PBF Energy Inc.
Form S-1/A
February 22, 2012
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As filed with the Securities and Exchange Commission on February 22, 2012

Registration Statement No. 333-177933

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 1

to

FORM S-1

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

PBF ENERGY INC.

(Exact name of Registrant as specified in its charter)

Delaware	**2911**	**45-3763855**
(State or other jurisdiction of incorporation or organization)	**(Primary Standard Industrial Classification Code Number)**	**(I.R.S. Employer Identification Number)**

One Sylvan Way

Parsippany, New Jersey 07054

Telephone: (973) 455-7500

(Name, address, including zip code, and telephone number, including area code, of Registrant s principal executive offices)

Michael D. Gayda

President

PBF Energy Inc.

One Sylvan Way

Parsippany, New Jersey 07054

Telephone: (973) 455-7500

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Todd E. Lenson, Esq. **Jordan M. Rosenbaum, Esq.** Stroock & Stroock & Lavan LLP	**Jeffrey Dill, Esq.** PBF Energy Inc. Senior Vice President, General Counsel	**William M. Hartnett, Esq.** **Douglas S. Horowitz, Esq.** Cahill Gordon & Reindel LLP
180 Maiden Lane	One Sylvan Way	80 Pine Street
New York, New York 10038	Parsippany, New Jersey 07054	New York, New York 10005
Telephone: (212) 806-5400	Telephone: (973) 455-7500	Telephone: (212) 701-3000

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. ¨

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer ¨	Accelerated Filer ¨	Non-accelerated Filer þ (Do not check if a smaller reporting company)	Smaller Reporting Company ¨

CALCULATION OF REGISTRATION FEE

Title of each class	**Proposed maximum aggregate offering**	**Amount of**

of securities to be registered	price(1)(2)	registration fee
Class A common stock, par value $0.001 per share	$100,000,000	$11,460.00(3)

(1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) under the Securities Act.
(2) Includes shares of Class A common stock subject to underwriters option to purchase additional shares of Class A common stock.
(3) Previously paid.

The Registrant hereby amends this registration statement on such date as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act, or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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The information in this preliminary prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Prospectus (Subject to completion)

Issued February 22, 2012

Shares

Class A Common Stock

PBF Energy Inc. is offering shares of its Class A common stock. We intend to use substantially all of the net proceeds from this offering to purchase equity interests in our business from our existing owners, including certain of our directors, executive officers and other employees. Prior to this offering, there has been no public market for our Class A common stock. The initial public offering price of our Class A common stock is expected to be between $ and $ per share.

Immediately following this offering, the holders of our Class A common stock will collectively own 100% of the economic interests in PBF Energy Inc., and have % of the voting power of PBF Energy Inc. The holder of our Class B common stock will have the remaining % of the voting power of PBF Energy Inc. As a result, we expect to be a controlled company within the meaning of the corporate governance standards of the New York Stock Exchange.

We intend to list the Class A common stock on the New York Stock Exchange under the symbol PBF .

Investing in our Class A common stock involves risks. See Risk Factors beginning on page 15.

Price $ Per Share

	Price to Public	Underwriting Discounts and Commissions	Proceeds to Company
Per Share	$	$	$
Total	$	$	$

We have granted the underwriters a 30-day option to purchase up to additional shares of Class A common stock on the same terms as set forth above. See the section of this prospectus entitled Use of Proceeds and Underwriting.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities nor passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the shares on or about , 2012.

Citigroup

Morgan Stanley

Credit Suisse

Deutsche Bank Securities

UBS Investment Bank

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Until   , 2012 (25 days after the commencement of this offering), all dealers that buy, sell or trade shares of our Class A common stock, whether or not participating in this offering, may be required to deliver a prospectus. This delivery requirement is in addition to the obligation of dealers to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

We have not authorized anyone to provide any information other than that contained in this prospectus or in any free writing prospectus prepared by or on behalf of us. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. This prospectus is an offer to sell only the shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so.

For investors outside the United States: we have not and the underwriters have not done anything that would permit this offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. Persons outside the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of the shares of Class A common stock and the distribution of this prospectus outside the United States.

Unless otherwise indicated or the context otherwise requires, all financial data presented in this prospectus reflects the consolidated business and operations of PBF Energy Inc. and its consolidated subsidiaries, and has been prepared in accordance with generally accepted accounting principles in the United States of America, or GAAP.

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GLOSSARY OF SELECTED TERMS

Unless otherwise noted or indicated by context, the following terms used in this prospectus have the following meanings:

API gravity refers to American Petroleum Institute gravity.

ASCI refers to the Argus Sour Crude Index, a pricing index used to approximate market prices for sour, heavy crude oil.

barrel refers to a common unit of measure in the oil industry, which equates to 42 gallons.

blendstocks refers to various compounds that are combined with gasoline or diesel from the crude oil refining process to make finished gasoline and diesel; these may include natural gasoline, FCC unit gasoline, ethanol, reformate or butane, among others.

bpd refers to an abbreviation for barrels per day.

Canadian Syncrude refers to a blend of Canadian crude oil which has been partially processed to make a light, sweet oil, typically characterized by an API gravity between 30° and 32° and a sulfur content of approximately 0.1 - 0.2 weight percent.

catalyst refers to a substance that alters, accelerates, or instigates chemical changes, but is not produced as a product of the refining process.

CBOB refers to conventional blendstock for oxygenate blending.

coke refers to a coal-like substance that is produced from heavier crude oil fractions during the refining process.

complexity refers to the number, type and capacity of processing units at a refinery, measured by the Nelson complexity index, which is often used as a measure of a refinery s ability to process lower quality crude in an economic manner.

crack spread refers to a simplified calculation that measures the difference between the price for light products and crude oil. For example, we reference (a) the 2-1-1 crack spread, which is a general industry standard that approximates the per barrel refining margin resulting from processing two barrels of crude oil to produce one barrel of gasoline and one barrel of heating oil or ULSD, and (b) the 4-3-1 crack spread, which is a benchmark utilized by our Toledo refinery that approximates the per barrel refining margin resulting from processing four barrels of crude oil to produce three barrels of gasoline and one-half barrel of jet fuel and one-half barrel of ULSD.

Dated Brent refers to Brent blend oil, a light, sweet North Sea crude oil, characterized by an API gravity of 38° and a sulfur content of approximately 0.4 weight percent that is used as a benchmark for other crude oils.

distillates refers primarily to diesel, kerosene and jet fuel.

downstream refers to the downstream sector of the energy industry generally describing oil refineries, marketing and distribution companies that refine crude oil and sell and distribute refined products. The opposite of the downstream sector is the upstream sector, which refers to exploration and production companies that search for and/or produce crude oil and natural gas underground or through drilling or exploratory wells.

