

A MESSAGE FROM DAVE ALLEN
Flint Hills Resources adds new assets

Demonstrating a strong commitment to better compete in the refining and chemicals industry, Flint Hills Resources has recently concluded the acquisition of refinery and products terminals in Alaska and a chemical intermediates business in Joliet, Ill. Combined with the July 2003 investment in Excel Paralubes, a Group 2 base oil-producing facility in Louisiana, Flint Hills Resources is making progress on growth plans announced when the company was formed in 2002.

The company's growth strategy to provide independent leadership and separate financial decision-making authorities was the rationale for Flint Hills Resources as a wholly owned subsidiary of Koch Industries in January of 2002.

Continued on page 2, *New Assets*



Process units at the newly acquired Flint Hills Resources North Pole refinery against the Alaskan sunset.

FLINT HILLS RESOURCES IS ONE OF 13 HONORED WITH
CLEAN AIR EXCELLENCE AWARD

EPA recognizes efforts to reduce emissions

U.S. Environmental Protection Agency Administrator Mike Leavitt honored Flint Hills Resources with a 2003 Clean Air Excellence Award for the company's effort to reduce emissions and refinery flare time.

"Innovative and sustainable programs are a right and necessary part of our efforts to protect the environment and public health," Leavitt said. "The Clean Air Excellence Awards recognize the pioneers in developing and implementing such programs."

The agency said Flint Hills Resources was honored based on the impact, innovation and replicability of its approach to reducing flaring at its Texas and Minnesota refineries.

Flint Hills Resources' emissions-reduction project was one of 13 chosen by EPA from more than 120 applications. The company has reduced refinery flare time by 95 percent in the past six years.

Refineries use flaring to burn unused hydrocarbons and eliminate equipment over-pressuring.

Reduction in flaring has allowed



Pictured at the Clean Air Excellence Awards in Washington, D.C. are Wayne Jackson and Willis Jernigan (representing FHR Corpus Christi), Steve Johnson (U.S. EPA), Lee Foster (FHR Pine Bend) and Don Clay (KII DC office).

Flint Hills Resources, which owns and operates refineries in Rosemount, Minnesota and Corpus Christi, Texas, to increase the amount of marketable product and cut an estimated 800 tons of sulfur dioxide, oxides of nitrogen and volatile organic compound emissions annually.

"Flint Hills Resources set a goal to reduce flaring to improve our operational and environmental performance," said Dave Robertson, president of the Wichita, Kansas-based company. "Our ability to meet that goal – and recapture hydrocarbons and cut emissions – is due to team work by our employees and implementing operational controls and improving existing technology."

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A night of fun at Fiesta De Los Niños benefits Driscoll Children's Hospital

A sellout crowd kicked up its heels and danced to the western tunes of Country Music Hall of Fame legend, Ray Price, at the 12th Annual Fiesta de los Niños fundraiser for Driscoll Children's Hospital. More than \$262,000 was raised at the 2004 event with Flint Hills Resources as the title sponsor.

As the underwriting sponsor since 1993, the company's

contributions to the event have totaled \$380,000 in addition to volunteer support. Proceeds from this year's event will go to the hospital's Nephrology Department, which offers consultation and treatment for all types of structural, functional and infectious disorders of the kidneys and urinary system.



New Assets, continued from page 1

The company continues its vision to be competitive, serve customers with quality products and services, and operate facilities with uncompromising standards for safety and environmental performance.

Historically, Flint Hills Resources operations included the Corpus Christi Refining and Chemicals Complex and Pine Bend Refining Complex located in the Minneapolis/St. Paul area. Combined, the total processing capacity of the two facilities is about 570,000 barrels of crude oil per day.

With the Alaska acquisition, Flint Hills Resources has refining operations with the capacity to process about



780,000 barrels of crude oil each day.

The company looks forward to becoming a part of the Alaska community as it has in Corpus Christi and Pine Bend and will make major modifications in the Alaska facility later this year.

