of PBFX's assets.

General and Administrative Expenses— General and administrative expenses totaled \$43.4 million for the three months ended June 30, 2016 compared to \$39.2 million for the three months ended June 30, 2015, an increase of approximately \$4.2 million or 10.7%. The increase in general and administrative expenses primarily relates to acquisition-related costs for outside and professional services incurred in support of the Plains Asset Purchase and Torrance Acquisition of \$5.2 million and higher equity compensation expense of \$5.6 million related to additional equity based award grants and the retirement of our Executive Chairman partially offset by reduced employee related expenses of \$6.3 million mainly due to lower incentive compensation expense. Our general and administrative expenses are comprised of the personnel, facilities and other infrastructure costs necessary to support our refineries.

Loss (gain) on Sale of Assets— There was a loss of \$3.2 million on the sale of assets for the three months ended June 30, 2016 relating to the sale of railcars in the second quarter of 2016 as compared to a gain of \$0.6 million for the three months ended June 30, 2015 which related to the sale of railcars which were subsequently leased back.

Depreciation and Amortization Expense— Depreciation and amortization expense totaled \$51.1 million for the three months ended June 30, 2016 compared to \$48.6 million for the three months ended June 30, 2015, an increase of \$2.5 million. The increase was a result of additional depreciation expense associated with the assets acquired in the Chalmette Acquisition and the Plains Asset Purchase and a general increase in our fixed asset base due to capital projects completed since the second quarter 2015.

Change in Fair Value of Catalyst Leases— Change in the fair value of catalyst leases represented a loss of \$1.7 million for the three months ended June 30, 2016 compared to a gain of \$1.9 million for the three months ended June 30, 2015. These losses and gains relate to the change in value of the precious metals underlying the sale and leaseback of our refineries' precious metals catalyst, which we are obligated to repurchase at fair market value on the lease termination dates.

Interest Expense, net— Interest expense totaled \$35.9 million for the three months ended June 30, 2016 compared to \$26.9 million for the three months ended June 30, 2015, an increase of approximately \$9.0 million. This increase is mainly attributable to higher interest costs associated with the issuance of the PBFX Senior Notes in May 2015 and the 2023 Senior Secured Notes in November 2015. Interest expense includes interest on long-term debt including the PBFX credit facilities, costs related to the sale and leaseback of our precious metals catalyst, financing costs associated with the A&R Inventory Intermediation Agreements with J. Aron, letter of credit fees associated with the purchase of certain crude oils, and the amortization of deferred financing costs.

Income Tax Expense— PBF LLC is organized as a limited liability company and PBFX is a master limited partnership, both of which are treated as "flow-through" entities for federal income tax purposes and therefore are not subject to income tax apart from the income tax attributable to certain subsidiaries of PBF Holding or its subsidiaries that are treated as C-Corporations for income tax purposes. However, the members of PBF LLC are required to include their proportionate share of PBF LLC's taxable income or loss, which includes PBF LLC's allocable share of PBFX's pre-tax income or loss, on their respective tax returns. PBF LLC generally makes distributions to its members, per the terms of PBF LLC's amended and restated limited liability company agreement, related to such taxes on a pro-rata basis. PBF Energy recognizes an income tax expense or benefit in our consolidated financial statements based on PBF Energy's allocable share of PBF LLC's pre-tax income or loss, which was approximately 95.2% and 94.4%, on a weighted-average basis for the three months ended June 30, 2016 and 2015, respectively. PBF Energy's condensed consolidated financial statements do not reflect any benefit or provision for income taxes on the pre-tax income or loss attributable to the noncontrolling interests in PBF LLC or PBFX

(although, as described above, PBF LLC must make tax distributions to all its members on a pro-rata basis). PBF Energy's effective tax rate, excluding the impact of noncontrolling interest, for the three months ended June 30, 2016 and 2015 was 42.3% and 40.0%, respectively, reflecting tax adjustments for discrete items and the impact of earnings in foreign tax jurisdictions.

Noncontrolling Interest— As a result of our initial public offering ("IPO") and the related reorganization transactions, PBF Energy became the sole managing member of, and has a controlling interest in, PBF LLC. As the sole managing member of PBF LLC, PBF Energy operates and controls all of the business and affairs of PBF LLC and its subsidiaries. PBF Energy consolidates the financial results of PBF LLC and its subsidiaries, including PBFX. With respect to the consolidation of PBF LLC, the Company records a noncontrolling interest for the economic interest in PBF LLC held by members other than PBF Energy, and with respect to the consolidation of PBFX, the Company records a noncontrolling interest for the economic interests in PBFX held by the public unit holders of PBFX, and with respect to the consolidation of PBF Holding, the Company records a 20% noncontrolling interest for the ownership interests in two subsidiaries of Chalmette Refining held by a third party. The total noncontrolling interest on the consolidated statement of operations represents the portion of the Company's earnings or loss attributable to the economic interests held by members of PBF Energy other than PBF Energy and by the public common unit holders of PBFX and by the third party holder of Chalmette Refining's subsidiaries. The total noncontrolling interest on the balance sheet represents the portion of the Company's net assets attributable to the economic interests held by the members of PBF LLC other than PBF Energy, by the public common unit holders of PBFX and by the third party interest holder of Chalmette Refining's subsidiaries. PBF Energy's weighted-average equity noncontrolling interest ownership percentage in PBF LLC for the three months ended June 30, 2016 and 2015 was approximately 4.8% and 5.6%, respectively. The carrying amount of the noncontrolling interest on our consolidated balance sheet attributable to the noncontrolling interest is not equal to the noncontrolling interest ownership percentage due to the effect of income taxes and related agreements that pertain solely to PBF Energy.

Six Months Ended June 30, 2016 Compared to the Six Months Ended June 30, 2015

Overview— Net income was \$97.3 million for the six months ended June 30, 2016 compared to net income of \$261.6 million for the six months ended June 30, 2015. Net income attributable to PBF Energy was \$74.1 million, or \$0.76 per diluted share, for the six months ended June 30, 2016 (\$0.76 per share on a fully exchanged, fully diluted basis based on adjusted fully-converted net income, or a loss of \$0.51 per share on a fully exchanged, fully diluted basis based on adjusted fully-converted net loss excluding special items, as described below in Non-GAAP Financial Measures) compared to net income attributable to PBF Energy of \$223.1 million, or \$2.57 per diluted share, for the six months ended June 30, 2015 (\$2.57 per share on a fully exchanged, fully diluted basis based on adjusted fully-converted net income, or \$1.74 per share on a fully exchanged, fully diluted basis based on adjusted fully-converted net income excluding special items, as described below in Non-GAAP Financial Measures). The net income or loss attributable to PBF Energy represents PBF Energy's equity interest in PBF LLC's pre-tax income, less applicable income tax expense. PBF Energy's weighted-average equity interest in PBF LLC was 95.2% and 93.4% for the six months ended June 30, 2016 and 2015, respectively.

Our results for the six months ended June 30, 2016 were positively impacted by a non-cash special item consisting of a pre-tax LCM adjustment of approximately \$216.8 million or \$131.0 million net of tax. Our results for the six months ended June 30, 2015 were positively impacted by a pre-tax LCM adjustment of approximately \$127.2 million, or \$76.0 million net of tax. These LCM adjustments were recorded due to significant changes in the price of crude oil and refined products in the periods presented. Excluding the impact of the net change in LCM reserve, our results were negatively impacted by unfavorable movements in certain crude oil differentials, lower crack spreads, increased costs to comply with the Renewable Fuel Standard, lower throughput volumes on the East Coast and increased interest costs partially offset by a positive earnings contribution from the Chalmette refinery and higher throughput in the Mid-Continent. Throughput volumes on the East Coast were impacted by approximately two weeks of unplanned downtime as a result of a weather-related loss of power in late January 2016 and a planned coker turnaround at our Delaware City refinery. Given the prevailing market conditions and unplanned downtime during the first quarter, we decided to move forward the scheduled turnaround of the Delaware City coker and other related units which lasted through the remainder of the first quarter of 2016.

