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THE CITGO STORY



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It's something most people would never stop to think about. That the neighborhood CITGO they count on for a quick fill up is also the company the Muscular Dystrophy Association counts on to fill their kids with hope. The place they go for that hot cup of coffee in the morning is also the company that's committing more than one billion dollars over the next five years to protect the environment. They might not think about the fact that the CITGO they pull into for an afternoon snack is the same company that helped provide meals and relief when Katrina and Rita left their path of destruction across the Gulf Coast.

We're proud of the commitment we've made to the communities we serve, both with our financial support and by rolling up our sleeves and volunteering at the local level.

At CITGO, we're fueling more than your car.





A Strong History

The story of CITGO Petroleum Corporation as an enduring American success story began back in 1910 when pioneer oilman, Henry L. Dougherty, created the Cities Service Company.

When Cities Service determined that it needed to change its marketing brand, it introduced the name CITGO in 1965, retaining the first syllable of its long-standing name and ending with "GO" to imply power, energy and progressiveness. The now familiar and enduring CITGO "trimark" logo was born.

Occidental Petroleum bought Cities Service in 1982, and CITGO was incorporated as a wholly owned refining, marketing and transportation subsidiary in the spring of the following year. Then, in August, 1983, CITGO was sold to The Southland Corporation to provide an assured supply of gasoline to Southland's 7-Eleven convenience store chain.

In September, 1986, Southland sold a 50 percent interest in CITGO to Petróleos de Venezuela, S.A. (PDVSA), the national oil company of the Bolivarian Republic of Venezuela. PDVSA acquired the remaining half of CITGO in January, 1990. With a secure and ample supply of crude oil, CITGO quickly became a major force in the energy arena.

The story of CITGO Petroleum as an enduring American success story began early in the 20th century.



ENDURING

A Major Supplier

In 1986, CITGO began to aggressively pursue the goal of becoming a dominant force in the refining and marketing industry. An internal intensive business review resulted in a strategy that was bold in its sheer simplicity. CITGO dedicated its focus exclusively to the independent distributor class of trade.

That focus has paid off. Today, CITGO is in the top rank of petroleum marketers in the United States, and one of the nation's top marketers of gasoline.

In addition to being a top-ranked gasoline supplier in the U.S., CITGO is also a world-renowned supplier of diesel fuel, jet fuel, kerosene, lubricants, greases, waxes, petrochemicals and industrial products.

100,000 Independent Entrepreneurs

CITGO has grown into a highly recognizable national brand. Its customers think of its convenience stores as trusted, reliable neighbors in their local communities. Each one of the 13,000-plus independently owned retail outlets is its own unique American success story. CITGO does not own or operate any of its branded locations and goes to market exclusively via the marketer class of trade. CITGO is unique in this bold but simple strategy and never forgets that its success is fueled by the success of its trade channel partners.

Today, CITGO employs approximately 4,000 workers in the United States and, through its vast network of retail locations, indirectly employs roughly another 100,000 people who work hard every day to help their neighbors get where they want to go.





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PERFORMANCE

A Refining Giant

The heart of CITGO's operations is its state-of-the-art refining network, one of the nation's top ten. Its refineries transform raw energy (in the form of crude oil) into the energy products Americans need to enjoy their mobile lifestyles. From the gasoline and lubricants in your car to the petrochemicals used to manufacture literally thousands of household goods, CITGO is there.

To provide the energy needed to fuel our nation's economy and the American way of life, CITGO owns strategically located deep conversion refineries in Texas, Louisiana and Illinois, which have a total capacity of approximately 750,000 barrels-per-day. These refineries are among the safest and most environmentally sound and sophisticated in the nation.

The company also has refinery off-take agreements, one with PDV Chalmette LLC - a joint venture between PDVSA and Exxon/Mobil in Chalmette, LA., and one with a PDVSA/Hess joint venture in St. Croix, Virgin Islands. The company owns and/or operates 54 petroleum product terminals, one of the largest networks in the country.

CITGO's parent company, PDVSA, wholly or jointly owns additional refining capacity of more than 2 million barrels per day in Venezuela, the Caribbean and the United States. A large portion of this capacity is available to and purchased by CITGO.

State of the Industry Product Delivery System

In addition to world class refining assets, CITGO has a cutting-edge distribution system that is a comprehensive combination of pipelines and product terminals.

The CITGO terminal network, consisting of more than 380 equity and non-equity terminals in operation, makes it one of the most extensive in the nation. A majority of CITGO's sales are made through the 54 terminals which CITGO either wholly or jointly owns. The entire terminal network stretches across just about every state east of the Rocky Mountains and is served by major pipeline supply systems and marine dock facilities. More than 12 billion gallons of fuel a year go through this integrated terminal network on the way to the consumer. The systems' flexibility enables the terminals to handle 150 grades of gasoline, 10 grades of diesel, two grades of distillates and jet fuel. Through controlled access, the transport truck racks are available for loading 24 hours-a-day, 7 days-a-week.