EPA refers to the United States Environmental Protection Agency.

ethanol refers to a clear, colorless, flammable oxygenated liquid. Ethanol is typically produced chemically from ethylene, or biologically from fermentation of various sugars from carbohydrates found in agricultural crops and cellulosic residues from crops or wood. It is used in the United States as a gasoline octane enhancer and oxygenate.

feedstocks refers to crude oil and partially refined petroleum products that are processed and blended into refined products.

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FCC refers to fluid catalytic cracking.

FCU refers to fluid coking unit.

FOB refers to free on board, a transportation term that pertains to the port of loading. The buyer assumes responsibility for the goods at the port of loading and is responsible for freight transport, insurance, and any other costs associated with moving goods to their final destination port.

GHG refers to greenhouse gas.

Group I base oils or lubricants refers to conventionally refined products characterized by a sulfur content less than 0.03% with a viscosity index between 80 and 120. Typically, these products are used in a variety of automotive and industrial applications.

heavy crude oil refers to a relatively inexpensive crude oil with a low API gravity characterized by high relative density and viscosity. Heavy crude oils require greater levels of processing to produce high value products such as gasoline and diesel.

KV refers to Kilovolts.

light crude oil refers to a relatively expensive crude oil with a high API gravity characterized by low relative density and viscosity. Light crude oils require lower levels of processing to produce high value products such as gasoline and diesel.

light products refers to the group of refined products with lower boiling temperatures, including gasoline and distillates.

light-heavy differential refers to the price difference between light crude oil and heavy crude oil.

Maya refers to Maya crude oil, a heavy, sour crude oil characterized by an API gravity of approximately 22° and a sulfur content of approximately 3.3 weight percent that is used as a benchmark for other heavy crude oils.

LPG refers to liquefied petroleum gas.

MMbbls refers to an abbreviation for million barrels.

MMBTU refers to million British thermal units.

MMSCFD refers to million standard cubic feet per day.

MW refers to Megawatt.

Nelson complexity index refers to the complexity of an oil refinery as measured by the Nelson Complexity Index, which is calculated on an annual basis by the Oil and Gas Journal. The Nelson Complexity Index assigns a complexity factor to each major piece of refinery equipment based on its complexity and cost in comparison to crude distillation, which is assigned a complexity factor of 1.0. The complexity of each piece of refinery equipment is then calculated by multiplying its complexity factor by its throughput ratio as a percentage of crude distillation capacity. Adding up the complexity values assigned to each piece of equipment, including crude distillation, determines a refinery s complexity on the Nelson Complexity Index. A refinery with a complexity of 10.0 on the Nelson Complexity Index is considered ten times more complex than crude distillation for the same amount of throughput.

NYH refers to the New York Harbor market value of petroleum products.

PADD 1 refers to the Petroleum Administration for Defense District 1 region of the United States, which covers the following states: Connecticut, Delaware, District of Columbia, Florida, Georgia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, South Carolina, Vermont, Virginia and West Virginia.

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PADD 2 refers to the Petroleum Administration for Defense District 2 region of the United States, which covers the following states: Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, Oklahoma, South Dakota, Tennessee and Wisconsin.

Platts refers to Platts, a division of The McGraw-Hill Companies.

PPM refers to parts per million.

RBOB refers to reformulated blendstock for oxygenate blending.

refined products refers to petroleum products, such as gasoline, diesel and jet fuel, that are produced by a refinery.

sour crude oil refers to a crude oil that is relatively high in sulfur content, requiring additional processing to remove the sulfur. Sour crude oil is typically less expensive than sweet crude oil.

sweet crude oil refers to a crude oil that is relatively low in sulfur content, requiring less processing to remove the sulfur than sour crude oil. Sweet crude oil is typically more expensive than sour crude oil.

throughput refers to the volume processed through a unit or refinery.

turnaround refers to a periodically required shutdown and comprehensive maintenance event to refurbish and maintain a refinery unit or units that involves the inspection of such units and occurs generally on a periodic cycle.

ULSD refers to ultra-low-sulfur diesel.

WTI refers to West Texas Intermediate crude oil, a light, sweet crude oil, typically characterized by an API gravity between 38° and 40° and a sulfur content of approximately 0.3 weight percent that is used as a benchmark for other crude oils.

WTS refers to West Texas Sour crude oil, a sour crude oil characterized by an API gravity between 30° and 33° and a sulfur content of approximately 1.28 weight percent that is used as a benchmark for other sour crude oils.

yield refers to the percentage of refined products that is produced from crude oil and other feedstocks.

PROSPECTUS SUMMARY

This summary highlights selected information contained elsewhere in this prospectus and may not contain all of the information that may be important to you. You should read this entire prospectus carefully, including the information set forth in Risk Factors and our financial statements and related notes included elsewhere in this prospectus before making an investment decision. In this prospectus, unless the context otherwise requires, references to the Company, we, our, us or PBF refer (1) prior to the consummation of the Offering Transactions describ under Organizational Structure Offering Transactions, to PBF Energy Company LLC, or PBF LLC, and its consolidated subsidiaries, including PBF Holding Company LLC, or PBF Holding, and (2) after the Offering Transactions described under Organizational Structure Offering Transactions, to PBF Energy Inc., or PBF Energy, and, in each case, unless the context otherwise requires, its consolidated subsidiaries, including PBF Holding, PBF Investments LLC, or PBF Investments, Toledo Refining Company LLC, or Toledo Refining, Paulsboro Refining Company LLC, or Paulsboro Refining, and Delaware City Refining Company LLC, or Delaware City Refining.

Our Company

We are one of the largest independent petroleum refiners and suppliers of unbranded transportation fuels, heating oil, petrochemical feedstocks, lubricants and other petroleum products in the United States. We were formed in 2008 to pursue acquisitions of crude oil refineries and downstream assets in North America. We currently own and operate three domestic oil refineries and related assets, which we acquired in 2010 and 2011. Our refineries have a combined processing capacity, known as throughput, of approximately 540,000 bpd, and a weighted average Nelson complexity index of 11.3.

Our History and Acquisitions

March 1, 2008	PBF was formed.
June 1, 2010	The idle Delaware City refinery and its related assets were acquired from Valero Energy Corporation, or Valero, for approximately $220.0 million.
December 17, 2010	The Paulsboro refinery was acquired from Valero for approximately $357.7 million, excluding working capital.
March 1, 2011	The Toledo refinery was acquired from Sunoco, Inc. (R&M), or Sunoco, for approximately $400.0 million, excluding working capital.
October 2011	Delaware City became fully operational.