Flint Hills Resources has just concluded the acquisition of chemical intermediates business assets from BP. This plant, located in Joliet, Ill., provides processing synergies with its Corpus Christi chemicals operations.

Another investment in 2003 was completed with the purchase of a lube oil facility (Excel Paralubes) in Lake Charles. This facility produces base oil, the primary base used to manufacture motor oil. Entering this product line gives Flint Hills Resources the

opportunity to serve a new customer base as a natural extension of its refining products.

As Flint Hills Resources continues to grow, it remains committed to operations in Corpus Christi and is very proud of its employees and the accomplishments and achievements at the Corpus Christi Complex. Flint Hills Resources will continue to work in partnership with the community on education, environmental stewardship and human service activities and will challenge the way it does business in a continuing effort to improve standards for safety and the environment.

Dave Allen

vice president of refining and manufacturing manager

Flint Hills Resources Corpus Christi complex

Welcome new employees



Anthony Chavez
Accountant/Analyst I
1/19/04



Rodney Cotton
PSP-Entry Level
11/10/03



Juan Jimenez-Violante
LP Model Engineer
3/8/04



Jesse Johnson
PSP-Entry Level
11/10/03



Mark Andrew Lozano
Rotating Equip Tech -
Level 4 11/10/03



Michael Richardson
Lab Sampler
4/14/04



Sylvia Sanchez
Human Resources
Coordinator
2/9/04



Alicia Sleighter
Associate Process
Engineer
3/22/04



Vicente Villarreal
Analyzer Tech
5/10/04

Todd Davis
TPL Scheduler 5/15/04

Donoan Diou
PSP-Entry Level 11/10/03

FHR Calendar

Rec Club Bowling	July 10
Astros Trip	August 21
Great Expectations	August 27
Iron Man Chili Cookoff	September 25
Service Awards Banquet	October 21
Coastal Bend Health Fair	October 23
Rec Club Christmas	December 4

Employees and students prepare for spring at FHR Wildlife Learning Preserve

Weeding, mulching, building and installing nest boxes made for a busy Saturday, as employees and area students helped maintain and improve the plant's Wildlife Learning Preserve at the Corpus Christi complex.



The refinery preserve received a three-year Habitat Program Recertification from the National Wildlife Habitat Council for employee environmental stewardship efforts.

EPA award, continued from page 1

In 2003, the Texas west refinery averaged 9 minutes per day of flare time and the Minnesota refinery averaged 11.4 minutes per day. In 2002, it was 45.1 minutes and 8.7 minutes per day respectively.

Flint Hills Resources earned the Clean Air Excellence Award in the clean technology category during the fourth annual awards ceremony. The awards program recognizes and honors outstanding, innovative efforts to make progress in achieving cleaner air, and was established at the recommendation of the Clean Air Act

Advisory Committee.

“Flint Hills Resources commitment to reduce emissions from flaring is among the best in the industry,” said Bob Slaughter, president of National Petrochemical & Refiners Association. “The company's efforts demonstrate how businesses can voluntarily put systems in place to improve operations to help protect the environment. We congratulate Flint Hills Resources’ leadership and the company on this prestigious award.”

Introducing Dave Allen – Flint Hills Resource’s Corpus Christi plant manager

Earlier this year, Dave Allen was named vice president of refining and manufacturing manager at Flint Hills Resources Corpus Christi complex, replacing Joe Coco who has become vice president of operations for INVISTA.

Allen hails from Chicago and has been with Flint Hills Resources for four-and-a-half years as a production support manager. He graduated from the Illinois Institute of Technology with a bachelor of science degree in mechanical engineering. Prior to joining the Corpus

Christi facility, Allen was with Mobil Oil Co. in Torrance, Calif. where he managed the continuous improvement team and operational excellence initiatives.

He has more than 30 years in refinery operations management.

“Our greatest challenge at Flint Hills Resource’s Corpus Christi complex is to maintain our outstanding performance in protecting



the health and safety of our employees, contractors and the community, and protecting the environment,” Allen says.

