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**PES Energy Inc. Files for Bankruptcy and Secures DIP Financing
Agreement Provides \$100 Million in Proposed Financing
PES Expects to Complete Restructuring Through Court Process**

Philadelphia, PA. (July 21, 2019) – PES Energy Inc. and its subsidiaries (including its principal operating subsidiary, Philadelphia Energy Solutions Refining and Marketing LLC) (together, the “Company”) announced today that they had filed for bankruptcy protection under Chapter 11 of the United States Code and had entered into a proposed debtor-in-possession financing agreement (the “Financing Agreement”) with holders of the Company’s outstanding term loan debt providing for up to \$100 million in new funding.

This proposed financing provides the Company with a strong financial foundation to support existing operations, undertake the work necessary to ensure the refinery complex is safely positioned for rebuilding and restart and complete its reorganization process.

With the proposed Financing Agreement, the Company will work with its stakeholders toward a restructuring implemented through a Chapter 11 Plan (a “Plan”). The Company expects to establish an orderly process for the evaluation of a range of potentially value-maximizing transactions in the weeks ahead and to work expediently with its insurers, stakeholders, and third parties toward our goal of reaching a consensual Plan, rebuilding the damaged infrastructure and resuming refining operations.

“Today’s agreement provides PES Energy with the additional financing and liquidity necessary to ensure we can safely wind down our refining operations and, with the support of our insurers and stakeholders, best position the Company for a successful reorganization, the rebuilding of our damaged infrastructure, and a restart of our refining operations. We will continue our ongoing cooperation with the federal, state and city governmental agencies investigating the June 21 accident and thank them and our employees for their diligent efforts at this difficult time. The success of our plan is critical to energy supply and security for the region, the Commonwealth of Pennsylvania and the City of Philadelphia,” said Mark Smith, Chief Executive Officer of PES Energy.

Since inception in 2012, PES Energy and its owners have invested substantial capital to improve the Philadelphia refining complex. As a result, PES Energy has been able to continue to supply essential refined products to the Northeast region. However, the recent fire and explosions at the Company’s alkylation unit caused substantial property damage, impacted the Company’s liquidity, and caused the recent suspension of refining operations at the complex. The Company will work on a comprehensive resolution with its stakeholders and insurers in the weeks ahead with the goal of rebuilding the damaged facilities.

Continued Mr. Smith, “I would also like to thank our lenders and equity holders for their support throughout this process and the challenges of recent weeks. We also greatly appreciate the unwavering loyalty of our employees and their continued support.”



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The Company's legal advisor in connection with the restructuring is Kirkland & Ellis LLP. Alvarez & Marsal serves as its restructuring advisor. PJT Partners is the Company's investment banker. The Company's proposed DIP Financing lenders are represented by Davis Polk & Wardwell LLP and Houlihan Lokey Capital, Inc.

About PES Energy

PES Energy is the indirect parent company of Philadelphia Energy Solutions Refining and Marketing LLC (PESRM). PESRM owns and operates the Point Breeze and Girard Point oil refineries located on an integrated, 1,300-acre refining complex in Philadelphia.

Source: Philadelphia Energy Solutions

PES Energy

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