Revenues— Revenues totaled \$6.7 billion for the six months ended June 30, 2016 compared to \$6.5 billion for the six months ended June 30, 2015, an increase of approximately \$0.1 billion, or 1.7%. Revenues per barrel were \$54.28 and \$75.43 for the six months ended June 30, 2016 and 2015, respectively, a decrease of 28.0% directly related to lower hydrocarbon commodity prices. For the six months ended June 30, 2016, the total throughput rates at our East Coast, Mid-Continent and Gulf Coast refineries averaged approximately 333,900 bpd, 165,900 bpd and 174,200 bpd, respectively. For the six months ended June 30, 2015, the total throughput rates at our East Coast and Mid-Continent refineries averaged approximately 337,400 bpd and 142,080 bpd, respectively. The decrease in throughput rates at our East Coast refineries in 2016 compared to 2015 is primarily due to the planned and unplanned downtime at our Delaware City refinery as described above. Our Gulf Coast refinery was not acquired until the fourth quarter of 2015. For the six months ended June 30, 2016, the total barrels sold at our East Coast, Mid-Continent and Gulf Coast refineries averaged approximately 376,200 bpd, 174,900 bpd and 208,800 bpd, respectively. For the six months ended June 30, 2015, the total barrels sold at our East Coast and Mid-Continent refineries averaged approximately 367,500 bpd and 154,500 bpd, respectively. Total refined product barrels sold were higher than throughput rates, reflecting sales from inventory as well as sales and purchases of refined products outside the refinery.

Gross Margin— Gross margin, including refinery operating expenses and depreciation, totaled \$328.8 million, or \$2.68 per barrel of throughput, for the six months ended June 30, 2016 compared to \$535.6 million, or \$6.17 per barrel of throughput, for the six months ended June 30, 2015, a decrease of \$206.8 million. Gross refining margin (as described below in Non-GAAP Financial Measures) totaled \$925.2 million, or \$7.54 per barrel of throughput (\$708.4 million or \$5.77 per barrel of throughput excluding the impact of special items), for the six months ended June 30, 2016 compared to \$989.8 million, or \$11.40 per barrel of throughput (\$862.6 million or \$9.93 per barrel of throughput excluding the impact of special items) for the six months ended June 30, 2015, a decrease of approximately \$64.5 million. Excluding the impact of special items, gross margin and gross refining margin decreased due to unfavorable movements in certain crude differentials, lower crack spreads as persistent above-average refined product inventory levels weighed on margins, increased costs to comply with the Renewable Fuel Standard, and reduced throughput in the East Coast partially offset by higher throughput rates in the Mid-Continent and positive margin contributions from the Chalmette refinery acquired in the fourth quarter of 2015. Costs to comply with our obligation under the Renewable Fuel Standard, excluding our Gulf Coast refinery, totaled \$115.5 million for the six months ended June 30, 2016 compared to \$72.9 million for the six months ended June 30, 2015. In addition, gross margin and gross refining margin were positively impacted by a non-cash LCM adjustment of approximately \$216.8 million on a net basis resulting from the change in crude oil and refined product prices from the year ended 2015 to the end of the second quarter of 2016 which, while remaining below historical costs, increased since the year end. The non-cash LCM adjustment increased gross margin and gross refining margin by approximately \$127.2 million in the second quarter of 2015.

Average industry refining margins in the Mid-Continent were weaker during the six months ended June 30, 2016 as compared to the same period in 2015. The WTI (Chicago) 4-3-1 industry crack spread was approximately \$12.77 per barrel or 29.3% lower in the six months ended June 30, 2016 as compared to \$18.05 per barrel in the same period in 2015. Our margins were negatively impacted from our refinery specific crude slate in the Mid-Continent which was impacted by a declining WTI/Bakken differential and an adverse WTI/Syncrude differential, which averaged a premium of \$3.56 per barrel during the six months ended June 30, 2016 as compared to a premium of \$2.27 per barrel in the same period of 2015.

The Dated Brent (NYH) 2-1-1 industry crack spread was approximately \$13.30 per barrel, or 25.4% lower in the six months ended June 30, 2016 as compared to \$17.83 per barrel in the same period in 2015. The Dated Brent/WTI differential and Dated Brent/Maya differential were \$4.53 and \$0.45 lower, respectively, in the six months ended June 30, 2016 as compared to the same period in 2015. In addition, the WTI/Bakken differential was approximately \$2.63 per barrel less favorable in the six months ended June 30, 2016 as compared to the same period in 2015. Reductions in these benchmark crude differentials typically result in higher crude costs and negatively impact our earnings.

Operating Expenses— Operating expenses totaled \$576.6 million for the six months ended June 30, 2016 compared to \$432.1 million for the six months ended June 30, 2015, an increase of \$144.5 million, or 33.4%. Of the total \$576.6 million of operating expenses for the six months ended June 30, 2016, \$568.2 million or \$4.63 per barrel of throughput, related to expenses incurred by the Refining segment, while the remaining \$8.4 million related to expenses incurred by the Logistics segment (\$6.6 million of operating expenses for the six months ended June 30, 2015 related to the Logistics segment). The increase in operating expenses was mainly attributable to the operating expenses associated with the Chalmette refinery which totaled approximately \$160.0 million and an increase in salaries and benefits of \$8.4 million for the first six months of 2016, partially offset by decreased energy expenses mainly due to lower natural gas prices of \$24.0 million. The operating expenses related to the Logistics segment consists of costs related to the operation and maintenance of PBFX's assets.

General and Administrative Expenses— General and administrative expenses totaled \$81.0 million for the six months ended June 30, 2016 compared to \$75.3 million for the six months ended June 30, 2015, an increase of approximately \$5.7 million or 7.6%. The increase in general and administrative expenses primarily relates to acquisition-related costs for outside and professional services incurred in support of the Plains Asset Purchase and Torrance Acquisition of \$9.8 million and higher equity compensation expense of \$6.2 million related to additional equity based award grants and the retirement of our Executive Chairman partially offset by reduced employee related expenses of \$10.3 million mainly due to lower incentive compensation expense. Our general and administrative expenses are comprised of the personnel, facilities and other infrastructure costs necessary to support our refineries.

Loss (gain) on Sale of Assets— There was a loss of \$3.2 million on sale of assets for the six months ended June 30, 2016 relating to the sale of railcars in the second quarter of 2016 as compared to a gain of \$1.0 million for the six months ended June 30, 2015 which related to the sale of railcars which were subsequently leased back.

Depreciation and Amortization Expense— Depreciation and amortization expense totaled \$107.0 million for the six months ended June 30, 2016 compared to \$96.3 million for the six months ended June 30, 2015, an increase of \$10.7 million. The increase was a result of additional depreciation expense associated with the assets acquired in the Chalmette Acquisition and Plains Asset Purchase and a general increase in our fixed asset base due to capital projects completed since the second quarter 2015.

Change in Fair Value of Catalyst Leases— Change in the fair value of catalyst leases represented a loss of \$4.6 million for the six months ended June 30, 2016 compared to a gain of \$4.0 million for the six months ended June 30, 2015. These losses and gains relate to the change in value of the precious metals underlying the sale and leaseback of our refineries' precious metals catalyst, which we are obligated to repurchase at fair market value on the lease termination dates.

Interest Expense, net— Interest expense totaled \$73.5 million for the six months ended June 30, 2016 compared to \$49.1 million for the six months ended June 30, 2015, an increase of approximately \$24.3 million. This increase is mainly attributable to higher interest costs associated with the issuance of the PBFX Senior Notes in May 2015 and the 2023 Senior Secured Notes in November 2015 partially offset by lower letter of credit fees. Interest expense includes interest on long-term debt including the PBFX credit facilities, costs related to the sale and leaseback of our precious metals catalyst, financing costs associated with the A&R Inventory Intermediation Agreements with J. Aron, letter of credit fees associated with the purchase of certain crude oils, and the amortization of deferred financing costs.

Income Tax Expense— PBF LLC is organized as a limited liability company and PBFX is a master limited partnership, both of which are treated as "flow-through" entities for federal income tax purposes and therefore are not subject to income tax apart from the income tax attributable to certain subsidiaries of PBF Holding or its subsidiaries that are treated as C-Corporations for income tax purposes. However, the members of PBF LLC are required to include their proportionate share of PBF LLC's taxable income or loss, which includes PBF LLC's allocable share of PBFX's pre-tax income or loss, on their respective tax returns. PBF LLC generally makes distributions to its members, per the terms of PBF LLC's amended and restated limited liability company agreement, related to such taxes on a pro-rata basis. PBF Energy recognizes an income tax expense or benefit in our consolidated

financial statements based on PBF Energy's allocable share of PBF LLC's pre-tax income or loss, which was approximately 95.2% and 93.4%, on a weighted-average basis for the six months ended June 30, 2016 and 2015, respectively. PBF Energy's condensed consolidated financial statements do not reflect any benefit or provision for income taxes on the pre-tax income or loss attributable to the noncontrolling interests in PBF LLC or PBFX (although, as described above, PBF LLC must make tax distributions to all its members on a pro-rata basis). PBF Energy's effective tax rate, excluding the impact of noncontrolling interest, for the six months ended June 30, 2016 and 2015 was 41.9% and 38.5%, respectively, reflecting tax benefit adjustments for discrete items and the impact of earnings in foreign tax jurisdictions.

