THE CARLYLE GROUP
GLOBAL ALTERNATIVE ASSET MANAGEMENT

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The Carlyle Group and Sunoco Agree to Form Philadelphia Refinery Joint Venture

850 Jobs Saved; Hundreds More Permanent and Construction Jobs to be Created

Significant New Capital Improvements Should Spur Economic Growth

Private Sector, Government and Labor Working Together

WASHINGTON & PHILADELPHIA--(BUSINESS WIRE)-- Global alternative asset manager The Carlyle Group L.P. (NASDAQ: CG) and Sunoco, Inc. (NYSE: SUN) announced today that they have agreed to form Philadelphia Energy Solutions, a joint venture that will enable the historic Philadelphia refinery to continue operating. The refinery, the oldest continuously operating one on the east coast, processes 330,000 barrels of oil per day into various refined products and was scheduled for shut down in August of 2012. The joint venture is expected to save 850 jobs, secure the region's fuel supply by continuing the daily flow of 10 million gallons of various fuels, and create 100-200 new, permanent jobs, as well as thousands of construction jobs.

This transaction is subject to customary closing conditions. Capital for this investment will come from the Carlyle Equity Opportunity Fund and the Carlyle Energy Mezzanine Opportunities Fund. JPMorgan Chase (NYSE: JPM) has agreed to provide working capital financing for intermediate products owned by the refinery in the form of an asset-backed loan, subject to documentation. The transaction is expected to close in the third quarter of 2012. Financial terms were not disclosed.

Brian P. MacDonald, Sunoco's Chairman and Chief Executive Officer, said, "This partnership is a great example of what can happen when motivated people think creatively to solve pressing problems. The private sector, government and labor all played important roles in getting this done. This is the best possible outcome for everyone involved: existing jobs will be saved, new jobs will be created and new business opportunities will be given the chance to develop."

Under the terms of the agreement, Sunoco will contribute its Philadelphia refinery assets to the joint venture in exchange for a non-operating minority interest. The Carlyle Group's investment will flow directly to the refinery's balance sheet to fund future capital projects, facility upgrades and enhance the refinery's working capital. Carlyle will hold the majority interest, and oversee day-to-day operations of the joint venture and the refinery. Phil Rinaldi, who has successfully led other refining and chemical business turnarounds, will serve as the CEO of Philadelphia Energy Solutions.

Carlyle Managing Director Rodney Cohen said, "Together we've re-imagined the Philadelphia refinery and its role as a critical energy hub in the Northeast. This joint venture will keep one of the region's most important economic engines up and running. The refinery will be a reliable and critical supplier of fuels to the regional market through its new business structure and improved crude oil sourcing. In addition, the refinery's exceptional location and infrastructure will enable the joint venture to create new business opportunities related to Marcellus Shale natural gas fields. We also look forward to continuing to work with all of the relevant stakeholders — government officials, the community, environmental officials and organized labor — as we work to stabilize, strengthen and expand the refinery."

David Marchick, Carlyle's Managing Director for External Affairs, said, "Saving this vital facility was only possible as a result of the extraordinary leadership and laser-like focus of a number of stakeholders, including the White House; Governor Tom Corbett and his team; Congressman Robert Brady; Mayor Michael Nutter; and USW President Leo Gerard. Each of these parties played an instrumental role in ensuring that the refinery remains in operation, serving businesses and consumers in the Northeast, as it has for more than 140 years."

Blythe Masters, Head of Global Commodities at J.P. Morgan, said, "J.P. Morgan's comprehensive solution, which leverages our physical commodities capabilities and substantially reduces the working capital requirements at the Philadelphia refinery beyond the assistance provided by traditional financing paths, demonstrates how financial institutions with physical capabilities can prudently, yet more effectively, meet our clients' capital needs."

Capital Improvements — Public Private Partnership

Philadelphia Energy Solutions, with economic support from The Commonwealth of Pennsylvania, will invest in several capital intensive projects that are critical to the long-term economic viability of the facility. Planned improvements will help the environment through reduced waste and emission, and reduce reliance on foreign oil supplies. The Commonwealth will provide grants to help build a high-speed train unloading facility at the refinery, support a major capital project and upgrade the cracker at the refinery.

