

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2010 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2010 or fiscal plan year beginning <u>01/01/2010</u> and ending <u>12/31/2010</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information				
1a Name of plan <u>TESORO CORPORATION RETIREMENT PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>001</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>01/01/1969</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>001</u>	1c Effective date of plan <u>01/01/1969</u>	
1b Three-digit plan number (PN) ▶	<u>001</u>				
1c Effective date of plan <u>01/01/1969</u>					
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) <u>TESORO CORPORATION</u> <u>19100 RIDGEWOOD PARKWAY</u> <u>SAN ANTONIO, TX 78259</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>95-0862768</u></td> </tr> <tr> <td>2c Sponsor's telephone number <u>210-626-6000</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>324110</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>95-0862768</u>	2c Sponsor's telephone number <u>210-626-6000</u>	2d Business code (see instructions) <u>324110</u>	
2b Employer Identification Number (EIN) <u>95-0862768</u>					
2c Sponsor's telephone number <u>210-626-6000</u>					
2d Business code (see instructions) <u>324110</u>					

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/12/2011	LAUREN J. BUTLER
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/12/2011	LAUREN J. BUTLER
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2010)
v.092307.1

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") TESORO CORPORATION 19100 RIDGEWOOD PARKWAY SAN ANTONIO, TX 78259	3b Administrator's EIN 95-0862768 3c Administrator's telephone number 210-626-6000
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN	
5 Total number of participants at the beginning of the plan year	5	5066
6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	3688
b Retired or separated participants receiving benefits.....	6b	588
c Other retired or separated participants entitled to future benefits.....	6c	772
d Subtotal. Add lines 6a , 6b , and 6c	6d	5048
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	156
f Total. Add lines 6d and 6e	6f	5204
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	131
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
 1A 1G

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply)	9b Plan benefit arrangement (check all that apply)
(1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	(1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1) ☒ **R** (Retirement Plan Information)
 (2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
 (3) ☒ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- (1) ☒ **H** (Financial Information)
 (2) ☐ **I** (Financial Information – Small Plan)
 (3) ☒ ¹ **A** (Insurance Information)
 (4) ☒ **C** (Service Provider Information)
 (5) ☒ **D** (DFE/Participating Plan Information)
 (6) ☐ **G** (Financial Transaction Schedules)

SCHEDULE A (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Insurance Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500. ▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	OMB No. 1210-0110 2010 This Form is Open to Public Inspection
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For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010		
A Name of plan TESORO CORPORATION RETIREMENT PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500. TESORO CORPORATION	D Employer Identification Number (EIN) 95-0862768	

Part I	Information Concerning Insurance Contract Coverage, Fees, and Commissions Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.
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1 Coverage Information:

(a) Name of insurance carrier THE PRUDENTIAL INSURANCE COMPANY OF AMERICA

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
22-1211670	68241	994151		01/01/2010	12/31/2010

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in item 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	(b) Total amount of fees paid
0	0

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4 Current value of plan's interest under this contract in the general account at year end **4** 0**5** Current value of plan's interest under this contract in separate accounts at year end **5** 0**6** Contracts With Allocated Funds:**a** State the basis of premium rates ▶**b** Premiums paid to carrier **6b****c** Premiums due but unpaid at the end of the year **6c****d** If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. **6d**
Specify nature of costs ▶**e** Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity(3) ☐ other (specify) ▶**f** If contract purchased, in whole or in part, to distribute benefits from a terminating plan check here ▶ ☐**7** Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)**a** Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee(3) ☐ guaranteed investment (4) ☐ other ▶**b** Balance at the end of the previous year **7b****c** Additions: (1) Contributions deposited during the year **7c(1)**(2) Dividends and credits **7c(2)**(3) Interest credited during the year **7c(3)**(4) Transferred from separate account **7c(4)**(5) Other (specify below) **7c(5)**

▶

(6) Total additions **7c(6)****d** Total of balance and additions (add **b** and **c(6)**). **7d****e** Deductions:(1) Disbursed from fund to pay benefits or purchase annuities during year **7e(1)**(2) Administration charge made by carrier **7e(2)**(3) Transferred to separate account **7e(3)**(4) Other (specify below) **7e(4)**

▶

(5) Total deductions **7e(5)****f** Balance at the end of the current year (subtract **e(5)** from **d**) **7f**

Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organization(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

- a** ☐ Health (other than dental or vision)
 b ☐ Dental
 c ☐ Vision
 d ☐ Life insurance
e ☐ Temporary disability (accident and sickness)
 f ☐ Long-term disability
 g ☐ Supplemental unemployment
 h ☐ Prescription drug
i ☐ Stop loss (large deductible)
 j ☐ HMO contract
 k ☐ PPO contract
 l ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:

a Premiums: (1) Amount received.....	9a(1)		
(2) Increase (decrease) in amount due but unpaid.....	9a(2)		
(3) Increase (decrease) in unearned premium reserve.....	9a(3)		
(4) Earned ((1) + (2) - (3)).....		9a(4)	
b Benefit charges (1) Claims paid.....	9b(1)		
(2) Increase (decrease) in claim reserves.....	9b(2)		
(3) Incurred claims (add (1) and (2)).....		9b(3)	
(4) Claims charged.....		9b(4)	
c Remainder of premium: (1) Retention charges (on an accrual basis) --			
(A) Commissions.....	9c(1)(A)		
(B) Administrative service or other fees.....	9c(1)(B)		
(C) Other specific acquisition costs.....	9c(1)(C)		
(D) Other expenses.....	9c(1)(D)		
(E) Taxes.....	9c(1)(E)		
(F) Charges for risks or other contingencies.....	9c(1)(F)		
(G) Other retention charges.....	9c(1)(G)		
(H) Total retention.....		9c(1)(H)	
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.).....		9c(2)	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement.....		9d(1)	
(2) Claim reserves.....		9d(2)	
(3) Other reserves.....		9d(3)	
e Dividends or retroactive rate refunds due. (Do not include amount entered in c(2).).....		9e	

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier.....	10a	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, item 2 above, report amount.	10b	

Specify nature of costs ▶

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☒ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2010 This Form is Open to Public Inspection
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For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan <u>TESORO CORPORATION RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>TESORO CORPORATION</u>	D Employer Identification Number (EIN) <u>95-0862768</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information
1	Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2010</u>
2	Assets:
a	Market value 2a <u>272697636</u>
b	Actuarial value 2b <u>294899101</u>
3	Funding target/participant count breakdown
	(1) Number of participants (2) Funding Target
a	For retired participants and beneficiaries receiving payment 3a <u>713</u> <u>54904835</u>
b	For terminated vested participants 3b <u>749</u> <u>18914536</u>
c	For active participants:
(1)	Non-vested benefits 3c(1) <u>40114885</u>
(2)	Vested benefits 3c(2) <u>194233774</u>
(3)	Total active 3c(3) <u>3861</u> <u>234348659</u>
d	Total 3d <u>5323</u> <u>308168030</u>
4	If the plan is at-risk, check the box and complete items (a) and (b) ☐
a	Funding target disregarding prescribed at-risk assumptions 4a
b	Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor 4b
5	Effective interest rate 5 <u>6.63</u> %
6	Target normal cost 6 <u>31191033</u>

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	<u>10/06/2011</u>
Signature of actuary	Date
<u>ANTHONY SCATTONE</u>	<u>11-06355</u>
Type or print name of actuary	Most recent enrollment number
<u>TOWERS WATSON DELAWARE INC.</u>	<u>713-754-5400</u>
Firm name	Telephone number (including area code)
<u>1221 MCKINNEY, SUITE 2600</u> <u>HOUSTON, TX 77010-1006</u>	
Address of the firm	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2010
v.092308.1

Part II	Beginning of year carryover and prefunding balances	(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	47330831	27255749
8	Portion used to offset prior year's funding requirement (Item 35 from prior year)	27405159	0
9	Amount remaining (Item 7 minus item 8).....	19925672	27255749
10	Interest on item 9 using prior year's actual return of <u>17.90</u> %	3566695	4878779
11	Prior year's excess contributions to be added to prefunding balance:		
a	Excess contributions (Item 38 from prior year)		9591501
b	Interest on (a) using prior year's effective rate of <u>8.32</u> %		1716879
c	Total available at beginning of current plan year to add to prefunding balance		11308380
d	Portion of (c) to be added to prefunding balance.....		11308380
12	Reduction in balances due to elections or deemed elections.....	18570598	0
13	Balance at beginning of current year (item 9 + item 10 + item 11d – item 12).....	4921769	43442908

Part III	Funding percentages		
14	Funding target attainment percentage.....	14	80.00 %
15	Adjusted funding target attainment percentage.....	15	80.00 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	103.52 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....	17	%

Part IV	Contributions and liquidity shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:						
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	
02/25/2010	2351290		01/27/2011	4000000		
03/30/2010	4500000		02/25/2011	4000000		
09/30/2010	4000000		03/30/2011	4000000		
10/29/2010	4000000		04/29/2011	4000000		
11/24/2010	4000000		05/27/2011	4000000		
12/22/2010	4000000		06/29/2011	4000000		
Totals ▶			18(b)	58851290	18(c)	0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contribution from prior years.....	19a	
b Contributions made to avoid restrictions adjusted to valuation date	19b	
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c	54804271

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No

b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☒ Yes ☐ No

c If 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of Quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part II	Beginning of year carryover and prefunding balances	
	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)		
8 Portion used to offset prior year's funding requirement (Item 35 from prior year)		
9 Amount remaining (Item 7 minus item 8).....		
10 Interest on item 9 using prior year's actual return of _____%		
11 Prior year's excess contributions to be added to prefunding balance:		
a Excess contributions (Item 38 from prior year)		
b Interest on (a) using prior year's effective rate of _____%		
c Total available at beginning of current plan year to add to prefunding balance		
d Portion of (c) to be added to prefunding balance.....		
12 Reduction in balances due to elections or deemed elections.....		
13 Balance at beginning of current year (item 9 + item 10 + item 11d – item 12).....		