Noncontrolling Interest— As a result of our IPO and the related reorganization transactions, PBF Energy became the sole managing member of, and has a controlling interest in, PBF LLC. As the sole managing member of PBF LLC, PBF Energy operates and controls all of the business and affairs of PBF LLC and its subsidiaries. PBF Energy consolidates the financial results of PBF LLC and its subsidiaries, including PBFX. With respect to the consolidation of PBF LLC, the Company records a noncontrolling interest for the economic interest in PBF LLC held by members other than PBF Energy, and with respect to the consolidation of PBFX, the Company records a noncontrolling interest for the economic interests in PBFX held by the public unit holders of PBFX, and with respect to the consolidation of PBF Holding, the Company records a 20% noncontrolling interest for the ownership interests in two subsidiaries of Chalmette Refining held by a third party. The total noncontrolling interest on the consolidated statement of operations represents the portion of the Company's earnings or loss attributable to the economic interests held by members of PBF Energy other than PBF Energy and by the public common unit holders of PBFX and by the third party holder of Chalmette Refining's subsidiaries. The total noncontrolling interest on the balance sheet represents the portion of the Company's net assets attributable to the economic interests held by the members of PBF LLC other than PBF Energy, by the public common unit holders of PBFX and by the third party holder of Chalmette Refining's subsidiaries. PBF Energy's weighted-average equity noncontrolling interest ownership percentage in PBF LLC for the six months ended June 30, 2016 and 2015 was approximately 4.8% and 6.6%, respectively. The carrying amount of the noncontrolling interest on our consolidated balance sheet attributable to the noncontrolling interest is not equal to the noncontrolling interest ownership percentage due to the effect of income taxes and related agreements that pertain solely to PBF Energy.

Non-GAAP Financial Measures

Management uses certain financial measures to evaluate our operating performance that are calculated and presented on the basis of methodologies other than in accordance with GAAP ("non-GAAP"). These measures should not be considered a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP, and our calculations thereof may not be comparable to similarly entitled measures reported by other companies.

Special Items

The non-GAAP measures presented include Adjusted Fully-Converted net income excluding special items, EBITDA excluding special items, and gross refining margin excluding special items. The special items for the periods presented relate to an LCM adjustment. LCM is a GAAP guideline related to inventory valuation that requires inventory to be stated at the lower of cost or market. Our inventories are stated at the lower of cost or market. Cost is determined by the last-in, first-out ("LIFO") inventory valuation methodology, in which the most recently incurred costs are charged to cost of sales and inventories are valued at base layer acquisition costs. Market is determined based on an assessment of the current estimated replacement cost and net realizable selling price of the inventory. In periods where the market price of our inventory declines substantially, cost values of inventory may exceed market values. In such instances, we record an adjustment to write down the value of inventory to market value in accordance with GAAP. In subsequent periods, the value of inventory is reassessed and a LCM adjustment is recorded to reflect the net change in the LCM inventory reserve between the prior period and the current period. Although we believe that non-GAAP financial measures, excluding the impact of special items, provide useful supplemental information to investors regarding the results and performance of our business and allow for helpful period-over-period comparisons, such non-GAAP measures should only be considered as a supplement to, and not as a substit

ute for, or superior to, the financial measures prepared in accordance with GAAP.

Adjusted Fully-Converted Net Income (Loss)

PBF Energy utilizes results presented on an Adjusted Fully-Converted basis that reflects an assumed exchange of all PBF LLC Series A Units for shares of Class A common stock of PBF Energy. We believe that these Adjusted Fully-Converted measures, when presented in conjunction with comparable GAAP measures, are useful to investors to compare PBF Energy results across different periods and to facilitate an understanding of our operating results. The differences between Adjusted Fully-Converted and GAAP results are as follows:

1. Assumed Exchange of all PBF LLC Series A Units for shares of PBF Energy Class A common stock. As a result of the assumed exchange of all PBF LLC Series A Units, the noncontrolling interest related to these units is converted to controlling interest. Management believes that it is useful to provide the per-share effect associated with the assumed exchange of all PBF LLC Series A Units.

2. Income Taxes. Prior to the PBF Energy's IPO, we were organized as a limited liability company treated as a "flow-through" entity for income tax purposes, and even after PBF Energy's IPO, not all of our earnings are subject to corporate-level income taxes. Adjustments have been made to the Adjusted Fully-Converted tax provisions and earnings to assume that we had adopted our post-IPO corporate tax structure for all periods presented and are taxed as a C corporation in the U.S. at the prevailing corporate rates. These assumptions are consistent with the assumption in clause 1 above that all PBF LLC Series A Units are exchanged for shares of PBF Energy Class A common stock, as the assumed exchange would change the amount of our earnings that is subject to corporate income tax.

The following table reconciles our Adjusted Fully-Converted results with our results presented in accordance with GAAP for the three and six months ended June 30, 2016 and 2015:

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|--|--------------------------------|------------|------------------------------|------------|
| | 2016 | 2015 | 2016 | 2015 |
| Net income attributable to PBF Energy Inc. | \$103,530 | \$135,810 | \$74,142 | \$223,132 |
| Add: Net income attributable to the noncontrolling interest ⁽¹⁾ | 9,399 | 13,432 | 6,958 | 21,220 |
| Less: Income tax (expense) benefit ⁽²⁾ | (3,722) | (5,400) | (2,755) | (8,530) |
| Adjusted fully-converted net income | \$109,207 | \$143,842 | \$78,345 | \$235,822 |
| Special Items: | | | | |
| Add: Non-cash LCM inventory adjustment ⁽⁵⁾ | (157,780) | (105,958) | (216,843) | (127,166) |
| Less: Recomputed income taxes on special items ⁽⁵⁾ | 62,516 | 42,595 | 85,870 | 51,121 |
| Adjusted fully-converted net income (loss) excluding special items | \$13,943 | \$80,479 | \$(52,628) | \$159,777 |
| Diluted weighted-average shares outstanding of PBF Energy Inc. ⁽³⁾ | 97,836,366 | 86,036,809 | 97,822,875 | 85,175,066 |
| Conversion of PBF LLC Series A Units ⁽⁴⁾ | 4,947,813 | 5,129,114 | 4,952,115 | 5,980,462 |
| Common stock equivalents ⁽⁴⁾ | 494,443 | 493,983 | 589,488 | 499,553 |
| Adjusted fully-converted shares outstanding-diluted | 103,278,622 | 91,659,906 | 103,364,478 | 91,655,081 |
| Diluted net income per share | \$1.06 | \$1.57 | \$0.76 | \$2.57 |
| Adjusted fully-converted net income (per fully exchanged, fully diluted shares outstanding) | \$1.06 | \$1.57 | \$0.76 | \$2.57 |
| Adjusted fully-converted net income (loss) excluding special items (per fully exchanged, fully diluted shares outstanding) | \$0.14 | \$0.88 | \$(0.51) | \$1.74 |

Represents the elimination of the noncontrolling interest associated with the ownership by the members of PBF
(1) LLC other than PBF Energy as if such members had fully exchanged their PBF LLC Series A Units for shares of PBF Energy's Class A common stock.

Represents an adjustment to apply PBF Energy's statutory tax rate of approximately 39.6% for the 2016 periods
(2) and 40.2% for the 2015 periods to the noncontrolling interest. The adjustment assumes the full exchange of existing PBF LLC Series A Units as described in (1) above.

Represents weighted-average diluted shares outstanding assuming the conversion of all common stock
(3) equivalents, including options and warrants for PBF LLC Series A Units and options for shares of PBF Energy Class A common stock as calculated under the treasury stock method for the three and six months ended June 30, 2016 and June 30, 2015, respectively. Common stock equivalents exclude the effects of options to purchase 3,467,125 and 2,919,125 shares of PBF Energy Class A common stock because they are anti-dilutive for the three and six months ended June 30, 2016, respectively. Common Stock equivalents, excludes the effects of options to purchase 2,874,500 and 2,874,500 shares of PBF Energy Class A common stock because they are anti-dilutive for the three and six months ended June 30, 2015, respectively.

Represents an adjustment to weighted-average diluted shares to assume the full exchange of existing PBF LLC
(4) Series A Units and common stock equivalents as described in (1) above if not included in the diluted weighted-average shares outstanding calculated in (3) above.

During the three months ended June 30, 2016, the Company recorded an adjustment to value its inventories to the lower of cost or market which resulted in a pre-tax benefit of \$157.8 million, reflecting the change in the lower of cost or market inventory reserve from \$1,058.3 million at March 31, 2016 to \$900.5 million at June 30, 2016.