Delaware City Acquisition and Re-Start. We acquired the idle Delaware City refinery and its related assets, including a petroleum product terminal, a petroleum products pipeline and an electric generation facility, on June 1, 2010 from Valero for approximately $220.0 million in cash funded entirely by equity. In the fourth quarter of 2009, due to, among other reasons, financial losses caused by one of the worst recessions in recent history, the prior owner shut down the refinery. We were therefore able to acquire the refinery at an attractive price. In addition, at the time of acquisition, we reached an agreement with the State of Delaware that provided for a five-year operating permit and up to approximately $45.0 million of economic support to re-start the facility, and negotiated a new long-term contract with the relevant union at the refinery. We believe that the refinery s ability to process lower quality crudes will allow us to capture a higher margin as these lower quality crudes trade at discounts to benchmark crudes, and to compete effectively in a region where product demand significantly exceeds refining capacity.

Since our acquisition through June 30, 2011, we invested approximately $440.0 million at the refinery in turnaround and re-start projects. We also decommissioned the gasifier unit located at the property, which will decrease emissions and, we believe, improve the reliability of the refinery. Through these capital investments and

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by restructuring certain operations, we have lowered the annual operating expenses of the Delaware City refinery relative to its pre-acquisition operating expense levels. Furthermore, we anticipate saving in excess of $100.0 million over approximately the next five years in capital expenditures we otherwise would have expected to make if not for our reconfiguration of the refinery and the terms of our environmental operating agreement issued by the State of Delaware.

Paulsboro Acquisition. We acquired the Paulsboro refinery (including an associated natural gas pipeline) on December 17, 2010 from affiliates of Valero for approximately $357.7 million, excluding working capital. The purchase price excludes inventory purchased on our behalf by Morgan Stanley Capital Group Inc., or MSCG, and Statoil Marketing & Trading (US) Inc., or Statoil. We invested approximately $57.0 million in capital in April 2011 to complete a scheduled turnaround at the refinery.

Toledo Acquisition. We acquired the Toledo refinery on March 1, 2011 from Sunoco for approximately $400.0 million, excluding working capital. We also purchased refined and certain intermediate products in inventory for approximately $299.6 million, and MSCG purchased the refinery s crude oil inventory on our behalf. Additionally, included in the terms of the sale is a five-year participation payment of up to $125.0 million payable to Sunoco based on future earnings of Toledo. See Management s Discussion and Analysis of Financial Condition and Results of Operations Pro Forma Contractual Obligations and Commitments for additional information regarding the terms of the participation payment to Sunoco.

Our Business

We produce a variety of products at each of our refineries, including gasoline, ULSD, heating oil, jet fuel, lubricants, petrochemicals and asphalt. Products are sold throughout the Northeast and Midwest United States, as well as in other regions of the United States and Canada. The majority of our finished products are sold through long-term offtake and supply agreements. For example, we sell the bulk of our gasoline, diesel and heating oil through long-term offtake agreements with MSCG and Sunoco.

The following table provides summary operating information concerning each of our three refineries:

Refinery	Approximate Throughput Capacity (bpd)	Nelson Complexity Index	Estimated Replacement Cost	Benchmark Crack Spread
Delaware City	190,000	11.3	$3.5 billion	Dated Brent (NYH) 2-1-1
Paulsboro	180,000	13.2	$2.9 billion	Dated Brent (NYH) 2-1-1
Toledo	170,000	9.2	$2.6 billion	WTI (Chicago) 4-3-1
Total	540,000	11.3 (weighted average)	$9.0 billion	

For the twelve months ended December 31, 2010 and the six months ended June 30, 2011, we had (a) pro forma total revenues of $ billion and $ billion, respectively; and (b) pro forma Adjusted EBITDA of $ million and $ million, respectively. Our pro forma results do not include any adjustments for Delaware City to reflect incremental revenue and operating expenses that we expect to generate in connection with the re-start because the refinery was not operational when it was acquired and the transaction was accounted for as an acquisition of assets, not a business combination. For a definition and reconciliation of pro forma Adjusted EBITDA to pro forma net income, see Summary Historical and Pro Forma Financial and Other Data.

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Industry Overview and Market Outlook

The United States economy has historically been the largest consumer of petroleum-based products in the world. According to the U.S. Energy Information Administration s, or EIA s, 2011 Refinery Capacity Report, there were 137 operating oil refineries in the United States in January 2011, with a total refining capacity of approximately 16.9 million bpd.

Historically, the demand for refined petroleum products has generally followed industrial production. Demand was significantly impacted by the recent recession with demand in the United States for finished petroleum products reaching near-term lows in 2009. Demand for refined products has generally started to recover since 2009, as industrial production has slowly rebounded. This improvement, coupled with domestic refining capacity rationalization, led to an improvement in benchmark cracks in 2011. The Dated Brent (NYH) 2-1-1 benchmark crack, our proxy for Paulsboro and Delaware City, averaged $9.93 per barrel over the period from January 1, 2011 to December 31, 2011, a 20.5% improvement over the 2009 average. The WTI (Chicago) 4-3-1 benchmark crack, our proxy for Toledo, averaged $24.14 per barrel over the period from January 1, 2011 to December 31, 2011, a 180.1% increase versus the same average crack spread in 2009. In addition to the economic recovery, an additional driver for the improvement in the WTI (Chicago) 4-3-1 crack was a widened differential between WTI and Dated Brent, with WTI trading $16.22 below Dated Brent on average for the period from January 1, 2011 to December 31, 2011. The recent WTI price dynamic has been impacted by current supply bottlenecks and the announcement of future infrastructure projects in Cushing, Oklahoma, as well as other factors we discuss in Industry Overview Brent-WTI Differential Expansion.

Petroleum refining is an industry that has seasonal influences as a result of differentiated consumer demand for key refined products during certain months of the year. Most importantly, demand for gasoline is generally higher during the summer months than during the winter months due to seasonal increases in highway traffic and construction work. Decreased demand during the winter months can lower gasoline prices. Consequently, refining margins and profitability have historically generally been stronger in the second and third calendar quarters of each year relative to the first and fourth calendar quarters.

Supply and demand dynamics can vary by region, creating differentiated margin opportunities at any given time for refiners depending on the location of their facilities. Our Delaware City and Paulsboro refineries are both located on the East Coast (PADD 1) and our Toledo refinery is located in the Midcontinent (PADD 2). In both of these regions, product demand exceeds refinery capacity. We expect that this demand/capacity imbalance will continue, particularly in PADD 1 where refinery operators have announced the potential shutdown of approximately 330,000 bpd of refining capacity in 2012 in addition to 580,000 bpd of capacity that was shut down during the period from 2009 through December 31, 2011.

