As filed with the Securities and Exchange Commission on February 12, 2007

Registration No. 333-137588

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

AMENDMENT NO. 4
to

FORM S-1
REGISTRATION STATEMENT UNDER
THE SECURITIES ACT OF 1933

CVR ENERGY, INC.
(Exact Name of Registrant as Specified in Its Charter)

Delaware	**2911**	**61-1512186**
(State or Other Jurisdiction of Incorporation or Organization)	*(Primary Standard Industrial Classification Code Number)*	*(I.R.S. Employer Identification Number)*

2277 Plaza Drive, Suite 500
Sugar Land, Texas 77479
(281) 207-7711
(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

John J. Lipinski
2277 Plaza Drive, Suite 500
Sugar Land, Texas 77479
(281) 207-7711
(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

With a copy to:

Stuart H. Gelfond
Michael A. Levitt
Fried, Frank, Harris, Shriver & Jacobson LLP
One New York Plaza
New York, New York 10004
(212) 859-8000

Peter J. Loughran
Debevoise & Plimpton LLP
919 Third Avenue
New York, New York 10022
(212) 909-6000

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. o

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price (1)(2)	Amount of Registration Fee (3)
Common Stock, $0.01 par value	$300,000,000	$32,100

(1) Includes offering price of shares which the underwriters have the option to purchase.

(2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) of the Securities Act of 1933, as amended.

(3) Previously paid.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

Subject to Completion. Dated February 12, 2007.

Shares

CVR Energy, Inc.

Common Stock

This is an initial public offering of shares of common stock of CVR Energy, Inc. CVR Energy is offering all of the shares to be sold in the offering.

Prior to this offering, there has been no public market for the common stock. It is currently estimated that the initial public offering price per share will be between $ and $. CVR Energy intends to list the common stock on the under the symbol " ".

See "Risk Factors" beginning on page 18 to read about factors you should consider before buying shares of the common stock.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

	Per Share	Total
Initial public offering price	$	$
Underwriting discount	$	$
Proceeds, before expenses, to us	$	$

To the extent that the underwriters sell more than shares of common stock, the underwriters have the option to purchase up to an additional shares from the selling stockholder at the initial public offering price less the underwriting discount.

The underwriters expect to deliver the shares against payment in New York, New York on , 2007.

Prospectus dated , 2007.

PROSPECTUS SUMMARY

This summary highlights selected information contained elsewhere in this prospectus. You should carefully read the entire prospectus, including the "Risk Factors" and the consolidated financial statements and related notes included elsewhere in this prospectus, before making an investment decision. In this prospectus, all references to "the Company," "Coffeyville," "we," "us," and "our" refer to CVR Energy, Inc. and its consolidated subsidiaries, unless the context otherwise requires or where otherwise indicated. You should also see the "Glossary of Selected Terms" beginning on page 167 for definitions of some of the terms we use to describe our business and industry. We use non-GAAP measures in this prospectus, including Net income adjusted for unrealized gain or loss from Cash Flow Swap. For a reconciliation of this measure to net income, see footnote 3 under "— Summary Consolidated Financial Information."

Our Business

We are an independent refiner and marketer of high value transportation fuels and a producer of ammonia and urea ammonia nitrate, or UAN, fertilizers. We are one of only seven petroleum refiners and marketers in the Coffeyville supply area (Kansas, Oklahoma, Missouri, Nebraska and Iowa) and, at current natural gas prices, the lowest cost producer and marketer of ammonia and UAN in North America.

Our petroleum business includes a 108,000 barrel per day, or bpd, complex full coking sour crude refinery in Coffeyville, Kansas. In addition, our supporting businesses include (1) a crude oil gathering system serving central Kansas and northern Oklahoma, (2) storage and terminal facilities for asphalt and refined fuels in Phillipsburg, Kansas, and (3) a rack marketing division supplying product through tanker trucks directly to customers located in close geographic proximity to Coffeyville and Phillipsburg, and to customers at throughput terminals on Magellan Midstream Partners L.P.'s refined products distribution systems. In addition to rack sales (sales which are made at terminals using tanker trucks), we make bulk sales (sales through third party pipelines) into the mid-continent markets via Magellan and into Colorado and other destinations utilizing the product pipeline networks owned by Magellan, Enterprise Products Partners LP and Valero LP. Our refinery is situated approximately 100 miles from Cushing, Oklahoma, one of the largest crude oil trading and storage hubs in the United States, served by numerous pipelines from locations including the U.S. Gulf Coast and Canada providing us with access to virtually any crude variety in the world capable of being transported by pipeline.

Our nitrogen fertilizer business is the only operation in North America that utilizes a coke gasification process to produce ammonia (based on data provided by Blue Johnson & Associates). A majority of the ammonia produced by our fertilizer plant is further upgraded to UAN fertilizer (a solution of urea, ammonium nitrate and water used as a fertilizer). By using petroleum coke, or pet coke (a coal-like substance that is produced during the refining process), instead of natural gas as raw material, at current natural gas prices we are the lowest cost producer of ammonia and UAN in North America. Furthermore, on average, over 80% of the pet coke utilized by us is produced and supplied to the fertilizer plant as a by-product of our refinery. As such, we benefit from high natural gas prices, as fertilizer prices increase with natural gas prices, while our input costs remain substantially the same (because we utilize pet coke rather than more expensive natural gas as a primary raw material).

We generated combined net sales of $1.7 billion, $2.4 billion and $3.0 billion and operating income of $111.2 million, $270.8 million and $329.7 million for the fiscal years ended December 31, 2004 and 2005, and the twelve months ended September 30, 2006, respectively. For the fiscal years ended December 31, 2004 and 2005 and the twelve months ended September 30, 2006, our petroleum business contributed 76%, 74% and 84%, respectively, of our combined operating income, with substantially all of the remainder contributed by our nitrogen fertilizer business.

Significant Milestones Since the Change of Control in June 2005

Following the acquisition by certain affiliates of The Goldman Sachs Group, Inc. (whom we collectively refer to in this prospectus as the Goldman Sachs Funds) and certain affiliates of Kelso & Company (whom we collectively refer to in this prospectus as the Kelso Funds) in June 2005, a new senior management team was formed and has executed several key strategic initiatives that we believe have significantly enhanced our business.

Increased Refinery Throughput and Yields. Management's focus on crude slate optimization (the process of determining the most economic crude oils to be refined), reliability, technical support and operational excellence coupled with prudent expenditures on equipment has significantly improved the operating metrics of the refinery. The refinery's crude throughput rate (the volume per day processed through the refinery) has increased from an average of less than 90,000 bpd to an average of greater than 102,000 bpd in the second quarter of 2006 with peak daily rates in excess of 108,000 bpd of crude. Crude throughputs averaged 94,000 bpd for the first nine months of 2006, an improvement of over 4,000 bpd over the first nine months of 2005. Recent operational improvements at the refinery have also allowed us to produce higher volumes of favorably priced distillates (primarily No. 1 diesel fuel and kerosene), premium gasoline and boutique gasoline grades.

