

Dialogue



Information for neighbors and employees of Flint Hills Resources

Spring 2006

Big Brothers Big Sisters Moves to the Coastal Bend Measuring Success in Smiles

Last fall, Big Brothers Big Sisters matched its first “big” with its first “little” in Corpus Christi, marking the program’s first program in the area.

To date, BBBS has connected 16 children with mentors in the school-based program in the Tuloso-Midway Independent School District, with a goal of having 30 by the end of 2006. Once that milestone is achieved, BBBS plans to implement the program in the broader community.

“Flint Hills Resources’ commitment has been vital as we’ve introduced the mentoring program in this area,” said Tony Elizondo, BBBS regional business and marketing manager. “The company not only contributed financially, but also has actively helped recruit employees to mentor during the work day. As a Corpus Christi native, I know that without a mentor, many children feel unloved, unwanted and without

guidance. I truly believe BBBS can be successful in this community.”

Flint Hills Resources, as a result of other Koch companies’ successful BBBS relationships in the United States, provided seed money to establish the area’s first program.

“We have seen the difference this program makes in communities such as Wichita,” said Martha Ruiz, community relations representative. “We are enthusiastic about our employees’ response to the program, as well as the community’s acceptance.”

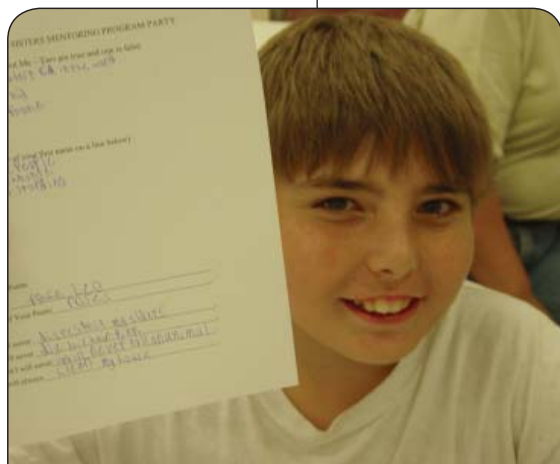
It was fitting that an FHR employee was among the first bigs to be matched with a little – from the Tuloso-Midway Independent School District.

“Again, with Flint Hills Resources’ help, we have put together a strong satellite resource board comprised of city and county leaders, school administrators, and representatives from FHR,” Elizondo said.

BBBS recently completed an agreement with the Corpus Christi Independent School District that will introduce the program into the Oak Park and George Evans special emphasis schools.

Elizondo said recruiting mentors remains high on his priority list, as well as attracting the resources to sustain the program financially.

“We’re already seeing the benefits with the connections we’ve made and the stories we hear,” Elizondo said. “We’re truly measuring success by smiles.”



Leo Finzel, fifth grader at Tuloso-Midway Intermediate School was one of the first students to be matched with a Big Brother.

Things you should know

Big Brothers Big Sisters: Begun in 1904 in New York City; introduced in San Antonio in 1978. BBBS of Corpus Christi is part of the San Antonio/South Texas Region.

Who makes a good mentor? Someone who believes in a child and who can commit time to making a difference in that child’s life.

How much time does it take? For the school-based program, one hour a week during school hours.

How to get involved? Contact Tony Elizondo, regional business and marketing manager, Big Brothers Big Sisters of South Texas, 361-888-8500 (office); 361-888-8502 (fax); 361-779-4657 (cell).

Why We Give

In November, Flint Hills Resources will celebrate 25 years in Corpus Christi. In the past quarter century, we've worked continuously to improve our operations, adding a second refinery in 1995, spending more than \$500 million for steel and technology that has resulted in significant environmental upgrades, and building a thriving business.

Who we are

Our parent company, Koch Industries, Inc., has deep Texas and refining roots. From that heritage, Flint Hills Resources has grown, a testament to the leadership and a commitment to creating a values-based culture that includes integrity, humility and respect.

Flint Hills Resources employs Market Based Management, a business philosophy founded on the belief that success starts by creating real value in society. We believe our citizenship efforts are an important aspect in creating value. For us that means operating in a safe and responsible manner, conducting our business lawfully and ethically, creating a dialogue with our neighbors to position us to learn how to improve, and giving time and resources to various organizations.

Where we give

During our 25 years in the Coastal Bend, we've provided steady support and millions of dollars for community organizations that work to improve education, the environment and various human services initiatives. Our Public Affairs team identifies organizations and programs that improve the quality of life in our community.

We're especially proud of the hundreds of hours our employees give in support of community projects such as mentoring at-risk students in Big Brothers Big Sisters, volunteering for Operation Paintbrush, and supporting Junior Achievement.

As a company, you will see us seek initiatives that help prepare our young people to enter the Corpus Christi workforce, whether they are accountants, computer specialists or operations technicians. We are concerned about the area's high school graduation rate, and are working through community advisory councils and schools to help improve that rate, and the employability of our youth.

