Holly Corporation

Fall 2009

Update

HOLLY CORPORATION

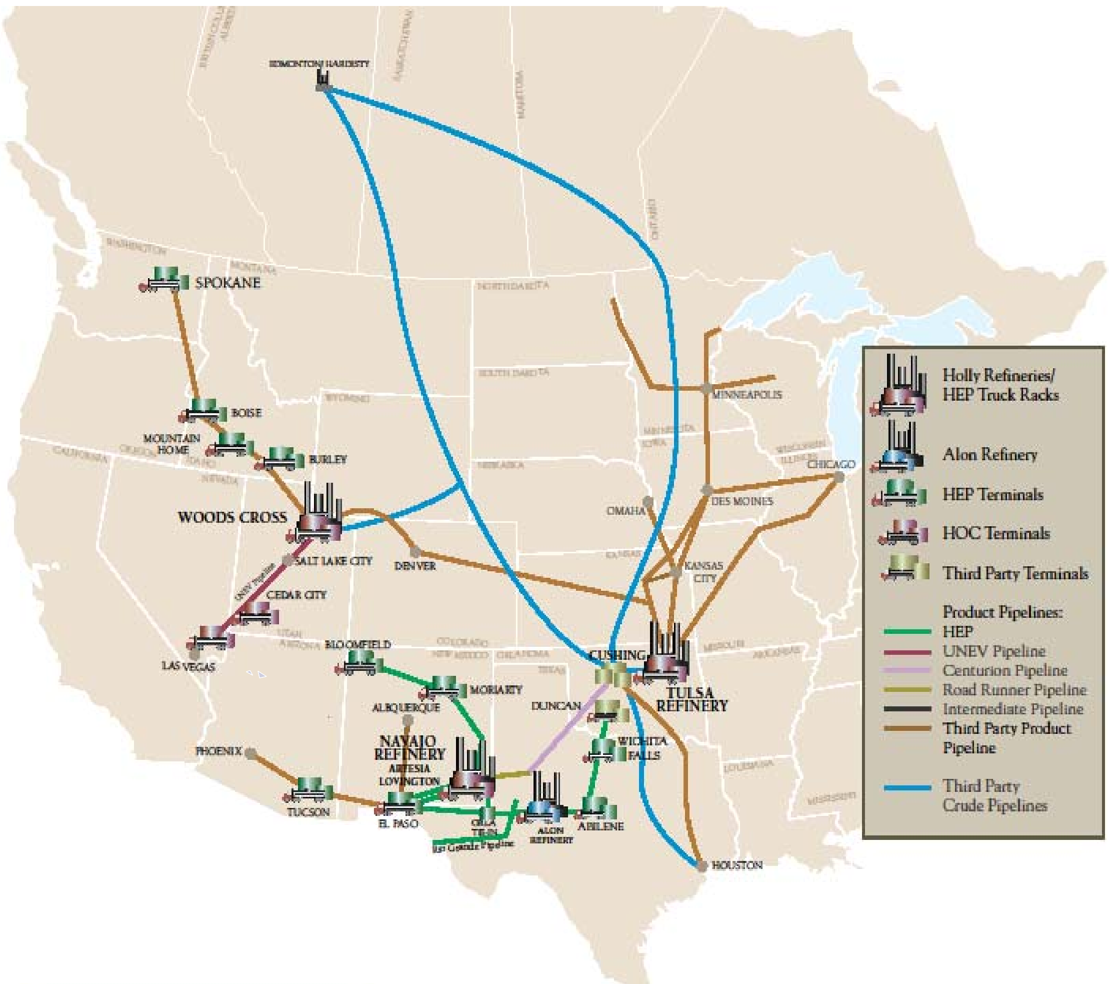
Holly Corporation Disclosure Statement

Statements made during the course of this presentation that are not historical facts are “forward-looking statements” within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements are inherently uncertain and necessarily involve risks that may affect the business prospects and performance of Holly Corporation and/or Holly Energy Partners, L.P., and actual results may differ materially from those discussed during the presentation. Such risks and uncertainties include but are not limited to risks and uncertainties with respect to the actions of actual or potential competitive suppliers and transporters of refined petroleum products in Holly’s and Holly Energy Partners’ markets, the demand for and supply of crude oil and refined products, the spread between market prices for refined products and market prices for crude oil, the possibility of constraints on the transportation of refined products, the possibility of inefficiencies or shutdowns in refinery operations or pipelines, effects of governmental regulations and policies, the availability and cost of financing to Holly and Holly Energy Partners, the effectiveness of Holly’s and Holly Energy Partners’ capital investments and marketing and acquisition strategies, the possibility of terrorist attacks and the consequences of any such attacks, and general economic conditions. Additional information on risks and uncertainties that could affect the business prospects and performance of Holly and Holly Energy Partners is provided in the most recent reports of Holly and Holly Energy Partners filed with the Securities and Exchange Commission. All forward-looking statements included in this presentation are expressly qualified in their entirety by the foregoing cautionary statements. Holly and Holly Energy Partners undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Holly Investment Highlights