Diversified Crude Feedstock Variety. We have expanded the variety of crude grades processed in any given month from a limited few to over a dozen. This has improved our crude purchase cost discount to West Texas Intermediate, or WTI, from $2.80 per barrel in the first nine months of 2005 to $4.29 per barrel in the first nine months of 2006.

Expanded Direct Rack Sales. We have significantly expanded and intend to continue to expand rack marketing of refined products (petroleum products such as gasoline and diesel fuel) directly to customers rather than origin bulk sales. We presently sell approximately 23% of our produced transportation fuels at enhanced margins in this manner, which has helped improve our net income for the first nine months of 2006 compared to the first nine months of 2005.

Significant Plant Improvement and Capacity Expansion Projects. Management has identified and developed several significant capital projects with an estimated total cost of approximately $400 million primarily aimed at (1) expanding refinery capacity (throughput the refinery is capable of sustaining on a daily basis), (2) enhancing operating reliability and flexibility, (3) complying with more stringent environmental, health and safety standards, and (4) improving our ability to process heavy sour crude feedstock varieties (petroleum products that are processed and blended into refined products). Our engineering and construction team manages these projects with support from specialized contractors thus giving us maximum control and oversight of execution. We have already completed multiple initiatives under this program, with targeted completion of substantially all of these capital projects prior to the end of 2007. We intend to finance these capital projects with cash from our operations and occasional borrowings from our revolving credit facility.

We have also undertaken a study to review expansion of the refinery beyond the program described above. Preliminary engineering for the first stage of a potential multi-stage expansion has been approved by our board of directors. We anticipate that each stage of this extended expansion program would decrease the refinery crude cost by enabling the plant to process significant additional volumes of lower cost heavy sour crude from Canada or offshore. If fully implemented, this first phase would be intended for completion in 2009.

Key Market Trends

We have identified several key factors which we believe should favorably contribute to the long-term outlook for the refining and nitrogen fertilizer industries.

For the refining industry, these factors include the following:

- High capital costs, historical excess capacity and environmental regulatory requirements that have limited the construction of new refineries in the United States over the past 30 years.

- Continuing improvement in the supply and demand fundamentals of the global refining industry as projected by the Energy Information Administration of the U.S. Department of Energy, or the EIA.
- Increasing demand for sweet crude oils and higher incremental production of lower cost sour crude that are expected to provide a cost advantage to sour crude processing refiners.
- New and evolving U.S. fuel specifications, including reduced sulfur content, reduced vapor pressure and the addition of oxygenates such as ethanol, that should benefit refiners who are able to efficiently produce fuels that meet these specifications.
- Limited competitive threat from foreign refiners due to sophisticated U.S. fuel specifications and increasing foreign demand for refined products.
- Refining capacity shortage in the mid-continent region, as certain regional markets in the U.S. are subject to insufficient local refining capacity to meet regional demands. This should result in local refiners earning higher margins on product sales than those who must rely on pipelines and other modes of transportation for supply.

For the nitrogen fertilizer industry, these factors include the following:

- The impact of a growing world population combined with an expanded use of corn for the production of ethanol both of which are expected to drive worldwide grain demand and farm production, thereby increasing demand for nitrogen-based fertilizers.
- High natural gas prices in North America that contribute to higher production costs for natural gas-based U.S. ammonia producers should result in elevated nitrogen fertilizer prices, as natural gas price trends generally correlate with nitrogen fertilizer price trends (based on data provided by Blue Johnson & Associates).

However, both of our industries are cyclical and volatile and have experienced downturns in the past. See “Risk Factors.”

Our Competitive Strengths

Regional Advantage and Strategic Asset Location. Our refinery is one of only seven refineries located in the Coffeyville supply area within the mid-continent region, where demand for refined products exceeded refining production by approximately 24% in 2005. We estimate that this favorable supply/demand imbalance combined with our lower pipeline transportation cost as compared to the U.S. Gulf Coast refiners has allowed us to generate refining margins, as measured by the 2-1-1 crack spread, that have exceeded U.S. Gulf Coast refining margins by approximately $1.40 per barrel on average for the last four years. The 2-1-1 crack spread is a general industry standard that approximates the refining margin resulting from processing two barrels of crude oil to produce one barrel of gasoline and one barrel of diesel fuel. In addition, our nitrogen fertilizer business is geographically advantaged to supply products to markets in Kansas, Missouri, Nebraska, Iowa, Illinois and Texas without incurring intermediate transfer, storage, barge or pipeline freight charges. Because we do not have to incur these costs, this geographic advantage provides us with a distribution cost benefit over U.S. Gulf Coast ammonia and UAN importers, assuming in each case freight rates and handling charges for U.S. Gulf Coast importers as in effect in September 2006. These cost differentials represent a significant portion of the market price of these commodities.

Access to and Ability to Process Multiple Crude Oils. Since June 2005 we have significantly expanded the variety of crude grades processed in any given month. While our proximity to the Cushing crude oil trading hub minimizes the likelihood of an interruption to our supply, we intend to further diversify our sources of crude oil. Among other initiatives in this regard, we have secured shipper rights on the newly built Spearhead pipeline, which connects Chicago to the Cushing hub and provides us with access to incremental oil supplies from Canada. We also own and operate a crude gathering system located in northern Oklahoma and central Kansas, which allows us to acquire quality crudes at a discount to WTI.

High Quality, Modern Asset Base with Solid Track Record. Our refinery's complexity allows us to optimize the yields (the percentage of refined product that is produced from crude and other feedstocks) of higher value transportation fuels (gasoline and distillate), which currently account for approximately 94% of our liquid production output. Complexity is a measure of a refinery's ability to process lower quality crude in an economic manner; greater complexity makes a refinery more profitable. From 1995 through the first nine months of 2006, we have invested approximately $375 million to modernize our oil refinery and to meet more stringent U.S. environmental, health and safety requirements. As a result, we have achieved significant increases in our refinery crude throughput rate from an average of less than 90,000 bpd prior to June 2005 to an average of over 102,000 bpd in the second quarter of 2006 and over 94,000 bpd for the first nine months of 2006 with peak daily rates in excess of 108,000 bpd. Our fertilizer plant, completed in 2000, is the newest facility of its kind in North America and, since 2003, has demonstrated a consistent record of operating near full capacity. This plant underwent a scheduled turnaround in 2006, and we have recently expanded the plant's spare gasifier to increase its production capacity.

Near Term Internal Expansion Opportunities. With the completion of $400 million of identified and developed significant capital projects, we expect to significantly enhance the profitability of our refinery during periods of high crack spreads while enabling the refinery to operate more profitably at lower crack spreads than is currently possible. A crack spread is a simplified calculation that measures the difference between the price for light products (gasoline, diesel fuel) and crude oil. We also estimate that our contemplated fertilizer plant expansion could increase our capacity to upgrade ammonia into premium priced UAN by 50% to approximately 1,000,000 tons per year.

