A MESSAGE FROM PRESIDENT LARRY ALEXANDER

Happy New Year!

Greetings Everyone! Welcome to 2016.

As I discussed in the recent Town Hall meeting, we had a very busy year in 2015, and we are looking forward to an equally busy 2016. Last year, we closed on the Exxon Stingray acquisition in Louisiana and signed the purchase agreement with Chevron for the KLM pipeline in California. We are currently looking at several new acquisition opportunities today, and we anticipate that there may be many more opportunities coming on the market in 2016. It takes work from a large team of folks to carefully evaluate each acquisition opportunity and perform the due diligence needed to determine a suitable offer price. Then, if we are fortunate to become the winning bidder, it takes work by nearly the entire organization to assimilate the newly-acquired pipeline into Crimson. Keep up the good work everyone!

We had a very great year last year in terms of safety. Our 2015 personal and automotive safety records were remarkable. Great job, and let’s continue to keep a close eye on accident prevention throughout 2016. We want every employee to go home at the end of each work day without any work-related injuries.

As you know, crude oil prices are at a low price that has not been seen for many years. We anticipate that prices will stay low for some time. The low price will have negative impacts on crude oil producers, and we will anticipate that crude oil volumes in our pipelines will decline somewhat as a result. Nevertheless, since the bulk of our revenue is based solely on volume, not on crude oil price, we believe we are in a good position to weather the storm. There will certainly be some pressure to control our costs. We may see more acquisition opportunities arise during this time, and we hope to take advantage and buy assets where it makes sense.

I’m really looking forward to seeing what occurs in 2016!

Sincerely,
Larry Alexander
President, Crimson Pipeline

Keys to Success in 2016

- **ASSET INTEGRITY:** Keep the oil in the pipe!
- **FINANCIAL DISCIPLINE & ACQUISITION SELECTIVITY:** Be smart about how we spend money!
- **PURSUE REVENUE GROWTH OPPORTUNITIES:** Be smart about how we earn money!
- **TEAMWORK:** Collaborate with one another!
- **RESPECT OUR NEIGHBORS:** Continue to grow relationships with the communities where we operate!
2015-2016 has proven to be an exciting year for Crimson. It has been a year filled with transformation and company-wide growth. Since our summer 2015 newsletter, we’ve already added **14 new employees to the Crimson family**. Let’s join together to extend a warm welcome to the following new hires:

- **Gerald Bagley**
  - Pipeline Operator A
  - Redondo

- **Larry Bowman**
  - Pipeline Operator
  - Belle Chasse

- **Timothy Cronin**
  - Director of Legal Affairs
  - Denver

- **Victor Dodge**
  - System Administrator
  - Kilroy

- **Steve Ferris**
  - Automation & Communication Technician
  - Redondo

- **Robin Ford**
  - Document Control Coordinator
  - Kilroy

- **Bruce Hampton**
  - Pipeline Operator
  - Gray

- **Jennifer Longville**
  - AutoCAD Drafter
  - Kilroy

- **Ariel Oandasan**
  - HR/Payroll Assistant
  - Kilroy

- **Jeffrey Ostrin**
  - Pipeline Engineer
  - Kilroy

- **Jesus Pantoja**
  - Pipeline Operator A
  - Santa Paula

- **Gary Stovall**
  - Compliance Coordinator
  - Belle Chasse

- **Scott Thomas**
  - Pipeline Operator
  - Santa Paula

- **Lany Urbano**
  - Pipeline Engineer
  - Kilroy

**We’ve Grown by Nearly 35%**

- **January 1, 2015:** 79 Employees
- **January 25, 2016:** 106 Employees
Congratulations to our recent newlyweds, new parents, those celebrating work anniversaries, and those who embarked on new adventures. We are happy to celebrate with our employees in these milestones.

**Adventures Abroad**

- In January of 2015, Ed Ferrer (Kilroy) and his wife Pat went on an amazing cruise from Valparaiso, Chile to Buenos Aires, Argentina that concentrated on the breathtaking scenic beauty and wildlife of the area. While on their cruise, they got the opportunity to see countless penguins in their natural habitat!

- They loved their final destination—Buenos Aires—so much that Ed and Pat stayed there an extra three days! They spent their days in the beautiful city exploring parks, museums, cafes, and history. They also really enjoyed their hotel rooftop deck view, which hosted a great sight of the famous Recoleta Cemetery: the famous resting place of Evita Peron. Luckily, they weren’t in Chile when the Calbuco volcano erupted two months later!

**Family Starts With Love**

- On October 16, 2015, ten years after this picture was taken, Antonio and Ezra were adopted by Mike and Holly Romley (Redondo).

- Today, Antonio Romley (13) and Ezra Romley (12) are officially part of the Romley family!