Light-heavy differentials were also significantly impacted by the recent recession and subsequent economic rebound. The Dated Brent/Maya differential averaged $13.02 per barrel in 2008, declined significantly to $5.00 per barrel in 2009 and subsequently increased to $9.27 per barrel in 2010 and then to $12.63 per barrel in 2011. As global economic demand for crude oil increases, the marginal barrel of crude oil produced is generally a heavier, more sour crude since the light sweet crude oil is produced first. The increased demand for crude oil results in the price of light sweet crude increasing relative to heavier, more sour crudes. As the price differential for such light, sweet crudes increases, the light-heavy differential expands. This differential expansion typically favors refiners with complex facilities, like our East Coast refineries, who are able to process a heavier crude slate.

Further, our midcontinent Toledo refinery benefits from the widening of the differential between Dated Brent and WTI. Historically, Dated Brent has traded at a slight discount to WTI domestically, due to its higher sulfur content and higher transportation costs. Recently, Dated Brent has traded at a significant premium to WTI.

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The primary driver of this recent phenomenon is increasing inland domestic/Canadian oil production leading to large inventories of WTI based crude oil being subject to logistics constraints in the Midcontinent, with the primary bottleneck occurring in Cushing, Oklahoma. The over-supply of WTI at Cushing has driven the price of WTI lower, while the price of Dated Brent has increased along with global demand and the loss of supply of light, sweet crude from Libya. The Dated Brent/WTI differential averaged ($2.81) per barrel in the year ended December 31, 2008, compared to ($0.25) per barrel in the same period in 2009 and $0.05 per barrel in 2010. The Dated Brent/WTI differential averaged $16.22 per barrel in 2011. We expect Dated Brent to continue to trade at a premium to WTI in the near-term due to continued logistics constraints, however infrastructure projects, if completed, such as the construction of the proposed Keystone XL pipeline and the announced Seaway pipeline reversal will likely alleviate the Cushing bottleneck in the longer term and reduce the favorable Dated Brent/WTI differential in the Midcontinent.

Our Competitive Strengths

We believe that we have the following competitive strengths:

Complex assets with a valuable product slate located in high-demand regions. Our refinery assets are located in regions where product demand exceeds refining capacity. Our refineries have a weighted average Nelson complexity index of 11.3, which allows us the flexibility to process a variety of crudes. Our East Coast refineries have the highest Nelson complexity indices on the East Coast. The complexity of our refining assets allows us to produce a higher percentage of more valuable light products. For example, our East Coast refineries produce a greater percentage of distillates versus gasoline than other East Coast refineries and have 100% of the East Coast s heavy coking capacity. Similarly, our Toledo refinery is a high conversion refinery with high gasoline and distillate yields and also produces high-value petrochemical products.

Strategically located refineries with cost and supply advantages. Our Midcontinent Toledo refinery advantageously sources 100% of its WTI based crude slate through pipelines that are connected to sources in Canada and throughout the Midcontinent. Recent increases in production volumes of crudes from Canada and the Midcontinent combined with limitations on takeaway capacity in Cushing, Oklahoma have resulted in a price discount for WTI based crudes compared to Brent based crudes. While projects to increase takeaway capacity at Cushing may decrease the WTI/Brent price differential in the longer term, we believe that our access to WTI based crudes at Toledo provides us with a cost advantage versus facilities that do not have similar access to such crudes and must process Brent based feedstocks. Our Toledo refinery is also located in a region where production capacity is less than product demand and has logistical advantages over product imported from other areas. Our Delaware City and Paulsboro refineries have similar supply advantages given that they obtain 100% of their crude oil requirements via the Delaware River, which allows our refineries to source a variety of crudes from around the world. In addition, our East Coast refineries generally process lower cost, heavier, more sour crude oils which gives us a cost advantage over other refineries in the same region. As the two most complex refineries on the East Coast, our Delaware City and Paulsboro refineries are well positioned to benefit from the continued rationalization of refining capacity in the Atlantic Basin. Additionally, future crude supply may emerge from the development of the Utica Shale play (located in portions of the Appalachian Basin and Canada), which could potentially bring significant oil production online in regional proximity to all three of our refineries, providing an attractive feedstock source with low associated transportation cost.

Significant scale and diversification. We currently operate three refineries with a combined crude throughput of 540,000 bpd making us the fourth largest independent refiner in the United States. Our refineries provide us diversification through crude slates, end products, customers and geographic locations. Our scale provides us buying power advantages, and we benefit from the cost efficiencies that result from operating three large refineries.

Recent capital investments and restructuring initiatives to improve financial returns. Prior owners of our refineries made over $2.5 billion of capital investments in the assets since 2006, improving their operating performance

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and minimizing the need for near-term capital expenditures. Since our acquisition through June 30, 2011, we invested approximately $440.0 million at the Delaware City refinery in turnaround and re-start projects that will improve the cost structure and profitability of the refinery, as well as a complete turnaround of the fluid catalytic cracking unit. We have also undertaken a significant restructuring of the operations at Delaware City to improve its operating cost position, including reductions in labor costs compared to operations before shutdown by Valero, reductions in energy costs and reductions in other ongoing operating and maintenance expenses. Management estimates that the Delaware City restructuring has reduced the refinery s annual operating expenses by over $200.0 million relative to pre-acquisition operating expense levels. Additionally, we invested approximately $57.0 million to complete a scheduled turnaround at Paulsboro in April 2011. The resulting combination of limited near-term capital requirements and improved operating cost structure will help maximize future financial performance.

Limited exposure to historical environmental claims. We believe we have limited exposure to historical environmental claims at our refineries. In connection with the acquisitions of our refineries, subject to certain limitations, the prior owners generally have retained responsibility for environmental liabilities for all periods prior to our ownership. Accordingly, with certain exceptions, we should only be responsible for environmental liabilities starting from when we acquired these refineries, or to the extent the prior owners fail to satisfy their obligations to us with respect thereto.

Advantageous crude supply and product offtake agreements. We maintain strong commercial relationships, including with MSCG and Statoil. We have entered into a crude oil acquisition agreement with MSCG for our Toledo refinery and product offtake agreements with MSCG for our Paulsboro and Delaware City refineries. We have also entered into crude and feedstock supply agreements with Statoil for our Delaware City and Paulsboro refineries. These agreements, which were put in place to facilitate our rapid growth and transition from a development stage organization to an operating entity, enable us to leverage each of MSCG s and Statoil s global scale and infrastructure, as well as each of their respective expertise in the sourcing of crude oil and the sale of finished products. These financing arrangements with MSCG and Statoil, which include advantageous payment terms, have enabled us to maintain relatively low working capital requirements and provided financial flexibility across our capital structure as we executed our rapid growth in 2010 and 2011. Our agreements with MSCG expire in June 2013 (subject to annual renewals and certain early termination rights) and with Statoil for Delaware City in December 2012 (subject to Statoil having an option to extend for up to three additional years) and for Paulsboro by either party at any time upon six months prior notice to the other party.