During the six months ended June 30, 2016, the Company recorded an adjustment to value its inventories to the lower of cost or market which resulted in a pre-tax benefit of \$216.8 million, reflecting the change in the lower of cost or market inventory reserve from \$1,117.3 million at December 31, 2015 to \$900.5 million at June 30, 2016.

During the three months ended June 30, 2015, the Company recorded an adjustment to value its inventories to the lower of cost or market which resulted in a pre-tax benefit of \$106.0 million, reflecting the change in the lower of cost or market inventory reserve from \$668.9 million at March 31, 2015 to \$562.9 million at June 30, 2015.

(5) During the six months ended June 30, 2015, the Company recorded an adjustment to value its inventories to the lower of cost or market which resulted in a pre-tax benefit of \$127.2 million, reflecting the change in the lower of cost or market inventory reserve from \$690.1 million at December 31, 2014 to \$562.9 million at June 30, 2015.

The net impact of these LCM inventory adjustments are included in the Refining segment's operating income, but are excluded from the operating results presented in the table in order to make such information comparable between periods. Income taxes related to the net LCM adjustment was calculated using the Company's statutory corporate tax rate of approximately 39.6% and 40.2% for the 2016 and 2015 periods presented, respectively.

Gross Refining Margin

Gross refining margin is defined as gross margin excluding refinery depreciation, refinery operating expenses, and gross margin of PBFX. We believe gross refining margin is an important measure of operating performance and provides useful information to investors because it is a helpful metric comparison to the industry refining margin benchmarks, as the refining margin benchmarks do not include a charge for refinery operating expenses and depreciation. In order to assess our operating performance, we compare our gross refining margin (revenue less cost of sales) to industry refining margin benchmarks and crude oil prices as defined in the table below.

Gross refining margin should not be considered an alternative to gross margin, operating income, net cash flows from operating activities or any other measure of financial performance or liquidity presented in accordance with GAAP.

Gross refining margin presented by other companies may not be comparable to our presentation, since each company may define this term differently. The following table presents a reconciliation of gross refining margin to the most directly comparable GAAP financial measure, gross margin, on a historical basis, as applicable, for each of the

periods indicated:

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| | Three Months Ended June 30, | | 2015 | |
|--|-----------------------------|--------------------------------|------------|--------------------------------|
| | 2016 | per barrel of throughput | 2015 | per barrel of throughput |
| | \$ | | \$ | |
| Reconciliation of gross margin to gross refining margin: | | | | |
| Gross margin | \$289,944 | \$ 4.56 | \$319,258 | \$ 7.15 |
| Less: Revenues of PBFX | (40,659) | (0.64) | (33,766) | (0.76) |
| Add: Affiliate cost of sales of PBFX | 2,661 | 0.04 | 1,536 | 0.03 |
| Add: Refinery operating expenses | 271,539 | 4.27 | 192,150 | 4.30 |
| Add: Refinery depreciation expense | 47,540 | 0.75 | 44,511 | 1.00 |
| Gross refining margin | \$571,025 | \$ 8.98 | \$523,689 | \$ 11.72 |
| Special items: | | | | |
| Add: Non-cash LCM inventory adjustment (1) | (157,780) | (2.48) | (105,958) | (2.37) |
| Gross refining margin excluding special items | \$413,245 | \$ 6.50 | \$417,731 | \$ 9.35 |

(1) During the three months ended June 30, 2016, the Company recorded an adjustment to value its inventories to the lower of cost or market which resulted in a net pre-tax impact of \$157.8 million reflecting the change in the lower of cost or market inventory reserve from \$1,058.3 million at March 31, 2016 to \$900.5 million at June 30, 2016. During the three months ended June 30, 2015, the Company recorded an adjustment to value its inventories to the lower of cost or market which resulted in a net pre-tax impact of \$106.0 million reflecting the change in the lower of cost or market inventory reserve from \$668.9 million at March 31, 2015 to \$562.9 million at June 30, 2015. The net impact of these LCM inventory adjustments are included in the Refining segment's operating income, but are excluded from the operating results presented in the table in order to make such information comparable between periods.

| | Six Months Ended June 30, | | 2015 | |
|--|---------------------------|--------------------------------|------------|--------------------------------|
| | 2016 | per barrel of throughput | 2015 | per barrel of throughput |
| | \$ | | \$ | |
| Reconciliation of gross margin to gross refining margin: | | | | |
| Gross margin | \$328,799 | \$ 2.68 | \$535,585 | \$ 6.17 |
| Less: Revenues of PBFX | (77,208) | (0.63) | (64,330) | (0.74) |
| Add: Affiliate cost of sales of PBFX | 5,322 | 0.04 | 5,276 | 0.06 |
| Add: Refinery operating expenses | 568,178 | 4.63 | 425,527 | 4.90 |
| Add: Refinery depreciation expense | 100,136 | 0.82 | 87,727 | 1.01 |
| Gross refining margin | \$925,227 | \$ 7.54 | \$989,785 | \$ 11.40 |
| Special items: | | | | |
| Add: Non-cash LCM inventory adjustment (1) | (216,843) | (1.77) | (127,166) | (1.47) |
| Gross refining margin excluding special items | \$708,384 | \$ 5.77 | \$862,619 | \$ 9.93 |

(1) During the six months ended June 30, 2016, the Company recorded an adjustment to value its inventories to the lower of cost or market which resulted in a net pre-tax impact of \$216.8 million reflecting the change in the lower of cost or market inventory reserve from \$1,117.3 million at December 31, 2015 to \$900.5 million at June 30, 2016. During the six months ended June 30, 2015, the Company recorded an adjustment to value its inventories to the lower of cost or market which resulted in a net pre-tax impact of \$127.2 million reflecting the change in the lower of cost or market inventory reserve from \$690.1 million at December 31, 2014 to \$562.9 million at June 30, 2015. The net impact of these LCM inventory adjustments are included in the Refining segment's operating income, but are excluded from the operating results presented in the table in order to make such information comparable between periods.

EBITDA and Adjusted EBITDA

Our management uses EBITDA (earnings before interest, income taxes, depreciation and amortization) and Adjusted EBITDA as measures of operating performance to assist in comparing performance from period to period on a consistent basis and to readily view operating trends, as a measure for planning and forecasting overall expectations and for evaluating actual results against such expectations, and in communications with our board of directors, creditors, analysts and investors concerning our financial performance. Our outstanding indebtedness for borrowed money and other contractual obligations also include similar measures as a basis for certain covenants under those agreements which may differ from the Adjusted EBITDA definition described below.

EBITDA and Adjusted EBITDA are not presentations made in accordance with GAAP and our computation of EBITDA and Adjusted EBITDA may vary from others in our industry. In addition, Adjusted EBITDA contains some, but not all, adjustments that are taken into account in the calculation of the components of various covenants in the agreements governing the Senior Secured Notes and other credit facilities. EBITDA and Adjusted EBITDA should not be considered as alternatives to operating income (loss) or net income (loss) as measures of operating performance. In addition, EBITDA and Adjusted EBITDA are not presented as, and should not be considered, an alternative to cash flows from operations as a measure of liquidity. Adjusted EBITDA is defined as EBITDA before adjustments for items such as equity-based compensation expense, gains (losses) from certain derivative activities and contingent consideration, the non-cash change in the deferral of gross profit related to the sale of certain finished products, the write down of inventory to the LCM, changes in the liability for tax receivable agreement due to factors out of our control such as changes in tax rates and certain other non-cash items. Other companies, including other companies in our industry, may calculate EBITDA and Adjusted EBITDA differently than we do, limiting their usefulness as comparative measures. EBITDA and Adjusted EBITDA also have limitations as analytical tools and should not be considered in isolation, or as a substitute for analysis of our results as reported under GAAP. Some of these limitations include that EBITDA and Adjusted EBITDA:

- does not reflect depreciation expense or our cash expenditures, or future requirements, for capital expenditures or contractual commitments;
- does not reflect changes in, or cash requirements for, our working capital needs;
- does not reflect our interest expense, or the cash requirements necessary to service interest or principal payments, on our debt;
- does not reflect realized and unrealized gains and losses from hedging activities, which may have a substantial impact on our cash flow;
- does not reflect certain other non-cash income and expenses; and
- excludes income taxes that may represent a reduction in available cash.