Unique Coke Gasification Fertilizer Plant. Our nitrogen fertilizer plant is the only one of its kind in North America utilizing a coke gasification process to produce ammonia. The coke gasification process allows us to produce ammonia at a lower cost than natural gas-based fertilizer plants because we use much less natural gas than our competitors. We estimate that our production cost advantage over U.S. Gulf Coast ammonia producers is sustainable at natural gas prices as low as $2.50 per million Btu. Our fertilizer business has a secure raw material supply as on average over 80% of the pet coke required by the fertilizer plant is supplied by our refinery.

Experienced Management Team. In conjunction with the acquisition of our business by Coffeyville Acquisition LLC in June 2005, a new senior management team was formed that combined selected members of existing management with experienced new members. Our senior management team averages over 27 years of refining and fertilizer industry experience and, in coordination with our broader management team, has increased our operating income and shareholder value since the acquisition of Coffeyville Resources. Mr. John J. Lipinski, our Chief Executive Officer, has over 34 years experience in the refining and chemicals industries, and prior to joining us in connection with the acquisition of Coffeyville Resources in June 2005, was in charge of a 550,000 bpd refining system and a multi-plant fertilizer system. Mr. Stanley A. Riemann, our Chief Operating Officer, has over 32 years of experience, and prior to joining us in March 2004, was in charge of one of the largest fertilizer manufacturing systems in the United States. Mr. James T. Rens, our Chief Financial Officer, has over 15 years experience in the energy and fertilizer industries, and prior to joining us in March 2004, was the chief financial officer of two fertilizer manufacturing companies.

Our Business Strategy

Our objective is to continue to increase the economic throughput (the volume of crude processed each day) of our operating facilities, control direct operating expenses and take advantage of market opportunities as they arise by:

- Continuing to take advantage of favorable supply and demand dynamics in the mid-continent region (where demand for our products currently outweighs supply);
- Selectively investing in significant projects that enhance our operating efficiency and expanding our capacity while rigorously controlling costs;
- Increasing our sales and supply capabilities of UAN, and other high value products, while finding lower cost sources of raw materials;
- Continuing to focus on being a reliable, low cost producer of petroleum and fertilizer products;
- Continuing to focus on the reliability, safety and environmental performance of our operations; and
- Selectively evaluating growth opportunities through acquisitions and/or strategic alliances.

Cash Flow Swap

In conjunction with the acquisition of our business by Coffeyville Acquisition LLC, on June 16, 2005, Coffeyville Acquisition LLC entered into a series of commodity derivative arrangements, or the Cash Flow Swap, with J. Aron & Company, or J. Aron, a subsidiary of The Goldman Sachs Group, Inc., and a related party of ours. Pursuant to the Cash Flow Swap, sales representing approximately 70% and 17% of then forecasted refinery output for the periods from July 2005 through June 2009, and July 2009 through June 2010, respectively, have been economically hedged. The derivative took the form of three New York Mercantile Exchange, or NYMEX, swap agreements whereby if crack spreads fall below the fixed level, J. Aron agreed to pay the difference to us, and if crack spreads rise above the fixed level, we agreed to pay the difference to J. Aron. The Cash Flow Swap was assigned from Coffeyville Acquisition LLC to Coffeyville Resources, LLC on June 24, 2005. We entered into these swap agreements for the following reasons:

- Debt was used as part of the acquisition financing in June 2005 which required the introduction of a financial risk management tool that would mitigate a portion of inherent commodity price based volatility in our cash flow and preserve our ability to service debt; and
- Given the size of the capital expenditure program contemplated by us at the time of the June 2005 acquisition, we considered it necessary to enter into a derivative arrangement to reduce the volatility of our cash flow and to ensure an appropriate return on the incremental invested capital.

We have determined that the Cash Flow Swap does not qualify as a hedge for hedge accounting purposes under current generally accepted accounting principles in the United States, or GAAP. As a result, our periodic statements of operations reflect material amounts of unrealized gains and losses based on the increases or decreases in market value of the unsettled position under the swap agreements. Given the significant periodic fluctuations in the amounts of unrealized gains and losses, management utilizes "Net income adjusted for unrealized gain or loss from Cash Flow Swap" as a key indicator of our business performance and believes that this non-GAAP measure is a useful measure for investors in analyzing our business. For a discussion on the calculation and use of this measure, see footnote 4 to our Summary Consolidated Financial Information.

Our History

Prior to March 3, 2004, our assets were operated as a small component of Farmland Industries, Inc., or Farmland, an agricultural cooperative. Farmland filed for bankruptcy protection on May 31, 2002. Coffeyville Resources, LLC, a subsidiary of Coffeyville Group Holdings, LLC, won the bankruptcy court auction for Farmland's petroleum business and a nitrogen fertilizer plant and completed the purchase of these assets on March 3, 2004. On June 24, 2005, pursuant to a stock purchase agreement dated May 15, 2005, Coffeyville Acquisition LLC acquired all of the subsidiaries of Coffeyville Group Holdings, LLC. The Goldman Sachs Funds and the Kelso Funds own substantially all of the common units of Coffeyville Acquisition LLC, which currently owns all of our capital stock.

Prior to this offering, Coffeyville Acquisition LLC directly or indirectly owned all of our subsidiaries. We were formed as a wholly owned subsidiary of Coffeyville Acquisition LLC in order to complete this offering. Concurrently with this offering, we will merge a newly formed direct subsidiary of ours with Coffeyville Refining & Marketing, Inc. and merge a separate newly formed direct subsidiary of ours with Coffeyville Nitrogen Fertilizers, Inc. which will make Coffeyville Refining & Marketing, Inc. and Coffeyville Nitrogen Fertilizers, Inc. direct wholly owned subsidiaries of ours. These transactions will result in a new corporate entity, CVR Energy, below Coffeyville Acquisition LLC and above its two operating subsidiaries, so that CVR Energy will become the parent of the two operating subsidiaries. The mergers of the two operating subsidiaries with subsidiaries of CVR Energy provide a tax free means to put an appropriate organizational structure in place to go public and give the Company the flexibility to simplify its structure in a tax efficient manner in the future if necessary. We refer to these pre-IPO reorganization transactions in the prospectus as the "Transactions."

Risks Relating to Our Business

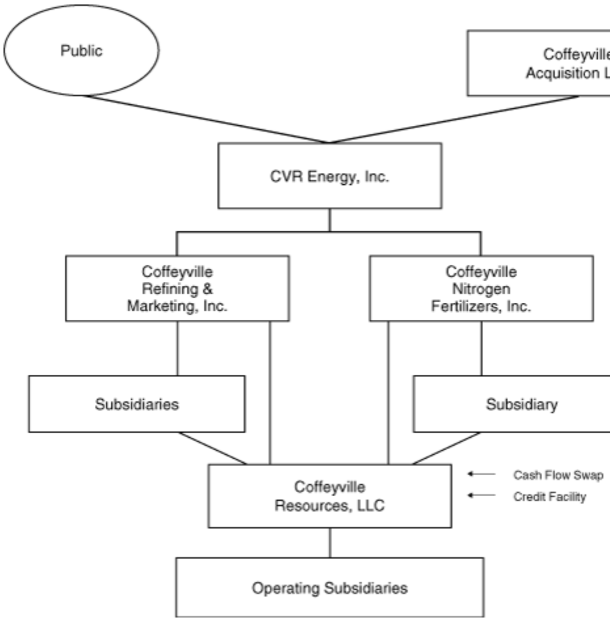
We face certain risk factors that could materially affect our business, results of operations or financial condition. Our petroleum business is primarily affected by the relationship, or margin, between refined product prices and the prices for crude oil; future volatility in refining industry margins may cause volatility or a decline in our results of operations. Disruption of our ability to obtain an adequate supply of crude oil could reduce our liquidity and increase our costs.