Part III	Funding percentages	
14 Funding target attainment percentage.....	14	%
15 Adjusted funding target attainment percentage.....	15	%
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	%
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....	17	%

Part IV	Contributions and liquidity shortfalls				
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
07/28/2011	4000000				
08/31/2011	4000000				
09/02/2011	4000000				
Totals ►			18(b)		18(c)

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:	
a Contributions allocated toward unpaid minimum required contribution from prior years.....	19a
b Contributions made to avoid restrictions adjusted to valuation date	19b
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c
20 Quarterly contributions and liquidity shortfalls:	
a Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☐ No	
b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No	
c If 20a is "Yes," see instructions and complete the following table as applicable:	
Liquidity shortfall as of end of Quarter of this plan year	
(1) 1st	(2) 2nd
(3) 3rd	(4) 4th

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:				
a Segment rates:	1st segment: 4.60 %	2nd segment: 6.65 %	3rd segment: 6.76 %	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 0
22 Weighted average retirement age				22 60
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....	☒ Yes ☐ No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment.....	27

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	28	
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a).....	29	
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions).....	31	31191033
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	49306885	8240503
b Waiver amortization installment		
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33)	34	39431536
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement	4921769	4628109
36 Additional cash requirement (item 34 minus item 35).....	36	29881658
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c).....	37	54804271
38 Interest-adjusted excess contributions for current year (see instructions).....	38	24922613
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37).....	39	0
40 Unpaid minimum required contribution for all years	40	0

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2010
		This Form is Open to Public Inspection.
For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010		
A Name of plan TESORO CORPORATION RETIREMENT PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 TESORO CORPORATION	D Employer Identification Number (EIN) 95-0862768	

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a** Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No
- b** If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
PRUDENTIAL INSURANCE CO
22-1211670

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation
FIDELITY MANAGEMENT TRUST COMPANY
04-2723880

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

FIDELITY MANAGEMENT TRUST COMPANY

04-2723880

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28 51	INV MGMT	1150650	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

BUCK CONSULTING

13-3954297

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
11 70	ACTUARIAL	64020	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

FIDELITY INV INST OPERATIONS CO

04-2647786

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15	DB ADMIN	106986	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

PRUDENTIAL INSURANCE CO

22-1211670

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28 51	INV MGMT	133490	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

RV KUHN

93-0910652

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
17 70	CONSULTING	84000	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

TOWERS WATSON

23-1159360

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
11 70	CONSULTING	147777	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

STATE STREET BANK & TRUST COMPANY

13-6052299

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
21	TRUSTEE	18853	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name: MICHAEL G. BAKER	b EIN: 53-0181291
c Position: CONSULTING ACTUARY	
d Address: 1221 MCKINNEY SUITE 2600 HOUSTON, TX 77010-1006	e Telephone: 713-754-5400

Explanation: THE REASON FOR THIS TERMINATION IS REASSIGNMENT OF WORK WITHIN TOWERS WATSON.

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE D (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2010 This Form is Open to Public Inspection.
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For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A Name of plan <u>TESORO CORPORATION RETIREMENT PLAN</u>	B Three-digit plan number (PN) <u>001</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>TESORO CORPORATION</u>	D Employer Identification Number (EIN) <u>95-0862768</u>

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
---------------	--

a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PYRAMIS DIVERSIFIED LG CAP VALUE</u>			
b Name of sponsor of entity listed in (a): <u>PYRAMIS GLOBAL ADVISORS</u>			
c EIN-PN <u>20-4659714-028</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>17668528</u>	
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PYRAMIS INTL GROWTH COMM POOL</u>			
b Name of sponsor of entity listed in (a): <u>PYRAMIS GLOBAL ADVISORS</u>			
c EIN-PN <u>20-4659714-017</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>19987537</u>	
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PYRAMIS US TOTAL MARKET EQUITY</u>			
b Name of sponsor of entity listed in (a): <u>PYRAMIS GLOBAL ADVISORS</u>			
c EIN-PN <u>20-4659714-041</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>6946808</u>	
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PYRAMIS LARGE CAP VALUE II</u>			
b Name of sponsor of entity listed in (a): <u>PYRAMIS GLOBAL ADVISORS</u>			
c EIN-PN <u>20-4659714-004</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>17766553</u>	
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PYRAMIS SELECT INTL EQUITY</u>			
b Name of sponsor of entity listed in (a): <u>PYRAMIS GLOBAL ADVISORS</u>			
c EIN-PN <u>20-4659714-021</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>19278431</u>	
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PYRAMIS LONG DURATION</u>			
b Name of sponsor of entity listed in (a): <u>PYRAMIS GLOBAL ADVISORS</u>			
c EIN-PN <u>20-4659714-053</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>127497451</u>	
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRISA</u>			
b Name of sponsor of entity listed in (a): <u>PRUDENTIAL INSURANCE COMPANY</u>			
c EIN-PN <u>22-1211670-038</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>0</u>	

a Name of MTIA, CCT, PSA, or 103-12 IE: **SHORT TERM****b** Name of sponsor of entity listed in (a):**PRUDENTIAL INSURANCE COMPANY****c** EIN-PN **22-1211670-044****d** Entity
code **P****e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**0****a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2010
		This Form is Open to Public Inspection

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010		
A Name of plan TESORO CORPORATION RETIREMENT PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 TESORO CORPORATION	D Employer Identification Number (EIN) 95-0862768	

Part I	Asset and Liability Statement
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1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	10648710	36000000
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)	2753	1079102
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	10784395	16925879
(2) U.S. Government securities.....	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts.....	1c(9)	195147388	209145308
(10) Value of interest in pooled separate accounts.....	1c(10)	10503821	0
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	45578766	66930266
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	272665833	330080555

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h	418404	615167
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	418404	615167

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	272247429	329465388
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	58851290	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		58851290
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	2111317	
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		2111317
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		22143100
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		1103762
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		6446965
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		90656434

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	31549491	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		31549491
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)	25502	
(2) Contract administrator fees	2i(2)	43883	
(3) Investment advisory and management fees	2i(3)	789200	
(4) Other	2i(4)	1030399	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		1888984
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		33438475

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		57217959
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: ERNST & YOUNG LLP

(2) EIN: 34-6565596

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

- 4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		10000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....	X		
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
If yes, enter the amount of any plan assets that reverted to the employer this year ☐ Yes ☒ No Amount:

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)

5b(2) EIN(s)	5b(3) PN(s)

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2010
		This Form is Open to Public Inspection.

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A Name of plan <u>TESORO CORPORATION RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>TESORO CORPORATION</u>	D Employer Identification Number (EIN) <u>95-0862768</u>

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>04-3275867</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	<u>179</u>

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
----------------	--

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☐ No	☒ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____	If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.		
6 a Enter the minimum required contribution for this plan year	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☒ N/A

Part III	Amendments
-----------------	-------------------

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box.....	☐ Increase	☒ Decrease	☐ Both	☐ No
--	-----------------------------------	--	-------------------------------	-----------------------------

Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Schedule R (Form 5500) 2010
v.092308.1

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

- a** Enter the percentage of plan assets held as:

Stock: 45% Investment-Grade Debt: 43% High-Yield Debt: 0% Real Estate: 0% Other: 12%

- b** Provide the average duration of the combined investment-grade and high-yield debt:

☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☒ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

- c** What duration measure was used to calculate item 19(b)?

☒ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

Report of Independent Auditors

To the Employee Benefits Committee of
Tesoro Corporation Retirement Plan
San Antonio, Texas

We were engaged to audit the accompanying statements of net assets available for benefits of Tesoro Corporation Retirement Plan and statements of accumulated plan benefits as of December 31, 2010 and 2009, and the related statement of changes in net assets available for benefits and statement of changes in accumulated plan benefits for the year ended December 31, 2010, and the supplemental schedules of assets (held at end of year) as of December 31, 2010, and reportable transactions for the year then ended. These financial statements and supplemental schedules are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the investment information summarized in Note 4 as of and for the year ended December 31, 2010, which was certified by Fidelity Management Trust Company, State Street Bank & Trust Co., the trustees of the Plan, and Prudential Insurance Company, the custodian of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedules. We have been informed by the plan administrator that State Street Bank & Trust Co. held the Plan's investment assets and executed investment transactions from July 1, 2010 to December 31, 2010, and that Fidelity Management Trust Company held the Plan's investment assets and executed investment transactions as of December 31, 2009 and for the period from January 1, 2010 to June 30, 2010, and that the custodian holds the Plan's investment assets and executes investment transactions as of December 31, 2010 and 2009, and for the year ended December 31, 2010. The plan administrator has obtained a certification from the trustees and custodian as of December 31, 2010 and 2009, and for the year ended December 31, 2010, that the information provided to the plan administrator by the trustees and custodian is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedules taken as a whole. The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the investment information certified by the trustees and custodian, have been audited by us in accordance with auditing standards generally accepted in the United States and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Ernst & Young LLP

September 20, 2011

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2010 This Form is Open to Public Inspection
For calendar plan year 2010 or fiscal plan year beginning <u>01/01/2010</u> and ending <u>12/31/2010</u>		

► **Round off amounts to nearest dollar.**

► **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan Tesoro Corporation Retirement Plan	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;"> B Three-digit plan number (PN) ► </td> <td style="width: 30%; text-align: center;">001</td> </tr> <tr> <td colspan="2"> D Employer Identification Number (EIN) 95-0862768 </td> </tr> </table>	B Three-digit plan number (PN) ►	001	D Employer Identification Number (EIN) 95-0862768	
B Three-digit plan number (PN) ►	001				
D Employer Identification Number (EIN) 95-0862768					
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF Tesoro Corporation					
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B ☐ Other					
F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500					