Pure Play Refiner	▪ Owns 3 refineries with combined processing capacity of 216,000 barrels per day (bpsd) ▪ 40 years of refining experience—entered refining business in 1969 (profitable every year)
Competitive Assets	▪ High complexity facilities with access to multiple sources of crude supply ▪ Ability to run variety of crude types (WTI, WTS, Black wax, Canadian heavy)
Attractive markets	▪ <u>Geographic</u>: Rocky Mountains, Southwest and Mid-Continent ▪ <u>Product mix</u>: Added specialty lubricant products and more diesel to current slate
Capital projects with significant impact	▪ Reinvested approx. $500 million of cash flow generated in recent years into facilities ▪ Strong growth orientation in capital deployment ("Offensive play") ▪ Increased optionality in capital deployment ("Defensive play")
Return on capital track record	▪ Industry leading return on invested capital & return on assets among peers
Conservative balance sheet	▪ Low debt among peers & history of conservative & disciplined financial management
Experienced management	▪ Track record of safety, reliability and profitability through multiple cycles ▪ Key operating executives average more than 20 years experience ▪ History of successful major project execution
HEP ownership	▪ Stable cash flow quarterly from HEP through regular and incentive distributions ▪ 7.3 Million Common Units plus 2% General Partner

Existing Asset Location / Business Footprint



Holly Corporation:

- ✓ *Holly's refineries operate in Southwest, Rockies & Mid-Continent markets*
- ✓ *216,000 bpsd of refining capacity*
- ✓ *Refineries directly connected to Domestic or Canadian crude trading hubs*

Holly Energy Partners:

- ✓ *Over 2,500 miles of refined product & crude pipelines*
- ✓ *11 Terminals & 3 loading rack facilities in 7 states (3 terminals co-owned)*
- ✓ *Approximately 3 million bbls of refined product & crude oil storage*
- ✓ *70% interest in Rio Grande Pipeline Company, a joint venture with BP, moving LPG's from West Texas into Mexico*
- ✓ *25% interest in Salt Lake pipeline, a joint venture with Plains, delivering crude oil into the Salt Lake valley*

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*Tulsa refinery acquired June 1, 2009. All Tulsa information prior to closing has been prepared by Sunoco and has not been verified by Holly.

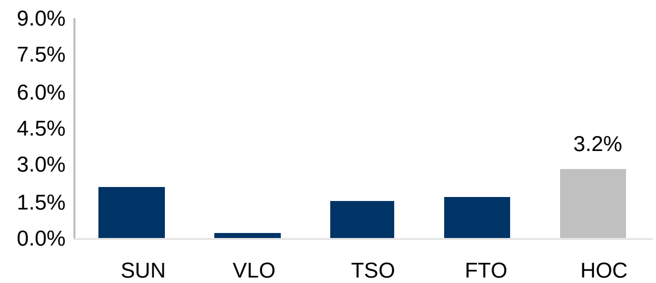
Strong Returns on Capital and Conservative Balance Sheet

Strong Historical Margins from Operations

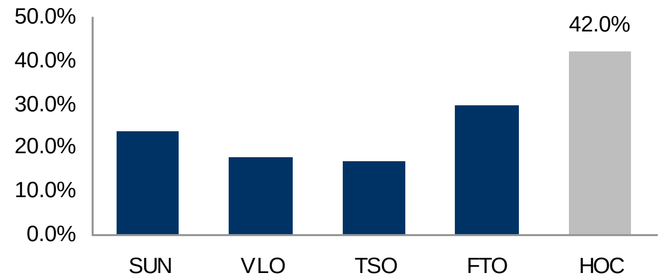
High Returns on Invested Capital

Low Debt Level Compared to Peers

Pre-Tax Margin - 2008[1]



Annual Return on Invested Capital (5 years Averaged, '04 – '08)



Debt to Total Capitalization[1,2]