In addition to his management responsibilities, Allen serves on the boards of the Coastal

Bend Chapter of the American Red Cross, the Del Mar College Foundation, and Tuloso-Midway ISD Education Foundation. He and his wife Carol have four grown children and two grandchildren.

Good luck to retirees

Friends and co-workers gave their best wishes to Jerry



Champion (second left) at his retirement luncheon in April. Jerry had more than 32 years of service with the company.



Jim Mahoney, executive vice president FHR operations, congratulates **Eddie Shenk** for 38 years of service, while Leighton Works looks on. Eddie retired in December.

Koch subsidiaries buy fibers unit from DuPont

DuPont and subsidiaries of Koch Industries, Inc. finalized the sale of INVISTA, formerly DuPont Textiles & Interiors, on April 30.

“The new INVISTA has many capabilities, recognized brands and an innovative team, and we believe our long-term outlook is excellent,” said Jeff Walker, INVISTA’s chief executive officer. “Our focus for the near future is to enhance this business’ ability to create superior value for our global customers.”

The new INVISTA is a global integrated fiber and intermediates business with a presence in 50 countries. INVISTA is committed to its customers’ growth through market insights and technology innovations combined with a powerful portfolio of the best-known global brands and trademarks in the industry including: LYCRA®, STAINMASTER®, ANTRON®, COOLMAX®, THERMOLITE®, CORDURA®, SUPPLEX®, TACTEL®.



Environment, health and safety – the focus for new training center

According to Matt Kline, FHR employee development manager, “Employees at Flint Hills Resources strive to be a unique group.” One of the primary factors that creates the difference is a commitment to continuous improving environmental, health and safety efforts. These elements have always been emphasized in Flint Hills Resource’s values and culture, but that emphasis continues to grow.

The new Training and Education Center is an example of the continued FHR emphasis on a safer and healthier workplace and community. FHR Training and Employee Development staff relocated to the former Tulosso-Midway ISD Primary School campus on Tulosso Road. The new location allows for a variety of classrooms, a computer lab, office space, storage and an area reserved

Compliance Conference held during January. All 900 employees at the local plant attended sessions which replaced the usual First Quarter Computer Based Training sessions. The conference also provided opportunities for face-to-face discussions with subject matter experts and a time for employees to get better acquainted with Dave Allen, the new plant manager. Topics included Process Safety Management, the Resource Conservation and Recovery Act, Hazard Communications and Manufacturers Safety Data Sheets.

Al Garcia, technical training manager, says “the Flint Hills Resources philosophy is not just to comply but to go beyond.”

This “go beyond” philosophy not only applies to plant operations but to how those operations

are carried out. Garcia cites a series of questions that employees are trained to ask in every work situation. “What can go wrong? What

are the consequences? How can we mitigate those consequences?”

Trying to be prepared for every possibility keeps safety “top of mind.”

Pat Silvas, training consultant, says she has used this training at home, as well as in the work place. “It’s taught me how to use that thinking in other places besides work,” she says. “We live it.”

Garcia says the key to Flint Hills Resources’ successful safety record is merging EH&S compliance issues into daily routine tasks. Safety meetings are held at the beginning of each shift. Any employee can stop a process or action at any time if he or she thinks it will compromise safety. Employees also have individual safety goals to meet as part of their personal job performance expectations. The refinery has reduced injuries and incidents by focusing on safe work behaviors. This approach protects employees, contractors and the community.



Senior Environment Engineer, Jan Golden, shares information about the Resource Conservation and Recovery Act during breakout sessions held during the Compliance Conference.



Dave Allen addresses Flint Hills Resources employees at the Compliance Conference held at the new Training and Education Center.

for the FHR Employee Recreation Club.

The Training and Education Center’s inaugural program was the

Flint Hills Resources *Flights of Angels* raises more than \$79,000 for Halo Flight

Perfect weather and strong community support combined to raise more than \$79,000 for HALO-Flight Air Ambulance Service at the 13th Annual Flint Hills Resources *Flights of Angels* Golf Tournament at NorthShore Country Club. The 2004 event was the most successful yet in providing funds for the only nonprofit air ambulance service in South Texas.