Part I Basic Information			
1 Enter the valuation date: Month <u>1</u> Day <u>1</u> Year <u>2010</u>			
2 Assets:			
a Market value	2a	272,697,636	
b Actuarial value	2b	294,899,101	
3 Funding target/participant count breakdown		(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment	3a	713	54,904,835
b For terminated vested participants	3b	749	18,914,536
c For active participants:			
(1) Non-vested benefits	3c(1)		40,114,885
(2) Vested benefits	3c(2)		194,233,774
(3) Total active	3c(3)	3,861	234,348,659
d Total	3d	5,323	308,168,030
4 If the plan is at-risk, check the box and complete items (a) and (b) ☐			
a Funding target disregarding prescribed at-risk assumptions	4a		
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor	4b		
5 Effective interest rate	5	6.63 %	
6 Target normal cost	6	31,191,033	

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	Anthony Scattone Signature of actuary	10/6/2011 Date 11-06355 Most recent enrollment number (713) 754-5400 Telephone number (including area code)
Anthony Scattone Type or print name of actuary Towers Watson Delaware Inc. Firm name 1221 McKinney, Suite 2600 Houston TX 77010-1006 Address of the firm		

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2010
v.092308.1

Part II Beginning of year carryover and prefunding balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	47,330,831	27,255,749
8 Portion used to offset prior year's funding requirement (Item 35 from prior year)	27,405,159	0
9 Amount remaining (Item 7 minus item 8)	19,925,672	27,255,749
10 Interest on item 9 using prior year's actual return of <u>17.90</u> %	3,566,695	4,878,779
11 Prior year's excess contributions to be added to prefunding balance:		
a Excess contributions (Item 38 from prior year)		9,591,501
b Interest on (a) using prior year's effective rate of <u>8.32</u> %		1,716,879
c Total available at beginning of current plan year to add to prefunding balance		11,308,380
d Portion of (c) to be added to prefunding balance		11,308,380
12 Reduction in balances due to elections or deemed elections	18,570,598	0
13 Balance at beginning of current year (item 9 + item 10 + item 11d - item 12)	4,921,769	43,442,908

Part III Funding percentages

14 Funding target attainment percentage	14	80.00 %
15 Adjusted funding target attainment percentage	15	80.00 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	103.52 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and liquidity shortfalls**18** Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
02/25/2010	2,351,290		01/27/2011	4,000,000	
03/30/2010	4,500,000		02/25/2011	4,000,000	
09/30/2010	4,000,000		03/30/2011	4,000,000	
10/29/2010	4,000,000		04/29/2011	4,000,000	
11/24/2010	4,000,000		05/27/2011	4,000,000	
12/22/2010	4,000,000		06/29/2011	4,000,000	
Totals ▶			18(b)	58,851,290	18(c) 0

19 Discounted employer contributions - see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contribution from prior years	19a	
b Contributions made to avoid restrictions adjusted to valuation date	19b	
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	54,804,271

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year?	☒ Yes ☐ No
b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☒ Yes ☐ No
c If 20a is "Yes," see instructions and complete the following table as applicable:	

Liquidity shortfall as of end of Quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:			
a Segment rates:	1st segment: 4.60 %	2nd segment: 6.65 %	3rd segment: 6.76 %
			☐ N/A, full yield curve used
b Applicable month (enter code)	21b		0
22 Weighted average retirement age	22		60
23 Mortality table(s) (see instructions)	☐ Prescribed - combined	☒ Prescribed - separate	☐ Substitute

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment.	27

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	28	
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a)	29	
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions)	31	31,191,033
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	49,306,885	8,240,503
b Waiver amortization installment		
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b - item 33)	34	39,431,536
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement	4,921,769	4,628,109
		Total balance
36 Additional cash requirement (item 34 minus item 35)	36	29,881,658
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c)	37	54,804,271
38 Interest-adjusted excess contributions for current year (see instructions)	38	24,922,613
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37)	39	0
40 Unpaid minimum required contribution for all years	40	0

Plan Name	Tesoro Corporation Retirement Plan	EIN:	95-0862768
Plan Sponsor's Name	Tesoro Corporation	PN:	001

[illegible]

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 11
Explanation of Interest Adjustment for Excess Contributions
under Special Final Rule
as of January 1, 2010

11. Prior Year's excess Contributions to be added to Prefunding Balance	
a. Excess Contributions and Replenishment	
(i) Excess contributions (item 38 from prior year)	0
(ii) Portion of carryover balance used that is eligible to be replenished	9,591,501
(iii) Total excess contributions and Replenishment	9,591,501
b. Interest	
(i) Interest on a(i) using prior years effective rate of 8.32%	0
(ii) Interest on a(ii) using prior year's actual return of 17.90%	1,716,879
(iii) Total Interest	1,716,879
c. Total available at beginning of current plan year to add to prefunding balance (Item 11a(iii) + Item 11b(iii))	11,308,380
d. Portion of (c.) to be added to prefunding balance	11,308,380

Plan Name: Tesoro Corporation Retirement Plan
EIN / PN: 95-0862768 / 001
Plan Sponsor: Tesoro Corporation
Valuation Date: January 1, 2010

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 22
Description of Weighted Average Retirement Age
as of January 1, 2010

See Schedule SB, Part V – Statement of Actuarial Assumptions/Methods for retirement rates. The average retirement age for Line 22 was calculated by determining the average age at retirement for those current active participants expected to reach retirement, based on all current decrements assumed.

Plan Name: Tesoro Corporation Retirement Plan
EIN / PN: 95-0862768 / 001
Plan Sponsor: Tesoro Corporation
Valuation Date: January 1, 2010

Schedule SB, Part V
Statement of Actuarial Assumptions/Methods

Plan Sponsor

Tesoro Corporation

EIN/PN

95-0862768/001

Discount Rates

Current plan year PPA effective interest rate: 6.63%

Prior plan year PPA effective interest rate: 8.32%

3-Segment Rates

Applicable month: January

Transition election: No

Assumed Cost of Living Adjustments

None

Inclusion Date

The valuation date coincident with or next following the date on which the employee becomes a participant.

Plan-related Expenses

The amount included this year for plan-related expenses is \$1,000,000.

Plan Name:	Tesoro Corporation Retirement Plan
EIN / PN:	95-0862768 / 001
Plan Sponsor:	Tesoro Corporation
Valuation Date:	January 1, 2010

Mortality

For non-disabled participants: The prescribed mortality assumption under IRC §430(h)(3)(A) using static tables with separate mortality rates for annuitants and non-annuitants.

Disabled Mortality

For disabled participants: mortality in accordance with Revenue Ruling 96-7.

Retirement

The rates at which all participants are assumed to retire are shown below:

Percentage retiring during the year		
Age	Early Retirement Rates	Rule of 80 Retirement Rates
50		3.42%
51		3.09
52		3.18
53		4.35
54		5.25
55	10.0%	6.50
56	10.0	7.35
57	10.0	11.25
58	10.0	16.29
59	10.0	22.50
60	10.0	30.00
61	10.0	30.00
62	20.0	50.00
63	20.0	37.50
64	20.0	30.00
65	100.0	100.00

Plan Name: Tesoro Corporation Retirement Plan
EIN / PN: 95-0862768 / 001
Plan Sponsor: Tesoro Corporation
Valuation Date: January 1, 2010

Disability Rates

None assumed, except for former Shell participants. Sample rates are provided below:

Age	Percentage of Disability
25	0.048%
30	0.060%
35	0.078%
40	0.102%
45	0.150%
50	0.252%
55	0.456%

Compensation Increases

4.50%

Future Increases in Social Security

For purposes of determining target normal cost and the additional Funding Target for maximum deductible contribution purposes, the National Average Wage Index is assumed to increase by 3.50% per annum.

Future Increases in Maximum Benefits and Plan Compensation Limitations

Accrued benefits projected to be paid in future years are limited to the maximum presently allowed under IRC §415. Plan compensation is limited to the maximum presently allowed under IRC §401(a)(17). No provision is made for future increases in the maximum annual benefit or compensation limit.

Plan Name:	Tesoro Corporation Retirement Plan
EIN / PN:	95-0862768 / 001
Plan Sponsor:	Tesoro Corporation
Valuation Date:	January 1, 2010

Representative Termination Rates (not due to disability, retirement or mortality)

The sample rates at which participants are assumed to leave the Company by age and gender are shown below:

Attained Age	Probability of Withdrawal	
	Males	Females
25	14.9%	22.4%
30	10.4	14.9
35	7.4	10.4
40	5.0	7.4
45	3.3	4.8
50	2.0	2.8
55	0.9	1.3

Form of Payment

60% of participants are assumed to elect lump sum; 30% are assumed to elect single life annuity; 10% are assumed to elect a 50% contingent annuity upon retirement.

Marriage

For purposes of valuing the pre-retirement surviving spouse's benefit, 100% of eligible participants are assumed to be married and male spouses are assumed to be three years older than female spouses.

Plan Compensation

Total earnings in 2009 less bonus plus average of bonuses for 2007-2009, increased by salary scale for a year.

Plan Name: Tesoro Corporation Retirement Plan
EIN / PN: 95-0862768 / 001
Plan Sponsor: Tesoro Corporation
Valuation Date: January 1, 2010

Asset Method

Under this method, the valuation assets are equal to the average of three values (all determined without regard to receivable contributions), the result increased by the discounted present value of contributions expected to be made after the valuation date based on the prior plan year PPA effective interest rate. This amount is then subject to a 10% corridor around the market value of assets (including the discounted present value of receivable contributions) as of the valuation date. The three values used to develop the average value are: the market value of assets as of the current valuation date, the adjusted market value of assets as of the prior valuation date and the adjusted market value of assets as of the second prior valuation date. The adjusted market value as of a relevant valuation date is equal to the market value of assets as of the prior valuation date increased by actual plan contributions and assumed return on plan assets and decreased by actual plan disbursements after that date until the current valuation date.

The assumed rate of return on plan assets for the prior plan year (pursuant to IRS Notice 2009-22) was 6.69%, which is the lesser of the anticipated rate of return on assets for the plan year, equal to the applicable limitation for the plan year, equal to 6.69%. The assumed rate of return on plan assets for the second prior plan year (pursuant to IRS Notice 2009-22) was 6.43%, which is the lesser of the anticipated rate of return on assets for the plan year, equal to 7.51%, and the applicable limitation for the plan year, equal to 6.43%. The algebraically equivalent development of this method (pursuant to IRS Notice 2009-22) is shown in Section 2.4. Because expected investment returns under this method are limited under WRERA, over time it is more likely to produce an actuarial value that is expected to be less than the market value of assets.