Experienced management team with a demonstrated track record of acquiring, integrating and operating refining assets. Our management team is led by our Executive Chairman of the Board of Directors, Thomas D. O Malley, who has more than 30 years experience in the refining industry. In addition, our executive management team, including our Chief Executive Officer, Thomas J. Nimbley, our President, Michael D. Gayda, and our head of Commercial Operations, Donald F. Lucey, has a proven track record of successfully operating refining assets in the United States and Europe. Our core management team has significant experience working together, including while at Tosco Corporation and Premcor Inc. These executives have a long history of acquiring refineries at attractive prices and integrating these operations into a single, consolidated platform. For example, we believe we acquired the Paulsboro, Delaware City and Toledo refineries at or near the bottom of the refining cycle at a small fraction of replacement cost. These acquisitions were made at lower prices on a per barrel basis and significantly lower prices on a complexity barrel basis than other comparable acquisitions over the past five years.

Support from strong financial sponsors and management with a substantial investment. Our financial sponsors, funds affiliated with The Blackstone Group L.P., or Blackstone, and First Reserve Management, L.P., or First Reserve, have a long history of successful investments across the energy industry. Together, our financial sponsors and management have invested approximately $922.3 million of equity in PBF LLC to date, with management investing

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over $25.0 million. In addition, Thomas D. O Malley, our Executive Chairman of the Board of Directors, certain of his affiliates and family members, and certain of our other executives, recently purchased $25.5 million aggregate principal amount of senior secured notes in the senior secured notes offering described below under Recent Developments.

Our Business Strategy

Our primary goal is to create stockholder value by improving our market position as one of the largest independent refiners and suppliers of petroleum products in the United States. We intend to execute the following strategies to achieve our goal:

Maintain efficient refinery operations. We intend to operate our refineries as reliably and efficiently as possible and further improve our operations by maintaining our costs at competitive levels, seeking to optimize utilization of our refinery asset base, and making focused high-return capital improvements designed to generate incremental profits.

Continue to improve overall operating efficiencies. We are continuously looking for ways to improve our overall operating efficiencies. For example, our refineries in Paulsboro and Delaware City are located approximately 30 miles apart from one another on the Delaware River. Both refineries have the capability to process heavy, sour crudes and have complementary operating units, and we intend to exchange certain feedstocks and intermediates between the refineries in an effort to optimize profitability. In addition, we expect to recognize cost savings associated with the sharing of crude oil cargoes for these refineries. We employ a small, centralized corporate staff that provides capital control and oversight and have experienced managers making operational decisions at our refineries.

Continue to grow through acquisitions and internal projects. We believe that the continuing consolidation in our industry, the strategic divestitures by major integrated oil companies and the rationalization of specific refinery assets by merging companies will present us with attractive acquisition opportunities. In selecting future acquisitions and internal projects, we intend to consider, among other things, the following criteria: performance through the cycle, access to advantageous crude supplies, attractive refined product end market fundamentals, access to storage, distribution and logistics infrastructure, acquisition price and our ability to maintain a conservative capital structure, and synergies with existing assets.

Promote operational excellence in reliability and safety. We will continue to devote significant time and resources toward improving the reliability and safety of our operations. We will seek to improve operating performance through our commitment to our preventive maintenance program and to employee training and development programs. We will continue to emphasize safety in all aspects of our operations. We believe that a superior reliability record, which can be measured and managed like all other aspects of our business, is inherently tied to safety and profitability.

Create an organization highly motivated to maintain earnings and improve return on capital. We have created an organization in which employees are highly motivated to maintain earnings and improve return on capital. Our cash incentive compensation plan, which covers all non-unionized employees, is solely based on achieving earnings above designated levels. Our equity incentive plan provides participating employees with an equity stake in us and aligns their interests with our investors interests.

Risk Factors

An investment in our Class A common stock involves a number of risks, including changes in industry-wide refining margins and crude oil price differentials, competition and other material factors, that could materially affect our business, financial condition and results of operations, and cause the trading price of our Class A common stock to decline. For a discussion of these risks and other considerations that could negatively affect us, including risks related to this offering and our Class A common stock, see Risk Factors and Forward-Looking Statements.

Recent Developments

On February 9, 2012, PBF Holding completed the offering of $675.5 million aggregate principal amount of new 8.25% Senior Secured Notes due 2020, which we refer to as the senior secured notes offering. We used the net proceeds, after deducting original issue discount, the initial purchasers discounts and commissions and the fees and expenses of the offering, to repay all of the outstanding indebtedness owed under the Toledo Promissory Note, the Paulsboro Promissory Note and our $125.0 million Term Loan Credit Agreement with UBS AG, Stamford Branch, as administrative agent and collateral agent and certain other lenders, or the Term Loan Facility, and to reduce the outstanding balance of our ABL Revolving Credit Facility. Thomas D. O Malley, our Executive Chairman of the Board of Directors, and certain of his affiliates and family members, and certain of our other executives, purchased $25.5 million aggregate principal amount of these senior secured notes. The senior secured notes were offered pursuant to exemptions under the Securities Act of 1933, as amended, and have not been registered under the Securities Act or the securities laws of any other jurisdiction and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act.

We recently announced that our board of directors conditionally approved the continued development of a construction project consisting of a mild hydrocracker and hydrogen plant which would be built at our Delaware City refinery. The construction period is currently estimated to last approximately three years and when completed will process streams from both Delaware City and Paulsboro. The mild hydrocracker is expected to result in the sulfur content being reduced by 99% in approximately 65,000 bpd of distillate production from 2,000 PPM of sulfur to less than 15 PPM of sulfur, resulting in an anticipated reduction of over 6,500 tons per year of sulfur dioxide emissions. In addition, the mild hydrocracker will enable the Delaware City refinery to process a heavier crude slate while producing a greater volume of clean transportation fuels with an emphasis on increasing distillate production. Approximately $300.0 million to $400.0 million of the $1.0 billion total estimated project cost is expected to be funded by third parties for the construction of a hydrogen plant. Final funding approval and commencement of the construction of the project is contingent upon the issuance of timely and appropriate federal and state environmental and other permits that will not increase the cost to build or operate the project, as well as acceptable labor agreements that will enable the project to be built in an efficient and cost effective manner. We may not complete the hydrocracker project on these terms or at all, and even if we do complete the project, we may not realize the anticipated benefits described.