In addition, our refinery faces operating hazards and interruptions, including unscheduled maintenance or downtime. Our nitrogen fertilizer plant has high fixed costs, and if natural gas prices fall below a certain level, our nitrogen fertilizer business may not generate sufficient revenue to operate profitably. In addition, our operations involve environmental risks that may require us to make substantial capital expenditures to remain in compliance or to remediate current or future contamination that could give rise to material liabilities.

For more information about these and other risks relating to our company, see "Risk Factors" beginning on page 18. You should carefully consider these risk factors together with all other information included in this prospectus.

Organizational Structure

The following chart illustrates our organizational structure upon completion of this offering:



The Offering

Issuer	CVR Energy, Inc.
Common stock offered by us	shares.
Common stock outstanding immediately after the offering	shares.
Use of proceeds	We estimate that the net proceeds to us in this offering, after deducting the underwriters' discount of $ million, will be $ million. We intend to use the net proceeds from this offering for debt repayment. We will not receive any proceeds from the purchase by the underwriters of up to shares from the selling stockholder in connection with the exercise by the underwriters of their option. See "Use of Proceeds."
Proposed symbol	" ."
Risk Factors	See "Risk Factors" beginning on page 18 of this prospectus for a discussion of factors that you should carefully consider before deciding to invest in shares of our common stock.

Unless we specifically state otherwise, the information in this prospectus does not take into account the sale of up to shares of common stock, which the underwriters have the option to purchase from the selling stockholder. The information in this prospectus gives effect to a -for- stock split which will occur prior to the completion of this offering.

CVR Energy, Inc. was incorporated in Delaware in September 2006. Our principal executive offices are located at 2277 Plaza Drive, Suite 500 Sugar Land, Texas 77479, and our telephone number is (281) 207-7711. Our website address is www.coffeyvillegroup.com. Information contained on our website is not a part of this prospectus.

The Goldman Sachs Funds and the Kelso Funds are the principal investors in Coffeyville Acquisition LLC, which currently owns all of our capital stock. For further information on these entities and their relationships with us, see "Certain Relationships and Related Party Transactions."

Summary Consolidated Financial Information

The summary consolidated financial information presented below under the caption Statement of Operations Data for the year ended December 31, 2003, for the 62-day period ended March 2, 2004, for the 304-day period ended December 31, 2004, for the 174-day period ended June 23, 2005 and for the 233-day period ended December 31, 2005, and the summary consolidated financial information presented below under the caption Balance Sheet Data as of December 31, 2004 and 2005, have been derived from our consolidated financial statements included elsewhere in this prospectus, which consolidated financial statements have been audited by KPMG LLP, independent registered public accounting firm. The summary consolidated balance sheet data as of December 31, 2003 is derived from our audited consolidated financial statements that are not included in this prospectus. The summary unaudited interim consolidated financial information presented below under the caption Statement of Operations Data for the 141-day period ended September 30, 2005 and the nine-month period ended September 30, 2006, and the summary consolidated financial information presented below under the caption Balance Sheet Data as of September 30, 2006, have been derived from our unaudited interim consolidated financial statements, which are included elsewhere in this prospectus and have been prepared on the same basis as the audited consolidated financial statements. In the opinion of management, the interim data reflect all adjustments, consisting only of normal and recurring adjustments, necessary for a fair presentation of results for these periods. Operating results for the nine-month period ended September 30, 2006 are not necessarily indicative of the results that may be expected for the year ended December 31, 2006. We have also included herein certain industry data.

The summary unaudited pro forma condensed consolidated statement of operations data and other financial data for the fiscal year ended December 31, 2005 give pro forma effect to the acquisition by Coffeyville Acquisition LLC of all of the subsidiaries of Coffeyville Group Holdings, LLC (which we refer to collectively as Immediate Predecessor), in the manner described under “Unaudited Pro Forma Condensed Consolidated Statements of Operations,” as if the acquisition had occurred as of January 1, 2005. We refer to our acquisition of Immediate Predecessor as the Subsequent Acquisition. Additionally, pro forma effect is given to the refinancing of the Credit Facility (which was entered into on December 28, 2006). The summary unaudited as adjusted consolidated financial information presented under the caption Balance Sheet Data as of September 30, 2006 gives effect to this offering, the use of proceeds from this offering, the Transactions, the refinancing of the Credit Facility, and the dividend declared on December 28, 2006 as if they occurred on September 30, 2006. The summary unaudited pro forma information does not purport to represent what our results of operations would have been if the Subsequent Acquisition had occurred as of the date indicated or what these results will be for future periods.

Prior to March 3, 2004, our assets were operated as a component of Farmland Industries, Inc. Farmland filed for bankruptcy protection under Chapter 11 of the U.S. Bankruptcy Code on May 31, 2002. On March 3, 2004, Coffeyville Resources, LLC completed the purchase of the former Petroleum Division and one facility within the eight-plant Nitrogen Fertilizer Manufacturing and Marketing Division of Farmland (which we refer to collectively as Original Predecessor) from Farmland in a sales process under Chapter 11 of the U.S. Bankruptcy Code. See note 1 to our consolidated financial statements included elsewhere in this prospectus. We refer to this acquisition as the Initial Acquisition. As a result of certain adjustments made in connection with the Initial Acquisition, a new basis of accounting was established on the date of the Initial Acquisition and the results of operations for the 304 days ended December 31, 2004 are not comparable to prior periods.

During Original Predecessor periods, Farmland allocated certain general corporate expenses and interest expense to Original Predecessor. The allocation of these costs is not necessarily indicative of the costs that would have been incurred if Original Predecessor had operated as a stand-alone entity. Further, the historical results are not necessarily indicative of the results to be expected in future periods.

We calculate earnings per share for Successor on a pro forma basis, based on an assumed number of shares outstanding at the time of the initial public offering with respect to the existing shares. All information in this prospectus assumes that in conjunction with the initial public offering, the two direct wholly owned subsidiaries of Successor will merge with two of our direct wholly owned subsidiaries, we will effect a -for- stock split prior to completion of this offering, and we will issue shares of common stock in this offering. No effect has been given to any shares that might be issued in this offering pursuant to the exercise by the underwriters of their option.

We have omitted earnings per share data for Immediate Predecessor because we operated under a different capital structure than what we will operate under at the time of this offering and, therefore, the information is not meaningful.

