

## Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

<b>Part I Reporting Issuer</b>	
<b>1</b> Issuer's name  VALERO ENERGY CORPORATION	<b>2</b> Issuer's employer identification number (EIN)  74-1828067
<b>3</b> Name of contact for additional information  Ashley Smith	<b>4</b> Telephone No. of contact  (800) 531-7911
<b>5</b> Email address of contact  investorrelations@valero.com	
<b>6</b> Number and street (or P.O. box if mail is not delivered to street address) of contact  One Valero Way	<b>7</b> City, town, or post office, state, and Zip code of contact  San Antonio, TX 78249
<b>8</b> Date of action  05/01/2013	<b>9</b> Classification and description  Common Stock
<b>10</b> CUSIP number  91913Y100	<b>11</b> Serial number(s)
	<b>12</b> Ticker symbol  VLO
	<b>13</b> Account number(s)

**Part II Organizational Action** Attach additional statements if needed. See back of form for additional questions.

**14** Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ Effective May 1, 2013 at 12:01 a.m. EST, CST Brands, Inc. (CST) separated from Valero Energy Corporation (VLO) through a tax-free spin-off pursuant to Internal Revenue Code Section 368(a)(1)(D) and 355. On this date, VLO shareholders of record received one ordinary share of CST for each nine shares of VLO stock held on April 19, 2013.

**15** Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ The aggregate basis of the shares of VLO common stock and CST common stock in the hands of each shareholder of VLO common stock immediately after the distribution equaled the aggregate basis of the shares of VLO common stock held by the shareholder immediately before the distribution, allocated between the shares of VLO common stock and the shares of CST common stock (and any cash received in lieu of fractional share interests in shares of CST common stock) in proportion to the relative fair market value of each at the time of the distribution. Based on the average high and low prices on May 2, 2013 (as described below), 91.75% of the pre-distribution tax basis in VLO common stock should be allocated to VLO common stock and 8.25% should be allocated to CST common stock received in the distribution.

**16** Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ There are several possible methods of determining fair market value. The average of the high and low trading price of VLO common stock and CST common stock on May 2, 2013, the first day of regular-way trading for both VLO common stock and CST common stock after distribution, is one such possible method. Such averages were \$29.60 for CST common stock and \$36.60 for VLO common stock (without CST) on May 2, 2013. Based on the foregoing, the aggregate basis of the shares of VLO common stock held by a shareholder immediately before the distribution should be allocated 91.75% to such shareholder's VLO common stock and 8.25% to such shareholder's CST common stock.

**Part II Organizational Action (continued)**

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ IRC Sections 368(a)(1)(D), 355 and 358. Under Sections 1001 and 1221, in general, the receipt of cash in lieu of a fractional share of CST common stock will be treated as if the fractional share had been distributed to the VLO stockholder and then disposed of by such stockholder in a sale or exchange for the amount of such cash.

18 Can any resulting loss be recognized? ▶ No loss can be recognized other than any loss recognized in respect of cash received in lieu of a fractional share of CST common stock.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ Issuer's reportable tax year - December 31, 2013.

**Sign Here**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶ *Lawrence M. Schmeltekopf* Date ▶ 5-3-13

Print your name ▶ Lawrence M. Schmeltekopf Title ▶ Vice President and Controller

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054