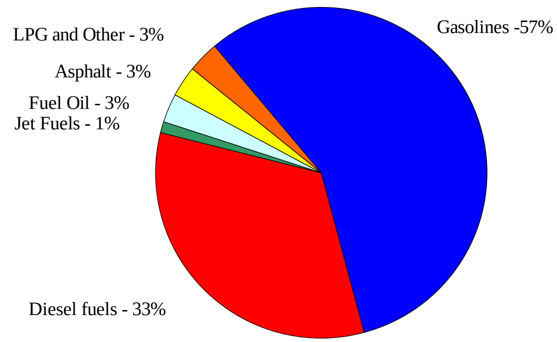
[1] HOC standalone (excludes HEP)
[2] 6/30/09 actuals w/ HOC Senior Notes included on a pro-forma basis

Navajo Refinery

Overview

- 561 acre site located in Artesia, NM with crude capacity of 100,000 BPSD (expanded in Q1 2009)
- Ability to process sour crude oils into high value light products
- Distributes to high margin markets in Arizona, New Mexico and West Texas
- Nelson Complexity rating of 11.8
- Last turnaround completed in Q1 2009 for a total cost of $34 million. Annual maintenance capex approximately $10 million.

Product Sales Mix (12/31/08)



Operating Summary

	Year Ended			Quarter Ended	
Description	**12/31/2006**	**12/31/2007**	**12/31/2008**	**6/30/2008**	**6/30/2009**
Crude Charge (BPD)	72,930	79,460	79,020	72,800	85,760
Refinery Production (BPD)	80,540	87,930	88,680	76,960	96,670
Sales of Refined Products (BPD)	93,660	100,460	97,320	88,720	96,340
Refinery Utilization (%)	92.9	94.6	93.0	85.6	85.8
Refinery Gross Margin ($/bbl)	***15.37***	***15.58***	***9.55***	***8.07***	***8.39***
Net Operating Margin ($/bbl)	***10.63***	***11.28***	***4.97***	***2.39***	***3.83***
Sour Crude Oil (%)	80	82	79	83	83
Sweet Crude Oil (%)	8	9	10	10	6
Other Feedstocks (%)	12	9	11	7	11

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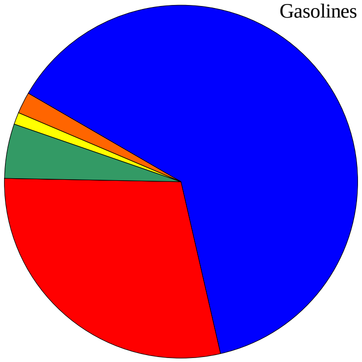
Woods Cross Refinery

Overview

- 200 acre site located in Woods Cross, UT (near Salt Lake City) with crude oil capacity of 31,000 BPSD
- Processes regional sweet and lower cost black wax crude as well as Canadian sour crude oils
- Distributes to high margin markets in Utah, Idaho, Nevada, Wyoming, and eastern Washington
- Nelson Complexity rating of 12.5
- Last turnaround completed in Q3 2008 for a total cost of $29 million. Annual maintenance capex approximately $5 million.

Product Sales Mix (12/31/08)



Operating Summary

	Year Ended			Quarter Ended	
Description	**12/31/2006**	**12/31/2007**	**12/31/2008[1]**	**6/30/2008**	**6/30/2009**
Crude Charge (BPD)	23,640	24,030	21,660	23,980	25,940
Refinery Production (BPD)	25,190	25,340	22,170	23,540	27,700
Sales of Refined Products (BPD)	26,210	26,130	23,430	24,490	27,750
Refinery Utilization (%)	90.9	92.4	79.5	92.2	83.7
Refinery Gross Margin ($/bbl)	***17.10***	***20.69***	***16.60***	***12.49***	***8.95***
Net Operating Margin ($/bbl)	***11.97***	***15.83***	***9.18***	***4.36***	***2.97***
Sour Crude Oil (%)	2	2	1	-	3
Sweet Crude Oil (%)	79	75	72	76	62
Black Wax Crude Oil (%)[2]	10	15	21	22	27
Other Feedstocks and Blends (%)	9	8	6	2	8

Notes:
1 Major turnaround and expansion completed during Q3 2008
2 Black wax included in sweet crude oil category in 2004-2005