- Shout-out from Mike: Thank you to all my Crimson family who continually inquired about the adoption! A special thank you as well to our attorney, Mr. George Horrigan, who accepted the challenge and went above and beyond to make this possible. He will always have a special place in our hearts!

**Just Married**

- Congratulations are in order to President Larry Alexander and his family, as his daughter Courtney recently tied the knot with her love George Todorov on December 12, 2015.

- McKinsie Barnes (Denver) married Arthur Ortegon at the beautiful Sanctuary Golf Course in Castle Pines, Colorado. Wishing you two a lifetime of love and happiness!

- Beautiful sunset from their honeymoon in St. Lucia.
Celebrating Our Colleagues

Bundles of Joy!

- Shannon and Nick Lisica (Kilroy) welcomed their baby boy on September 8, 2015. Baby Arthur has made it known: Hey people, I'm HERE!

- Bryan Klemm (Kilroy) and his wife Jennifer are proud to announce the arrival of their new baby boy Bronson, born January 13, 2016. Congratulations on the safe arrival of your newest family member!

- Jeff Ostrin (Kilroy) and his wife Vicky celebrated their son Jacob’s 1st birthday on January 15, 2016.

- Ed Ferrer (Kilroy) and Pat Ferrer are now proud grandparents to 3 (yes 3!) bundles of joy. Here we have Sarah Renee Harrison, born on September 4, 2015 (left), Alejandro Lathrop Warner Ferrer, born on November 5, 2015 (middle), and Vincent Joshua Fennell, born on November 22, 2015 (right).

For Our Troops

Matt Smalley (Kilroy) would like your help in supporting our troops by contributing items to his care package. This is a great cause that not only lifts the spirits of our military heroes, but also lets us express our appreciation and gratitude to all who serve our nation.

Crimson’s care package collection will go to Matt’s longtime friend Marc and his army unit, who are currently stationed in Helmand Province, Afghanistan.

Marc has been a friend of Matt’s ever since they met at the University of Washington, where they played rugby together and also shared an Economics class. Crimson is asking your help in donating items for the care package to help boost the unit’s morale.

If you are interested in contributing and/or donating toward the care package, below are some ways in which you can help:

- **Handwritten letters:** Tell Marc and his army unit something about yourself. Let them know how much you appreciate them and how much their hard work and dedication means to you. Please hand write your letters and try to make them personal – it makes them much more meaningful!

- **Toiletry Items:** Toothpaste, mouthwash, dental floss, deodorant, razors, shaving cream, ChapStick, mints, throat lozenges, Q-tips, aspirin, etc.

- **Snacks:** Any snack that is wrapped and will remain in good condition through bad weather is welcomed. Please no snacks in large bags, since they will burst under high pressure. Salty snacks are also preferred since they encourage the team to drink more water, i.e. dried fruits, snack cakes, cheese and crackers, cookies, energy bars, ramen noodles, and beef jerky (labeled USDA Beef).

- **Drinks:** Anything that can be mixed with water, i.e. hot chocolate, instant coffee, tea bags, creamer, sugar packets, lemonade, and iced tea.

- **Other:** AT&T calling cards, socks (nylon/boots-cut/black or green color), magazines, books, AA and D batteries (high demand), Sunday comics, a homemade music CD, Frisbees, playing cards, word puzzles, word searches, puzzles, and disposable cameras.

Please turn in letters and donations to Courteney Nojiri by Friday, March 4th.
Celebrating Our Colleagues

Crimson Pipeline & Crimson Gulf Sponsorship Program

The Sponsorship Program is for the positive promotion of Crimson Pipeline or Crimson Gulf. As good neighbors, we strive to support the practice of giving back to the communities in which we have assets.

Every charitable cause and request for Crimson’s support will be considered. In a perfect world, every request would be funded, but unfortunately we have a budget to maintain. We will let you know if we can support your cause. If not successful this year, please submit again next year when our funding is reviewed.

For further information, Crimson encourages its employees that may have causes close to their hearts to submit a request for support to David Blakeslee at Dblakeslee@crimsonpl.com. Below are suggestions to guide employees through the process:

1. Sponsorships are for valid non-profits, associations with tax ID’s or schools.
2. A 45 day notice before the event for consideration.
3. The cause must be located within a city of our assets.
   *(Please include a Google screen shot of our asset in relation to the cause.)*
4. Full contact information for the cause.
5. Sponsorship options. *(levels or amounts)*
6. Opportunity to educate on pipeline safety preferred.
7. If your event has been selected, please try and take photos and send them to Courteney Nojiri at CNojiri@crimsonpl.com. *(Photos must be in jpeg format, please do not embed the picture in a Word document.)*

Work Anniversaries

We’d like to send our best to the following people for their hard work and dedication. Crimson appreciates you being part of our success. Happy work anniversary!