The following tables reconcile net income as reflected in our results of operations to EBITDA and Adjusted EBITDA for the periods presented:

| | Three Months Ended | | Six Months Ended | |
|----------------|--------------------|------------|------------------|------------|
| | June 30, | | June 30, | |
| | 2016 | 2015 | 2016 | 2015 |
| Reconciliation | | | | |
| of | | | | |
| net | | | | |
| income | | | | |
| to | | | | |
| EBITDA: | | | | |
| Net | \$120,648 | \$158,460 | \$97,312 | \$261,579 |
| income | | | | |
| Add: | | | | |
| Depreciation | | | | |
| and | \$1,060 | 48,562 | 106,993 | 96,268 |
| amortization | | | | |
| expense | | | | |
| Add: | | | | |
| Interest | 35,940 | 26,876 | 73,467 | 49,068 |
| expense, | | | | |
| net | | | | |
| Add: | | | | |
| Income | 76,434 | 90,409 | 53,934 | 139,547 |
| tax | | | | |
| expense | | | | |
| EBITDA | \$174,082 | \$324,307 | \$331,706 | \$546,462 |
| Special | | | | |
| Items: | | | | |
| Less: | | | | |
| Non-cash | | | | |
| LCM | (157,780) | (105,958) | (216,843) | (127,166) |
| inventory | | | | |
| adjustment | | | | |
| (1) | | | | |
| EBITDA | | | | |
| excluding | \$126,302 | \$218,349 | \$114,863 | \$419,296 |
| special | | | | |
| items | | | | |

| | | | | |
|----------------|-----------|-----------|-----------|-----------|
| Reconciliation | | | | |
| of | | | | |
| EBITDA | | | | |
| to | | | | |
| Adjusted | | | | |
| EBITDA: | | | | |
| EBITDA | \$174,082 | \$324,307 | \$331,706 | \$546,462 |
| Add | 1,359 | 2,439 | 12,709 | 5,394 |
| Stock | | | | |

| | | | | |
|--------------|-----------|------------|------------|------------|
| based | | | | |
| compensation | | | | |
| Add: | | | | |
| Non-cash | | | | |
| change | | | | |
| in | | | | |
| fair | 1,748 | (1,949 |) 4,633 | (3,988 |
| value | |) | |) |
| of | | | | |
| catalyst | | | | |
| lease | | | | |
| obligations | | | | |
| Less: | | | | |
| Non-cash | | | | |
| LCM | | | | |
| inventory | (157,780 |) (105,958 |) (216,843 |) (127,166 |
| adjustment | | | | |
| (1) | | | | |
| Adjusted | \$137,409 | \$218,839 | \$132,205 | \$420,702 |
| EBITDA | | | | |

During the three months ended June 30, 2016, the Company recorded an adjustment to value its inventories to the lower of cost or market which resulted in a net pre-tax impact of \$157.8 million reflecting the change in the lower of cost or market inventory reserve from \$1,058.3 million at March 31, 2016 to \$900.5 million at June 30, 2016. During the three months ended June 30, 2015, the Company recorded an adjustment to value its inventories to the lower of cost or market which resulted in a net pre-tax impact of \$106.0 million reflecting the change in the lower of cost or market inventory reserve from \$668.9 million at March 31, 2015 to \$562.9 million at June 30, 2015.

During the six months ended June 30, 2016, the Company recorded an adjustment to value its inventories to the lower of cost or market which resulted in a net pre-tax impact of \$216.8 million reflecting the change in the lower of cost or market inventory reserve from \$1,117.3 million at December 31, 2015 to \$900.5 million at June 30, 2016. During the six months ended June 30, 2015, the Company recorded an adjustment to value its inventories to the lower of cost or market which resulted in a net pre-tax impact of \$127.2 million reflecting the change in the lower of cost or market inventory reserve from \$690.1 million at December 31, 2014 to \$562.9 million at June 30, 2015. The net impact of these LCM inventory adjustments are included in the Refining segment's operating income, but are excluded from the operating results presented in the table in order to make such information comparable between periods.

Liquidity and Capital Resources

Overview

Our primary sources of liquidity are our cash flows from operations and borrowing availability under our credit facilities, as more fully described below. We believe that our cash flows from operations and available capital resources will be sufficient to meet our and our subsidiaries' capital expenditure, working capital, dividend payments, debt service and share repurchase program requirements, as well as our obligations under the tax receivable agreement, for the next twelve months. On July 1, 2016, we closed the Torrance Acquisition with a combination of cash on hand including proceeds from our October 2015 Equity Offering and the 2023 Senior Secured Notes offering and borrowings under our Revolving Loan. However, our ability to generate sufficient cash flow from operations depends, in part, on petroleum market pricing and general economic, political and other factors beyond our control. We are in compliance with all of the covenants, including financial covenants, for all of our debt agreements.

Cash Flow Analysis

Cash Flows from Operating Activities

Net cash provided by operating activities was \$216.1 million for the six months ended June 30, 2016 compared to net cash provided by operating activities of \$317.7 million for the six months ended June 30, 2015. Our operating cash flows for the six months ended June 30, 2016 included our net income of \$97.3 million, depreciation and amortization of \$112.5 million, deferred income taxes of \$93.0 million, plus net non-cash charges relating to the change in the fair value of our inventory repurchase obligations of \$26.2 million, pension and other post retirement benefits costs of \$15.4 million, equity-based compensation of \$12.7 million, change in the fair value of our catalyst lease of \$4.6 million, loss on sale of assets of \$3.2 million, partially offset by a net non-cash benefit of \$216.8 million relating to a LCM inventory adjustment. In addition, net changes in working capital reflected sources of cash of \$68.1 million driven by the timing of inventory purchases, payments for accrued expenses and accounts payables and collections of accounts receivables. Our operating cash flows for the six months ended June 30, 2015 included our net income of \$261.6 million, plus net non-cash charges relating to the change in the fair value of our inventory repurchase obligations of \$89.2 million, depreciation and amortization of \$100.8 million, change in deferred income taxes of \$74.0 million, pension and other post retirement benefits costs of \$12.9 million, and equity-based compensation of \$5.4 million, partially offset by a net non-cash benefit of \$127.2 million relating to a LCM inventory adjustment, change in the fair value of our catalyst lease of \$4.0 million and gain on sale of assets of \$1.0 million. In addition, net changes in working capital reflected uses of cash of \$94.1 million driven by the timing of inventory purchases, payments for accrued expenses and collections of accounts receivables.

Cash Flows from Investing Activities

Net cash used in investing activities was \$235.8 million for the six months ended June 30, 2016 compared to net cash used in investing activities of \$113.6 million for the six months ended June 30, 2015. The net cash flows used in investing activities for the six months ended June 30, 2016 was comprised of capital expenditures totaling \$111.8 million, expenditures for refinery turnarounds of \$106.6 million, expenditures for other assets of \$21.3 million, cash consideration of \$98.3 million used to fund the PBFX Plains Assets Purchase, and a final net working capital settlement of \$2.7 million associated with the the acquisition of the Chalmette refinery, partially offset by \$98.1 million of net maturities of marketable securities and \$6.9 million of proceeds from sale of assets. Net cash used in investing activities for the six months ended June 30, 2015 was comprised of capital expenditures totaling \$224.1 million, expenditures for refinery turnarounds of \$22.9 million and expenditures for other assets of \$5.4 million, partially offset by \$138.1 million in proceeds from the sale of railcars and \$0.7 million of net maturities of marketable securities.

Cash Flows from Financing Activities

Net cash provided by financing activities was \$488.2 million for the six months ended June 30, 2016 compared to net cash provided by financing activities of \$21.8 million for the six months ended June 30, 2015. For the six months ended June 30, 2016, net cash provided by financing activities consisted of proceeds from the Revolving Loan of \$550.0 million, net proceeds from the PBFX Revolver of \$68.5 million and net proceeds from issuance of PBFX common units of \$51.6 million, partially offset by distributions and dividends of \$76.5 million, repayment of the PBFX Term Loan of \$98.3 million and repayments of the Rail Facility of \$7.0 million. For the six months ended June 30, 2015, net cash provided by financing activities consisted primarily of proceeds from the issuance of the PBFX Senior Notes of \$350.0 million and net proceeds from the Rail Facility of \$6.1 million, partially offset by distributions and dividends of \$70.8 million, \$251.3 million of net repayments of PBFX revolver and term loan borrowings, purchases of our Class A common stock of \$4.0 million and \$8.1 million for deferred financing and other costs.

Liquidity

As of June 30, 2016, PBF Energy's total liquidity was approximately \$1,868.5 million, compared to total liquidity of approximately \$1,544.1 million as of December 31, 2015. Total liquidity is the sum of our cash and cash equivalents plus the amount of availability under the Revolving Loan. As of June 30, 2016 and December 31, 2015, PBFX had approximately \$263.4 million and \$298.5 million, respectively, of borrowing capacity under the PBFX Revolving Credit Facility which is available to fund working capital, acquisitions, distributions and capital expenditures and for other general corporate purposes.