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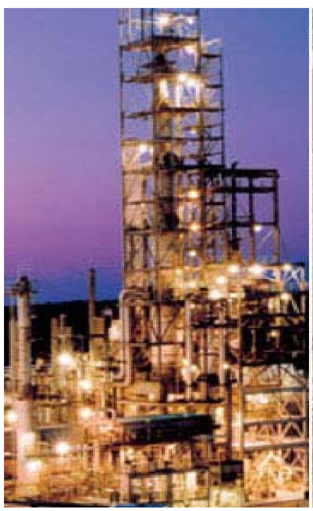
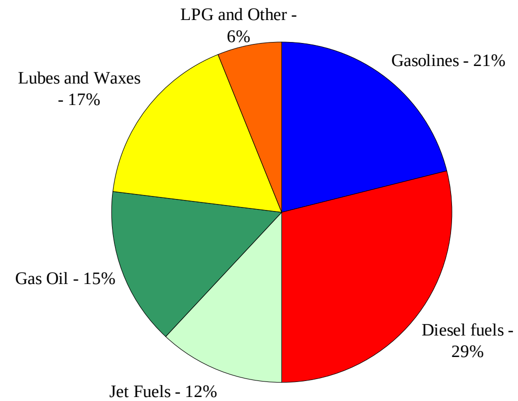
Tulsa Refinery (1)

Overview

- Tulsa refinery has crude capacity of 85,000 BPSD
- Produces high value specialty lubricant products (lubes, waxes & oils)
- Strategically located near the Cushing crude oil hub and Magellan product system that supplies the Mid-Continent market
- Nelson Complexity rating of 11.4
- Last turnaround completed Summer 2007 for a total cost of $42 million. Annual maintenance capex approximately $10 million.



Production Mix (12/31/08)



Operating Summary

	Year ended			One Month Ended (1)
Description	**12/31/2006**	**12/31/2007**	**12/31/2008**	**6/30/2009**
Crude Charge (BPD)	77,700	67,300	76,800	53,790
Refinery Production (BPD)	75,600	65,300	74,500	51,840
Refinery Utilization (%)	91.4	79.2	90.4	64
Refinery Gross Margin ($/bbl)	***12.46***	***13.17***	***8.38***	***2.83***
Net Operating Margin ($/bbl)				***-2.38***
Sour Crude Oil (%)				-
Sweet Crude Oil (%)				100
Other Feedstocks and Blends (%)				-

Notes:
1 – Holly took ownership as of 6/1/2009 and results are for 1 month of operation as of 6/30/2009 (transition month).
2 - All financial data prior to June 1, 2009 provided by Sunoco.

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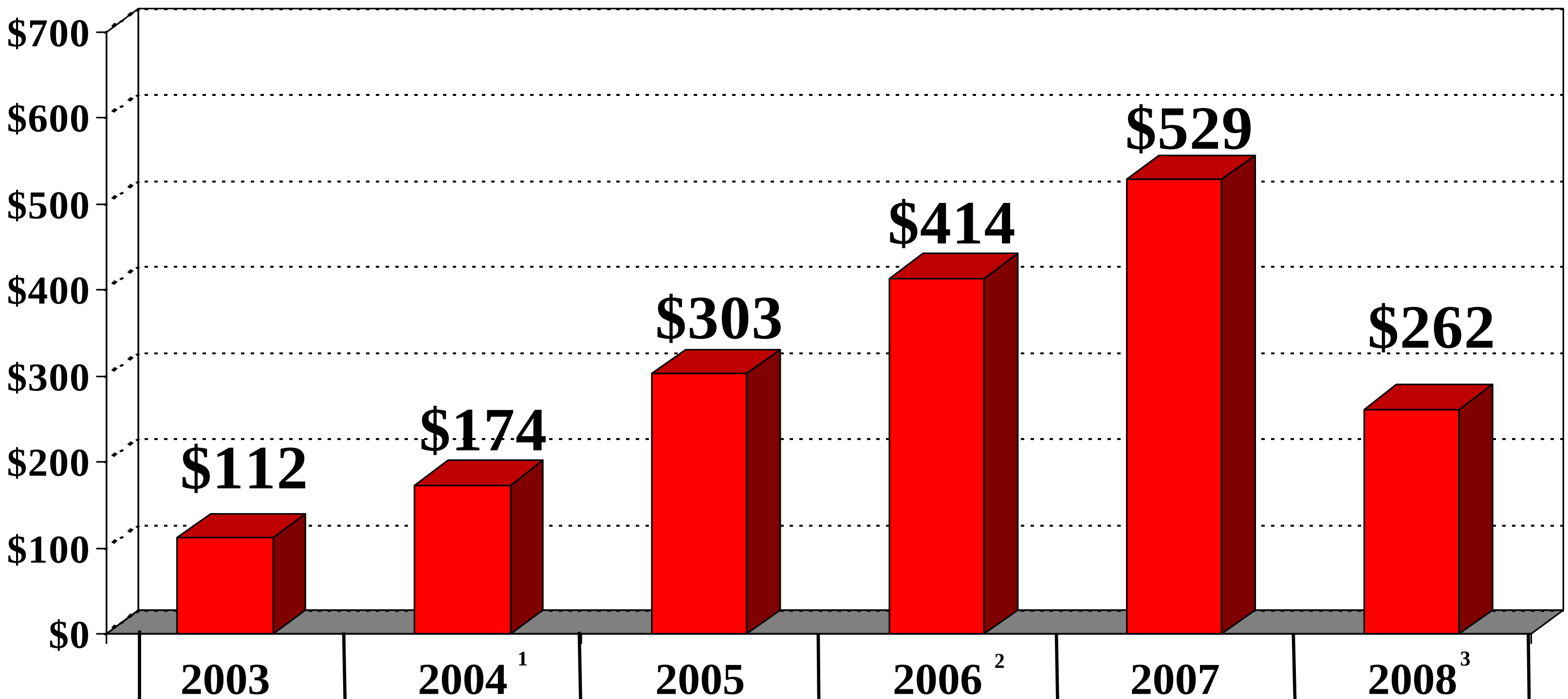
Holly Historical EBITDA *(in millions)* & key refinery measures