We have omitted per share data for Original Predecessor because, under Farmland's cooperative structure, earnings of Original Predecessor were distributed as patronage dividends to members and associate members based on the level of business conducted with Original Predecessor as opposed to a common stockholder's proportionate share of underlying equity in Original Predecessor.

Original Predecessor was not a separate legal entity, and its operating results were included with the operating results of Farmland and its subsidiaries in filing consolidated federal and state income tax returns. As a cooperative, Farmland was subject to income taxes on all income not distributed to patrons as qualifying patronage refunds and Farmland did not allocate income taxes to its divisions. As a result, Original Predecessor periods do not reflect any provision for income taxes.

On June 24, 2005, pursuant to a stock purchase agreement dated May 15, 2005, Coffeyville Acquisition LLC acquired all of the subsidiaries of Coffeyville Group Holdings, LLC. See note 1 to our consolidated financial statements included elsewhere in this prospectus. As a result of certain adjustments made in connection with this acquisition, a new basis of accounting was established on the date of the acquisition. Since the assets and liabilities of Successor and Immediate Predecessor were each presented on a new basis of accounting, the financial information for Successor, Immediate Predecessor and Original Predecessor is not comparable.

Financial data for the 2005 fiscal year is presented as the 174 days ended June 23, 2005 and the 233 days ended December 31, 2005. Financial data for the first nine months of 2005 is presented as the 174 days ended June 23, 2005 and the 141 days ended September 30, 2005. Successor had no financial statement activity during the period from May 13, 2005 to June 24, 2005, with the exception of certain crude oil, heating oil, and gasoline option agreements entered into with a related party as of May 16, 2005.

The historical data presented below has been derived from financial statements that have been prepared using GAAP and the pro forma data presented below has been derived from the "Unaudited Pro Forma Condensed Consolidated Statements of Operations" included elsewhere in this prospectus. This data should be read in conjunction with the financial statements and related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this prospectus.

Table of Contents

	Immediate Predecessor 174 Days Ended June 23, 2005	Successor 141 Days Ended September 30, 2005 (unaudited)	Successor Nine Months Ended September 30, 2006 (unaudited)
	(in millions, except as otherwise indicated)		
Statement of Operations Data:			
Net sales	$ 980.7	$ 776.6	$ 2,329.2
Cost of product sold (exclusive of depreciation and amortization)	768.0	624.9	1,848.1
Direct operating expenses (exclusive of depreciation and amortization)	80.9	36.7	144.5
Selling, general and administrative expenses (exclusive of depreciation and amortization)	18.4	7.3	32.8
Depreciation and amortization	1.1	11.9	36.8
Operating income	$ 112.3	$ 95.8	$ 267.0
Other income (expense)(1)	(8.4)	0.1	3.1
Interest (expense)	(7.8)	(12.2)	(33.0)
Gain (loss) on derivatives	(7.6)	(487.1)	44.7
Income (loss) before taxes	$ 88.5	$ (403.4)	$ 281.8
Income tax (expense) benefit	(36.1)	150.8	(111.0)
Net income (loss)(2)	$ 52.4	$ (252.6)	$ 170.8
Pro forma earnings per share, basic and diluted			
Pro forma weighted average shares, basic and diluted			
Segment Financial Data:			
Operating income (loss)			
Petroleum	$ 76.7	$ 79.1	$ 233.5
Nitrogen fertilizer	35.3	16.7	34.1
Other	0.3	—	(0.6)
Operating income	$ 112.3	$ 95.8	$ 267.0
Depreciation and amortization			
Petroleum	$ 0.8	$ 7.7	$ 23.6
Nitrogen fertilizer	0.3	4.2	12.7
Other	—	—	0.5
Depreciation and amortization(3)	$ 1.1	$ 11.9	$ 36.8
Other Financial Data:			
Net income adjusted for unrealized gain or loss from Cash Flow Swap(4)	$ 52.4	$ 4.9	$ 122.4
Cash flows provided by operating activities	12.7	63.3	97.9
Cash flows (used in) investing activities	(12.3)	(697.2)	(173.0)
Cash flows provided by (used in) financing activities	(52.4)	713.2	48.5
Capital expenditures for property, plant and equipment	(12.3)	(12.1)	(173.0)
Key Operating Statistics:			
Petroleum Business			
Production (barrels per day)(5)(6)	99,171	105,162	106,975
Crude oil throughput (barrels per day)(5)(6)	88,012	93,268	94,061
Refining margin per barrel(7)	$ 9.28	$ 12.39	$ 14.68
NYMEX 2-1-1 crack spread(8)	$ 9.60	$ 15.01	$ 11.60
Direct operating expenses exclusive of depreciation and amortization per barrel(9)	$ 3.44	$ 2.44	$ 3.79
Gross profit per barrel(9)	$ 5.79	$ 9.12	$ 9.97
Nitrogen Fertilizer Business			
Production Volume:			
Ammonia (tons in thousands)(5)	193.2	118.1	283.9
UAN (tons in thousands)(5)	309.9	185.8	465.0
On-stream factors(10):			
Gasification	97.4%	100.0%	91.7%
Ammonia	95.0%	99.8%	87.8%
UAN	93.9%	96.3%	87.9%

	Original Predecessor Year Ended December 31, 2003	Original Predecessor 62 Days Ended March 2, 2004	Immediate Predecessor 304 Days Ended December 31, 2004	Immediate Predecessor 174 Days Ended June 23, 2005	Successor 233 Days Ended December 31, 2005	Pro Forma Year Ended December 31, 2005 (unaudited)
			(in millions, except as otherwise indicated)			
Statement of Operations Data:						
Net sales	$ 1,262.2	$ 261.1	$ 1,479.9	$ 980.7	$ 1,454.3	$ 2,435.0
Cost of product sold (exclusive of depreciation and amortization)	1,061.9	221.4	1,244.2	768.0	1,168.1	1,936.2
Direct operating expenses (exclusive of depreciation and amortization)	133.1	23.4	117.0	80.9	85.3	166.3
Selling, general and administrative expenses (exclusive of depreciation and amortization)	23.6	4.7	16.3	18.4	18.4	36.7
Depreciation and amortization	3.3	0.4	2.4	1.1	24.0	47.6
Impairment, losses in joint ventures, and other charges(11)	10.9	—	—	—	—	—
Operating income	$ 29.4	$ 11.2	$ 100.0	$ 112.3	$ 158.5	$ 248.2
Other income (expense)(1)	(0.5)	—	(6.9)	(8.4)	0.4	0.1
Interest (expense)	(1.3)	—	(10.1)	(7.8)	(25.0)	(68.4)
Gain (loss) on derivatives	0.3	—	0.5	(7.6)	(316.1)	(323.7)
Income (loss) before taxes	$ 27.9	$ 11.2	$ 83.5	$ 88.5	$ (182.2)	$ (143.8)
Income tax (expense) benefit	—	—	(33.8)	(36.1)	63.0	47.9
Net income (loss)(2)	$ 27.9	$ 11.2	$ 49.7	$ 52.4	$ (119.2)	$ (95.9)
Pro forma earnings per share, basic and diluted						
Pro forma weighted average shares, basic and diluted						
Segment Financial Data:						
Operating income (loss)						
Petroleum	$ 21.5	$ 7.7	$ 77.1	$ 76.7	$ 123.0	
Nitrogen fertilizer	7.8	3.5	22.9	35.3	35.7	
Other	0.1	—	—	0.3	(0.2)	
Operating income (loss)	$ 29.4	$ 11.2	$ 100.0	$ 112.3	$ 158.5	
Depreciation and amortization						
Petroleum	$ 2.1	$ 0.3	$ 1.5	$ 0.8	$ 15.6	
Nitrogen fertilizer	1.2	0.1	0.9	0.3	8.4	
Other	—	—	—	—	—	
Depreciation and amortization(3)	$ 3.3	$ 0.4	$ 2.4	$ 1.1	$ 24.0	$ 47.6
Other Financial Data:						
Net income adjusted for unrealized gain or loss from Cash Flow Swap(4)	$ 27.9	$ 11.2	$ 49.7	$ 52.4	$ 23.6	$ 46.9
Cash flows provided by (used in) operating activities	20.3	53.2	89.8	12.7	82.5	
Cash flows (used in) investing activities	(0.8)	—	(130.8)	(12.3)	(730.3)	
Cash flows provided by (used in) financing activities	(19.5)	(53.2)	93.6	(52.4)	712.5	
Capital expenditures for property, plant and equipment	0.8	—	14.2	12.3	45.2	