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A Commitment to Corporate Citizenship

Heating Oil for the Poor

CITGO began a program in 2005 to distribute heating oil at significantly discounted prices in an effort to lend a helping hand to poor communities in areas of the United States most affected by cold winters. All told, it is expected that as much as 44 million gallons of heating oil were provided to some 181,000 homes, keeping roughly 900,000 Americans warm. CITGO is the only petroleum company to have advanced such an effort in this country.

Disaster Relief: In the Wake of the Storms

CITGO strives to do what it takes to assist those in need during times of crisis. CITGO supported

survivors of the Southeast Asian Tsunami, Hurricanes Katrina and Rita and the Venezuelan floods. CITGO employees volunteered countless hours to helping their neighbors in the Gulf Coast region affected by two devastating hurricanes. CITGO pledged \$5 million in support for Hurricane Katrina survivors and reconstruction over time.

More than \$100,000 has been paid out in employee and matching gift contributions to such organizations as American Red Cross Houston , American Red Cross Lake Charles , Louisiana Disaster Recovery Foundation, Americas' Wetlands Foundation, Venezuelan American Association of Texas , Citizenship Education Fund, and Interreligious Foundation of Communities Organization.

Help, Hope and Friendship for Sufferers of Neuromuscular Disease

With \$82 million having been raised since its first involvement in 1986, CITGO has become the largest corporate sponsor of the Muscular Dystrophy Association. This unprecedented fundraising effort has been accomplished primarily through the outstanding fundraising efforts of its marketers and retailers, as well as employees and vendors.





CITGO donates close to \$2 million annually for educational support, including college and university scholarships (primarily engineering) and provides a scholarship program for sons and daughters of employees.

Building a Brighter Future in Local Communities

CITGO employees and retirees have sponsored and/or built Habitat for Humanity homes in Tulsa, while Houston employees turn their focus to alleviating poverty through donations to The Neighborhood Centers, AAMA and the Mexican Women's Initiative.

The Corpus Christi refinery supports and participates in Operation Clean Sweep, a program to clean up blighted

areas that often become havens for drug related activities. Additionally, the refinery supports Beautify Corpus Christi, a program where volunteers donate time to clean-up beaches and roadsides.

Educational Support

CITGO donates close to \$2 million annually for educational support, including college and university scholarships (primarily engineering) and provides a scholarship

program for sons and daughters of employees. Adopt-a-School/Partners in Education programs in local communities provide funds and volunteers (tutors, mentors, translators, etc.).

A Culture of Volunteerism

Through Team CITGO, the employee volunteer program in Lake Charles, employees participate in a matching grants program which provides grants to employees to support athletic and various charitable organizations in the community not supported by United Way. Team CITGO volunteers work thousands of hours each year in the community. Major projects include Habitat for Humanity, Big Brothers/Big Sisters Bowl for Kids, American Cancer Society Walk, and Boys/Girls Village Christmas Project.

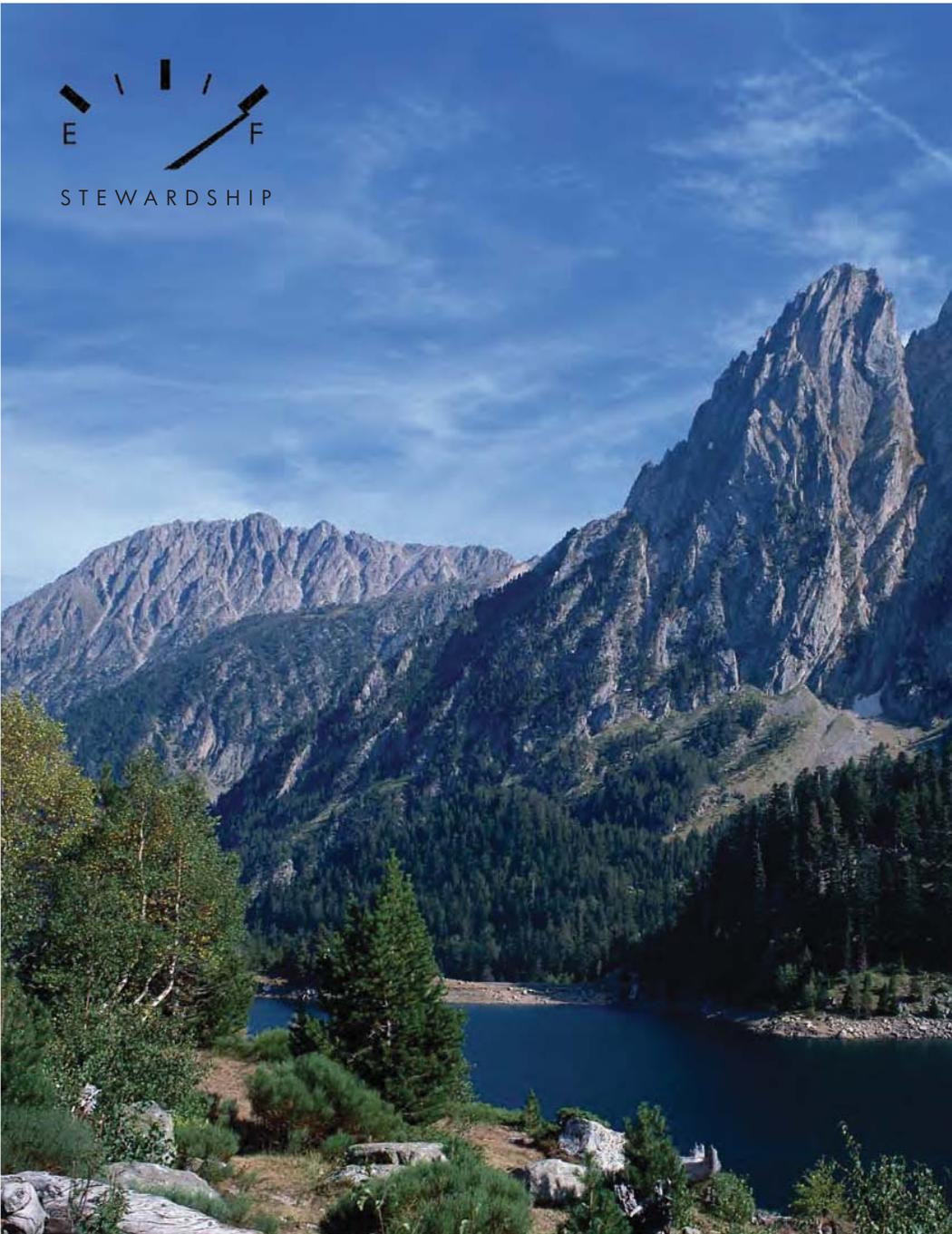
These same employees donated their money and time for the victims of Hurricane Katrina. Having been in the volunteer role, they then found themselves to be victims of another storm, Hurricane Rita. Employees helped each other, especially those employees who lost their homes.