	2003	2004[1]	2005	2006[2]	2007	2008[3]
Gross Margin:	$7.23/BBL	$9.20/BBL	$12.62/BBL	$15.78/BBL	$16.74/BBL	$10.96/BBL
Capacity: (*in thousands*)	107 bpsd	109 bpsd	109 bpsd	109 bpsd	111 bpsd	116 bpsd
Utilization %:	93.2%	94.7%	95.0%	92.4%	94.1%	89.7%

Current Capacity of 216,000 bpd (Tulsa Refinery Acquisition - June 1, 2009)

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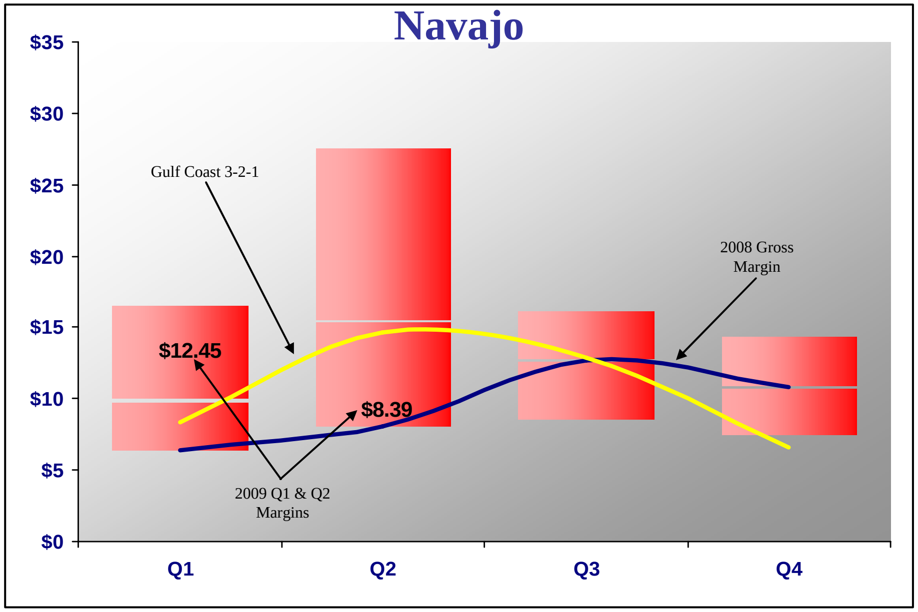
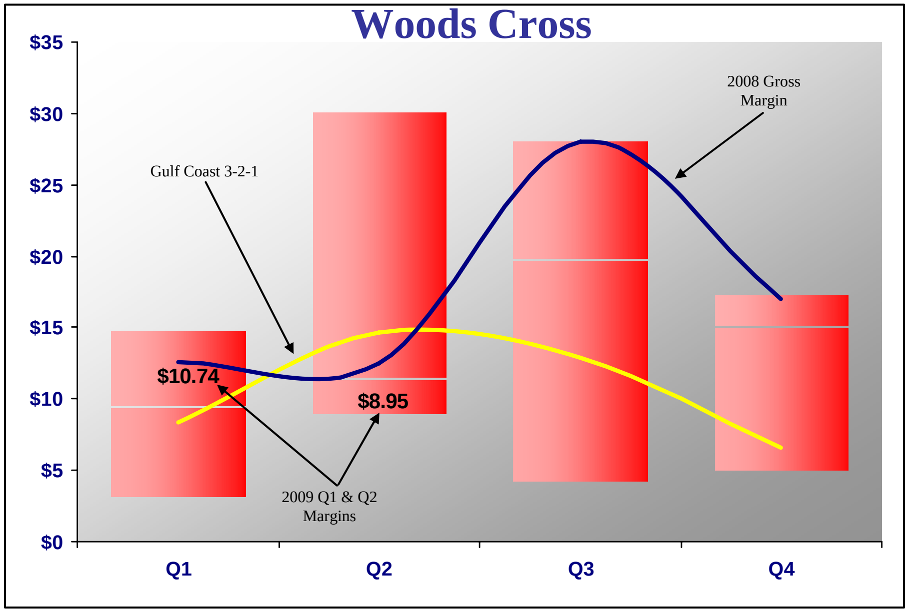
[1] HEP formed in July 2004
[2] Sold Montana Refinery Company (8,000 bpd) while increasing Navajo Refinery Capacity (8,000 bpd)
[3] Major Turnaround & Expansion conducted in this year.