Table of Contents

	Original Predecessor		Immediate Predecessor		Successor
	Year Ended December 31, 2003	62 Days Ended March 2, 2004	304 Days Ended December 31, 2004	174 Days Ended June 23, 2005	233 Days Ended December 31, 2005
	(in millions, except as otherwise indicated)				
Key Operating Statistics:					
Petroleum Business					
Production (barrels per day)(5)(6)	95,701	106,645	102,046	99,171	107,177
Crude oil throughput (barrels per day)(5)(6)	85,501	92,596	90,418	88,012	93,908
Refining margin per barrel(7)	$ 3.89	$ 4.23	$ 5.92	$ 9.28	$ 11.55
NYMEX 2-1-1 crack spread(8)	$ 5.53	$ 6.80	$ 7.55	$ 9.60	$ 13.47
Direct operating expenses exclusive of depreciation and amortization per barrel(9)	$ 2.57	$ 2.60	$ 2.66	$ 3.44	$ 3.13
Gross profit per barrel(9)	$ 1.25	$ 1.57	$ 3.20	$ 5.79	$ 7.55
Nitrogen Fertilizer Business					
Production Volume:					
Ammonia (tons in thousands)(5)	335.7	56.4	252.8	193.2	220.0
UAN (tons in thousands)(5)	510.6	93.4	439.2	309.9	353.4
On-stream factors(10):					
Gasification	90.1%	93.5%	92.2%	97.4%	98.7%
Ammonia	89.6%	80.9%	79.7%	95.0%	98.3%
UAN	81.6%	88.7%	82.2%	93.9%	94.8%

	Original Predecessor	Immediate Predecessor	Successor	Successor	
				Actual	As Adjusted
	December 31, 2003	December 31, 2004	December 31, 2005	September 30, 2006 (unaudited)	September 30, 2006 (unaudited)
	(in millions)				
Balance Sheet Data:					
Cash and cash equivalents	$ —	$ 52.7	$ 64.7	$ 38.1	
Working capital(12)	150.5	106.6	108.0	173.4	
Total assets	199.0	229.2	1,221.5	1,397.7	
Liabilities subject to compromise(13)	105.2	—	—	—	
Total debt, including current portion	—	148.9	499.4	527.8	
Management units subject to redemption	—	—	3.7	9.0	
Divisional/members equity	58.2	14.1	115.8	303.1	

(1) During the 304 days ended December 31, 2004 and the 174 days ended June 23, 2005, we recognized a loss of $7.2 million and $8.1 million, respectively, on early extinguishment of debt.

(2) The following are certain charges and costs incurred in each of the relevant periods that are meaningful to understanding our net income and in evaluating our performance due to their unusual or infrequent nature:

	Immediate Predecessor	Successor	Successor
	174 Days Ended June 23, 2005	141 Days Ended September 30, 2005 (unaudited)	Nine Months Ended September 30, 2006 (unaudited)
	(in millions)		
Loss on extinguishment of debt(b)	$ 8.1	$ —	$ —
Inventory fair market value adjustment(c)	—	16.9	—
Funded letter of credit expense and interest rate swap not included in interest expense(d)	—	1.4	0.2
Major scheduled turnaround expense(e)	—	—	4.4
Loss on termination of swap(f)	—	25.0	—
Unrealized (gain) loss from Cash Flow Swap	—	427.1	(80.3)

	Original Predecessor Year Ended December 31, 2003	Original Predecessor 62 Days Ended March 2, 2004	Immediate Predecessor 304 Days Ended December 31, 2004	Immediate Predecessor 174 Days Ended June 23, 2005	Successor 233 Days Ended December 31, 2005	Pro Forma Year Ended December 31, 2005 (unaudited)	Twelve Months Ended September 30, 2006 (non-GAAP) (unaudited)
				(in millions)			
Impairment of property, plant and equipment(a)	$ 9.6	$ —	$ —	$ —	$ —	$ —	$ —
Loss on extinguishment of debt(b)	—	—	7.2	8.1	—	—	—
Inventory fair market value adjustment(c)	—	—	3.0	—	16.6	16.6	(0.3)
Funded letter of credit expense and interest rate swap not included in interest expense(d)	—	—	—	—	2.3	5.0	1.1
Major scheduled turnaround expense(e)	—	—	1.8	—	—	—	4.4
Loss on termination of swap(f)	—	—	—	—	25.0	25.0	—
Unrealized (gain) loss from Cash Flow Swap	—	—	—	—	235.9	235.9	(271.5)

(a) During the year ended December 31, 2003, we recorded an additional charge of $9.6 million related to the asset impairment of our refinery and nitrogen fertilizer plant based on the expected sales price of the assets in the Initial Acquisition.

(b) Represents the write-off of $7.2 million of deferred financing costs in connection with the refinancing of our senior secured credit facility on May 10, 2004 and the write-off of $8.1 million of deferred financing costs in connection with the refinancing of our senior secured credit facility on June 23, 2005.

(c) Consists of the additional cost of product sold expense due to the step up to estimated fair value of certain inventories on hand at March 3, 2004 and June 24, 2005, as a result of the allocation of the purchase price of the Initial Acquisition and the Subsequent Acquisition to inventory.

(d) Consists of fees which are expensed to Selling, general and administrative expenses in connection with the funded letter of credit facility of $150.0 million issued in support of the Cash Flow Swap. We consider these fees to be equivalent to interest expense and the fees are treated as such in the calculation of EBITDA in the Credit Facility.

(e) Represents expenses associated with a major scheduled turnaround at our nitrogen fertilizer plant.

(f) Represents the expense associated with the expiration of the crude oil, heating oil and gasoline option agreements entered into by Coffeyville Acquisition LLC in May 2005.

