

Flint Hills Resources owns and operates a refinery in North Pole and products terminals in Fairbanks and Anchorage. Flint Hills Resources, a wholly owned subsidiary of Koch Industries, Inc., began operations through its Alaska affiliate on April 1, 2004.

The North Pole Refinery, located southeast of Fairbanks, has a crude oil processing capacity of about 220,000 barrels per day. The refinery produces various petroleum products including gasoline, jet fuel, heating oil, diesel fuel, gasoil and asphalt for supply to Alaska markets. About 60 percent of the refinery's production is destined for the aviation market.

The Anchorage terminal receives products from the refinery via Alaska Railroad tank cars, annually offloading about 22,000 rail cars. That product is then distributed locally and to locations along Alaska's coastline. Constructed in 1965, the Anchorage terminal can store more than 700,000 barrels. A pipeline system extends from the terminal one-half mile to the Port of Anchorage and enables bulk fuel transfers to and from other terminals and vessels berthed at the Municipality's petroleum, oil and lubricants docks. The terminal loads an average of 60 to 80 vessels annually.

Flint Hills Resources Alaska has about 175 employees within the state. Employees of Flint Hills Resources are engineers, chemists, plant operators, firefighters, office workers, safety specialists, computer specialists and maintenance reliability specialists.

### **Background**

Flint Hills Resources, LLC, through its subsidiaries, is a leading refining and chemicals company. It markets products such as gasoline, diesel, jet fuel, ethanol, olefins, polymers and intermediate chemicals as well as base oils and asphalt. The company, based in Wichita, Kan., has expanded its operations through capital projects and acquisitions worth more than \$6.2 billion since 2002. With more than 3,700 employees, Flint Hills Resources strives to create value for customers and society.

Flint Hills Resources refineries in Alaska, Minnesota and Texas produce a wide range of fuels that are transported through proprietary and common carrier pipeline systems, stored in strategically located terminals, and marketed to wholesalers and retailers throughout the United States. Ethanol plants in Iowa have a combined annual capacity of 435 million gallons of ethanol. The company's chemical business includes production facilities in Illinois, Michigan and Texas. These plants produce aromatics, olefins, polymers and intermediate chemicals. The company also owns an interest in a base lube oil facility in Louisiana and has made equity investments in bioenergy companies, and operates a biodiesel plant near Fort Worth, Texas.

### **Safety and Environmental Commitment**

Flint Hills Resources is committed to operating in a manner that protects the health and safety of its employees, the public and the environment. The company strives for 100 percent compliance while meeting the expectations of the communities in which it operates.

- The North Pole Refinery has earned numerous safety awards from the National Petrochemical & Refiners Association, including Meritorious Safety Performance and Gold awards.
- Flint Hills Resources Alaska has committed to ensuring Alaskans have access to clean fuels. The company has retrofitted its fuels terminals in Fairbanks and Anchorage to handle low sulfur fuels. Low-sulfur fuels produced at Flint Hills Resources' Minnesota and Texas refineries have helped reduce emissions significantly and improve air quality in the communities in which they are available.

- The company's success at reducing flaring earned a Clean Air Award from the U.S. Environmental Protection Agency in 2004, and it continues its efforts to reduce emissions at its plants, especially during periods of startup, shutdown and malfunction. The company completed a four-year collaborative effort with the U.S. Environmental Protection Agency to develop and share best practices aimed at reducing emissions during these periods.
- In 2009, the company's overall refinery operations criteria air emissions per barrel were 67 percent lower than the average among peer refiners (based on latest comparison data available<sup>1</sup>).
- The refinery's operations teams have developed and implemented more efficient processing methods that decrease production costs and save energy.

### **Community Commitment**

Flint Hills Resources is committed to understanding the needs of the community, participates in projects and activities that add value to its neighbors, and improve the quality of life. The University of Alaska College of Business and Public Policy recognized Flint Hills Resources Alaska as the 2008/09 Outstanding Corporate Citizen of the Year. The North Pole site was also honored by the Association of Fundraising Professionals with the 2006 Outstanding Philanthropy Award for its community involvement.

### **Flint Hills Resources Golden Heart Awards**

This annual awards reception recognizes volunteers in the Fairbanks area who, by helping others, enrich their community. The company has held the reception for twelve years, with volunteers being nominated by their peers. Winners and nominees receive an award and contribution to their non-profit organization.

### **University of Alaska**

Flint Hills Resources donated \$200,000 between University of Alaska Fairbanks (UAF), University of Alaska Anchorage (UAA), University of Alaska Southeast (UAS), and Alaska Pacific University. Programs supported include: Experimental Economics at UAA, the Alaska Summer Research Academy and the Engineering E-Week at UAF, and the Students of Free Enterprise at UAS.

### **University of Alaska Museum of the North in Fairbanks**

The company has an ongoing partnership with University of Alaska Museum of the North, donating \$200,000 in the last six years. Flint Hills Resources serves as the corporate sponsor for the museum's school tour programs and the earth sciences lab, which is one of 10 key research laboratories in the expanded museum.

### **Alaska Bird Observatory**

The observatory provides materials for visiting educators and students such as the Boreal Forest Songbirds of Alaska teaching units and a songbird activity book to advance the appreciation, understanding and conservation of birds and their habitats. The company supports the observatory's educational programs including sponsoring the Flint Hills Family Fun with Birds programs, and supporting the Alaska Bird Camp for youth.

### **Ice Alaska**

The company has been the title sponsor of the Flint Hills Resources Kids Ice Park in Fairbanks for many years. This annual family event promotes cultural and artistic exchange through elegant ice exhibitions.

### **Alaska Children's Trust**

Flint Hills Resources continued its sponsorship of the annual Mush for Kids family event in 2010. The organization seeks to eliminate child abuse and neglect by stressing the importance of healthy families, healthy children and a safe community environment.

### **Interior Alaska Green Star**

This program encourages households and businesses to practice waste reduction, energy conservation and pollution prevention. The company supports and participates in Interior Alaska Green Star Program. Each year, the company's IT department collects and recycles the unwanted electronic equipment from the North Pole site.

### **The Nature Conservancy**

As part of its commitment to environmental stewardship, Flint Hills Resources Alaska supports The Nature Conservancy's efforts in Alaska including conserving wild salmon, restoring seabird habitat, sustaining forests and estuaries.

### **Other community involvement**

Boys & Girls Club	Fairbanks Summer Arts Festival
Boy Scouts of America	Girls Scouts
Fairbanks Community Food Bank	United Way of Tanana Valley
Junior Achievement	Fairbanks North Star Borough Summer Youth Reading Program
Running Club North	Fairbanks Light Opera Theatre Junior's Summer Program
Newspapers in Education	Nordic Ski Club of Fairbanks
Big Brothers Big Sisters Alaska	Fairbanks Amateur Hockey Association

### **Communicating With Neighbors**

Flint Hills Resources believes open communication with neighbors is paramount. As a result, the company actively sponsors and participates in community advisory groups.

The company's North Pole local community advisory council provides two-way communication between the community and Flint Hills Resources about area needs and refinery projects. The company also works closely with the Government Hill Community Council in Anchorage. This council includes residential neighbors and other industrial users at the Port of Anchorage and fosters communication and cooperation between residents and industry.

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<sup>1</sup> Emissions data calculated using publically available data from state or federal environmental departments.