

Longwei Petroleum

NYSE MKT "LPH"



Fueling China's Growth™

Forward Looking Statements

Statements contained in this presentation may be considered “forward-looking statements” within the meaning of U.S. federal securities laws. The matters discussed herein are based on current management expectations that involve risks and uncertainties that may result in such expectations not being realized. Actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements due to numerous potential risks and uncertainties including such risks and factors described in presentation prepared by Longwei Petroleum Investment Holding Limited (“Longwei” or the “Company”) management. Such forward-looking statements speak only as of the date on which they are made and Longwei does not undertake any obligation to update any forward-looking statements to reflect events or circumstances after the date of the presentation.

Executive Summary - “LPH”

- Leading Private-Enterprise Energy Company
- Petroleum Distributor & Wholesaler
- National Licenses – Storage & Transport
- Founded 1995 - Shanxi Province, China



Shanxi Province

- NYSE MKT “LPH”

Revenue Growth – FYE June 30

2012	2011	2010	2009
\$511 M	\$482 M	\$343 M	\$197 M
6%	40%	74%	37%



Longwei Petroleum

Opportunity - “LPH”

- Growing Domestic Demand
- Straight-Forward Business Model
- 17-Years Experience & Relationships
- Industrial & Consumer Customers
- Strong Management Team
- Publicly Traded Company Compliance



Gujiao Fueling Depot



Longwei Management Team

“Critical Mass” – Solid Operating Results

Balance Sheet (in millions)	FYE 2012	FYE 2011	FYE 2010	FYE 2009
Assets (\$USD)	\$342M	\$273M	\$187M	\$120M
St. Equity (\$USD)	\$334M	\$262M	\$178M	\$115M

Storage & Operations - “LPH”

▪ Taiyuan - Storage and HQ

- 8 Storage Tanks
- 50,000 metric tons (mt)
- Operations since 1995
- Revenue Contribution FYE 2012: \$256M



▪ Gujiao - Storage & Customer Service

- 8 Storage Tanks
- 70,000 metric tons (mt)
- Operation Nov. 2009
- Revenue Contribution FYE 2012: \$234M



▪ Huajie - Storage & Customer Service

- 12 Storage Tanks
- 100,000 metric tons (mt)
- Assets purchased September 26, 2012



