



News Release

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Flint Hills Resources to Implement More Stringent Energy Efficiency and Emission Standards as Part of Major Refinery Improvement Projects

ROSEMOUNT, Minn. – Flint Hills Resources today announced that it will apply rigorous energy efficiency and emission standards to a series of proposed projects at its Pine Bend refinery as part of an agreement with key environmental organizations. The company will also donate \$1 million to expand Project Green Fleet, a clean air program it helped found in 2005.

Last November Flint Hills Resources announced plans to make more than \$400 million in improvements to several processing units at the refinery in an effort to improve reliability, reduce key emissions, and improve its ability to convert crude oil into transportation fuel. The projects involve replacing three less-efficient heaters with two new state-of-the-art heaters, upgrading an existing process heater, and making improvements to the refinery's cooling towers. Once complete the new and modified equipment and process improvements are expected to allow the refinery to operate closer to its current design capacity of 320,000 barrels per day.

The company proactively engaged the environmental community through the Minnesota Center for Environmental Advocacy and the Environmental Integrity Project on ways to improve the projects prior to formal regulatory review. As a result, Flint Hills agreed to make a number of adjustments to its permit proposal, including:

- Adopting a more energy efficient design and operation plan for the new and modified heaters
- Setting stack exhaust temperature limits for the heaters, which will ensure the equipment is operated in a way that minimizes energy use

- Establishing heating value limits on fuels used in the heaters, which ensures the use of efficient fuels such as natural gas and high-quality fuel gas
- Agreeing to additional enforceable limits on volatile organic compounds (VOCs) emissions from the refinery's cooling towers and regular monitoring
- Taking stringent sulfur dioxide limits (SO₂) on the combustion of fuel gas used by the heaters
- Conducting third-party energy efficiency audits on key refinery process units and heaters, and exploring future energy efficiency opportunities

“We thought it was important to reach out to environmental leaders and look for ways to work together to improve the projects ahead of the traditional regulatory review process,” said Scott Lindemann, vice president and manufacturing manager at Flint Hills Resources Pine Bend refinery. “We are very pleased with the result, which is a better overall project.”

Project Green Fleet II

Flint Hills Resources will donate \$1 million toward clean air programs that focus on reducing particulate matter (PM_{2.5}) and ground level ozone in the spirit of Project Green Fleet, an award-winning program led by Environmental Initiative. Flint Hills Resources was a founding sponsor of the program, which started in 2005. Today, Project Green Fleet is responsible for reducing 23.55 tons of particulate matter, the equivalent of eliminating emissions from 350,000 cars each year. Flint Hills Resources is also a primary sponsor of Environmental Initiative's Clean Air Dialogue, which is looking for new or expanded opportunities to reduce emissions. With the new funding, Flint Hills Resources will work with Environmental Initiative, Minnesota Center for Environmental Advocacy, and Environmental Integrity Project to determine specific opportunities for improving air quality and building on the success of Project Green Fleet.

“Minnesota has outstanding air quality and we want to help make sure it stays that way,” said Lindemann. “We greatly appreciate the work of Environmental Initiative and the help of all of its sponsors over the years in making Project Green Fleet one of the most effective strategies for improving air quality in the country.”

Project Green Fleet is supported by a broad coalition of government, private businesses, and nonprofits that are committed to keeping Minnesota's air clean. The Project Green Fleet program started in 2005 when Environmental Initiative launched a pilot effort to reduce diesel emissions from school buses. A small number of school buses had pollution control equipment installed during the first year of the project, which was made possible with the financial support of Flint Hills Resources. Since then, Environmental Initiative's Project Green Fleet has expanded its voluntary efforts to reduce emissions from Rochester to Roseau. Project Green Fleet has also diversified its efforts to include new technologies and other diesel vehicles beyond school buses.

Refinery Improvement Projects

The Pine Bend refinery improvement projects, estimated at approximately \$400 million, are expected to create as many as four million hours of new work, increasing the current temporary contract workforce at Pine Bend from a daily average of about 500 to more than 1,000 over at least the next five years. Pine Bend currently employs more than 900 people full-time and can have between 400 and 2,000 contract workers on-site on any given day. Construction is expected to begin next year.

Since 1997 the Pine Bend refinery has lowered emissions of traditional criteria pollutants by approximately 70%, while increasing production to help meet demand for transportation fuel. The refinery has reduced total on-site emissions in 10 of the last 11 years, and its emissions per barrel are currently 50% lower than the industry average for large refineries. The new projects will result in a decrease in NO_x and sulfur dioxide (SO₂) emissions.

Since it was established as the Great Northern Oil Company in 1955, the Flint Hills Resources Pine Bend refinery has played a major role in providing the transportation fuels used in Minnesota and throughout the Midwest. Today Pine Bend is a leading producer of fuels and other petroleum-based products, and among the cleanest, most efficient, and safest refineries in the country.

About Flint Hills Resources

Flint Hills Resources, LLC, through its subsidiaries, is a leading refining, chemicals and biofuels company. Its subsidiaries market products such as gasoline, diesel, jet fuel, ethanol, biodiesel, olefins, polymers and intermediate chemicals, as well as base oils and asphalt. The refining business operates refineries in Alaska (North Pole), Minnesota (Rosemount), and Texas (Corpus Christi), with a combined crude oil processing capacity of more than 650,000 barrels per day. The petrochemical business includes production facilities in Illinois, Michigan and Texas. The renewables business operates ethanol plants in Iowa, and a biodiesel plant in Texas, and has made equity investments in bioenergy companies. The asphalt business produces and markets products in the Midwest and Alaska. A subsidiary owns an interest in a lubricants base oil facility in Louisiana.

Flint Hills Resources Pine Bend in Rosemount, Minn., has a crude oil processing capacity of about 320,000 barrels per day. Pine Bend employs about 900 people full-time; an additional 400-2,000 contractors work at the refinery daily on construction and maintenance projects. More information about the company is available at www.fhr.com.