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FLINT HILLS RESOURCES PLANS MAJOR TECHNOLOGY UPGRADES FOR PINE BEND REFINERY

Projects expected to improve refinery's efficiency, increasing production of transportation fuels while reducing key permitted emissions

Rosemount, Minn. – Flint Hills Resources announced today it plans to pursue a series of projects that would improve the efficiency of the Pine Bend refinery, allowing it to continue to meet demand for transportation fuels while reducing key permitted emissions. The projects include the replacement of aging equipment with state-of-the-art technology, improved energy efficiency, and improvements to other refinery processing units.

The projects are subject to regulatory review and require state permits. The projects must also receive final approval from Flint Hills Resources management. If approved, the refinery expects to begin construction in 2017.

The Flint Hills Resources Pine Bend refinery recently completed more than \$400 million in projects that improved reliability and reduced key emissions. The proposed projects are estimated to cost approximately \$750 million and would result in further decreases in nitrogen oxide (NOx)* emissions and lower the refinery's permitted emissions by 500 tons per year. The technology and efficiency upgrades would also improve production yields, allowing the 339,000 barrel-per-day refinery to produce more diesel fuel and gasoline without increasing permitted emissions.

At a Glance

Technology and Efficiency Improvement Projects:

- Replacement of two 1960s-era delayed coking units with a single unit, built with state-of-the-art technology to improve energy efficiency and lower emissions
- New gas oil fractionator, upgraded hydrogen unit technology, and process improvements to enhance flexibility to make more clean diesel fuel when needed to meet demand
- Improvements to gasoline blend stock processing to allow greater flexibility in making more ultra-low sulfur gasoline without increasing emissions
- Use of best-available control technology
- Reduction of overall permitted emissions by more than 500 tons per year
- 2,500 jobs during peak construction
- Investment of approximately \$750 million

“These projects will help Pine Bend continue to improve its efficiency and competitiveness,” said Geoff Glasrud, Flint Hills Resources vice president of operations and manufacturing manager. “We are going to be able to make more of the transportation fuels the region depends on and do it more efficiently and reliably than we do today, without increasing permitted emissions.”

Since 1997, the Pine Bend refinery has lowered emissions of criteria air pollutants by approximately 65 percent, while increasing production to help meet demand. The refinery also has reduced total on-site emissions in 11 of the last 14 years, and its emissions per barrel are currently about 21 percent lower than the industry average.

The projects are expected to create up to 4 million hours of new craft labor work and would contribute to Pine Bend's temporary contract workforce, which currently averages 1,500 workers each day on top of its regular full-time workforce of about 1,300 people. The 339,000 barrel-per-day Pine Bend refinery is responsible for producing the majority of Minnesota's transportation fuels and is a major contributor to the fuel supplies of surrounding states.

About Flint Hills Resources

Flint Hills Resources, LLC, through its subsidiaries, is a leading refining, chemicals and biofuels company, with operations primarily in Texas and the Midwest. Its manufacturing capability is built upon six decades of refining experience, and the company has expanded its operations through capital projects and acquisitions worth more than \$11 billion since 2002. The company is based in Wichita, Kansas, and its more than 5,000 employees strive to create value for customers and society.

Flint Hills Resources' Pine Bend refinery produces transportation fuels used throughout the Midwest, including most of Minnesota's gasoline, diesel fuel, jet fuel, as well as other products people rely on such as propane and asphalt. Located 17 miles southeast of Minneapolis, Pine Bend has a capacity of 339,000 barrels per day and is among the cleanest, most efficient, and safest oil refineries in the country. Flint Hills Resources directly and indirectly supports more than 4,000 Minnesota jobs and has invested nearly \$1.7 billion on upgrades and improvements to its Minnesota facilities since 2010. With 1,300 full-time employees, the Flint Hills Resources Pine Bend refinery is one of the largest employers in Dakota County. More information about the company is available at www.pinebendrefinery.com.

**The original news release mistakenly stated that the refinery would be lowering nitrous oxide (N₂O) emissions, which is a greenhouse gas. It should have stated that the refinery would be lowering nitrogen oxide (NO_x) emissions. Although NO_x is a criteria pollutant and a precursor to ozone formation, it is not a greenhouse gas.*