**Total
Capacity
220,000 mt**

Taiyuan Fuel Depot Storage Facility



Storage Tanks



Storage Tanks



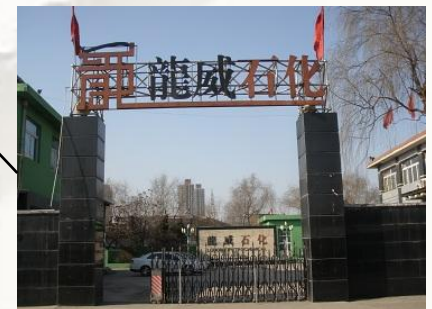
Loading Rail Spur



Control Center



Control Center



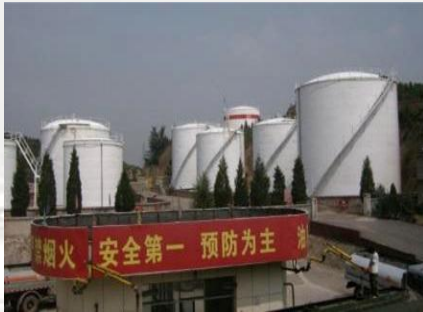
Corporate Office

Guard Station

Gujiao Fuel Depot Storage Facility



Loading Rail Spur



Storage Tanks



Administrative Office



4 Tar Storage Tanks



Storage Tanks



Control Center

Huajie Fuel Depot Storage Facility



Control Center



Administrative Office



Storage Tanks



Storage Tanks



Pumping Station



Rail Spur



A

B

C

D

E

F

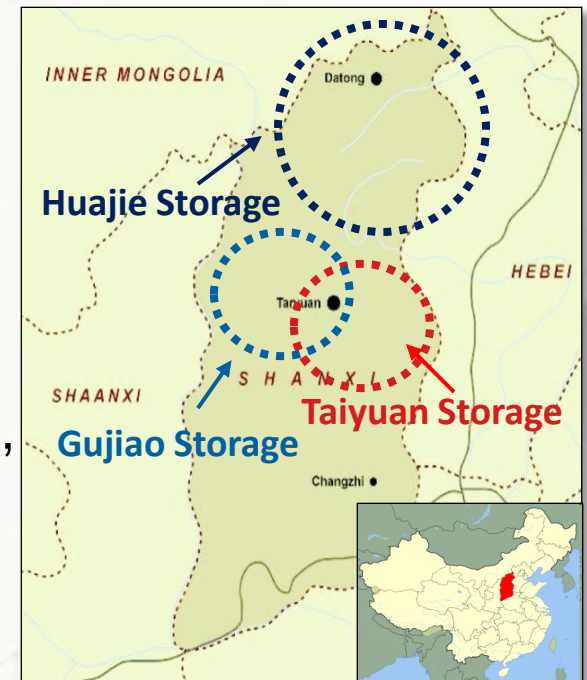
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- A. Gujiao Rail Spur
- B. Gujiao Storage Tanks
- C. Gujiao Storage Tanks & Office
- D. Taiyuan Blending Tanks
- E. Gujiao Tanker Depot
- F. Taiyuan Control Center
- G. Taiyuan Storage Tanks
- H. Gujiao Storage Tanks

Shanxi Market - “LPH”

- Leading Coal Producing Region in China
- 36M Population Base
- Surrounding Provinces > 300M Population
- Heavy Industries - Coal & Chemical Production, Power Generation, Metallurgy, Mining, Mfg.
- No Pipelines or Refineries in Region
- 5-Year Est. Fixed Asset Investment - US\$770 billion
- 2012 Est. Province Growth Rate – 10.1%



Industrial Market - “LPH”

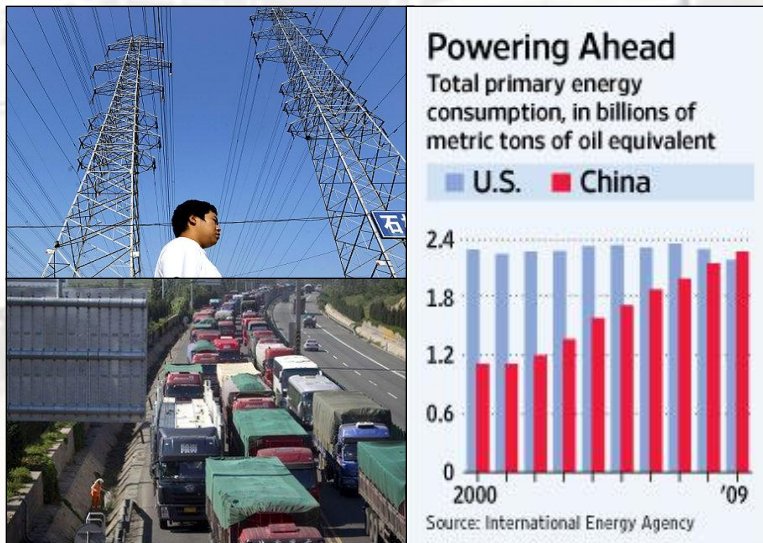
- Growing Industrial Demand
 - Coal Operations
 - Power Generation
- Provincial Consolidation of Coal Mining Operations
- China's Coal Production to Double by 2030 - *US DOE*



- Largest Energy Consumer in the World (2/3 coal)
- Growing Industrial Base - Metallurgy, Chemical Production, Heavy Machinery, Military Operations
- Key Requirements - Reliability & Supply

Consumer Market - “LPH”

- Growing Consumer Demand
 - Automobiles
 - Power Generation
- Jan. 2009 - World's Largest Car Market



- PRC – Top Global Energy Consumer
- *Longwei is well positioned to benefit from economic growth and demand growth*
- *PRC Oil Consumption 9.8M bbl/day in 2011, est. to grow to over 17M bbl/day by 2035*

Competitive Advantages - “LPH”