As we celebrate our milestones this year, know we are committed to being a part of the solution today and into the future.

Other Giving in Texas

Flint Hills Resources, with its system of fuels terminals that receive refined products from the company's Corpus Christi refining complex, also helps out in communities such as San Antonio, Austin, Bastrop and the Ft. Worth area.

A few of those partnerships and projects include these:

Boys & Girls Club (San Antonio and Bastrop)

Bexar County Firefighters (San Antonio)

Sam Houston High School science and engineering scholarships (San Antonio)

Caring for Children Foundation of Texas (Austin)

Clean Air Force of Central Texas (Austin)

Stone Creek Addition Homeowners Association (Arlington)



Dave Allen, second from left, was one of 100 Flint Hills Resources employees who bowled for Junior Achievement in February. Led by Renee Gardner, the company's volunteer recruiter, employees raised more than \$35,500 for Junior Achievement.



Dr. Stephen Almond, director of the kidney transplant program at Driscoll Children's Hospital, his wife Suzanne and daughter Katy enjoy Fiesta de los Niños.

The kidney transplant program was the major benefactor of the fund-raising event that raised more than \$310,000. The yellow Labrador puppy in Katy's arms was one of two auctioned off during the event for \$800.

Community Dialogue

Flint Hills Resources supports various groups

Flint Hills Resources is involved in the community in a variety of ways, including supporting organizations such as the Corpus Christi Community Advisory Council, the Port Industries of Corpus Christi, and the Flint Hills Resources Community Action Council.

Flint Hills Resources Community Action Council meets monthly and facilitates conversation between refinery management and local neighbors. It is comprised of a diverse group of business people and community leaders and activists who volunteer to help make the area a better place to live and work.

“With the support of industry, and particularly Flint Hills Resources, those of us who give time feel that we are making a difference.”

– Dr. Glen Kost

“This group is always changing,” said Dr. Glen Kost, retired Del Mar College administrator. “As an eight-year member, I’ve seen the group tackle community issues such as better preparing students for education as well as the availability of health care. With the support of industry, and particularly Flint Hills Resources, those of us who give time feel that we are making a difference.”

The council began in 1998, and initially focused on advising Flint Hills Resources.

A key 2006 project for FHRCAC is to focus on an early bird reading program. One of the council’s task forces has organized a public book drive to collect age-appropriate books and then train and reward school children who will read to their siblings.

Since its inception in 2003, Flint Hills Resources, as part of the Port Industries of Corpus Christi, has supported the local Regional Health Awareness Board. The board was excited to address local health issues and recommend steps to improve health in the area.

Recently, William Uhlarik was designated as RHAB’s administrator. Board members and the entities that appointed them include the following:

City of Corpus Christi:

Lillian Murray and Angela Womack*, community representatives, and Margie Rose, city representative.

Nueces County:

Lionel Lopez and Able Alonzo*, community representatives, and Dr. Nina Sisley, county representative.

San Patricio County:

Alonso Molina and Dennis Roberts*, community representatives, and Dr. James Mobley, county representative.

Texas A&M University – Corpus Christi:

Dr. Mary Jane Hamilton*.

Texas A&M University – Kingsville:

Dr. Venkatesh Uddameri.

Port Industries of Corpus Christi:

Jon Kiggans and Tom Ballou.

Ex-officio members include Katherine Sessions, health manager for San Patricio County, Susan Clewis, regional director for Texas Commission on Environmental Quality, Nelda Perez, U.S. Environmental Protection Agency, and Annette Rodriguez, acting director of public health for Corpus Christi-Nueces County Public Health District.

*Denotes newly appointed members.



Seventeen Corpus Christi-area high school students are now serving as the City Council’s official youth advisory committee. These students were sworn in by Mayor Henry Garrett, with the City Council looking on, in early January.

The Next Generation of Workers

Education is a key focus of Flint Hills Resources' community giving. Many of the programs the company supports are ones that encourage young people to further their education – and look at the refining industry as a potential career choice.

Finding qualified workers is increasingly a challenge for many of the port industries businesses in Nueces County.

That's why the company actively seeks new ways to introduce the refining industry to those who influence young people about career choices. As a result of that need, FHR's training team developed and conducted two week-long paid externships for local high school teachers to introduce them to the refining industry, and most importantly, Flint Hills Resources.

"We recognize that teachers have a major influence on the career choices that students make," said Mark Krysiak, training and development director for FHR. "So we decided we needed to educate the teachers about our industry and our company."

Fourteen Moody High School teachers and counselors participated in the inaugural program in 2005. As students, the Moody team spent time touring the refinery, learning about the company's environmental, health and safety programs, and most importantly about the careers, salary ranges and benefits available at Flint Hills Resources.

"The program certainly helps me guide students who may have a natural interest and inclination to work in process technology or some other career within the industry," said Mario Bayarena, Foy H. Moody High School Academy of Industrial Trades and Technology Management.