Through CITGO Cares Team, Corpus Christi employees volunteer to assist non-profits in the Corpus Christi area, including Boys & Girls Club, Diabetes Walk, Tree for All and Junior Achievement. A number of these employees have leadership positions with these organizations.

The CITGO Community Action Team in Lemont, Illinois, supports many organizations in the region. They actively support the local food pantries and women's shelters, spend time cleaning up in the local communities, assist with ground keeping efforts at the local Cerebral Palsy camp and spend time assisting kids at Big Brothers/Big Sisters.

Uniting to Support the United Way

CITGO remains among the largest corporate donors to United Way organizations in Lake Charles and Corpus Christi.



Keeping it Safe, Clean and Running

Among CITGO's top priorities are safety and environmental stewardship. The company continuously makes the necessary investments required for safe and environmentally sound operations. We live by this simple philosophy: "We operate as a privilege and not as a right" in every community where our refineries are located.

Because of this unwavering focus, CITGO holds the top safety record in the industry, surpassing not only its industry peers but the entire spectrum of activities covered by the Occupational Safety and Health Act. CITGO's record-setting attention to safety and care of its workers extends to contract personnel also, who are expected to meet CITGO's high standards of performance. In 2005, CITGO and its contractors worked more than 11 million man hours with less than 10 minor injury incidents requiring only basic first aid. This number of hours equates to 5500 people working 8 hours a day with an injury rate of less than two tenths of one percent.

The National Petroleum Refiners Association recognized CITGO with 16 Safety Awards in 2005.

Environmental

On the environmental front, CITGO is working diligently to preserve its position as a leader in the field. An important component of that leadership stance is the dramatic reduction in the number of environmental exceedences in the past ten years. The company continues to strive for ever better results. As a result of its attention to detail and environmental vigilance, CITGO has had no major spills for the past five years, and has been recognized twice by the Coast Guard, through the Admiral Benkert Award, for its environmental excellence.

CITGO estimates it will spend over \$1 billion on regulatory and environmental projects from 2005-2009. One of these projects (\$100 million) at the Lake Charles refinery will reduce 95 percent of the sulfur dioxides and 90 percent of the particulate matter from current atmospheric emissions utilizing the best available control technology. CITGO has a strong track record in sponsoring such environmental stewardship organizations as the Nature Conservancy and the Tri-State Bird and Rescue.



100 Percent Focused on the Customer

Many things separate CITGO from the competition, but they all boil down to one key point: the unique support it gives its customers. CITGO occupies a unique piece of turf in the marketing landscape as a top-ranked, major petroleum supplier with an approachable, customer-focused business model. It knows the importance of open dialog, strong relationships and the drive to do what it takes to get the job done. CITGO is a company that is big enough to be a formidable force in the marketplace and small enough to do right by its customers.

It starts with the Western Hemisphere's largest reserves and secure source of crude. It continues with a reliable supply from its own network of domestic refineries and terminals blending and delivering quality branded fuels. It culminates in a brand known everywhere for its service and treatment of people as unique, valued individuals. With almost 100 years of experience in helping people get where they want to go, CITGO is poised to continue to play its steadfast role in fueling a new century.

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