“On behalf of HALO-Flight, I



Mike Darden, Fuels Optimization Manager at Flint Hills Resources, and Dennis Newell of Englehard get a quick snack between holes at the food tent.

would like to thank everyone that participated in the tournament, and especially its underwriting sponsor, Flint Hills Resources. The company’s continued support of *Flights of Angels* has resulted in proceeds

of nearly \$350,000 over the last five years, helping us continue our mission to save lives in South Texas,” said Randy Rowe, executive director of HALO-Flight, Inc.



Randy Rowe, executive director of HALO Flight, Inc. thanks the first round players at the awards ceremony.

The tournament was a sell-out with 69 teams participating in the tournament’s four-member scramble, best ball-best position format. Team entry fees included golf cart, green fees, range balls, registration gifts, ditty bags, refreshments, on-course contests and awards. Rick Wilson from the Hickman Industries team won a Hole-in-One Contest and two round-trip airline tickets.



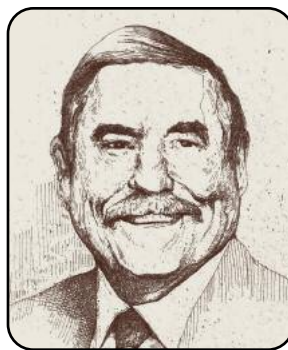
Rusty Rock, Doug Langlois, Cliff Arnold (all FHR employees) and Mike Linton (Koch Specialty Plant Services) at the awards ceremony.

GENTRY, MILLER AND WILSON HONORED AT HALL OF FAME

Business leadership recognized

The Corpus Christi Business Hall of Fame paid tribute to three esteemed community leaders. These distinguished laureates, Hoyte Gentry (Gentry Plumbing), Bill Miller (Suemar Corporation/Suemar Exploration) and C. Ivan Wilson (First City Bancorporation of Texas) were recognized for contributions to improve Corpus Christi through business excellence, vision and innovation, inspiring leadership, and serving their community.

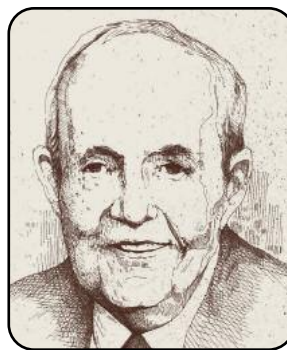
Nearly 350 community leaders, friends and family celebrated the life achievements of the laureates while raising more than \$52,000 for Junior



Hoyte Gentry

Achievement of South Texas. Flint Hills Resources was the title sponsor.

Junior Achievement is the largest and fastest-growing business and economics education organization in the world. This year Junior



Bill Miller

Achievement of the Coastal Bend will reach more than 10,700 students with the help of more than 500 classroom volunteers.



C. Ivan Wilson

Notes from the community

The support of Flint Hills Resources for **Botanica** in honoring such fine people is deeply appreciated by everyone at the Botanical Gardens and Nature Center. By purchasing a table for that happy evening, you also helped the Gardens to continue offering wonderful educational opportunities to our community.

With much gratitude,
Judy Creveling

I would like to thank you for buying my project at the **San Patricio County Livestock Show**. The money I receive will go into my college fund so I can go to Texas A&M. I am really looking forward to having a project next year. Thanks again for buying my hog, and I hope to see you there next year!

Cameron Barton

We would like to extend a personal thank you for your recent contribution to our **First Annual South Texas Science Olympiad**. The Division of Special Programs and the College of Arts and Sciences appreciates your generosity and commitment to the young people of South Texas. Again, thank you for your assistance and support.

Martha Castillo,
Special Programs, Texas A&M University, Kingsville
David R. Cecil, Ph.D.,
College of Arts and Sciences, Texas A&M University, Kingsville

I wanted to thank you for your contribution to **KEDT's capital campaign**. Your commitment and long-term support of KEDT has made a huge difference in the services that

we provide to our local viewing area. Clearly the part of my job that I enjoy the most is the opportunity to know people like you who sincerely care about the future of our city and work to make it a better place to raise our families. Thank you for your generous support.