(3) Depreciation and amortization is comprised of the following components as excluded from cost of products sold, direct operating expense and selling, general and administrative expense:

	Original Predecessor Year Ended December 31, 2003	Original Predecessor 62 Days Ended March 2, 2004	Immediate Predecessor 304 Days Ended December 31, 2004	Immediate Predecessor 174 Days Ended June 23, 2005	Successor 233 Days Ended December 31, 2005	Immediate Predecessor 174 Days Ended June 23, 2005	Successor 141 Days Ended September 30, 2005 (unaudited)	Successor Nine Months Ended September 30, 2006 (unaudited)
				(in millions, except as otherwise indicated)				
Depreciation and amortization included in cost of product sold	—	—	0.2	0.1	1.1	0.1	0.5	1.6
Depreciation and amortization included in direct operating expense	3.3	0.4	2.0	0.9	22.7	0.9	11.3	34.5
Depreciation and amortization included in selling, general and administrative expense	—	—	0.2	0.1	0.2	0.1	0.1	0.7
Total depreciation and amortization	3.3	0.4	2.4	1.1	24.0	1.1	11.9	36.8

(4) Net income adjusted for unrealized gain or loss from Cash Flow Swap results from adjusting for the derivative transaction that was executed in conjunction with the Subsequent Acquisition. On June 16, 2005, Coffeyville Acquisition LLC entered into the Cash Flow Swap with J. Aron, a subsidiary of The Goldman Sachs Group, Inc., and a related party of ours. The Cash Flow Swap was subsequently assigned from Coffeyville Acquisition LLC to Coffeyville Resources, LLC on June 24, 2005. Under these agreements, sales representing approximately 70% and 17% of then forecasted refinery output for the periods from July 2005 through June 2009, and July 2009 through June 2010, respectively, have been economically hedged. The derivative took the form of three NYMEX swap agreements whereby if crack spreads fall below the fixed level, J. Aron agreed to pay the difference to us, and if crack spreads rise above the fixed level, we agreed to pay the difference to J. Aron. See "Description of Our Indebtedness and the Cash Flow Swap."

We have determined that the Cash Flow Swap does not qualify as a hedge for hedge accounting purposes under current GAAP. As a result, our periodic statements of operations reflect in each period material amounts of unrealized gains and losses based on the increases or decreases in market value of the unsettled position under the swap agreements which is accounted for as a liability on our balance sheet. As the crack spreads increase we are required to record an increase in this liability account with a corresponding expense entry to be made to our statement of operations. Conversely, as crack spreads decline we are required to record a decrease in the swap related liability and post a corresponding income entry to our statement of operations. Because of this inverse relationship between the economic outlook for our underlying business (as represented by crack spread levels) and the income impact of the unrecognized gains and losses, and given the significant periodic fluctuations in the amounts of unrealized gains and losses, management utilizes Net income adjusted for unrealized gain or loss from Cash Flow Swap as a key indicator of our business performance. In managing our business and assessing its growth and profitability from a strategic and financial planning perspective, management and our Board of Directors considers our U.S. GAAP net income results as well as Net income adjusted for unrealized gain or loss from Cash Flow Swap. We believe that Net income adjusted for unrealized gain or loss from Cash Flow Swap enhances the understanding of our results of operations by highlighting income attributable to our ongoing operating performance exclusive of charges and income resulting from mark to market adjustments that are not necessarily indicative of the performance of our underlying business and our industry. The adjustment has been made for the unrealized loss from Cash Flow Swap net of its related tax benefit.

Net income adjusted for unrealized gain or loss from Cash Flow Swap is not a recognized term under GAAP and should not be substituted for net income as a measure of our performance but instead should be utilized as a supplemental measure of financial performance or liquidity in evaluating our business. Because Net income adjusted for unrealized gain or loss from Cash Flow Swap excludes mark to market adjustments, the measure does not reflect the fair market value of our Cash Flow Swap in our net income. As a result, the measure does not include potential cash payments that may be required to be made on the Cash Flow Swap in the future. Also, our presentation of this non-GAAP measure may not be comparable to similarly titled measures of other companies.

The following is a reconciliation of Net income adjusted for unrealized gain or loss from Cash Flow Swap to Net income:

	Immediate Predecessor 174 Days Ended June 23, 2005	Successor 141 Days Ended September 30, 2005 (unaudited)	Successor Nine Months Ended September 30, 2006 (unaudited)
		(in millions)	
Net income adjusted for unrealized gain or loss from Cash Flow Swap	$ 52.4	$ 4.9	$ 122.4
Plus:			
Unrealized gain (loss) from Cash Flow Swap, net of taxes	—	(257.5)	48.4
Net income (loss)	$ 52.4	$ (252.6)	$ 170.8

	Original Predecessor Year Ended December 31, 2003	Original Predecessor 62 Days Ended March 2, 2004	Immediate Predecessor 304 Days Ended December 31, 2004	Immediate Predecessor 174 Days Ended June 23, 2005	Successor 233 Days Ended December 31, 2005	Pro Forma Year Ended December 31, 2005 (unaudited)
			(in millions)			
Net income adjusted for unrealized loss from Cash Flow Swap	$ 27.9	$ 11.2	$ 49.7	$ 52.4	$ 23.6	$ 46.9
Plus:						
Unrealized (loss) from Cash Flow Swap, net of tax benefit	—	—	—	—	(142.8)	(142.8)
Net income (loss)	$ 27.9	$ 11.2	$ 49.7	$ 52.4	$ (119.2)	$ (95.9)

(5) Operational information reflected for the 141-day Successor period ended September 30, 2005 includes only 99 days of operational activity. Operational information reflected for the 233-day Successor period ended December 31, 2005 includes only 191 days of operational activity. Successor was formed on May 13, 2005 but had no financial statement activity during the 42-day period from May 13, 2005 to June 24, 2005, with the exception of certain crude oil, heating oil and gasoline option agreements entered into with J. Aron as of May 16, 2005 which expired unexercised on June 16, 2005.

(6) Barrels per day is calculated by dividing the volume in the period by the number of calendar days in the period. Barrels per day as shown here is impacted by plant down-time and other plant disruptions and does not represent the capacity of the facility's continuous operations.

(7) Refining margin is a measurement calculated as the difference between net sales and cost of products sold (exclusive of deprecation and amortization) which we use as a general indication of the amount above our cost of products sold at which we are able to sell refined products. Each of the components used to calculate refining margin (net sales and cost of products sold exclusive of deprecation and amortization) can be taken directly from our statement of operations. Refining margin per barrel is a measurement calculated by dividing the refining margin by our refinery's crude oil throughput volumes for the respective periods presented. We use refining margin as the most direct and comparable metric to a crack spread which is an observable market indication of industry profitability.

Table of Contents

Refining margin is a non-GAAP measure and should not be substituted for gross profit or operating income. Our calculations of refining margin and refining margin per barrel may differ from similar calculations of other companies in our industry, thereby limiting their usefulness as comparative measures. The table included in footnote 9 reconciles refining margin to gross profit for the periods presented.