- Licenses – Central Government Issued
 - Finish Oil Wholesale License – Purchase Direct from Refineries & Storage
 - Dangerous Chemicals License – Transport Petroleum Products
- Customer & Refinery Relationships – 17 Years of Operations
- Proximity to Customers
- Timely Delivery
- Flexible Customer Service
- Quality Assurance & Testing
- Largest Private Wholesaler
- Regional Economic Growth
- Industry Consolidation



Product Revenues - “LPH”

- Direct Sales to Commercial, Industrial, Retail and Wholesale Customers throughout Shanxi Province
- Sales by Product Line:

Product Line	FY2012	FY2011	FY2010
Total Revenues	\$511M	\$482M	\$343M
Diesel	44%	46%	44%
Gasoline	48%	47%	46%
Fuel Oil	2%	1%	2%
Solvents	2%	1%	2%
Agency Fee	<u>4%</u>	<u>5%</u>	<u>6%</u>
TOTAL	100%	100%	100%

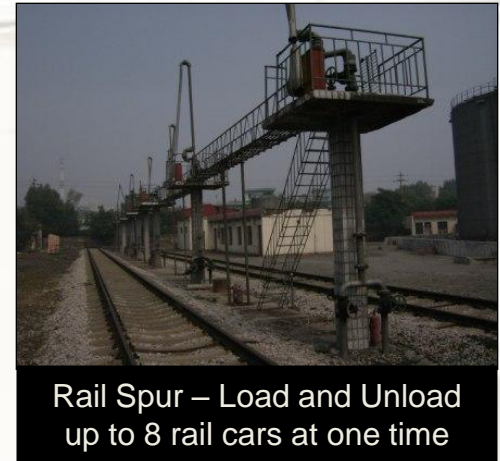
No customer accounted for > 2.7% of Total Rev. or 7.3% of A/R

- Agency Fees - Allow Other Intermediaries to Purchasing Petroleum Products Directly from Refineries under Longwei License



Supplier Relationships - “LPH”

- Direct Purchase from PRC Refineries
 - Diesel
 - Gasoline
 - Fuel Oil
 - Solvents
- Advances to Suppliers
 - Right to Buy – Refineries “Hold” Product
 - Ability to Ramp-Up Inventory Prior to Price Increase
 - Strong Refinery Relationships
- Retail Price Controls: 22-Day “Look Back” at a Basket of International Prices (Reset Prices Anticipated in Advance)
- 5 suppliers >10%, but none over 19.3% Total Purchases
- Since inception, Longwei has not experienced any difficulty in obtaining refined products in a timely manner