Participant Data

Participant data was supplied by Tesoro Corporation as of the census date.

Tax Policy

The actuarial valuation performed for the plan year ending December 31, 2010 is used to determine the maximum deductible contribution for the tax year ending December 31, 2010.

Benefits not Included in Valuation

We believe all significant Plan provisions are reflected in this valuation.

Plan Name:	Tesoro Corporation Retirement Plan
EIN / PN:	95-0862768 / 001
Plan Sponsor:	Tesoro Corporation
Valuation Date:	January 1, 2010

Nature of Actuarial Calculations

The results documented in this report are estimates based on data that may be imperfect and on assumptions about future events. Certain plan provisions may be approximated or deemed insignificant and therefore are not valued. Assumptions may be made about participant data or other factors. Reasonable efforts were made in this valuation to ensure that items that are significant in the context of the actuarial liabilities or costs are treated appropriately, and not excluded or included inappropriately.

A range of results, different from those presented in this schedule could be considered reasonable. The numbers are not rounded, but this is for convenience only and should not imply precision, which is not inherent in actuarial calculations. Certain percentages determined, such as the Funding Target Attainment Percentage, are truncated to be consistent with the instructions for Schedule SB of the Form 5500.

The assumptions selected for this valuation other than those prescribed by law, generally reflect long-term average expectations. If overall future plan experience is less favorable than assumed, the relative level of plan costs or contribution requirements determined in this valuation will likely increase in future valuations. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for the measurements (such as the end of an amortization period); and changes in plan provisions or applicable law. It is beyond the scope of this actuarial valuation to analyze the potential range of future pension contributions, but we can do so upon request.

Plan Name:	Tesoro Corporation Retirement Plan
EIN / PN:	95-0862768 / 001
Plan Sponsor:	Tesoro Corporation
Valuation Date:	January 1, 2010

Schedule SB, Part V

Summary of Plan Provisions

Plan Sponsor

Tesoro Corporation

Plan

Tesoro Corporation Retirement Plan

Effective Date of Plan and Most Recent Amendment

The plan was originally effective January 1, 1969. It was amended and restated effective January 1, 2008. The most recent amendment reflected is Amendment 2 dated December 2009.

Plan Year

The twelve-month period ending December 31.

Coverage and Participation

A United States employee of Tesoro Corporation or one of its subsidiary companies which has adopted this Plan will become a participant on the first day of the month if:

- 1) Employee has worked 12 consecutive months from date of hire and credited with 1,000 hours

or

- 2) Employee has worked 1,000 hours in a subsequent 12 month period beginning January 1 through December 31

Eligible Compensation

Amounts paid which are required to be reported on income tax and withholding statement (W-2) inclusive of overtime pay, commissions and normal bonuses but excluding special income because of services overseas, expense allowances, special recognition awards and all other extraordinary compensation. Compensation is limited to \$245,000 in 2010.

Plan Name:	Tesoro Corporation Retirement Plan
EIN / PN:	95-0862768 / 001
Plan Sponsor:	Tesoro Corporation
Valuation Date:	January 1, 2010

Final Monthly Compensation

Average of the highest consecutive, 36-month period of eligible compensation in the past 10-year period.

Final Average Compensation

Average of high 36-month earnings in last 12 months of Shell earnings. Generally the same as Tesoro eligible compensation however, overtime and other bonuses are not included.

Benefit Service

Generally each month of service a participant works, a month of Benefit Service is earned. Benefit Service starts from hire date or date of acquisition if later. Participants earn service from date of hire or from the dates below if acquired participants:

Benefit Service Table	
Former Plan Participants	Applicable Date
BP Amoco	September 6, 2001
Golden Eagle	May 17, 2002
LAR (Shell Los Angeles)	May 11, 2007
Shell	August 1, 1998

Normal Retirement Date

The later of attained age 65 or 5 years of participation in the plan.

Normal Retirement Benefit

Tesoro Benefit Formula:

Sum of (i) and (ii)

- (i) 1.1% of participant's Final Monthly Compensation multiplied by the number of years of Benefit Service.
- (ii) 0.5% of participant's Final Monthly Compensation in excess of the Social Security Covered Compensation multiplied by the number of years of Benefit Service to a maximum of 35 years

Plan Name: Tesoro Corporation Retirement Plan
EIN / PN: 95-0862768 / 001
Plan Sponsor: Tesoro Corporation
Valuation Date: January 1, 2010

Benefit for Former BP Amoco, Golden Eagle and LAR Participants:

Greater of (i) and (ii) where

- (i) Tesoro benefit formula above based on Tesoro service from Benefit Service table above
- (ii) Tesoro benefit formula above using all service (service with Tesoro and prior plan service) minus the prior plan frozen benefit.

Note: Generally all service in (ii) above is from date of hire, however it is from January 1, 2003 for LAR participants.

Benefit for Former Shell Participants:

Greater of (i) and (ii) below:

- (i) Tesoro benefit formula above based on Tesoro service from Benefit Service table above
- (ii) 1.60% of participant's Final Average Compensation multiplied by Benefit Service (all periods) minus August 1, 1998 Shell Benefit and minus Social Security offset. With the Social Security benefit being calculated as 1.50% of the projected Benefit Service (to Social Security Normal Retirement Age max of 33 1/3) times Primary Social Security Benefit times Benefit Service to date divided by Projected Benefit Service.

Plan Name: Tesoro Corporation Retirement Plan
EIN / PN: 95-0862768 / 001
Plan Sponsor: Tesoro Corporation
Valuation Date: January 1, 2010

Early Retirement Benefit

A participant is eligible for early retirement when he has either (i) age 50 if age plus vesting service is greater than or equal to 80, or (ii) both age 55 and completed 5 years of vesting service.

The benefit calculation as defined above based on Benefit Service and Pay as of early retirement date but reduced according to the schedule below:

Age	Age + Svc $\geq$ 80 Percentage of NR Benefit	Age + Svc < 80 Percentage of NR Benefit
65	100%	100%
64	100%	100%
63	100%	100%
62	100%	100%
61	100%	92.8%
60	100%	85.7%
59	95%	78.6%
58	90%	71.4%
57	85%	64.3%
56	80%	57.1%
55	75%	50.0%
54	70%	N/A
53	65%	N/A
52	60%	N/A
51	55%	N/A
50	50%	N/A

Note: The factors described above would apply to the benefit described in Normal Retirement section for Tesoro, BP Amoco, and LAR participants.

Plan Name: Tesoro Corporation Retirement Plan
EIN / PN: 95-0862768 / 001
Plan Sponsor: Tesoro Corporation
Valuation Date: January 1, 2010

Former Golden Eagle Participants

The factors above are applied to the Tesoro portion of the benefit (either Tesoro only or Tesoro all service).

The factors below are applied to the frozen Golden Eagle benefit based on status at acquisition date:

Service Age Points	<10 <55 N/A Reduction to NR	10+ <55 N/A Reduction to NR	10+ 55+ N/A Reduction to NR	N/A 55+ 85+ Reduction to NR
65	100%	100%	100%	100%
64	90%	93%	100%	100%
63	82%	87%	100%	100%
62	74%	80%	100%	100%
61	67%	73%	100%	100%
60	61%	67%	100%	100%
59	55%	63%	93%	100%
58	50%	60%	57%	100%
57	46%	57%	80%	100%
56	42%	53%	73%	100%
55	38%	50%	67%	100%
54	35%	46%	N/A	N/A
53	32%	42%	N/A	N/A
52	29%	38%	N/A	N/A
51	27%	35%	N/A	N/A
50	25%	32%	N/A	N/A

Note that if participant qualifies for Tesoro Rule of 85 (last column above), his Tesoro only benefit will be unreduced for ages after age 60 and 95% for ages prior to 60. Tesoro Rule of 85 is applicable when, as of the acquisition, date the participant has attained age 55 and has at least 85 points.

Plan Name: Tesoro Corporation Retirement Plan
EIN / PN: 95-0862768 / 001
Plan Sponsor: Tesoro Corporation
Valuation Date: January 1, 2010

Former BP Amoco Participants

In addition to the above benefits, participants who were age 40 and above at acquisition and ultimately qualify for early retirement benefits are eligible for a Special Social Security supplement. This benefit will be paid until the participant attains age 62.

The supplement amount is equal to \$50 times vesting service up to 20 years plus \$45 times vesting benefit greater than 20 years.

Vesting service is limited to service through December 31, 2010. The supplement is then reduced to reflect age at commencement based on the factors below:

Age	Vesting Service + Age	Vesting Sum + Age
	>= 55	< 55
62	100%	100%
61	100%	100%
60	100%	100%
59	97%	85%
58	94%	70%
57	91%	55%
56	88%	40%
55	85%	25%
54	77%	10%
53	69%	N/A
52	61%	N/A
51	53%	N/A
50	45%	N/A

Former Shell Participants

The greater of (i) and (ii) below:

- (i) It's the total service Shell benefit, calculated as of 1.60% of the service times average final compensation, minus Social Security offset (only after attainment of age 65) minus August 1, 1998 Shell benefit.
- (ii) Tesoro formula based on service for Benefit Service table.

Where amounts above are reduced in accordance with early retirement table. Note that August 1, 1998 Shell benefit will only be offset at age 65, unless was eligible at August 1, 1998 for an early retirement benefit.

Plan Name: Tesoro Corporation Retirement Plan
EIN / PN: 95-0862768 / 001
Plan Sponsor: Tesoro Corporation
Valuation Date: January 1, 2010

Death Benefit

A participant is eligible for a death benefit after completing 3 years of vesting service. The death benefit amount is actuarial equivalent of the greater of (i) and (ii).

- (i) Lump sum value of deferred normal retirement benefit
- (ii) Lesser of a) and b)
 - a) Monthly rate of payment at date of death times 12
 - b) Anticipated monthly retirement benefit commencing at Normal Retirement date assuming participant would have received monthly rate of payment according to Normal Retirement date of the rate in effect at date of death times 100.