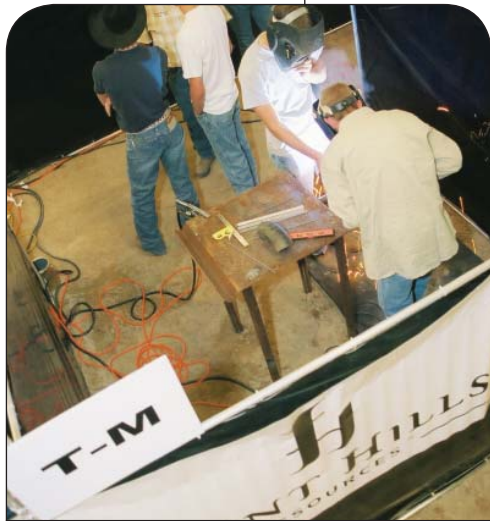
Building from the modules and training developed for the externship, Flint Hills Resources has begun conducting student tours.

"Based on the feedback from the teachers, we all saw an opportunity to apply some of that training appropriate for Moody High School students," Krysiak said. "Through demonstrations in our maintenance shop area, we can really show these students what it's like to work here."

Since the beginning of the 2005 school year, four busloads of students have participated in the tours with others scheduled.

And the company is embarking on yet another opportunity to introduce process technology – this time with Del Mar College students in their last semester. Three Del Mar students have been selected for a 160-hour internship at Flint Hills Resources. Each student will work directly with a refinery operator, essentially gaining first-hand experience within the process technology field.

"I left this externship with a much greater understanding of the opportunities the industry offers."
– Mario Bayarena



Students from Tuloso-Midway High School compete in the 2006 Nueces County Ag and Livestock Show in January. Flint Hills Resources has sponsored the welding competition for a number of years; welders are in strong demand in many of the industries in which the company operates.

Mano-a-Mano sign-up
Forty students are attending college with help from Flint Hills Resources and the Hispanic Chamber of Commerce and the Mano A Mano Scholarship program. This four-year collaboration targets students attending, or planning to attend, Del Mar College, Texas A&M University-Corpus Christi and Texas A&M University-Kingsville. Scholarship winners commit to pursuing careers in the Corpus Christi-area upon graduation.

The Corpus Christi Hispanic Chamber of Commerce is accepting applications until May 1, for the 2006 Fall semester. See www.mano-a-mano.org for more information.



Flint Hills Resources board chairman, Dave Robertson, and now president and chief operating officer of Koch Industries, Inc., FHR's parent, was on hand to congratulate Corpus Christi employees for their efforts to work safely and achieve industry-leading performance.

Capping off Outstanding Year for EH&S Performance

When the calendar turned to 2006, employees at Flint Hills Resources had worked more than five years without an injury resulting in time away from work.

"That's an incredible milestone in any industry," said Dave Allen, vice president and manufacturing manager, in a letter to all employees on Dec. 23, the day employees reached the five-year milestone. "This ongoing safety success is made possible by our employees' attention to detail and looking out for fellow workers. I, along with the leadership of Flint Hills Resources, recognize that safe work habits are not only important on the job, but also in your home and during recreation. With your continued vigilance and watchfulness, I trust that this safety streak will continue well into the future."

Flint Hills Resources not only set a new standard for safety performance in 2005, but the Corpus Christi complex also improved environmental performance. The company set a new facility record of 136 days without flaring in 2005, reducing flare time by 90 percent.

This effort was recognized by the Pollution Prevention Air Quality Program, for helping reduce ozone production in Nueces County.

During a November turnaround, the company reduced carbon monoxide emissions by more than 99 percent and sulfur dioxide emissions by 75 percent by modifying start-up methods.

In December, the Corpus Christi team celebrated the first "perfect" month: no employee or contractor injuries or environmental reportables.

Congratulations

5 years and 10 million hours without a lost-time injury Dec. 23, 2005

136 consecutive days without flaring (July 11 through Nov. 25, 2005)

31 perfect days – no environmental reportables or employee or contractor safety incidents (Dec. 1 – Dec. 31)

All those numbers add up to a great year.

Flint Hills Resources is a key supplier of fuels and petrochemicals to local and global customers. The company's assets in Texas include the Corpus Christi refining complex, with a daily processing capacity of about 300,000 barrels of crude oil, a proprietary refined products pipeline system, and associated terminals in San Antonio, Austin, Bastrop, Waco and Ft. Worth. Flint Hills Resources is a wholly owned, independently managed subsidiary of Koch Industries, Inc., a privately held company based in Wichita, Kan.



A record number of entries were received for the 2006 Visionarios arts competition jointly organized by the Art Museum of South Texas and Flint Hills Resources. Winners in the Dry Media division, Grades 1 & 2 include the following: (left to right) Sierra Lutz, Orange Grove Primary, first; Kyle Miller, Orange Grove Primary, second; Ian Simmons, Incarnate Word Academy, third; and Kyle Perez, Calallen East, honorable mention.



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