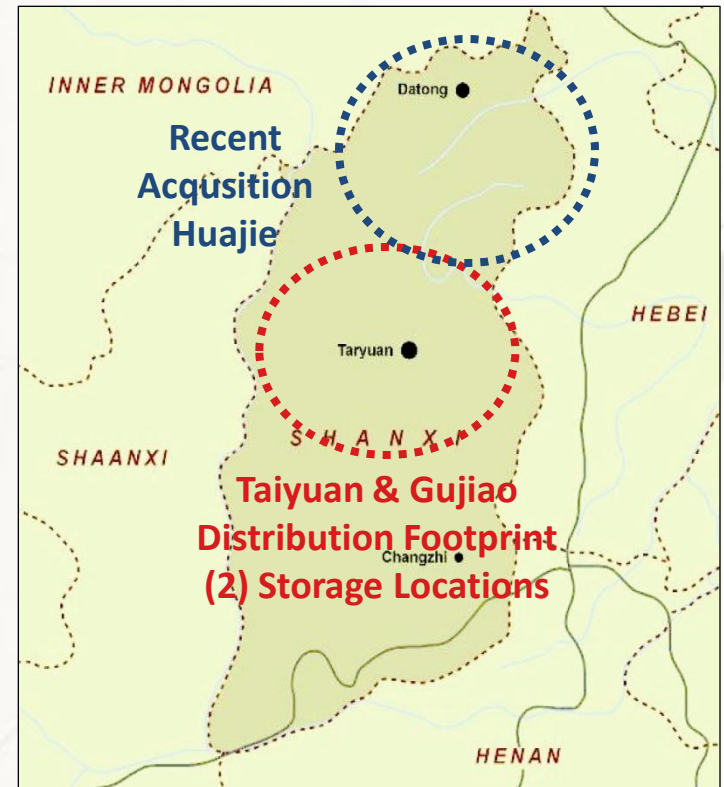


Brent Crude Oil Prices



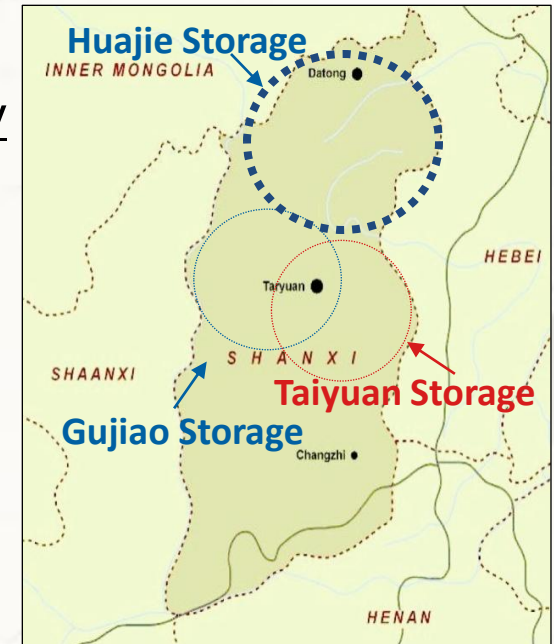
Growth Strategy - “LPH”

- Internal Growth
 - Organic from Exiting Customers
 - Direct Sales Force & Customer Referrals
 - Increase Inventory Turnover
- Geographic Expansion
 - Location – Proximately to Customers
 - Timely Delivery & Customer Service
 - New Market – No Existing Overlap



Expansion Leads to Growth - “LPH”

- Geographic Expansion – Nov. 2009
- Located 30 km North of Taiyuan – Gujiao Facility
- Key Industrial Center
- Purchase Existing Distributor Site & Retrofit
 - FYE 2010 – Revenues \$79M, EBITDA \$11M
 - FYE 2011 – Revenues \$188M, EBITDA \$30M
 - FYE 2012 – Revenues \$233M, EBITDA \$36M
- Close Proximity to Large Customers
- More Than Doubled Company Capacity to 120,000mt
- Huajie Facility now adds 100,000mt Capacity in new region of growth in northern Shanxi Province



Huajie Petroleum – 100,000mt Capacity



Results of Operations – “LPH”

Years Ended June 30, 2012 and 2011

This financial information is qualified in its entirety by the financial information contained in the Company's public filings with the SEC.

(in thousands)	June 30, 2012	June 30, 2011
Revenues	\$510,593	\$481,553
Cost of Sales	<u>422,118</u>	<u>383,730</u>
Gross Profit	88,475	97,822
Operating Expenses	<u>(4,700)</u>	<u>(6,154)</u>
Operating Income	83,775	91,669
*Derivative Inc. (Exp.)	2,573	(5,447)
Other Inc. (Exp.)	<u>20</u>	<u>20</u>
Income Before Tax	86,368	86,242
Income Tax Exp.	<u>(21,253)</u>	<u>(23,524)</u>
Net Income	65,115	62,718
Preferred Stock Div.	<u>(60)</u>	<u>(201)</u>
Net Income attributable to Common Shareholders	<u>\$ 65,055</u>	<u>\$ 62,517</u>
Basic EPS	\$0.65	\$0.64
Diluted EPS	\$0.61	\$0.61
Diluted Shares	101,773	101,684

*Warrant Derivative Liability Expense – non-cash expense

Results of Operations – “LPH”

1st Quarters Ended September 31, 2012 and 2011

This financial information is qualified in its entirety by the financial information contained in the Company's public filings with the SEC.