Corporate Structure and Financial Sponsors

Following this offering we will be a holding company and our sole asset will be an equity interest in PBF Holding. We will operate and control all of the business and affairs and consolidate the financial results of PBF Holding and its subsidiaries. Prior to the consummation of this offering, the limited liability company agreement of PBF Holding will be amended and restated to, among other things, modify its capital structure by replacing the interests currently held by PBF LLC with a new class of units that we refer to as PBF Holding Series A Units, and we and our existing owners will enter into an exchange agreement under which (subject to the terms of the exchange agreement) our existing owners will have the right to cause PBF LLC to exchange its PBF Holding Series A Units for shares of our Class A common stock on a one-for-one basis, subject to equitable adjustments for stock splits, stock dividends and reclassifications. See Organizational Structure.

Blackstone. Blackstone is one of the world s leading investment and advisory firms and is an experienced and active investor in the energy and natural resources sector. Blackstone has substantial prior experience as an acquiror

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and owner of petroleum refineries, having acquired Premcor in 1997 and overseen several acquisitions and capital projects to expand and upgrade refining capacity of that company until its acquisition by Valero in 2005 for total consideration of approximately $6.9 billion. Blackstone has a long-standing relationship with Thomas D. O Malley, having recruited him to serve as Chairman and Chief Executive Officer of Premcor in early 2002. Blackstone seeks to create positive economic impact and long-term value for its investors, the companies it invests in, the companies it advises and the broader global economy. Blackstone does this through the commitment of its extraordinary people and flexible capital. Blackstone s alternative asset management businesses include the management of private equity funds, real estate funds, hedge fund solutions, credit-oriented funds and closed-end mutual funds. Through its different investment businesses, as of September 30, 2011, Blackstone had total assets under management of $132.9 billion. Blackstone also provides various financial advisory services, including financial and strategic advisory, restructuring and reorganization advisory and fund placement services.

First Reserve. With over $23.0 billion of raised capital dedicated exclusively to the energy and natural resources industries, First Reserve is a premier private investment firm, making both private equity and infrastructure investments throughout the energy value chain. For 29 years, it has invested solely in the global energy industry, and has developed a preeminent franchise, utilizing its broad base of specialized energy industry knowledge as a competitive advantage. First Reserve is currently investing its most recent private equity fund, which closed in 2009 at approximately $9.0 billion and its most recent infrastructure fund, which closed in 2011 at approximately $1.2 billion. First Reserve invests strategically across a wide range of energy industry sectors, backing talented management teams and building value by building companies.

* * *

PBF Energy is a Delaware corporation incorporated on November 7, 2011 with its principal executive offices located at One Sylvan Way, Parsippany, NJ 07054 and our telephone number is (973) 455-7500. Our website address is *http://www.pbfenergy.com*. The information on our website is not part of this prospectus.

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The Offering

Class A common stock to be offered by PBF Energy	shares
Over-allotment option	shares
Class A common stock outstanding after the offering	shares (or shares if all outstanding PBF Holding Series A Units held by PBF LLC were exchanged for newly-issued shares of Class A common stock on a one-for-one basis).
Class B common stock outstanding after the offering	shares, or one share for each holder of PBF Holding Series A Units.
Voting power held by holders of Class A common stock after the offering	% (or 100% if all outstanding PBF Holding Series A Units held by PBF LLC were exchanged for newly-issued shares of Class A common stock on a one-for-one basis).
Voting power held by holder of Class B common stock after the offering	% (or 0% if all outstanding PBF Holding Series A Units held by PBF LLC were exchanged for newly issued shares of Class A common stock on a one-for-one basis).
Use of proceeds	The proceeds to PBF Energy from this offering, before deducting underwriting discounts, will be approximately $ million (or $ million if the underwriters exercise in full their option to purchase additional shares of Class A common stock).
	PBF Energy intends to use $ million of the proceeds from this offering to purchase PBF Holding Series A Units from PBF LLC, which will then distribute these proceeds to Blackstone and First Reserve and certain of our directors, executive officers and other employees, as described under Organizational Structure Offering Transactions. Accordingly, we will not retain any of these proceeds. See Principal Stockholders for further information regarding the proceeds from this offering.
	PBF Energy intends to use all of the remaining proceeds from this offering, or $ million (or $ million if the underwriters exercise in full their option to purchase additional shares of Class A common stock), to purchase newly-issued PBF Holding Series A Units from PBF Holding, as described under Organizational Structure Offering Transactions. We intend to cause PBF Holding to use

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	these proceeds to pay the expenses of this offering, including aggregate underwriting discounts of $ million (or $ million if the underwriters exercise in full their option to purchase additional shares of Class A common stock) and other offering expenses estimated at $ million. Any remaining proceeds, including proceeds from the exercise by the underwriters of their option to purchase additional shares of Class A common stock, will be used for general corporate purposes, including to potentially repay amounts outstanding under our ABL Revolving Credit Facility. See Use of Proceeds.
Voting rights	Each share of our Class A common stock entitles its holder to one vote on all matters to be voted on by stockholders generally.
	PBF LLC holds all of the shares of Class B common stock of PBF Energy. The shares of Class B common stock have no economic rights but entitle the holder, without regard to the number of shares of Class B common stock held, to a number of votes on matters presented to stockholders of PBF Energy that is equal to the aggregate number of PBF Holding Series A Units held by such holder. See Description of Capital Stock Class B Common Stock.
	Holders of our Class A common stock and Class B common stock vote together as a single class on all matters presented to our stockholders for their vote or approval, except as otherwise required by applicable law.
Dividend policy	We do not anticipate paying any cash dividends in the foreseeable future.
Exchange rights of holders of New Holdings Units	Prior to this offering, we will enter into an exchange agreement with our existing owners so that they may (subject to the terms of the exchange agreement) cause PBF LLC to exchange PBF Holding Series A Units for shares of Class A common stock of PBF Energy on a one-for-one basis, subject to equitable adjustment for stock splits, stock dividends and reclassifications.
Risk factors	For a discussion of factors you should consider before buying the shares, see Risk Factors.
New York Stock Exchange symbol	PBF

Unless we specifically state otherwise, all information in this prospectus:

- assumes no exercise by the underwriters of their over-allotment option to purchase additional shares of our Class A common stock;
- does not reflect shares of Class A common stock issuable upon exchange of PBF Holding Series A Units (or, if the underwriters exercise in full their option to purchase additional shares of Class A common stock, shares of Class A common stock issuable upon exchange of PBF Holding Series A Units) that will be held by PBF LLC immediately following this offering;
- gives effect to the refinancing in February 2012 of the Paulsboro Promissory Note, the Toledo Promissory Note and the Term Loan Facility with the proceeds of the senior secured notes offering; and
- excludes (a) outstanding options and warrants to purchase PBF Holding Series A Units, all at an exercise price of $10.00 per unit, and (b) excludes an additional shares authorized and reserved for issuance under our stock incentive plans, including shares issuable upon the exercise of stock options that we intend to grant to our officers and employees at the time of this offering. See Executive Compensation Compensation Discussion and Analysis Equity Compensation, Executive Compensation Compensation Discussion and Analysis 2012 Equity Incentive Plan and Certain Relationships and Related Transactions Investments in PBF LLC.