Refining Margins (2004—2008 range): Navajo & Woods Cross





- *Red bars represent '04-'09 5-yr. high & low gross margin range by quarter.*
- *Median of that range is depicted in gray.*
- *2009 Gross Margin $/bbl - Navajo & Woods Cross noted in black numeric*
- *2008 Gross Margin - Navajo & Woods Cross – blue line*
- *GC 5-Yr. Quarterly Avg 3-2-1 margin– yellow line*

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Refining: Value Added Project Timeline

Refinery Projects				
Location	**Completed**	**2H - 2009**	**2010**	**2011**
Navajo	Phase I Expansion - 100,000 bpsd	Phase II - Enable processing of 40,000 bpsd of heavy crudes		
Woods Cross	Expansion to 31,000 bpsd 10,000 bpsd increase ability to run cost advantaged crudes			
Tulsa	Refinery and Inventory purchase	Project Planning & Engineering: Ultra Low Sulfur Diesel Hydrotreater *(ULSD)*	Work Begins: *(ULSD)*	Complete Project: *(ULSD)*

- **Navajo & Woods Cross**
  - 1H - 2009, $118 million invested on refining expansion & processing upgrades
  - 2H – 2009, $60 million balance to spend
- **Tulsa**
  - The estimated spending for the ULSD projects is $150 million (primarily 2010/2011 spending)
- **All Refineries:**
  - Maintenance Capital is estimated to range between $25 - $30 million in 2010 and 2011

Pipeline: Value Added Project Timeline

Pipeline Projects				
Location	**Completed**	**2H - 2009**	**2010**	**2011**
Navajo	Intermediate line expansion	Slaughter to Lovington crude pipeline *(Cushing crude flexibility connection)*		
Woods Cross	Plains / HEP crude pipeline	UNEV: Construction	UNEV: *Commence Operations Q4 - 2010*	

- Through 1H - 2009, $66 million has been invested on pipeline projects
- Balance to spend on Navajo pipeline projects in 2H – 2009 is approximately $15 million
- The Woods Cross pipeline project (UNEV: Salt Lake City to Las Vegas Pipeline) estimate to spend is:
  - 2H – 2009: $25 million
  - 2010: $100 million
- Holly expects to recoup most, if not all, of its pipeline expenditures via pipeline asset sales
  - Jun 2009: HOC received $34 million on Navajo Intermediate Pipeline sale to HEP
  - Aug 2009: HOC received $17 million on Tulsa Loading Facility sale to HEP

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Enhanced Competitive Position

Recently Completed Refinery Enhancements

Navajo Refinery	Status
New Hydrocracker Unit (15,000 bpsd)	Complete
New Sulfur Recovery Unit	Complete
New Hydrogen Plant (28 mmscfd)	Complete
Expanded Crude/Vacuum Unit	Complete

- Increased capacity 17%
- Allows 100% sour crude oil processing
- Increased ULSD production percentage
- Increased intermediates processing

Woods Cross Refinery	Status
New Hydrocracker Unit	Complete
New Sulfur Recovery Unit	Complete
New Black Wax Unloading Facilities	Complete
New Plains/HEP Crude Pipeline	Complete

- Increased capacity 19%
- Increased lower cost black wax and Canadian crude processing from 20 to 50%
- Increased ULSD production percentage
- Enhanced black wax and Canadian heavy receiving capabilities

Refinery Enhancements Nearing Completion

Navajo Feedstock Flexibility	% Complete	Expected Completion
New Rose Unit (18,000 bpsd)	75%	Oct-09
Crude Unit Revamp	75%	Dec-09
Crude Oil Receiving Pipeline	90%	Oct-09

*Enables refinery to shift up to 40% (approximately 40,000 bpsd) of its crude slate to lower priced heavy crudes

