

Flint Hills Resources, through its subsidiary Flint Hills Resources Alaska, 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 25,000 rail cars. That product is then distributed locally and to locations along Alaska's coastline and the Far East. Constructed in 1965, the Anchorage terminal can store more than 700,000 barrels. A pipeline system extends from the terminal one-half mile away 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, 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 \$4.6 billion since 2002. With about 3,500 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 a vast system of strategically located terminals, and marketed to wholesalers and retailers throughout the United States. 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 produces and markets asphalt in Alaska and the Midwest and owns an interest in a base oil facility in Louisiana.

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. In 2008, employees set a safety record by working more than 730 consecutive days – more than two years and 1.5 million hours – without a recordable safety incident.
- 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 2008, the company's overall refinery operations criteria air emissions per barrel were 60 percent lower than the average among peer refiners (based on latest comparison data available).
- 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 FHR 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 eleven years, with volunteers being nominated by their peers. Winners and nominees receive an award and contribution to their non-profit organization.

North Pole Advisory Council

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.

University of Alaska Fairbanks

Flint Hills Resources donated \$95,000 to establish an endowed scholarship at the University of Alaska Fairbanks. The gift will also fund the Alaska Summer Research Academy, promotion of the Engineering department's student outreach efforts and the School of Management Visiting Faculty program.

University of Alaska Museum of the North in Fairbanks

The company has an ongoing partnership with University of Alaska Museum of the North, donating \$175,000 in the last five 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 2009. 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.

Habitat for Humanity

In addition to employee volunteers with Habitat for Humanity, Flint Hills Resources provided the funding to complete a handicap-accessible home for a low-income single parent family in North Pole and one in Fairbanks.

Other community involvement

Boys & Girls Club

Boy Scouts of America

Fairbanks Community Food Bank

Junior Achievement

Running Club North

Newspapers in Education

Fairbanks Summer Arts Festival

Girls Scouts

United Way of Tanana Valley

Fairbanks North Star Borough Summer Youth Reading Program

Fairbanks Light Opera Theatre Junior's Summer Program

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