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Summary Historical and Pro Forma Financial and Other Data

The following table sets forth our summary historical and pro forma consolidated financial data at the dates and for the periods indicated. The historical financial data is that of PBF Holding. PBF Holding will be considered our predecessor for accounting purposes, and its consolidated financial statements will be our historical consolidated financial statements following this offering.

The summary historical consolidated financial data for the period from March 1, 2008 (date of inception) through December 31, 2008 and for the years ended, and as of, December 31, 2009 and 2010 have been derived from audited financial statements of PBF Holding included elsewhere in this prospectus. As a result of the Paulsboro and Toledo acquisitions, the historical consolidated financial results of PBF Holding only include the results of operations for Paulsboro and Toledo from December 17, 2010 and March 1, 2011, respectively. The information as of and for the six months ended June 30, 2011 and 2010 was derived from the unaudited consolidated financial statements of PBF Holding (included elsewhere in this prospectus) which include all adjustments, consisting of normal recurring adjustments, which management considers necessary for a fair presentation of the financial position and the results of operations for such periods. Results for the interim periods are not necessarily indicative of the results for the full year.

The summary unaudited pro forma consolidated financial data have been derived by the application of pro forma adjustments to the historical consolidated financial statements of PBF Holding included elsewhere in this prospectus. The summary unaudited pro forma consolidated statements of operations data for the year ended December 31, 2010 and for the six months ended June 30, 2011 give effect to the acquisitions of Paulsboro and Toledo, the senior secured notes offering, the Offering Transactions (as described under Organizational Structure), and the use of the estimated net proceeds from this offering as if they had occurred on January 1, 2010. The summary unaudited pro forma consolidated balance sheet data as of June 30, 2011 gives effect to the senior secured notes offering, the Offering Transactions and the use of the estimated net proceeds from this offering as if they had occurred on June 30, 2011.

You should read this information in conjunction with the consolidated financial statements of PBF Holding and Paulsboro and the related notes thereto, and the statements of assets acquired and liabilities assumed and the related statements of revenues and direct expenses of Toledo and the related notes thereto, included elsewhere in this prospectus, and the sections entitled Organizational Structure, Unaudited Pro Forma Consolidated Financial Statements, Management s Discussion and Analysis of Financial Condition and Results of Operations and Selected Financial Data. Our summary unaudited pro forma consolidated financial information is presented for informational purposes only. The pro forma adjustments are based upon available information and certain assumptions that we believe are reasonable. Our summary unaudited pro forma consolidated financial information does not purport to represent what our results of operations or financial position would have been if we operated as a public company during the periods presented and may not be indicative of our future performance.

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	Period from March 1, 2008 (Date of Inception) through December 31, 2008[3]	Year Ended December 31, 2009[3]	Year Ended December 31, 2010	Pro Forma Year Ended December 31, 2010	Six Months Ended June 30, 2010	Six Months Ended June 30, 2011	Pro Forma Six Months Ended June 30, 2011
		(in thousands)					
Statement of operations data:							
Revenues[1]	$ 134	$ 228	$ 210,671		$ 440	$ 5,439,137	
Cost and expenses							
Cost of sales, excluding depreciation			203,971			4,980,836	
Operating expenses, excluding depreciation			25,140		4,152	251,859	
General and administrative expenses	6,378	6,294	15,859		5,105	47,620	
Acquisition related expenses[2]			6,051		1,346	635	
Depreciation and amortization expense	18	44	1,402		161	18,907	
	6,396	6,338	252,423		10,764	5,299,857	
(Loss) income from operations	(6,262)	(6,110)	(41,752)		(10,324)	139,280	
Other (expense) income							
Change in fair value of catalyst lease obligation			(1,217)			569	
Interest income (expense), net	198	10	(1,388)		3	(19,095)	
Net (loss) income	$ (6,064)	$ (6,100)	$ (44,357)		$ (10,321)	$ 120,754	
Less Net income attributable to the noncontrolling interest	(165)						
Net (loss) income attributable to PBF Holding/PBF Energy	$ (6,229)	$ (6,100)	$ (44,357)		$ (10,321)	$ 120,754	
Balance sheet data (at end of period):							
Total assets	$ 25,040	$ 19,150	$ 1,274,393		$ 265,748	$ 3,558,509	
Total long-term debt			305,064			842,721	
Total equity	24,810	18,694	458,661		242,478	989,109	
Selected financial data:							
Adjusted EBITDA[4]	$ (6,244)	$ (6,066)	$ (28,699)		$ (7,365)	$ 182,975	
Capital expenditures[5]	$ 118	$ 70	$ 72,118			$ 429,750	

(1) $4.8 million of the year ended December 31, 2010 revenues was directly related to terminalling revenues at our Delaware City refinery. Consulting services income provided to a related party was $10, $221 and $98 for the years ended December 31, 2010, 2009 and the period from March 1, 2008 (date of inception) to December 31, 2008, respectively.

(2) Acquisition related expenses consist of consulting and legal expenses related to the Paulsboro and Toledo acquisitions as well as non-consummated acquisitions.

(3) December 31, 2008 and 2009 balance sheet data is that of PBF Investments LLC. See notes to PBF Holding consolidated financial statements.

(4) We believe Adjusted EBITDA is an important measure of operating performance and provides useful information to investors because it highlights trends in our business that may not otherwise be apparent when relying solely on GAAP measures and eliminates items that have less bearing on our operating performance.

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Adjusted EBITDA, as presented herein, is a supplemental measure of performance that is not required by, or presented in accordance with, GAAP. We use this non-GAAP financial measure as a supplement to our GAAP results in order to provide a more complete understanding of the factors and trends affecting our business. Adjusted EBITDA is a measure of operating performance that is not defined by GAAP and should not be considered a substitute for net income as determined in accordance with GAAP.

Also, because Adjusted EBITDA is not calculated in the same manner by all companies, it is not necessarily comparable to other similarly titled measures used by other companies. Adjusted EBITDA has its limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our results as reported under GAAP. Some of the limitations of Adjusted EBITDA are:

Adjusted EBITDA does not reflect our cash expenditures, or future requirements, for capital expenditures or contractual commitments;

Although depreciation and amortization are non-cash charges, the asset being depreciated or amortized often will have to be replaced and Adjusted EBITDA does not reflect the cash requirements for such replacements;

Adjusted EBITDA does not reflect changes in, or cash requirements for, our working capital requirements; and

Adjusted EBITDA does not reflect the significant interest expense, or the cash requirements necessary to make payments of interest or principal on our indebtedness.