In addition, PBF Energy had borrowing capacity of \$39.5 and \$82.5 million under the Rail Facility to fund the acquisition of Eligible Railcars as of June 30, 2016 and December 31, 2015.

Working Capital

Working capital for PBF Energy at June 30, 2016 was \$2,030.5 million, consisting of \$3,932.0 million in total current assets and \$1,901.5 million in total current liabilities. Working capital at December 31, 2015 was \$1,526.5 million, consisting of \$3,022.0 million in total current assets and \$1,495.5 million in total current liabilities. As of June 30, 2016, our Cash and cash equivalents included \$998.5 million of cash held in an escrow account for the Torrance Acquisition which was partially funded by borrowings under our Revolving Loan which are not included in current liabilities.

Capital Spending

Net capital spending was \$333.9 million for the six months ended June 30, 2016, which primarily included turnaround costs, safety related enhancements, facility improvements at the refineries, the PBFX Plains Asset Purchase and the final working capital settlement associated with the Chalmette Acquisition. We currently expect to spend an aggregate of approximately between \$500.0 to \$525.0 million in net capital expenditures during 2016 for facility improvements and refinery maintenance and turnarounds.

As noted in "Business Developments", on July 1, 2016 we acquired the Torrance refinery and related logistic assets. The purchase price for the Torrance Acquisition was \$537.5 million in cash, plus preliminary working capital of \$460.9 million, which is subject to final valuation within ninety days of closing. The transaction was financed through a combination of cash on hand including proceeds from our October 2015 Equity Offering and the 2023 Senior Secured Notes offering and borrowings under the Company's existing Revolving Loan.

Share Repurchases

On August 19, 2014, the Company's Board of Directors authorized the repurchase of up to \$200.0 million of our Class A common stock (the "Repurchase Program"). On October 29, 2014, the Board of Directors approved an additional \$100.0 million increase to the existing Repurchase Program. The Repurchase Program expires on September 30, 2016. No repurchases of the Company's Class A common stock were made during the three months ended June 30, 2016. From the inception of the Repurchase Program through June 30, 2016, the Company has purchased approximately 6.05 million shares of the Company's Class A common stock under the Repurchase Program for \$150.8 million through open market transactions. The Company currently has the ability to purchase approximately an additional \$149.2 million in common stock under the approved Repurchase Program.

These repurchases may be made from time to time through various methods, including open market transactions, block trades, accelerated share repurchases, privately negotiated transactions or otherwise, certain of which may be effected through Rule 10b5-1 and Rule 10b-18 plans. The timing and number of shares repurchased will depend on a variety of factors, including price, capital availability, legal requirements and economic and market conditions. The Company is not obligated to purchase any shares under the Repurchase Program, and repurchases may be suspended or discontinued at any time without prior notice.

Crude and Feedstock Supply Agreements

We previously acquired crude oil for our Delaware City refinery under a supply agreement whereby Statoil generally purchased the crude oil requirements for the refinery on our behalf and under our direction. Our agreement with Statoil for Delaware City was terminated effective December 31, 2015, at which time we began to fully source Delaware City's crude oil and feedstocks independently. Additionally, for our purchases of crude oil under our agreement with Saudi Aramco, similar to our purchases of other foreign waterborne crudes, we post letters of credit and arrange for shipment. We pay for the crude when we are invoiced and the letters of credit have been lifted. We have crude and feedstock supply agreements with PDVSA to supply 40,000 to 60,000 bpd of crude oil that can be processed at any of our East and Gulf Coast refineries.

Inventory Intermediation Agreements

We entered into two separate Inventory Intermediation Agreements (the "Intermediation Agreements") with J. Aron & Company ("J. Aron") on June 26, 2013, which commenced upon the termination of the product offtake agreements with MSCG. On May 29, 2015, we entered into amended and restated inventory intermediation agreements (the "A&R Intermediation Agreements") with J. Aron pursuant to which certain terms of the existing inventory intermediation agreements were amended, including, among other things, pricing and an extension of the term for a period of two years from the original expiry date of July 1, 2015, subject to certain early termination rights. In addition, the A&R Intermediation Agreements include one-year renewal clauses by mutual consent of both parties. Pursuant to each A&R Intermediation Agreement, J. Aron will continue to purchase and hold title to certain of the intermediate and finished products (the "Products") produced by the Paulsboro and Delaware City refineries (the "Refineries"), respectively, and delivered into tanks at the refineries. Furthermore, J. Aron agrees to sell the Products back to the Refineries as the Products are discharged out of the Refineries' tanks. J. Aron has the right to store the Products purchased in tanks under the A&R Intermediation Agreements and will retain these storage rights for the term of the agreements. PBF Holding will continue to market and sell independently to third parties.

At June 30, 2016, the LIFO value of intermediates and finished products owned by J. Aron included within inventory on our balance sheet was \$371.0 million. We accrue a corresponding liability for such intermediates and finished products.

Off-Balance Sheet Arrangements and Contractual Obligations and Commitments

We have no off-balance sheet arrangements as of June 30, 2016, other than outstanding letters of credit in the amount of approximately \$424.5 million and operating leases.

Tax Receivable Agreement Obligations

We expect that the payments that we may make under the tax receivable agreement will be substantial. As of June 30, 2016, we have recognized a liability for the tax receivable agreement of \$661.4 million reflecting our estimate of the undiscounted amounts that we expect to pay under the agreement due to exchanges of PBF LLC Series A Units for shares of PBF Energy's Class A common stock that occurred prior to that date, and to range over the next five years from approximately \$37.5 million to \$56.6 million per year and decline thereafter. In addition, under certain circumstances, our obligations under the tax receivable agreement may be accelerated and determined based on certain assumptions set forth therein. Assuming that the market value of a share of our Class A common stock equals \$23.78 per share (the closing price on June 30, 2016) and that LIBOR were to be 1.85%, we estimate as of June 30, 2016 that the aggregate amount of these accelerated payments would have been approximately \$596.4 million if triggered immediately on such date. These payment obligations are obligations of PBF Energy and not of PBF LLC or any of its subsidiaries including PBF Holding or PBFX. However, because PBF Energy is a holding company with no operations of its own, PBF Energy's ability to make payments under the tax receivable agreement is dependent upon a number of factors, including its subsidiaries' ability to make distributions for the benefit of PBF LLC's members, including PBF Energy, its ability, if necessary, to finance its obligations under the

tax receivable agreement and existing indebtedness which may limit PBF Energy's subsidiaries' ability to make distributions.

Future payments under the tax receivable agreement by us in respect of subsequent exchanges of PBF LLC Series A Units for shares of PBF Energy's Class A common stock would be in addition to the amounts above and are expected to be substantial. The foregoing numbers are merely estimates - the actual payments could differ materially and assume that there is no material changes in the relevant tax law, and that we earn sufficient taxable income to realize all tax benefits that are subject to the tax receivable agreement. It is possible that future transactions or events could increase or decrease the actual tax benefits realized and the corresponding tax receivable agreement payments.

Dividend and Distribution Policy

PBF Energy

With respect to dividends and distributions paid during the six months ended June 30, 2016, PBF LLC made aggregate non-tax quarterly distributions of \$0.60 per unit to its members, of which \$58.7 million was distributed to PBF Energy and the balance was distributed to its other members. PBF Energy used this \$58.7 million to pay quarterly cash dividends of \$0.30 per share of Class A common stock on March 8, 2016 and May 13, 2016.

On July 29, 2016, the Company announced a dividend of \$0.30 per share on outstanding Class A common stock. The dividend is payable on August 23, 2016 to Class A common stockholders of record at the close of business on August 9, 2016. PBF LLC intends to make pro-rata distributions of \$0.30 per unit to its members, including PBF Energy. PBF Energy will then use this distribution to fund the dividend payments to the shareholders of PBF Energy.

PBF Energy currently intends to pay a quarterly cash dividend of \$0.30 per share of Class A common stock. The declaration, amount and payment of this and any other future dividends on shares of Class A common stock will be at the sole discretion of our board of directors, and we are not obligated under any applicable laws, our governing documents or any contractual agreements with our existing owners or otherwise to declare or pay any dividends or other distributions (other than the obligations of PBF LLC to make tax distributions to its members).

As of June 30, 2016, PBF Energy had \$1,765.8 million of unused borrowing availability, which includes PBF Holding cash and cash equivalents of \$1,310.2 million, under the Revolving Loan to fund its operations, if necessary.