Projects include:

- Upgrade the Catalytic Cracker: The joint venture will upgrade and refurbish the cracker, improving reliability and operating performance. The project will create more than 1,000 contracting jobs when the upgrade commences.
- Build High-Speed Train Unloading Facility at Refinery: Provide access to greater quantities of crude oil from North America (versus imported crude), particularly high-quality, low sulfur crude from the Bakken region in North Dakota.
- Build Mild Hydrocracker and Hydrogen Plant: By converting the existing middle distillate Hydrotreater into a Mild Hydrocracker and constructing a natural gas-based hydrogen plant, the refinery will produce a more environmentally friendly mix of refined products. The project will create several hundred construction jobs.

The joint venture is also exploring other significant capital projects, including the creation of new businesses based on the availability and abundant levels of natural gas from the Marcellus Shale.

Also subject to the execution of final agreements, J.P. Morgan's physical commodities division, J.P. Morgan Ventures Energy Corporation, will supply the refinery with crude and non-crude feedstocks on a just-in-time basis and will purchase refined products from the refinery for offtake.

Pennsylvania Governor Tom Corbett said, "Today's announcement is testament to what can be accomplished when the public and private sectors work together toward a common goal; creating job opportunities for current and future generations. The Commonwealth's support of this venture in conjunction with business, labor and all levels of government will preserve 850 direct jobs and thousands of jobs that rely on this refinery's active operation in the Philadelphia region."

Philadelphia Mayor Michael A. Nutter said, "Philadelphia Energy Solutions will create and maintain hundreds of skilled jobs for Philadelphians. It is an example of the private and public sectors working closely together to ensure this refinery, an important economic engine of the region, continues to operate. I would like to thank all of the partners who contributed to preserving these jobs."

U.S. Representative Robert Brady said, "This is a perfect example of how labor, business and government can work together to get things done. Everyone from Sunoco's Brian MacDonald to Carlyle's David Marchick and Rodney Cohen to Leo Gerard and Jim Savage of USW, to the White House and Governor Corbett worked as hard as they could to make this happen. The best part of this deal is that we're not just saving 850 jobs. We're laying the ground work for thousands of construction jobs, permanent refinery jobs and all the other jobs related to the suppliers and contractors who work with this plant. I couldn't be prouder than I am to have been a part of this."

Leo W. Gerard, International President, United Steelworkers, said, "Not only will good paying manufacturing jobs be saved, but new ones will be created as this vital facility is improved and expanded. This project demonstrates how all stakeholders benefit when private capital, industry, government and labor work together for the collective benefit of society."

Legal counsel to Carlyle were Vinson & Elkins, and Buchanan Ingersoll & Rooney.

Credit Suisse Securities (USA) LLC served as exclusive financial advisor to Sunoco, and Kirkland & Ellis LLP served as legal counsel.

The Carlyle Group

The Carlyle Group is a global alternative asset manager with $159 billion of assets under management in 94 active funds and 63 fund of funds vehicles as of March 31, 2012. Carlyle invests across four segments — Corporate Private Equity, Real Assets, Global Market Strategies and Fund of Funds Solutions — in Africa, Asia, Australia, Europe, the Middle East, North America and South America. Carlyle has developed expertise in various industries, including: aerospace, defense & government services, consumer & retail, energy, financial services, healthcare, industrial, technology & business services, telecommunications & media and transportation. The Carlyle Group employs more than 1,300 people in 32 offices across six continents.
www.carlyle.com

Sunoco

Sunoco is a leading logistics and retail company. The company owns the general partner interest of Sunoco Logistics Partners L.P. (NYSE: SXL), which consists of a 2-percent ownership interest and incentive distribution rights, and owns a 32-percent interest in the Partnership's limited partner units. Sunoco Logistics Partners L.P. is an owner and operator of complementary pipeline, terminal and crude oil acquisition and marketing assets. Sunoco also has a network of approximately 4,900 retail locations in 23 states.