Vested Benefits Upon Termination of Service

If a participant terminates his service prior to his normal retirement date and has 5 years of vesting service, the deferred vested benefit is equal to the benefit computed based on pay and service as of the termination date. The benefit will commence at Normal Retirement Date, or reduced benefits may commence as early as age 55. The lump sum value of the accrued retirement benefit is credited with interest from termination date to the date retirement payments commence.

Disability Benefit

A participant is eligible for disability upon completing 5 years of vesting service and becoming totally and permanently disabled. The benefit amount is calculated in the same manner as the Normal Retirement Benefit above, however assuming that pay and service continue at the same rate as in effect at time of disability to normal retirement date.

Optional Forms of Retirement Income

Optional forms of payment include: single life annuity, 10 year certain and life, 50% Joint and Survivor, 75% Joint and Survivor, 66 2/3% Joint and Survivor, 66 2/3% Joint and Survivor with 10 years certain option, and lump sum. Note that the lump sum is limited to \$25,000 if participant was hired after December 31, 2005.

Changes in Plan Provisions since Last Year

None.

Plan Name: Tesoro Corporation Retirement Plan
EIN / PN: 95-0862768 / 001
Plan Sponsor: Tesoro Corporation
Valuation Date: January 1, 2010

Schedule SB, Line 25

Change in Method

Changes in Methods Since Last Actuarial Valuation

In accordance with 1.430(d)-1(g)(3)(ii)(A), automatic approval has been granted for the first plan year for which all the provisions of 1.430(d)-1, 1.430(f)-1, 1.430(g)-1, 1.430(i)-1, and 1.436-1 are reflected of any changes to funding methods permitted by the Pension Protection Act. 2010 is the first plan year for which all of these provisions were reflected, and thus all funding method changes are automatically approved.

The valuation software used to produce the actuarial information submitted on this schedule is different than used for the previous valuation due to a change in both the enrolled actuary for the plan and the business organization providing actuarial services to the plan, and such change in software may be considered to be a method change. The new method is substantially the same as the method used by the prior enrolled actuary and is consistent with the description of the method contained in the prior actuarial valuation report and Schedule SB of Form 5500 (disregarding the effects of any changes that are automatically approved under final IRC 430 regulations). The funding target and target normal cost (without regard to any adjustments for employee contributions and plan-related expenses), as determined for the prior plan year by the new enrolled actuary (using the actuarial assumptions of the prior enrolled actuary and disregarding the effects of any changes that are automatically approved under final IRC 430 regulations) are both within 5% of those values as determined by the prior enrolled actuary. Therefore the change in funding method receives automatic approval under IRS Announcement 2010-3.

Plan Name:	Tesoro Corporation Retirement Plan
EIN / PN:	95-0862768 / 001
Plan Sponsor:	Tesoro Corporation
Valuation Date:	January 1, 2010

Schedule SB, Line 26
Schedule of Active Participant Data as of January 1, 2010

All monetary amounts shown in US Dollars

Attained Age	Years of Credited Service																			
	Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34		35 to 39		40 & Over	
	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.
Under 25	5		40	78,243																
25 - 29	7		241	76,516	29	80,015	1													
30 - 34	1		259	85,961	91	96,963	3													
35 - 39	1		255	94,380	123	101,283	32	111,704	2											
40 - 44	3		253	101,028	192	112,535	85	114,483	7		3									
45 - 49	2		249	98,051	219	111,774	112	106,550	14		10		3							
50 - 54			226	108,344	358	118,088	131	109,896	13		16		17		10		1			
55 - 59			160	115,865	236	117,062	98	100,490	7		6		6		4		3			
60 - 64	1		88		127	107,069	41	111,985	4		4		5		4		1			
65 - 69			10		23	105,109	8		1				1		2					
70 & Over			4		2		1													

Plan Name: Tesoro Corporation Retirement Plan
 EIN / PN: 95-0862768 / 001
 Plan Sponsor: Tesoro Corporation
 Valuation Date: January 1, 2010

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 32
Schedule of Amortization Bases
as of January 1, 2010

Type of Base		Date Established	Initial Amount	Remaining Amortization Period (Years)	Outstanding Balance	Amortization Payment
1	Shortfall	01/01/2010	49,306,885	7	49,306,885	8,240,503
Total			49,306,885		49,306,885	8,240,503

Plan Name: Tesoro Corporation Retirement Plan
EIN / PN: 95-0862768 / 001
Plan Sponsor: Tesoro Corporation
Valuation Date: January 1, 2010

SCHEDULE SB ATTACHMENTS

Schedule SB - Statement by Enrolled Actuary

Plan Sponsor	Tesoro Corporation
EIN/PN	95-0862768 / 001
Plan Name	Tesoro Corporation Retirement Plan
Valuation Date	January 1, 2010
Enrolled Actuary	Anthony C. Scattone
Enrollment Number	11-06355

The actuarial assumptions that are not mandated by IRC § 430 and regulations, represent the enrolled actuary's best estimate of anticipated experience under the plan, subject to the following conditions:

The actuarial valuation, on which the information in this Schedule SB is based, has been prepared in reliance upon the employee and financial data furnished by the plan administrator and the trustee. The enrolled actuary has not made a rigorous check of the accuracy of this information but has accepted it after reviewing it and concluding it is reasonable in relation to similar information furnished in previous years. The amounts of contributions and dates paid shown in Item 18 of Schedule SB were listed in reliance on information provided by the plan administrator and/or trustee.

Schedule H, line 4i - Schedule of Assets Held at End of Year
As of December 31, 2010
EIN: 95-0862768 Plan No.: 001

Identity of Issue	Description of Investment	Cost	Current Value
*State Street Bank & Trust Co. Cash Management Short-Term Investment Fund	Short-term Investment Fund	\$ 16,925,850	\$ 16,925,850
*Fidelity Management Trust Company Cash Reserves	Short-term Investment Fund	29	29
Pyramis Global Advisors U.S. Total Market Equity	U.S. Equity Commingled Fund	6,001,889	6,946,808
Pyramis Global Advisors International Growth	International Equity Commingled Fund	15,635,213	19,987,537
Pyramis Global Advisors Large Cap Value	U.S. Equity Commingled Fund	15,312,688	17,766,553
Pyramis Global Advisors Select International	International Equity Commingled Fund	15,487,540	19,278,431
Pyramis Global Advisors Diversified Large Cap Value	U.S. Equity Commingled Fund	16,463,813	17,668,528
Pyramis Global Advisors Long Duration	Fixed Income Commingled Fund	117,025,766	127,497,451
*Fidelity Management Trust Company Strategic Real Return	Tactical Asset Allocation Mutual Fund	7,554,662	7,756,793
Pacific Investment Management Company All Asset	Tactical Asset Allocation Mutual Fund	7,841,407	7,474,398
American Funds Growth Fund of America	U.S. Equity Mutual Fund	32,314,769	34,722,488
Columbia Acorn	U.S. Equity Mutual Fund	14,298,180	16,976,587
Total investments		<u>\$ 264,861,806</u>	<u>\$ 293,001,453</u>

*Party-in-interest

Schedule H, line 4j - Schedule of Reportable Transactions

For the Year Ended December 31, 2010

EIN: 95-0862768 Plan No.: 00

Party Involved/ Description of Asset	Purchase Price	Selling Price	Cost of Assets	Current Value of Asset on Transaction Date	Net Gain
Category (i) Single Transactions:					
*State Street Bank & Trust Co.					
Short Term Investment Fund					
Purchase	15,000,000	N/A	15,000,000	15,000,000	—
Sale	N/A	15,000,000	15,000,000	15,000,000	—
*State Street Bank & Trust Co.					
Pyramis U.S. Total Market Equity					
Sale	N/A	15,000,000	14,136,316	15,000,000	863,684

Schedule H, line 4j - Schedule of Reportable Transactions (Continued)
For the Year Ended December 31, 2010
EIN: 95-0862768 Plan No.: 001

<u>Party Involved/ Description of Asset</u>	<u>Purchase Price</u>	<u>Selling Price</u>	<u>Cost of Assets</u>	<u>Current Value of Asset on Transaction Date</u>	<u>Net Gain</u>
Category (iii) Series of Transactions:					
*Fidelity Management Trust Company					
Money Market Fund Class I					
Purchases	9,803,333	N/A	9,803,333	9,803,333	—
Sales	N/A	20,587,728	20,587,728	20,587,728	—
*Pyramis Global Advisors					
Long Duration					
Purchases	19,500,000	N/A	19,500,000	19,500,000	—
*Fidelity Management Trust Company					
Select Equity Total Market Transaction					
Purchases	10,000,000	N/A	10,000,000	10,000,000	—
Sales	N/A	10,000,000	10,000,000	10,085,629	85,629
*State Street Bank & Trust Co.					
Short Term Investment Fund					
Purchases	57,293,040	N/A	57,293,040	57,293,040	—
Sales	N/A	40,367,190	40,367,190	40,367,190	—
*Pyramis Global Advisors					
U.S. Total Market Equity					
Purchases	90,449	N/A	90,449	90,449	—
Sales	N/A	25,000,000	24,357,518	25,000,000	642,482

* All transactions on market

There were no category (ii) or (iv) transactions for the year ended December 31, 2010.