Accordingly, as of June 30, 2016, there was sufficient cash and cash equivalents and borrowing capacity under our credit facilities available to make distributions to PBF LLC, if necessary, in order for PBF LLC to make pro-rata distributions to its members, including PBF Energy, necessary to fund in excess of one year's cash dividend payments by PBF Energy. PBF Holding would have been permitted under its debt agreements to make these distributions; however, their ability to continue to comply with their debt covenants is, to a significant degree, subject to its operating results, which are dependent on a number of factors outside of our control. We believe our and our subsidiaries' available cash and cash equivalents, other sources of liquidity to operate our business and operating performance provides us with a reasonable basis for our assessment that we can support our intended dividend and distribution policy.

PBF Logistics LP

PBFX intends to pay a minimum quarterly distribution of at least \$0.30 per unit per quarter, or \$1.20 per unit on an annualized basis, which aggregates to approximately \$11.4 million per quarter or \$45.6 million per year, based on the current number of common and subordinated units outstanding. During the six months ended June 30, 2016, PBFX made a quarterly cash distribution totaling \$31.1 million of which \$16.5 million was distributed to PBF LLC and the balance was distributed to its public unit holders.

On July 29, 2016, the Board of Directors of PBFX's general partner, PBF GP, declared a distribution of \$0.43 per unit on outstanding common and subordinated units of PBFX. The distribution is payable on August 23, 2016 to PBFX common and subordinated unit holders of record at the close of business on August 9, 2016.

As of June 30, 2016, PBFX had \$3.6 million outstanding letters of credit and \$263.4 million available under the PBFX Revolving Credit Facility and cash and cash equivalents of \$49.9 million to fund its operations, if necessary. Accordingly, as of June 30, 2016, there was sufficient cash and cash equivalents and borrowing capacity under our credit facilities available to PBFX to make distributions to unit holders.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

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

Commodity Price Risk

Our earnings, cash flow and liquidity are significantly affected by a variety of factors beyond our control, including the supply of, and demand for, crude oil, other feedstocks, refined products and natural gas. The supply of and demand for these commodities depend on, among other factors, changes in domestic and foreign economies, weather conditions, domestic and foreign political affairs, planned and unplanned downtime in refineries, pipelines and production facilities, production levels, the availability of imports, the marketing of competitive and alternative fuels, and the extent of government regulation. As a result, the prices of these commodities can be volatile. Our revenues fluctuate significantly with movements in industry refined product prices, our cost of sales fluctuates significantly with movements in crude oil and feedstock prices and our operating expenses fluctuate with movements in the price of natural gas. We manage our exposure to these commodity price risks through our supply and offtake agreements as well as through the use of various commodity derivative instruments.

We may use non-trading derivative instruments to manage exposure to commodity price risks associated with the purchase or sale of crude oil and feedstocks, finished products and natural gas outside of our supply and offtake agreements. The derivative instruments we use include physical commodity contracts and exchange-traded and over-the-counter financial instruments. We mark-to-market our commodity derivative instruments and recognize the changes in their fair value in our statements of operations.

At June 30, 2016 and December 31, 2015, we had gross open commodity derivative contracts representing 36.3 million barrels and 44.2 million barrels, respectively, with an unrealized net gain of \$14.5 million and \$46.1 million, respectively. The open commodity derivative contracts as of June 30, 2016 expire at various times during 2016.

We carry inventories of crude oil, intermediates and refined products (“hydrocarbon inventories”) on our balance sheet, the values of which are subject to fluctuations in market prices. Our hydrocarbon inventories totaled approximately 24.1 million barrels and 26.8 million barrels at June 30, 2016 and December 31, 2015, respectively. The average cost of our hydrocarbon inventories was approximately \$88.97 and \$83.55 per barrel on a LIFO basis at June 30, 2016 and December 31, 2015, respectively, excluding the net impact of LCM adjustments of approximately \$900.5 million and \$1,117.3 million, respectively. If market prices of our inventory decline to a level below our average cost, we may be required to further write down the carrying value of our hydrocarbon inventories to market.

Our predominant variable operating cost is energy, which is comprised primarily of natural gas and electricity. We are therefore sensitive to movements in natural gas prices. Assuming normal operating conditions, we annually consume a total of approximately 52 million MMBTUs of natural gas amongst our four refineries as of June 30, 2016.

Accordingly, a \$1.00 per MMBTU change in natural gas prices would increase or decrease our natural gas costs by approximately \$52 million.

Compliance Program Price Risk

We are exposed to market risks related to the volatility in the price of Renewable Identification Numbers (“RINs”) required to comply with the Renewable Fuel Standard. Our overall RINs obligation is based on a percentage of our domestic shipments of on-road fuels as established by the EPA. To the degree we are unable to blend the required amount of biofuels to satisfy our RINs obligation, 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 the price of these instruments is deemed favorable.

Interest Rate Risk

The maximum availability under our Revolving Loan is \$2.64 billion. Borrowings under the Revolving Loan bear interest either at the Alternative Base Rate plus the Applicable Margin or at the Adjusted LIBOR Rate plus the Applicable Margin, all as defined in the Revolving Loan. The Applicable Margin ranges from 1.50% to 2.25% for Adjusted LIBOR Rate Loans and from 0.50% to 1.25% for Alternative Base Rate Loans, depending on the Company's debt rating. If this facility were fully drawn, a one percent change in the interest rate would increase or decrease our interest expense by approximately \$26.4 million annually.

The PBFX Revolving Credit Facility and the PBFX Term Loan which bear interest at a variable rate and expose us to interest rate risk. A 1.0% change in the interest rate associated with the borrowings outstanding under these facilities would result in a \$3.9 million change in our interest expense, assuming we were to borrow all \$360.0 million available under our PBFX Revolving Credit Facility and the outstanding balance of our PBFX Term Loan was \$135.9 million. In addition, the Rail Facility bears interest at a variable rate and exposes us to interest rate risk. Maximum availability under the Rail Facility as of June 30, 2016 was \$100.0 million. A 1.0% change in the interest rate associated with the borrowings outstanding under this facility would result in a \$1.0 million change in our interest expense, assuming the \$100.0 million available under the Rail Facility were fully drawn.

We also have interest rate exposure in connection with our A&R Intermediation Agreements under which we pay a time value of money charge based on LIBOR.

Credit Risk

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

PBF Energy maintains a system of disclosure controls and procedures that is designed to provide reasonable assurance that information which is required to be disclosed is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and that such information is accumulated and communicated to management in a timely manner. Under the supervision and with the participation of our management, including PBF Energy's principal executive officer and the principal financial officer, we have evaluated the effectiveness of our system of disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) as of June 30, 2016. Based on that evaluation, PBF Energy's principal executive officer and the principal financial officer have concluded that PBF Energy's disclosure controls and procedures are effective at the reasonable assurance level.

Changes in Internal Control Over Financial Reporting

On November 1, 2015, we completed the acquisition of Chalmette Refining. We are in the process of integrating Chalmette Refining's operations, including internal controls over financial reporting and, therefore, management's evaluation and conclusion as to the effectiveness of our disclosure controls and procedures as of the end of the period covered by this Quarterly Report on Form 10-Q excludes any evaluation of the internal control over financial reporting of Chalmette Refining. We expect the integration of Chalmette Refining's operations, including internal controls over financial reporting to be complete in the year ending December 31, 2016. Chalmette Refining accounts for 6% of the Company's total assets and 27% of total revenues of the Company as of and for the quarter ended June 30, 2016.

Management has not identified any other changes in PBF Energy's internal controls over financial reporting during the quarter ended June 30, 2016 that has materially affected, or is reasonably likely to materially affect, its internal controls over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

On July 24, 2013, the Delaware Department of Natural Resources and Environmental Control (“DNREC”) issued a Notice of Administrative Penalty Assessment and Secretary’s Order to Delaware City Refining for alleged air emission violations that occurred during the re-start of the refinery in 2011 and subsequent to the re-start. The penalty assessment seeks \$460,200 in penalties and \$69,030 in cost recovery for DNREC’s expenses associated with investigation of the incidents. We dispute the amount of the penalty assessment and allegations made in the order, and are in discussions with DNREC to resolve the assessment. It is possible that DNREC will assess a penalty in this matter but any such amount is not expected to be material to the Company.

As of November 1, 2015, the Company acquired Chalmette Refining, which was in discussions with the Louisiana Department of Environmental Quality (“LDEQ”) to resolve self-reported deviations from refinery operations relating to certain Clean Air Act Title V permit conditions, limits and other requirements. LDEQ commenced an enforcement action against Chalmette Refining on November 14, 2014 by issuing a Consolidated Compliance Order and Notice of Potential Penalty (the “Order”) covering deviations from 2009 and 2010. Chalmette Refining and LDEQ subsequently entered into a dispute resolution agreement, the enforcement of which has been suspended while negotiations are ongoing, which may include the resolution of deviations outside the periods covered by the Order. It is possible that LDEQ will assess an administrative penalty against Chalmette Refining, but any such amount is not expected to be material to the Company.