J.P. Morgan Ventures Energy Corporation

J.P. Morgan Ventures Energy Corporation (JPMVEC) provides commodity risk management solutions in both the physical and financial markets to clients across all commodity classes (agricultural products, metals and energy). It trades and holds physical commodities and is also a participant in the markets for greenhouse gas allowances. The company is based in New York, New York. JPMVEC operates as a subsidiary of JPMorgan Chase & Co.

The United Steelworkers

The USW represents about 850,000 working men and women in Canada and the United States in a wide variety of industries, ranging from glass making to mining, paper, steel, tire and rubber and other manufacturing environments, to the public sector, service and health care industries.

SAFE HARBOR FOR FORWARD-LOOKING STATEMENTS

Those statements made in this release that are not historical facts (including statements containing the words "believes," "plans," "anticipates," "expects," "estimates" and similar expressions) are forward-looking statements intended to be covered by the safe harbor provisions of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements are based upon assumptions by Sunoco, Inc. ("Sunoco") concerning future conditions, any or all of which ultimately may prove to be inaccurate, and upon the current knowledge, beliefs and expectations of Sunoco's management. In particular, statements in this release regarding the Philadelphia refinery joint venture between Sunoco and The Carlyle Group, the expected timetable for creating the joint venture, completing the proposed capital improvements at the refinery, future financial and operating results, benefits and synergies, future opportunities for the Philadelphia refinery, the joint venture, and any other statements about Sunoco, The Carlyle Group, Philadelphia Energy Solutions, or Sunoco managements' future expectations, beliefs, goals, plans or prospects constitute forward looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are not guarantees of future performance. The reader should not place undue reliance on these forward-looking statements, which speak only as of the date of this press release. Sunoco expressly disclaims any obligation to update or alter its forward-looking statements, whether as a result of new information, future events or otherwise.

Forward-looking statements are inherently uncertain and involve significant known and unknown risks and uncertainties (many of which are beyond Sunoco's control) that could cause actual results to differ materially from those discussed in this release. Such risks and uncertainties include: the ability of the parties to successfully form the proposed Philadelphia refinery joint venture and consummate the proposed transactions; the ability to obtain any requisite regulatory approvals; and the satisfaction of any other conditions to formation of the joint venture and consummation of any related transactions; the ability of the joint venture to realize anticipated synergies and cost savings; the potential impact of announcement of the agreement to form the joint venture (and undertake capital improvements at the Philadelphia refinery) on relationships, including with employees, suppliers, customers and competitors; the ability to achieve applicable refinery financial and operating targets; national, international, regional and local economic, competitive and regulatory conditions and developments; the competitiveness of alternate-energy sources or product substitutes; technological developments; and losses related to the acquisition, disposition or impairment of assets; significant investment or product changes and/or liability for remedial actions or assessments under existing or future environmental regulations; capital and credit markets conditions; inflation rates; interest rates; the political and economic stability of oil producing nations; energy markets, including changes in the price of certain commodities; changes in crude oil or natural gas prices, refining and marketing margins, or other market conditions affecting the oil and gas industry; weather conditions; environmental conditions; business and regulatory or legal decisions; liability resulting from pending or future litigation; the pace of deregulation of retail natural gas and electricity and certain agricultural products; the effects of changes in applicable accounting rules; changes in tax, environmental and other laws and regulations applicable to the refining business; the timing and success of business development efforts; wars and acts of terrorism or sabotage; the outcome of commercial negotiations; higher-than-expected costs of, or delays in, planned development or completion of repair projects, capital projects, acquisitions, or dispositions; operational interruptions, unforeseen technical difficulties and/or changes in technical or operating conditions. Unpredictable or unknown factors not discussed in this release also could have material adverse effects on forward-looking statements. Sunoco disclaim any intention or obligation to update any forward looking statements as a result of developments occurring after the date of this document.

In accordance with the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, Sunoco has included in its Annual Report on Form 10-K for the year ended December 31, 2011 and in its subsequent Form 10-Q and Form 8-K filings, cautionary language identifying other important factors (though not necessarily all such factors) that could cause future outcomes to differ materially from those set forth in the forward-looking statements. For more information concerning these factors, see Sunoco's Securities and Exchange Commission filings, available on Sunoco's website at www.SunocoInc.com.

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