FINANCIAL STATEMENTS AND
SUPPLEMENTAL SCHEDULES

Tesoro Corporation Retirement Plan
As of December 31, 2010 and 2009 and for the Year Ended
December 31, 2010
With Report of Independent Auditors

Ernst & Young LLP

 **ERNST & YOUNG**

**TESORO CORPORATION RETIREMENT PLAN
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Report of Independent Auditors

To the Employee Benefits Committee of
Tesoro Corporation Retirement Plan
San Antonio, Texas

We were engaged to audit the accompanying statements of net assets available for benefits of Tesoro Corporation Retirement Plan and statements of accumulated plan benefits as of December 31, 2010 and 2009, and the related statement of changes in net assets available for benefits and statement of changes in accumulated plan benefits for the year ended December 31, 2010, and the supplemental schedules of assets (held at end of year) as of December 31, 2010, and reportable transactions for the year then ended. These financial statements and supplemental schedules are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the investment information summarized in Note 4 as of and for the year ended December 31, 2010, which was certified by Fidelity Management Trust Company, State Street Bank & Trust Co., the trustees of the Plan, and Prudential Insurance Company, the custodian of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedules. We have been informed by the plan administrator that State Street Bank & Trust Co. held the Plan's investment assets and executed investment transactions from July 1, 2010 to December 31, 2010, and that Fidelity Management Trust Company held the Plan's investment assets and executed investment transactions as of December 31, 2009 and for the period from January 1, 2010 to June 30, 2010, and that the custodian holds the Plan's investment assets and executes investment transactions as of December 31, 2010 and 2009, and for the year ended December 31, 2010. The plan administrator has obtained a certification from the trustees and custodian as of December 31, 2010 and 2009, and for the year ended December 31, 2010, that the information provided to the plan administrator by the trustees and custodian is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedules taken as a whole. The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the investment information certified by the trustees and custodian, have been audited by us in accordance with auditing standards generally accepted in the United States and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Ernst & Young LLP

September 20, 2011

TESORO CORPORATION RETIREMENT PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
AS OF DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
ASSETS:		
Investments - at fair value:		
Common/collective trust funds	\$ 209,145,308	\$ 195,147,388
Mutual funds	66,930,266	45,578,766
Real estate pooled separate account	—	10,503,821
Money market fund	—	10,784,395
Short term investment fund	<u>16,925,879</u>	<u>—</u>
 Total investments	 293,001,453	 262,014,370
 Contribution receivable	 36,000,000	 10,648,710
Receivable from investments sold	1,078,445	—
Interest receivable	<u>657</u>	<u>2,753</u>
 Total assets	 330,080,555	 272,665,833
 ACCRUED LIABILITIES	 <u>615,167</u>	 <u>418,404</u>
 NET ASSETS AVAILABLE FOR BENEFITS	 <u><u>\$ 329,465,388</u></u>	 <u><u>\$ 272,247,429</u></u>

See accompanying notes to the financial statements.

TESORO CORPORATION RETIREMENT PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>2010</u>
ADDITIONS	
Investment Income:	
Net appreciation in fair value of investments	\$ 29,693,827
Interest and dividends	2,111,317
Total Investment Income	31,805,144
Employer contributions	58,851,290
Total Additions	<u>90,656,434</u>
DEDUCTIONS	
Benefits paid	31,549,491
Administrative expenses and other	1,888,984
Total Deductions	<u>33,438,475</u>
NET INCREASE IN NET ASSETS AVAILABLE FOR BENEFITS	57,217,959
NET ASSETS AVAILABLE FOR BENEFITS:	
Beginning of year	<u>272,247,429</u>
End of year	<u><u>\$ 329,465,388</u></u>

See accompanying notes to the financial statements.

**TESORO CORPORATION RETIREMENT PLAN
STATEMENTS OF ACCUMULATED PLAN BENEFITS
AS OF DECEMBER 31, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS		
Vested benefits:		
Participants currently receiving payments	\$ 52,972,582	\$ 50,789,192
Other participants	<u>213,640,042</u>	<u>194,656,080</u>
Total vested benefits	266,612,624	245,445,272
Nonvested benefits	<u>35,855,635</u>	<u>37,131,579</u>
TOTAL ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS	<u>\$ 302,468,259</u>	<u>\$ 282,576,851</u>

See accompanying notes to the financial statements.

TESORO CORPORATION RETIREMENT PLAN
STATEMENT OF CHANGES IN ACCUMULATED PLAN BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>2010</u>
ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS	
Beginning of year	\$ 282,576,851
INCREASE (DECREASE) DURING THE YEAR ATTRIBUTABLE TO:	
Benefits paid	(31,549,491)
Benefits accumulated and actuarial losses	25,221,480
Decrease in the discount period	22,062,497
Changes in actuarial assumptions	4,156,922
Net increase	19,891,408
ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS	
End of year	\$ 302,468,259

See accompanying notes to the financial statements.

TESORO CORPORATION RETIREMENT PLAN NOTES TO THE FINANCIAL STATEMENTS

1. PLAN DESCRIPTION

The following summary description of the Tesoro Corporation Retirement Plan (the “Plan”) is provided for general information only. Participants should refer to the Plan Document for more complete information.

General - The Plan is a non-contributory employee defined benefit pension plan established January 1, 1969 for eligible employees of Tesoro Corporation and its subsidiaries (“Tesoro” or the “Company”). The Plan has been subsequently amended to comply with changes in technical requirements of the Internal Revenue Code (IRC). Generally, an employee is eligible for participation in the Plan after completing twelve months of service and having at least 1,000 hours of service during that twelve-month period, with vesting of 100% of accrued benefits upon the completion of five years of service. Upon becoming a participant, all service since date of hire is included in determining vesting and credited service, except for individuals who become employees of Tesoro as a result of an acquisition by Tesoro, for whom benefits are determined by the terms of the acquisition agreement. The Plan covers represented employees if the Plan is incorporated as a provision of the collective bargaining agreement. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”).

Pension Benefits - The provisions noted herein are based on the Plan as of December 31, 2010. Upon normal retirement, participants receive monthly payments under a Final Average Pay (FAP) formula equal to the sum of (a) 1.1% of their average monthly rate of Basic Compensation (as defined in the Plan) during the 36 consecutive months from the last 120 months of service which results in the highest average monthly rate of compensation (determined without using compensation in excess of \$245,000 for the year ended December 31, 2010) (hereinafter referred to as “Final Monthly Compensation”) at their actual retirement date, multiplied by his/her number of years of benefit service at such date, plus (b) 0.5% of the excess, if any, of their Final Monthly Compensation over their Covered Compensation, as defined in Internal Revenue Service (IRS) regulations, multiplied by his/her number of years of Benefit Service (up to 35 years) at such date. There are also provisions for alternate calculations for employees who were part of an acquired group, early retirement benefits, optional methods of benefit payment, payments to a terminated vested participant, and payments to an eligible surviving beneficiary of a participant. The federal tax law places certain limitations on benefits payable under existing defined benefit retirement plans. The Plan provides for no reduction in accrued benefits for retirement at age 62 or later, or if qualified for the Enhanced Early Retirement (age plus vesting service at termination equals or exceeds 80 points) at age 60 or later.

Pre-retirement death benefits are paid to a participant’s designated beneficiary for either ten years certain and life thereafter or a lump-sum amount based on an actuarially determined formula. Participants who become totally and permanently disabled under the Plan will generally continue to accrue a benefit with continued service and pay for the period of disability up to normal retirement age.

Effective January 1, 2011, the Plan was amended to provide a monthly retirement benefit made up of two components: 1) the legacy FAP benefit (as indicated above) for service through December 31, 2010 and 2) a Cash Balance account based benefit for service beginning on or after January 1, 2011. Under the Cash Balance component, participants earn quarterly pay and interest credits which are allocated to a hypothetical account balance. Pay credits are determined based on a percentage of a participant’s eligible compensation at the end of each calendar quarter ranging from 4.5% to 8.5% of pay based on the participant’s age at the end of each quarter. Interest is credited to existing account balances quarterly based on the yield on 10-Year U.S Treasury Bonds. Participants will become vested in their benefit (FAP and Cash Balance components) after three years of vesting service with Tesoro.

TESORO CORPORATION RETIREMENT PLAN NOTES TO THE FINANCIAL STATEMENTS

The total benefit payable under the Plan is equal to the sum of both the FAP and the Cash Balance benefit components as of a participant's benefit commencement date. Participants may commence their vested benefit anytime following separation from service. Participants that qualify for early retirement may be eligible for subsidized early retirement factors applied to the FAP benefit based on their age and years of service.

Trustee and Investment Manager - The Plan's primary trustee was Fidelity Management Trust Company ("Fidelity"). Effective July 1, 2010, the Plan changed the trustee from Fidelity to State Street Bank & Trust Co. ("State Street"). In its capacity as trustee, Fidelity/State Street maintains custody of investments held within the Plan trust except those investments held by Prudential Insurance Company of America ("Prudential") in its capacity as investment manager of certain Plan assets designated by the plan administrator. The Plan is administered by the Employee Benefits Committee, consisting of individuals appointed by the Board of Directors of the Company.

Priorities Upon Termination of the Plan - Although it has not expressed any intention to do so, the Company has the right under the Plan, in certain circumstances, to discontinue its contributions at any time and to terminate the Plan subject to the provisions set forth in ERISA. In the event that the Plan is terminated, the net assets of the Plan will be allocated for payment of plan benefits to the participants in order of priority determined in accordance with ERISA, applicable regulations thereunder and the Plan Document.

Certain benefits under the Plan are insured by the Pension Benefits Guaranty Corporation (PBGC), which guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivors' pensions in the event the Plan terminates. However, the PBGC does not guarantee all types of benefits, and the amount of benefit protection is subject to certain limitations. Whether all participants receive their benefits in the event of a Plan termination will depend on the sufficiency, at that time, of the Plan's net assets available and the level of benefits guaranteed by the PBGC at the time of termination.

Funding Policy - Tesoro's policy is to contribute each year at least the minimum required contribution for that year. Contributions to satisfy minimum funding requirements of ERISA are determined by the Plan's actuary. The Plan has met the minimum funding requirements of ERISA for the year ended December 31, 2010.

Expenses - Administrative expenses of the Plan are paid by the Plan, as provided in the Plan document. The Company provides accounting and other administrative services to the Plan at no charge.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The accompanying financial statements have been prepared on the accrual basis of accounting.

Investment Valuation and Income Recognition - Investments of the Plan are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 8 for a discussion on fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

TESORO CORPORATION RETIREMENT PLAN NOTES TO THE FINANCIAL STATEMENTS

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America ("U.S. GAAP") requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes and supplemental schedules. Actual results could differ from those estimates.