In late 2015, the EPA initiated enforcement proceedings against companies it believes produced invalid RINs. We purchased RINs to satisfy a portion of our obligations under the Renewable Fuels Standard program for calendar year 2012 and had purchased some RINs the EPA considered invalid. We continue to purchase RINs to satisfy our obligations under the RFS program, and on April 11, 2016, PBF Holding Company LLC was notified by the EPA that the EPA’s records indicated that PBF Holding used potentially invalid RINs generated by one of the companies. The EPA directed PBF Holding to resubmit reports to remove the potentially invalid RINs and to replace the invalid RINs with valid RINs with the same D Code. The Company has retired the invalid RINs and on May 6, 2016, the counterparty who sold the RINs to the Company replaced the RINs. The counterparty has also agreed to indemnify the Company for certain penalties to the extent imposed by the EPA. On July 28, 2016, the Company and the EPA entered an Administrative Settlement Agreement to resolve the matter which requires the payment of a \$250,000 penalty. The Company expects to be reimbursed by the counterparty for this penalty under the indemnification agreement. In any event, the penalty is not expected to have a material effect on its financial condition, results of operations or cash flows.

Item 1A. Risk Factors

The following risk factors supplement and/or update the risk factors previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2015:

Risks Relating to Our Business and Industry

We may not be able to successfully integrate the Chalmette Refinery or the Torrance Refinery into our business, or realize the anticipated benefits of these acquisitions.

Following the completion of the Chalmette and Torrance Acquisitions, the integration of these businesses into our operations may be a complex and time-consuming process that may not be successful. Prior to the completion of the Chalmette Acquisition we did not have any operations in the Gulf Coast and prior to the completion of the Torrance Acquisition we did not have any operations in the West Coast. This may add complexity to effectively overseeing, integrating and operating these refineries and related assets. Even if we successfully integrate these businesses into our operations, there can be no assurance that we will realize the anticipated benefits and operating synergies. Our estimates regarding the earnings, operating cash flow, capital expenditures and liabilities resulting from these acquisitions may prove to be incorrect. These acquisitions involve risks, including:

- unexpected losses of key employees, customers and suppliers of the acquired operations;
- challenges in managing the increased scope, geographic diversity and complexity of our operations;

diversion of management time and attention from our existing business;
liability for known or unknown environmental conditions or other contingent liabilities and greater than anticipated expenditures required for compliance with environmental, safety or other regulatory standards or for investments to improve operating results; and
the incurrence of additional indebtedness to finance acquisitions or capital expenditures relating to acquired assets. In connection with our recently completed Chalmette and Torrance acquisitions, we did not have access to all of the type of historical financial information that we may require regarding the prior operation of the refineries. As a result, it may be difficult for investors to evaluate the probable impact of these significant acquisitions on our financial performance until we have operated the acquired refineries for a substantial period of time. Regulation of emissions of greenhouse gases could force us to incur increased capital and operating costs and could have a material adverse effect on our results of operations and financial condition.

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

In addition, in certain states multiple legislative and regulatory measures to address greenhouse gas and other emissions are in various phases of consideration or implementation. Requirements to reduce emissions could result in increased costs to operate and maintain our facilities as well as implement and manage new emission controls and programs put in place. For example, Assembly Bill 32 requires the state to reduce its GHG emissions to 1990 levels by 2020. Two regulations implemented to achieve this goal are Cap-and-Trade and the Low Carbon Fuel Standard ("LCFS"). In 2012, the California Air Resource Board ("CARB") implemented Cap-and-Trade. This program currently places a cap on GHGs and we are required to acquire a sufficient number of credits to cover emissions from our refineries and our in-state sales of gasoline and diesel. In 2009, CARB adopted the LCFS, which requires a 10% reduction in the carbon intensity of gasoline and diesel by 2020. Compliance is achieved through blending lower carbon intensity biofuels into gasoline and diesel or by purchasing credits. Compliance with each of these programs is facilitated through a market-based credit system. If sufficient credits are unavailable for purchase or we are unable to pass through costs to our customers, we have to pay a higher price for credits or if we are otherwise unable to meet our compliance obligations, our financial condition and results of operations could be adversely affected.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Exchange of PBF LLC Series A Units to Class A Common Stock

In the three months ended June 30, 2016, no PBF LLC Series A Units were exchanged for shares of our Class A common stock in transactions exempt from registration under Section 4(2) of the Securities Act. We received no other consideration in connection with any exchanges. No exchanges were made by any of our directors or current executive officers.

Share Repurchase Program

On August 19, 2014, the Company's Board of Directors authorized the repurchase of up to \$200.0 million of the Company's Class A common stock (as amended from time to time, the "Repurchase Program"). The Repurchase Program expires on September 30, 2016. In addition, on October 29, 2014, the Company's Board of Directors approved an additional \$100.0 million increase to the existing Repurchase Program. These repurchases may be made from time to time through various methods, including open market transactions, block trades, accelerated share repurchases, privately negotiated transactions or otherwise, certain of which may be effected through Rule 10b5-1 and Rule 10b-18 plans. The timing and number of shares repurchased will depend on a variety of factors, including price, capital availability, legal requirements and economic and market conditions. The Company is not obligated to purchase any shares under the Repurchase Program, and repurchases may be suspended or discontinued at any time without prior notice.

There were no repurchases of the Company's Class A Common Stock during the second quarter of 2016. For the period of time from the inception of the Repurchase Program through June 30, 2016, the Company purchased 6,050,717 shares for \$150.8 million. As of June 30, 2016, the Company had \$149.2 million remaining authorization under the Repurchase Program.

Item 6. Exhibits

The exhibits listed in the accompanying Exhibit Index are filed or incorporated by reference as part of this report and such Exhibit Index is incorporated herein by reference.

EXHIBIT INDEX

| Exhibit Number | Description |
|-------------------|---|
| 4.1 | Joinder Agreement dated May 26, 2016, among PBF Logistics Products Terminals LLC and Wells Fargo Bank, National Association, as Administrative Agent (incorporated by reference to Exhibit 4.1 of PBF Logistics LP's Quarterly Report on Form 10-Q (File No. 001-36446) filed on August 4, 2016). |
| 4.2 | Second Supplemental Indenture dated June 28, 2016, among PBF Products Terminals LLC, PBF Logistics LP, PBF Logistics Finance Corporation, and Deutsche Bank Trust Company Americas, as trustee (incorporated by reference to Exhibit 4.2 of PBF Logistics LP's Quarterly Report on Form 10-Q (File No. 001-36446) filed on August 4, 2016). |
| 10.1 (1) | Consulting Agreement between PBF Investments LLC and Thomas D. O'Malley effective July 1, 2016 (incorporated by reference to Exhibit 10.1 filed with PBF Energy Inc.'s Current Report on Form 8-K dated May 27, 2016 (File No. 001-35764)) |
| 10.2 | Second Increase Agreement between PBF Logistics LP and Wells Fargo Bank, National Association dated as of May 19, 2016 (incorporated by reference to Exhibit 10.1 of PBF Logistics LP's Quarterly Report on Form 10-Q (File No. 001-36446) filed on August 4, 2016). |
| 31.1* | Certification of Thomas J. Nimbley, Chief Executive Officer of PBF Energy Inc. pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 31.2* | Certification of Erik Young, Chief Financial Officer of PBF Energy Inc. pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 32.1* (2) | Certification of Thomas J. Nimbley, Chief Executive Officer of PBF Energy Inc. pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 32.2* (2) | Certification of Erik Young, Chief Financial Officer of PBF Energy Inc. pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 101.INS | XBRL Instance Document. |
| 101.SCH | XBRL Taxonomy Extension Schema Document. |
| 101.CAL | XBRL Taxonomy Extension Calculation Linkbase Document. |
| 101.DEF | XBRL Taxonomy Extension Definition Linkbase Document. |
| 101.LAB | XBRL Taxonomy Extension Label Linkbase Document. |
| 101.PRE | XBRL Taxonomy Extension Presentation Linkbase Document. |

* Filed herewith.

(1) Indicates management compensatory plan or arrangement.

(2) This exhibit should not be deemed to be “filed” for purposes of Section 18 of the Exchange Act.

Signatures

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

PBF Energy Inc.

Date August 4, 2016 By: /s/ Erik Young

Erik Young

Senior Vice President, Chief Financial Officer

(Duly Authorized Officer and Principal Financial Officer)

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