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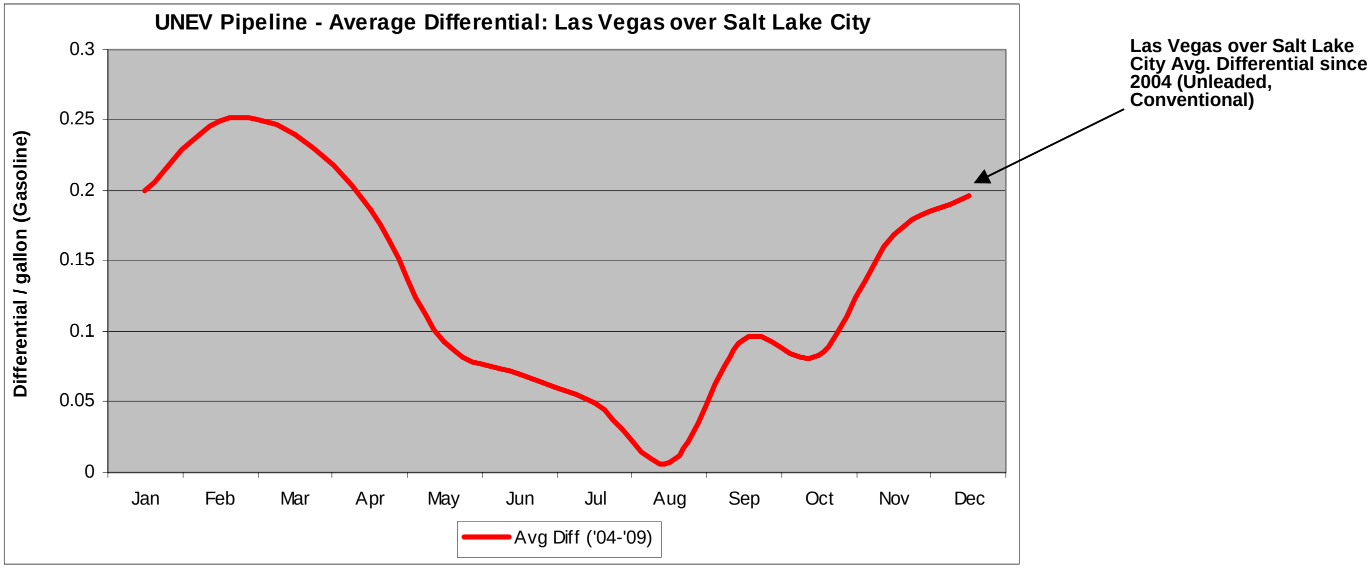
UNEV Pipeline & Refinery Economics



- Las Vegas has on average, experienced a $0.13/gal ($5.36/bbl) positive differential for Gasoline (Unleaded, conventional) over Salt Lake City during Jan 2004 – Aug 2009

- There is significant incentive for refiners to ship barrels to Las Vegas
  - The differential between Jan – Jun and Sep-Dec has averaged $0.15/gal ($6.30/bbl) over the past 5 years

- Opening up the Las Vegas market for Salt Lake City refiners could provide incentive for SLC refiners to increase year around utilization and consider capacity expansion opportunities

- HEP has an option to acquire HOC's interest in UNEV upon completion at HOC's cost ($225M estimate for HOC's 75% share) plus 7% carrying cost.

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Appendix

Estimated Effects of Capital Projects at Holly's Refineries

Illustrative computations of impact of expansion & gross margins

Gross Margin/bbl	Consolidated	Navajo	Woods Cross
2003	$7.23	$7.43	$6.10
2004	$9.20	$10.16	$6.00
2005	$12.62	$13.61	$9.62
2006	$15.78	$15.37	$17.10
2007	$16.74	$15.58	$20.69
2008	$10.96	$9.55	$16.60

INCREMENTAL GROSS MARGIN FROM REFINERY EXPANSIONS:

Wood Cross completion Q3 '08 -- Operational Q4 '08 / Navajo completion Q1 '09 -- Operational Q2 '09 ***(in $millions)***

Margin/ bbl assumption:	$8.00	$10.00	$12.00	$14.00	$16.00
NRC: at 15,000 bpsd expansion	$43.8	$54.8	$65.7	$76.7	$87.6
WX: at 5,000 bpsd expansion	$14.6	$18.3	$21.9	$25.6	$29.2

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For every +/- $1/bbl change in gross margin: NRC equals $5.475 million -- WX equals $1.825 million