Payment of Benefits - Benefit payments to participants are recorded upon distribution.

Actuarial Present Value of Accumulated Plan Benefits - Accumulated plan benefits (see Note 3) represent the actuarial present value of estimated future periodic payments, including lump-sum distributions, that are attributable under the Plan's provisions to services rendered by the employees to the valuation date. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries and (b) present employees or their beneficiaries. Benefits are based on the balance of accrued retirement benefits as of December 31, 2010 or the transition benefits for certain employees. Benefits payable under all circumstances-retirement, death, disability, and termination of employment-are included, to the extent they are deemed attributable to employee services rendered to the valuation date.

New Accounting Pronouncements - In January 2010, the Financial Accounting Standards Board ("FASB") amended the standard covering fair value measurements to require additional disclosures, including transfers in and out of Level 1 and 2 fair value measurements, the gross basis presentation of the reconciliation of Level 3 fair value measurements, and fair value measurement disclosure at the class level, as opposed to category level, as previously required. This guidance is effective for interim and annual reporting periods beginning after December 15, 2009, except for disclosures related to Level 3 fair value measurements, which are effective for fiscal years beginning after December 15, 2010 (including interim periods). In addition, the standard also clarified the requirement for entities to disclose information about both the valuation techniques and inputs used in estimating level 2 and level 3 fair value measurements. Since this standard only affects fair value measurement disclosures, its adoption did not affect on the Plans' net assets available for benefits or its changes in net assets available for benefits.

In May 2011, the FASB amended the standard covering fair value measurements and disclosures, in order to converge the fair value measurement guidance in U.S. GAAP and International Financial Reporting Standards ("IFRS"s). Some of the amendments clarify the application of existing fair value measurement requirements, while other amendments change a particular principle in the previous standard. In addition, the amendments require additional fair value disclosures. The amendments are to be applied prospectively and are effective for annual periods beginning after December 15, 2011. The Plan's management is currently evaluating the effect that the provisions of this amended standard will have on the Plan's financial statements and does not believe it will have a material effect on the Plan's net assets available for benefits or changes in net assets available for benefits.

Subsequent Events - Management evaluated subsequent events for the Plan through September 20, 2011, the date the financial statements were available to be issued.

3. ACCUMULATED PLAN BENEFITS

The Plan's actuary estimated the actuarial present value of accumulated plan benefits, which is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits earned by the participants to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal or retirement) between the valuation date and the expected date of payment.

TESORO CORPORATION RETIREMENT PLAN
NOTES TO THE FINANCIAL STATEMENTS

Significant assumptions underlying the actuarial computations for 2010 and 2009 are as follows:

	2010	2009
Investment return	7.5% per annum	7.5% per annum
Normal retirement age	50 to 65	50 to 65
Mortality	2011 Pension Protection Act (PPA)	2010 Pension Protection Act (PPA)
Lump Sum Interest Rate	2011 PPA	2010 PPA Funding Basis
Lump Sum Mortality	2011 PPA	2010 PPA
Form of Payment	60% Lump Sum / 30% Life Only Annuity / 10% - 50% Contingent Annuity	60% Lump Sum / 30% Life Only Annuity / 10% - 50% Contingent Annuity

The foregoing assumptions are based on the presumption that the Plan will continue. If the Plan were to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated Plan benefits.

4. INVESTMENTS

All investment information disclosed in the accompanying financial statements and supplemental schedules, including investments held at December 31, 2010 and 2009, and net appreciation in fair value of investments, interest and dividends for the year ended December 31, 2010, was obtained or derived from information provided to the plan administrator and certified as complete and accurate by Fidelity, the trustee as of December 31, 2009 and for the period from January 1, 2010 through June 30, 2010, State Street, the trustee as of December 31, 2010 and for the period from July 1, 2010 through December 31, 2010, and Prudential, the custodian of certain Plan assets as of December 31, 2009 and for the year ended December 31, 2010.

The fair value of individual investments that represent 5% or more of the Plan's net assets available for benefits are as follows:

	December 31,	
	2010	2009
State Street Bank & Trust Co. Short Term Investment Fund	\$ 16,925,850	\$ —
Pyramis Global Advisors Large Cap Value	\$ 17,766,553	\$ 15,433,737
Pyramis Global Advisors Diversified Large Cap Value	\$ 17,668,528	\$ 17,786,391
Pyramis Global Advisors U.S. Total Market Equity	*	\$ 29,691,349
American Funds Growth Fund of America	\$ 34,722,488	\$ 32,105,776
Columbia Acorn	\$ 16,976,587	*
Pyramis Global Advisors International Growth	\$ 19,987,537	\$ 18,130,258
Pyramis Global Advisors Select International Equities	\$ 19,278,431	\$ 17,573,180
Pyramis Global Advisors Long Duration	\$ 127,497,451	\$ 96,532,473

* Investment is less than 5%

TESORO CORPORATION RETIREMENT PLAN

NOTES TO THE FINANCIAL STATEMENTS

During the year ended December 31, 2010, the Plan's investments (including gains and losses on investments bought, sold, as well as held during the year) appreciated (depreciated) in value as follows:

	<u>2010</u>
Common/collective trusts	\$ 22,143,100
Mutual funds	6,446,965
Pooled separate account	1,103,762
	<u>\$ 29,693,827</u>

5. EXEMPT PARTY-IN-INTEREST TRANSACTIONS

Certain of the Plan assets are invested in funds managed by Fidelity, State Street and Prudential. Fidelity/State Street and Prudential are the trustee and custodian, respectively, as defined by the Plan and, therefore, these transactions qualify as exempt party-in-interest transactions.

6. FEDERAL INCOME TAX STATUS

The Plan has received a determination letter from the IRS dated March 4, 2010, stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (the Code) and therefore the related trust is exempt from taxation. Subsequent to this determination by the IRS, the Plan was amended. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualified status. The plan administrator has indicated that it will take the necessary steps, if any, to bring the Plan's operations into compliance with the Code.

U.S. GAAP requires management to evaluate uncertain tax positions taken by the Plan. The financial statement effects of a tax position are recognized when the position is more likely than not, based on the technical merits, to be sustained upon examination by the IRS. Management has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2010, there are no uncertain positions taken or expected to be taken. The Plan has recognized no interest or penalties related to uncertain tax positions. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Management believes it is no longer subject to income tax examinations for years prior to 2007.

7. RISKS AND UNCERTAINTIES

The Plan provides for investments in various securities through the investment funds, including but not limited to, debt and equity securities and real estate assets, among others. Investment securities are exposed to various risks, such as interest rate, credit and, overall market volatility risk. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for benefits.

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimation and assumption processes, it is at least reasonably possible that changes in these estimates and assumptions in the near term could materially affect the amounts reported and disclosed in the financial statements.

TESORO CORPORATION RETIREMENT PLAN
NOTES TO THE FINANCIAL STATEMENTS

8. FAIR VALUE MEASUREMENTS

Plan assets are classified into three fair value classifications or levels. Level 1 investments include U.S. equity and real return mutual funds which are based on market quotations from national securities exchanges. Level 2 investments include equity and bond funds valued at the net asset value of the fund as determined by the fund manager. Level 3 investments, which were held as of December 31, 2009, represent an investment in a real estate fund with holdings that was based upon property appraisal reports prepared by independent real estate appraisers using the cost, income and market valuation approaches. As of December 31, 2010 there were no level 3 assets. Plan management does not believe that there are any significant concentrations of risk within the plan assets.

The tables below present information about the Plan's major asset categories measured at fair value on a recurring basis by the three levels described above as of December 31, 2010 and 2009:

Assets at Fair Value as of December 31, 2010				
	Level 1	Level 2	Level 3	Total
Short Term Investment Fund (a) \$	—	\$ 16,925,879	\$ —	\$ 16,925,879
U.S. Equities				
U.S. large cap (b)	34,722,488	42,381,889	—	77,104,377
U.S. small/mid cap	16,976,587	—	—	16,976,587
Real return (c)	15,231,191	—	—	15,231,191
International equities (d)	—	39,265,968	—	39,265,968
Fixed income				
Long duration bonds (e)	—	127,497,451	—	127,497,451
Total assets	\$ 66,930,266	\$ 226,071,187	\$ —	\$ 293,001,453

Assets at Fair Value as of December 31, 2009				
	Level 1	Level 2	Level 3	Total
Money market fund	\$ 10,784,395	\$ —	\$ —	\$ 10,784,395
U.S. Equities				
U.S. large cap (b)	32,105,776	62,911,477	—	95,017,253
U.S. small/mid cap	13,472,990	—	—	13,472,990
International equities (d)	—	35,703,438	—	35,703,438
Fixed income				
Long duration bonds (e)	—	96,532,473	—	96,532,473
Pooled separate accounts:				
Real estate (f)	—	—	10,503,821	10,503,821
Total assets	\$ 56,363,161	\$ 195,147,388	\$ 10,503,821	\$ 262,014,370

- (a) This common collective trust fund is a short term investment fund which seeks to provide safety of principal and daily liquidity. The fair value of this investment has been estimated using the net asset value per share.
- (b) These assets include level 2 common/collective trust funds, which are actively managed and designed to provide excess return over a market cycle relative to market indexes, such as the Wilshire 5000 Total Market Index and Russell 1000 Value Index, while maintaining similar style characteristics in sector weights. The Plan is required to

TESORO CORPORATION RETIREMENT PLAN

NOTES TO THE FINANCIAL STATEMENTS

provide five days or less notice for 2010 and 15 days notice for 2009 if it wants to redeem any of its investment in the funds. The fair value of these investments has been estimated using the net asset value per share.