(in thousands)	September 31, 2012	September 31, 2011
Revenues	\$133,385	\$118,631
Cost of Sales	<u>107,954</u>	<u>96,614</u>
Gross Profit	25,431	22,017
Operating Expenses	<u>918</u>	<u>973</u>
Operating Income	24,513	21,044
*Derivative Income/(Exp.)	(575)	2,127
Other Income/(Exp.)	<u>5</u>	<u>4</u>
Income Before Tax	23,943	23,175
Income Tax Exp.	<u>(6,170)</u>	<u>(5,324)</u>
Net Income	17,773	17,851
Preferred Stock Div.	<u>(15)</u>	<u>(15)</u>
Net Income attributable to Common Shareholders	\$ 17,758	\$ 17,836
Diluted EPS	\$0.17	\$0.15
Diluted Shares	101,814	101,701

**Warrant Derivative Liability Expense – non-cash expense*

Projected Financials - “LPH” Growth

	<i>Fiscal Year Ended June 30</i>				
Summary Operating Results <i>Fiscal Years Ended June 30</i> <i>(\$USD in Millions)</i>	<u>2009</u> (Audited)	<u>2010</u> (Audited)	<u>2011</u> (Audited)	<u>2012</u> (Audited)	<u>2013</u> (Projected)
Total Revenues	\$196.8	\$343.2	\$481.5	\$510.6	\$646.3
<i>Comparable Period Percent Change</i>	36.9%	74.4%	40.3%	6.0%	26.6%
Gross Profit	\$39.5	\$69.2	\$97.8	\$88.5	\$122.7
<i>Profit Margin</i>	20.1%	20.2%	20.3%	17.3%	19.0%
EBITDA	\$32.2	\$65.4	\$93.9	\$86.5	\$114.7
<i>EBITDA Margin</i>	16.4%	19.1%	19.5%	16.9%	17.7%
EBIT	\$30.9	\$67.0	\$86.4	\$86.2	\$103.5
<i>EBIT Margin</i>	15.7%	19.5%	17.9%	16.9%	16.0%
Net Income	\$21.8	\$41.1	\$62.5	\$65.0	\$77.6
<i>Net Income Margin</i>	11.1%	12.0%	13.0%	12.7%	12.0%
Basic EPS	\$0.28	\$0.48	\$0.64	\$0.65	\$0.75
<i>EPS Growth</i>	-	71.4%	33.3%	1.6%	15.4%

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Capital Structure - “LPH”

Summary of Fully Diluted Shares Outstanding (MM)		
Current Common Shares Outstanding (MM)	102.1	(a)
12/1/2012		
Common Shares Issuable Upon:		
1. Conversion of Preferred Stock (remaining balance)	0.8	(b)
2. Other Committed	0.1	
Total Diluted Shares Outstanding (MM)	103.0	
Warrants Expired November 29, 2012		
<i>(a) As of Q1 - September 30, 2012</i>		
<i>(b) Originally 13,499,274 Preferred Stock; conversion 1:1 to CS</i>		
Common Shares Outstanding (MM)	102.1	100%
Less: Affiliate Shares	67.1	66%
Float (MM)	35.0	34%

Management - “LPH”

Cai Yongjun - Chairman and Chief Executive Officer

- CEO of Taiyuan Longwei since its founding in 1995
- Has over 16 years experience in the trading, storage and petroleum handling
- Attended Shanxi University where he majored in business administration

Xue Yongping – Director, Secretary and Treasurer

- Secretary and Treasurer of Taiyuan Longwei since November 1998
- Previously served as Deputy General Manager of Taiyuan Hua Xin Trading Company, a fuel oil distributor/wholesaler
- Received law degree from Shanxi Law School

Michael Touns – Chief Financial Officer

- Named Chief Financial Officer in June 2010
- Has 20 years of experience in accounting and corporate finance
- Publicly-traded company experience including PCAOB audits, SEC reporting & SOX
- Holds an MBA in Finance from the University of Notre Dame

Summary - “LPH”

- **Leading Private-Enterprise Energy Company (\$511M Revenues)**
- **Petroleum Distributor & Wholesaler in Shanxi, China**
- **Founded 1995 - Solid Relationships & Competitive Position**
- **National Licenses with 220,000mt of Total Storage Capacity
(purchase of Huajie - additional 100,000mt capacity added in FYE 2013)**
- **Expansion Opportunities - Industrial & Consumer Markets**
- **Completed Tax Reconciliation between SAIC & SAT to SEC GAAP reporting – no material differences**
- **NYSE MKT Listed – “LPH”**
- **Good Value – (1) Adjusted PE on TTM Earnings approx. 4x's
(2) Book Value > \$3.47/share**