Don Dunlap
President and General Manager, KEDT-TV

The **Black History Cultural Committee** thanks you for your continued financial support. The years you have supported us financially, we have been able to offer and provide young deserving youth with scholarships to begin a college education. Thanks.

Jewel E. Wilson
Scholarship Banquet Ticket Sales Chairperson

SECOND CONSECUTIVE YEAR IN A ROW

Corpus Christi facility earns NPRA award

Flint Hills Resources Corpus Christi refining complex received the National Petrochemical & Refiners Association Distinguished Safety Award in April, one of the industry's highest safety commendations. This is the site's second consecutive year to earn the award, which recognizes plants that meet stringent guidelines and have achieved outstanding safety performance.

"Flint Hills Resources employees in Corpus Christi are clearly committed to safe operations," said Duane Gilliam, NPRA's outgoing board chairman. "While not unprecedented that a refinery earns this accolade in consecutive years, it certainly hasn't happened that many times in our history. We salute Flint Hills Resource's continued push for safe performance."

Winners were recognized at the NPRA Annual Safety Awards Banquet during the association's National Safety

Conference held in Austin. The Corpus Christi facility also earned the Gold Award for reducing its total U.S. Occupational Safety and Health Administration recordable incident rate by more than 25 percent as compared to the three-year average, and the Meritorious Achievement award for achieving an OSHA recordable incident rate below 1.5.

These accomplishments place Flint Hills Resources among the nation's safest refining operators, according to National Petrochemical & Refiners Association statistics. Since the NPRA safety awards program began in 1982, only eight other companies have earned the coveted DSA for two consecutive years.

"We are honored to have our safety



Eddie Castillo, Willis Jernigan, Todd McWilliams and Dan McDonald accept the Distinguished Safety Award on behalf of Flint Hills Resources. Bill Klesse (NPRA Board Chairman, second from left) presents the award.

performance recognized by the industry," said Dave Allen, vice president and manager of the Corpus Christi facility. "Our employees daily demonstrate their commitment to maintaining the highest safety standards and ensuring that we meet our goal of an injury-free workplace. Steadfast employee commitment and involvement will aid us as we try to keep this record going."

JA Bowlathon a striking success



Cowboys and cowgirls donned bandanas and western hats and picked up their bowling balls to "round up" a record \$63,200 for Junior Achievement, at the 5th Annual Bowlathon's Western Bowl. Flint Hills Resources was the title sponsor.

"More than 125 five-member teams from companies, including Flint Hills Resources, HEB, SBC Communications, Valero Refining, Wells Fargo Bank, International Bank of Commerce, KZTV, Coca-Cola, and the Hispanic Chamber of Commerce participated," said Jayne Woodall, Junior Achievement district director. "We especially appreciate the continuous support of Flint Hills Resources. During the past five years the company has underwritten the

event, more than \$200,000 has been raised to support Junior



Achievement Economic Education programs in the Coastal Bend."

Each five-member team was sponsored by a company and secured at least \$250 in pledges. The annual Bowlathon is the major fundraiser for Junior Achievement.

While fund-raising is vital for the organization, its greatest current need is for volunteers to take the program into local public schools. More than 5,000 area students whose teachers have requested the program cannot be served because of a lack of volunteers. Curriculum with numerous student activities, training and teacher support are provided for volunteers who may choose to work in virtually any area school and grade level. Junior Achievement provides an easy way for concerned community members to directly impact the quality of public education.

For more information contact Jayne Woodall at 242-5243.

Visionarios winners named



Fifty-six students in grades 1-12 were winners in the *Visionarios* Youth Art Contest sponsored by Flint Hills Resources and presented by the South Texas Institute for the Arts. This year's contest received 320 paintings, drawings, and photographs. The theme, *Treasures of our World*, encouraged students to develop environmental awareness and a sense of responsibility for our natural resources. Research shows that students who study the arts perform better in the classroom and on standardized tests and are less likely to drop out of school.

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