- (c) These assets represent mutual fund holdings that seek to preserve and enhance purchasing power by focusing on a broad set of asset classes that provide the potential for real returns in excess of U.S. inflation. The Plan is subject to a redemption fee of .75% on redeemed shares held less than 60 days.
- (d) These assets represent common/collective trusts, which are designed to seek long-term growth of capital primarily through investments in foreign securities of companies primarily located in developed countries outside the United States, including the Americas (other than the United States), Europe, the Far East, and Pacific Basin. The Plan is required to provide five days or less notice for 2010 and 15 days notice for 2009 if it wants to redeem any of its investment in the funds. The fair value of these investments has been estimated using the net asset value per share.
- (e) This common/collective trust fund seeks to outperform the Barclays Capital Long Term Government/Credit Bond Index by investing in a full spectrum of investment grade securities, with a focus on long duration issues. The fair value of these investments has been estimated using the net asset value per share. The Plan is required to provide five days or less notice for 2010 and 15 days notice for 2009 if it wants to redeem any of its investment in the funds.
- (f) This pooled separate account primarily invests in completed, income-producing real estate properties with cash flows that are expected to increase over time and provide the potential for capital appreciation. The Plan received a full distribution of its investment in the fund during 2010, so there are no remaining assets as of December 31, 2010. The fair value of these investments, as of December 31, 2009, has been estimated using the net asset value per share.

The following table sets forth the changes in fair value for assets measured using significant unobservable inputs (level 3) during 2010:

Balance at January 1, 2010	\$ 10,503,821
Investment Income	753,006
Realized gain	1,103,762
Sales	<u>(12,360,589)</u>
Balance at December 31, 2010	<u><u>\$ —</u></u>

Realized gains included in net increase (decrease) in net assets available for benefits for the period from January 1, 2010, through December 31, 2010, are reported in net appreciation in fair value of investments in the statements of changes in net assets available for benefits.

SUPPLEMENTAL SCHEDULES

Schedule H, line 4i - Schedule of Assets Held at End of Year
As of December 31, 2010
EIN: 95-0862768 Plan No.: 001

Identity of Issue	Description of Investment	Cost	Current Value
*State Street Bank & Trust Co. Cash Management Short-Term Investment Fund	Short-term Investment Fund	\$ 16,925,850	\$ 16,925,850
*Fidelity Management Trust Company Cash Reserves	Short-term Investment Fund	29	29
Pyramis Global Advisors U.S. Total Market Equity	U.S. Equity Commingled Fund	6,001,889	6,946,808
Pyramis Global Advisors International Growth	International Equity Commingled Fund	15,635,213	19,987,537
Pyramis Global Advisors Large Cap Value	U.S. Equity Commingled Fund	15,312,688	17,766,553
Pyramis Global Advisors Select International	International Equity Commingled Fund	15,487,540	19,278,431
Pyramis Global Advisors Diversified Large Cap Value	U.S. Equity Commingled Fund	16,463,813	17,668,528
Pyramis Global Advisors Long Duration	Fixed Income Commingled Fund	117,025,766	127,497,451
*Fidelity Management Trust Company Strategic Real Return	Tactical Asset Allocation Mutual Fund	7,554,662	7,756,793
Pacific Investment Management Company All Asset	Tactical Asset Allocation Mutual Fund	7,841,407	7,474,398
American Funds Growth Fund of America	U.S. Equity Mutual Fund	32,314,769	34,722,488
Columbia Acorn	U.S. Equity Mutual Fund	14,298,180	16,976,587
Total investments		<u>\$ 264,861,806</u>	<u>\$ 293,001,453</u>

*Party-in-interest

Schedule H, line 4j - Schedule of Reportable Transactions

For the Year Ended December 31, 2010

EIN: 95-0862768 Plan No.: 00

Party Involved/ Description of Asset	Purchase Price	Selling Price	Cost of Assets	Current Value of Asset on Transaction Date	Net Gain
Category (i) Single Transactions:					
*State Street Bank & Trust Co.					
Short Term Investment Fund					
Purchase	15,000,000	N/A	15,000,000	15,000,000	—
Sale	N/A	15,000,000	15,000,000	15,000,000	—
*State Street Bank & Trust Co.					
Pyramis U.S. Total Market Equity					
Sale	N/A	15,000,000	14,136,316	15,000,000	863,684

Schedule H, line 4j - Schedule of Reportable Transactions (Continued)
For the Year Ended December 31, 2010
EIN: 95-0862768 Plan No.: 001

<u>Party Involved/ Description of Asset</u>	<u>Purchase Price</u>	<u>Selling Price</u>	<u>Cost of Assets</u>	<u>Current Value of Asset on Transaction Date</u>	<u>Net Gain</u>
Category (iii) Series of Transactions:					
*Fidelity Management Trust Company					
Money Market Fund Class I					
Purchases	9,803,333	N/A	9,803,333	9,803,333	—
Sales	N/A	20,587,728	20,587,728	20,587,728	—
*Pyramis Global Advisors					
Long Duration					
Purchases	19,500,000	N/A	19,500,000	19,500,000	—
*Fidelity Management Trust Company					
Select Equity Total Market Transaction					
Purchases	10,000,000	N/A	10,000,000	10,000,000	—
Sales	N/A	10,000,000	10,000,000	10,085,629	85,629
*State Street Bank & Trust Co.					
Short Term Investment Fund					
Purchases	57,293,040	N/A	57,293,040	57,293,040	—
Sales	N/A	40,367,190	40,367,190	40,367,190	—
*Pyramis Global Advisors					
U.S. Total Market Equity					
Purchases	90,449	N/A	90,449	90,449	—
Sales	N/A	25,000,000	24,357,518	25,000,000	642,482

* All transactions on market

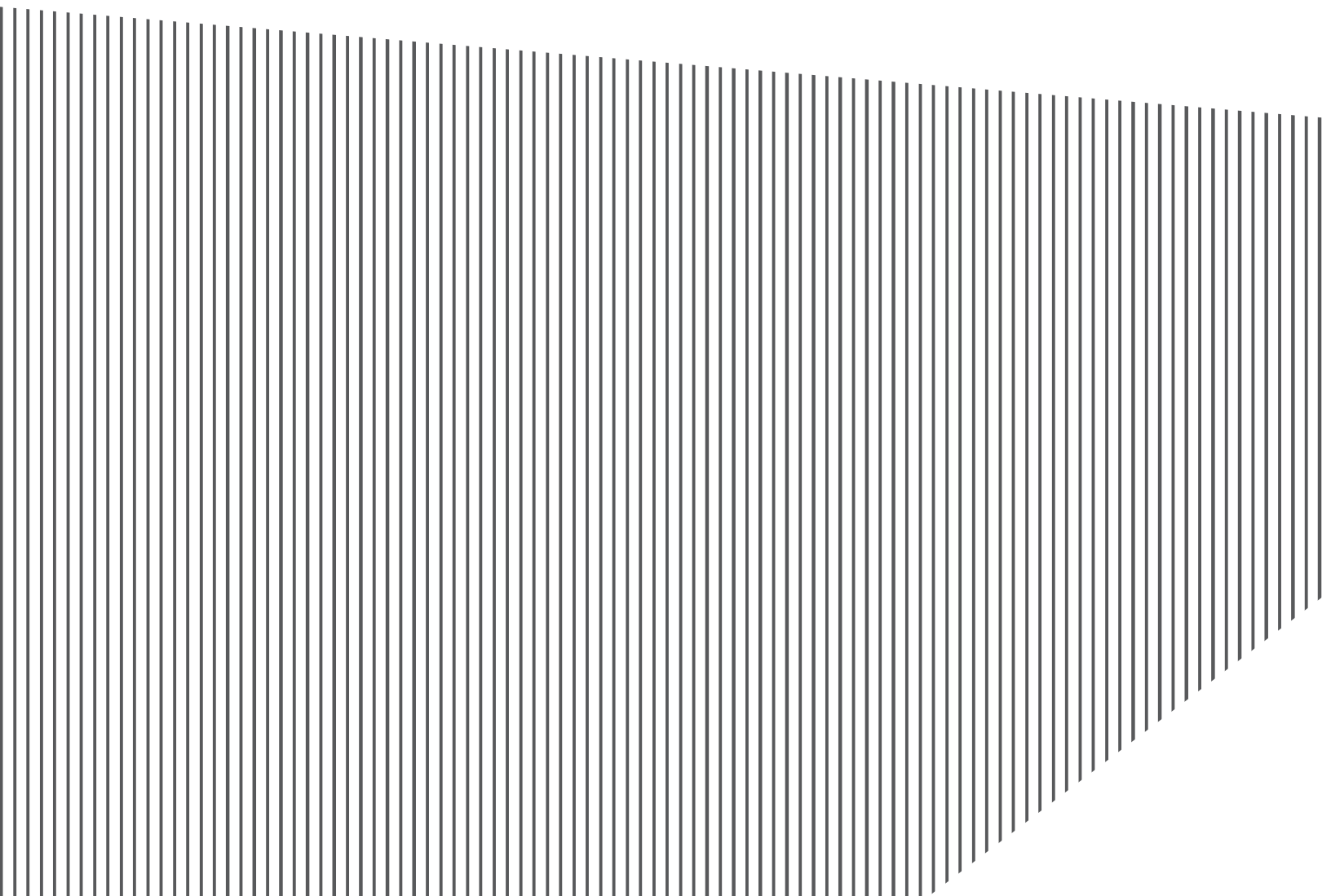
There were no category (ii) or (iv) transactions for the year ended December 31, 2010.

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SCHEDULE SB ATTACHMENTS

Schedule SB, Line 15
Reconciliation of differences between valuation results and amounts used to
calculate AFTAP
as of January 1, 2010

The AFTAP reported on line 15 reflects adjustments pertaining to the plan year subsequent to the valuation.

Date of AFTAP certification/ recertification	AFTAP	Description and the amount of each adjustment to the funding target, AVA, carryover balance, prefunding balance
September 17, 2010	96.69%	For this AFTAP certification, the plan sponsor originally elected the three-segment rates with four-month lookback for the discount rate method. Subsequently on March 14, 2011 the plan sponsor elected the three-segment rates with no lookback for the final 2010 AFTAP calculation.

Plan Name: Tesoro Corporation Retirement Plan
EIN / PN: 95-0862768 / 001
Plan Sponsor: Tesoro Corporation
Valuation Date: January 1, 2010