2016 – 10-Year Anniversaries

- **Chris Freiwald**
  Pipeline Integrity Specialist, Kilroy
- **Phillip Roberts**
  Pipeline Controller, Kilroy
- **Shenan Lovrien**
  Pipeline Lead Operator, Redondo
- **Richard Houle**
  Pipeline Controller, Kilroy
- **Jacquelyn Barry**
  Operations Assistant, Redondo

2016 – 5-Year Anniversaries

- **Timothy Eggleston**
  Pipeline Lead Operator, Santa Paula
- **David Blakeslee**
  Regulatory Team Lead, Kilroy

Go Buccaneers!

The 2015 Ventura Buccaneers Football Team would like to thank Crimson Pipeline for helping support their team! Without community involvement and donations from companies like Crimson Pipeline, these kids would not be able to enjoy organized sports after school. Buccaneers Coach **Rod Peck** (Santa Paula) said, “I had a lot of fun coaching this group of boys.” It goes to show that a little time and dedication can go a long way!
Crimson in the Community

Crimson remains devoted to making an impact in our employees’ communities by promoting public safety, actively supporting organizations that advance public health, and contributing to the improvement of Science, Technology, Engineering and Mathematics (STEM) education in local schools. In order to accomplish this objective, Crimson has contributed towards a number of organizations, including the Boys and Girls Club of Santa Clara Valley, Coast High School Outreach STEAM, Cancer Support Community – Redondo Beach, and the READY Long Beach Emergency Preparedness Expo.

Crimson sponsored the Boys & Girls Club of Los Angeles Harbor “Bid’s for Kid’s Auction” of Los Angeles Harbor Community – Redondo Beach serves the entire South Bay, Long Beach, and Orange County Areas and provides over 160 programs per month of emotional support, education and hope for people with cancer and their families – free of charge.

Crimson also supported the Boys & Girls Club of Santa Clara Valley by donating prizes to their “Light up the Season” event!

On September 14, 2015, Crimson sponsored the UCLA Softball team’s golf tournament fundraiser in Huntington Beach, a day full of sunshine, lots of golf, and lots of fundraising!

Crimson showed their school spirit by supporting Santa Paula High School’s football team!

Crimson was proud to sponsor the Students for Eco-Education and Agriculture’s 3rd Annual Ventura County Farm Day.

Who Am I?

We would like to test how well you know your co-workers with a simple guessing game called Who Am I? Simply read the clue provided below and guess what co-worker it belongs to. Let’s put your skills to the test:

**Clues**

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<th>Employees</th>
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1. My hobby is mixed martial arts.
2. I was in a mine 4 miles deep in the Colorado Rockies.
3. When I was 10 years old, I drew graffiti in my parents’ home.
4. I have been playing golf for 27 years and have never had a hole in one.
5. I often cry when watching commercials.
6. I am purchasing a miniature donkey this year.
7. I had a pet spider monkey named Samantha.
8. I have had 3 holes in one.
9. Growing up, I knew how to play a full-size accordion.
10. I love this company so much that I was working from my laptop during childbirth.
11. In my junior year of high school I was car-jacked at gun point from the school parking lot.
12. I have two pairs of glasses: one for at the office and the other for driving...BUT, I forget to switch them daily.
13. I crack my back at least 20 times a day.
14. During my first overseas business trip, I found myself stranded in Cape Verde, Africa with no passport and no money – NOTHING.
15. I owned my first gun when I was 5 years old.
16. I am obsessed with the University of Kentucky basketball.
17. I was notorious because of my 4 foot long braided hair.
18. I like the challenge of making an entire meal on the BBQ, especially trying out new sauces and seasonings.
19. I won a belt buckle as a trophy in a rodeo.
20. My girlfriend and I dressed up in Star Wars costumes and surprised my nephews on opening day of the movie.
21. I went to prom with the lead singer of The Offspring.
22. When I was a teenager, I was in a fashion photo shoot contest for a chance to appear in Seventeen Magazine, but lost to the actress Cybill Shepherd.
23. I am a professional Japanese classical dancer and shared the stage with Yoko Ono.

**Key**

a23, b4, c8, d6, e22, f11, g17, h10, i15, j7, k3, l13, m2, n14, o21, p19, q1, r9, s18, t20, u5, v12, w16
On behalf of Crimson management, I would like to extend our thanks and appreciation to all of the departments who have contributed to CRIMSONEWS, as well as all of the employees who emailed in their personal statements and stories. We strive to make CRIMSONEWS an enjoyable and worthwhile read for you and your families, and we need your help to do so. It can be challenging to fill the pages of this newsletter with fun and interesting information about our company and our colleagues each and every time. I’d like to thank you all for your help in making our 3rd edition of CRIMSONEWS another success! — Larry Alexander