Estimated Effects of Capital Projects at Holly's Refineries

Illustrative computations of impact of crude mix changes

FEEDSTOCK FLEXIBILITY: WOODS CROSS REFINERY
Completion Q3 '08 -- Operational Q4 '08 (in $ millions)

Increase cost advantaged bbls by 10,000 bpsd				
WTI-Heavy Diff. / bbl assumption: ***(net of transportation & yield changes)***	**$5.00**	**$10.00**	**$15.00**	**$20.00**
Annual gross margin improvement from feedstock flexibility	**$18.3**	**$36.5**	**$54.8**	**$73.0**

Every +/- $1 change in net feedstock costs equals $3.65 million

FEEDSTOCK FLEXIBILITY: NAVAJO REFINERY
Completion Q3 '09 -- Operational Q4 '09 (in $ millions)

Change crude charge mix from 100% WTS crude to include 40% cost-advantaged bbls				
WTS-Heavy Diff. / bbl assumption: ***(net of transportation & yield changes)***	**$5.00**	**$10.00**	**$15.00**	**$20.00**
Annual gross margin improvement from feedstock flexibility	**$73.0**	**$146.0**	**$219.0**	**$292.0**

Every +/- $1 change in net feedstock costs equals $14.6 million

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All dollar values are for a full year impact and assume operating rates are at full utilization with no operating downtime

Tulsa Acquisition – Financials & Metrics

Tulsa Historical Financial & Operational Data (1)

Tulsa - Historical Metrics	2005	2006	2007 (2)	2008
Crude Charge (MBPD)	78.0	77.7	67.3	76.8
EBITDA ($MM) (3)	$98	$214	$172	$153

(1) Provided by Sunoco
(2) Major turnaround mid-2007 during which Sunoco spent $42MM on turnaround
(3) 2008 EBITDA includes add back of non-cash asset write-down and environmental accrual

Holly Historical Financial & Operational Data

Holly - Historical Metrics	2005	2006	2007	2008
Crude Charge (MBPD)	96.0	96.6	103.5	100.7
EBITDA ($MM)	$303	$414	$529	$262

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Non-GAAP Reconciliations

For Sunoco Tulsa Refinery	Years ended Dec 31, 2005	2006	2007	2008
			(In thousands)	
Income	$ 56,094	$ 128,564	$ 101,371	$ (31,017)
Add provision for income tax	34,031	77,883	59,483	(24,218)
Add interest expense	-	-	-	-
Subtract interest income	-	-	-	-
Add depreciation and amortization	7,953	7,441	11,159	15,641
Add provision for asset write-downs	-	-	-	158,749
Add sulfur credit environmental accrual	-	-	-	33,514
EBITDA	$ 98,078	$ 213,888	$ 172,013	$ 152,669

For Holly Corporation	Years ended Dec 31, 2005	2006	2007	2008
			(In thousands)	
Income	$ 164,026	$ 246,898	$ 334,128	$ 120,558
Add provision for income tax	99,626	136,603	165,316	64,826
Add interest expense	5,101	1,076	1,086	23,955
Subtract interest income	(6,901)	(9,757)	(15,089)	(10,824)
Add depreciation and amortization	40,547	39,721	43,456	63,789
EBITDA	$ 302,399	$ 414,541	$ 528,897	$ 262,304

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*Sunoco financial data provided by Sunoco

Definitions

BPD: the number of barrels per calendar day of crude oil or petroleum products.

BPSD: the number of barrels per stream day of crude oil or petroleum products.

EBITDA: Earnings before interest, taxes, depreciation and amortization, which we refer to as EBITDA, is calculated as net income plus (i) interest expense net of interest income, (ii) income tax provision, and (iii) depreciation, depletion and amortization. EBITDA is not a calculation provided for under accounting principles generally accepted in the United States; however, the amounts included in the EBITDA calculation are derived from amounts included in our consolidated financial statements.

Gas Oil Hydrocracker: a refinery unit which uses catalyst at high pressure and temperature and in the presence of hydrogen to convert high boiling point hydrocarbons to light transportation fuels and low sulfur FCC feedstock.

MMSCFD: million standard cubic feet per day.

Refining gross margin or refinery gross margin: the difference between average net sales price and average costs of products per barrel of produced refined products. This does not include the associated depreciation, depletion and amortization costs.

Solvent deasphalter / **residuum oil supercritical extraction ("ROSE")**: a refinery unit that uses a light hydrocarbon like propane or butane to extract non asphaltene heavy oils from asphalt or atmospheric reduced crude. These deasphalted oils are then further converted to gasoline and diesel in the FCC process. The remaining asphaltenes are either sold, blended to fuel oil or blended with other asphalt as a hardener.

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