The following table reconciles net income (loss) to Adjusted EBITDA:

	Year Ended December 31, 2008	Year Ended December 31, 2009	Year Ended December 31, 2010	Pro Forma Year Ended December 31, 2010	Six Months Ended June 30, 2010	Six Months Ended June 30, 2011	Pro Forma Six Months Ended June 30, 2011
Net income (loss)	$ (6,064)	$ (6,100)	$ (44,357)	$	$ (10,321)	$ 120,754	$
Interest (income) expense, net	(198)	(10)	1,388		(3)	19,095	
Depreciation and amortization	18	44	1,402		161	18,907	
Stock based compensation			2,300		1,452	1,297	
Acquisition related expenses(a)			6,051		1,346	635	
Asset impairment loss(b)							
Non-cash change in market value of inventory repurchase obligation(c)			2,043			18,529	
Non-cash deferral of gross profit on finished product sales(d)			1,257			4,327	
Change in fair value of catalyst lease obligation			1,217			(569)	
Adjusted EBITDA	$ (6,244)	$ (6,066)	$ (28,699)	$	$ (7,365)	$ 182,975	$

(a) See footnote 2.
(b) The impairment loss is due to the write-down of refinery assets.
(c)

Certain of our crude and feedstock supply agreements require that we repurchase inventory held by our counterparties at a future date at the then fair market value. We are required to record these repurchase obligations at their fair market value at the end of each reporting period. The change in fair market value based on changes in commodity prices is a non-cash charge or benefit included in cost of sales. We add back the impact of the change in market value of these future inventory repurchase obligations in arriving at Adjusted EBITDA to better reflect Adjusted EBITDA on a cash-basis.

(d) We sell our production of light finished products at our Paulsboro and Delaware City refineries to a single counterparty. On a daily basis, the counterparty purchases and pays for the products as they are produced, delivered to the refineries storage tanks, and legal title passes to the counterparty. Revenue and gross profit on these product sales are deferred until the products are shipped out of our storage facility, which typically occurs within an average of six days. We add back the non-cash deferral of the gross profit on these product sales in arriving at Adjusted EBITDA to better reflect Adjusted EBITDA on a cash-basis.

(5) Includes expenditures for construction in progress, property, plant and equipment and deferred turnaround costs.

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RISK FACTORS

An investment in our Class A common stock involves a number of risks. You should carefully consider, in addition to the other information contained in this prospectus (including Management s Discussion and Analysis of Financial Condition and Results of Operations and our financial statements and related notes), the following risks before investing in our Class A common stock. These risks could materially affect our business, financial condition and results of operations, and cause the trading price of our Class A common stock to decline. You could lose part or all of your investment. You should bear in mind, in reviewing this prospectus, that past experience is no indication of future performance. You should read the section titled Forward-Looking Statements immediately following these risk factors for a discussion of what types of statements are forward-looking statements, as well as the significance of such statements in the context of this prospectus.

Risks Relating to Our Business and Industry

We have incurred losses in the past and may incur losses in the future. If we incur losses over an extended period of time, the value of our Class A common stock could decline.

We experienced losses during our time as a development company. We reported a net loss for the year ended December 31, 2010. We only had substantial operations for a short period at the end of the year, following the acquisition of Paulsboro. We may not be able to realize profits. A lack of profitability could adversely affect the price of our Class A common stock. We may not continue to remain profitable, which could impair our ability to complete future financings and have a material adverse effect on our business.

Our limited operating history makes it difficult to evaluate our current business and future prospects. If we are unsuccessful in executing our business model, our business and operating results will be adversely affected.

We were formed in March 2008 and we acquired our first oil refinery in June 2010. Therefore, we have a very limited operating history and a very limited track record in executing our business model. Our future success depends on our ability to execute our business strategy effectively. Our limited operating history may make it difficult to evaluate our current business and future prospects. We may not be successful in operating any of our refineries or any other properties we may acquire in the future. In addition, we have encountered and will continue to encounter risks and difficulties frequently experienced by new companies, and specifically companies in the oil refining industry. If we do not manage these risks successfully, our business, results of operations and financial condition will be adversely affected.

The price volatility of crude oil, other feedstocks, blendstocks, refined products and fuel and utility services may have a material adverse effect on our revenues, profitability, cash flows and liquidity.

Our revenues, profitability, cash flows and liquidity from operations depend primarily on the margin above operating expenses (including the cost of refinery feedstocks, such as crude oil, intermediate partially refined petroleum products, and natural gas liquids that are processed and blended into refined products) at which we are able to sell refined products. Refining is primarily a margin-based business and, to increase profitability, it is important to maximize the yields of high value finished products while minimizing the costs of feedstock and operating expenses. When the margin between refined product prices and crude oil and other feedstock costs contracts, our earnings, profitability and cash flows are negatively affected. Refining margins historically have been volatile, and are likely to continue to be volatile, as a result of a variety of factors, including fluctuations in the prices of crude oil, other feedstocks, refined products and fuel and utility services. An increase or decrease in the price of crude oil will likely result in a similar increase or decrease in prices for refined products; however, there may be a time lag in the realization, or no such realization, of the similar increase or decrease in prices for refined products. The effect of changes in crude oil prices on our refining margins therefore depends in part on how quickly and how fully refined product prices adjust to reflect these changes.

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In addition, the nature of our business requires us to maintain substantial crude oil, feedstock and refined product inventories. Because crude oil, feedstock and refined products are commodities, we have no control over the changing market value of these inventories. Our crude oil, feedstock and refined product inventories are valued at the lower of cost or market value under the last-in-first-out (LIFO), inventory valuation methodology. If the market value of our crude oil, feedstock and refined product inventories were to decline to an amount less than our LIFO cost, we would record a write-down of inventory and a non-cash charge to cost of sales.

Prices of crude oil, other feedstocks, blendstocks, and refined products depend on numerous factors beyond our control, including the supply of and demand for crude oil, other feedstocks, gasoline, diesel, ethanol, asphalt and other refined products. Such supply and demand are affected by a variety of economic, market, environmental and political conditions.

Our direct operating expense structure also impacts our profitability. Our major direct operating expenses include employee and contract labor, maintenance and energy. Our predominant variable direct operating cost is energy, which is comprised primarily of fuel and other utility services. The volatility in costs of fuel, principally natural gas, and other utility services, principally electricity, used by our refineries and other operations affect our operating costs. Fuel and utility prices have been, and will continue to be, affected by factors outside our control, such as supply and demand for fuel and utility services in both local and regional markets. Natural gas prices have historically been volatile and, typically, electricity prices fluctuate with natural gas prices. Future increases in fuel and utility prices may have a negative effect on our revenues, profitability and cash flows.

Our historical financial statements may not be helpful in predicting our future performance.

We have grown rapidly since our inception and have not owned o