(8) This information is industry data and is not derived from our audited financial statements or unaudited interim financial statements.

(9) Direct operating expenses (exclusive of depreciation and amortization) per throughput barrel is calculated by dividing direct operating expenses (exclusive of depreciation and amortization) by total crude oil throughput volumes for the respective periods presented. Direct operating expenses (exclusive of depreciation and amortization) includes costs associated with the actual operations of the refinery, such as energy and utility costs, catalyst and chemical costs, repairs and maintenance and labor and environmental compliance costs but does not include deprecation or amortization. We use direct operating expenses (exclusive of depreciation and amortization) as a measure of operating efficiency within the plant and as a control metric for expenditures.

Direct operating expenses (exclusive of depreciation and amortization) per refinery throughput barrel is a non-GAAP measure. Our calculations of direct operating expenses (exclusive of depreciation and amortization) per refinery throughput barrel may differ from similar calculations of other companies in our industry, thereby limiting its usefulness as a comparative measure. The following table reflects direct operating expenses (exclusive of depreciation and amortization) and the related calculation of direct operating expenses per refinery throughput barrel.

	Original Predecessor		Immediate Predecessor		Successor	Successor	Successor
	Year Ended December 31, 2003	62 Days Ended March 2, 2004	304 Days Ended December 31, 2004	174 Days Ended June 23, 2005	233 Days Ended December 31, 2005	141 Days Ended September 30, 2005 (unaudited)	Nine Months Ended September 30, 2006 (unaudited)
				(in millions)			
Petroleum Business:							
Net sales	$ 1,161.3	$ 241.6	$ 1,390.8	$ 903.8	$ 1,363.4	$ 731.6	$ 2,205.0
Cost of product sold (exclusive of depreciation and amortization)	1,040.0	217.4	1,228.1	761.7	1,156.2	617.2	1,828.1
Direct operating expenses (exclusive of depreciation and amortization)	80.1	14.9	73.2	52.6	56.2	22.5	97.3
Depreciation and amortization	2.1	0.3	1.5	0.8	15.6	7.7	23.6
Gross profit	$ 39.1	$ 9.0	$ 88.0	$ 88.7	$ 135.4	$ 84.2	$ 256.0
Plus direct operating expenses (exclusive of depreciation and amortization)	80.1	14.9	73.2	52.6	56.2	22.5	97.3
Plus depreciation and amortization	2.1	0.3	1.5	0.8	15.6	7.7	23.6
Refining margin	$ 121.3	$ 24.2	$ 162.7	$ 142.1	$ 207.2	$ 114.4	$ 376.9
Refining margin per refinery throughput barrel	$ 3.89	$ 4.23	$ 5.92	$ 9.28	$ 11.55	$ 12.39	$ 14.68
Gross profit per refinery throughput barrel	$ 1.25	$ 1.57	$ 3.20	$ 5.79	$ 7.55	$ 9.12	$ 9.97
Direct operating expenses (exclusive of depreciation and amortization) per refinery throughput barrel	$ 2.57	$ 2.60	$ 2.66	$ 3.44	$ 3.13	$ 2.44	$ 3.79

(10) On-stream factor is the total number of hours operated divided by the total number of hours in the reporting period.

(11) During the year ended December 31, 2003, we recorded an additional charge of $9.6 million related to the asset impairment of the refinery and nitrogen fertilizer plant based on the expected sales price of the assets in the Initial Acquisition. In addition, we recorded a charge of $1.3 million for the rejection of existing contracts while operating under Chapter 11 of the U.S. Bankruptcy Code.

(12) Excludes liabilities subject to compromise due to Original Predecessor's bankruptcy of $105.2 million as of December 31, 2003 in calculating Original Predecessor's working capital.

(13) While operating under Chapter 11 of the U.S. Bankruptcy Code, Original Predecessor's financial statements were prepared in accordance with SOP 90-7 "Financial Reporting by Entities in Reorganization under Bankruptcy Code." SOP 90-7 requires that pre-petition liabilities be segregated in the Balance Sheet.

About This Prospectus

Certain Definitions

In this prospectus,

- Original Predecessor refers to the former Petroleum Division and one facility within the eight-plant Nitrogen Fertilizer Manufacturing and Marketing Division of Farmland which Coffeyville Resources, LLC acquired on March 3, 2004 in a sales process under Chapter 11 of the U.S. Bankruptcy Code;
- Initial Acquisition refers to the acquisition of Original Predecessor on March 3, 2004 by Coffeyville Resources, LLC;
- Immediate Predecessor refers to Coffeyville Group Holdings, LLC and its subsidiaries, including Coffeyville Resources, LLC;
- Subsequent Acquisition refers to the acquisition of Immediate Predecessor on June 24, 2005 by Coffeyville Acquisition LLC; and
- Successor refers to Coffeyville Acquisition LLC and its consolidated subsidiaries.

Industry and Market Data

The data included in this prospectus regarding the oil refining industry and the nitrogen fertilizer industry, including trends in the market and our position and the position of our competitors within these industries, are based on our estimates, which have been derived from management's knowledge and experience in the areas in which the relevant businesses operate, and information obtained from customers, distributors, suppliers, trade and business organizations, internal research, publicly available information, industry publications and surveys and other contacts in the areas in which the relevant businesses operate. We have also cited information compiled by industry publications, governmental agencies and publicly available sources. Although we believe that these sources are generally reliable, we have not independently verified data from these sources or obtained third party verification of this data. Estimates of market size and relative positions in a market are difficult to develop and inherently uncertain. Accordingly, investors should not place undue weight on the industry and market share data presented in this prospectus.

Trademarks, Trade Names and Service Marks

This prospectus includes trademarks owned by us, including COFFEYVILLE RESOURCES™ and CVR Energy™. This prospectus also contains trademarks, service marks, copyrights and trade names of other companies.

RISK FACTORS

You should carefully consider each of the following risks and all of the information set forth in this prospectus before deciding to invest in our common stock. If any of the following risks and uncertainties develops into actual events, our business, financial condition or results of operations could be materially adversely affected. In that case, the price of our common stock could decline and you could lose part or all of your investment.

Risks Related to Our Petroleum Business

Volatile margins in the refining industry may cause volatility or a decline in our future results of operations and decrease our cash flow.

Our petroleum business' financial results are primarily affected by the relationship, or margin, between refined product prices and the prices for crude oil and other feedstocks. Future volatility in refining industry margins may cause volatility or a decline in our results of operations, since the margin between refined product prices and feedstock prices may decrease below the amount needed for us to generate net cash flow sufficient for our needs. Although an increase or decrease in the price for crude oil generally results in a similar increase or decrease in prices for refined products, there is normally a time lag in the realization of the similar increase or decrease in prices for refined products. The effect of changes in crude oil prices on our results of operations therefore depends in part on how quickly and how fully refined product prices adjust to reflect these changes. A substantial or prolonged increase in crude oil prices without a corresponding increase in refined product prices, or a substantial or prolonged decrease in refined product prices without a corresponding decrease in crude oil prices, could have a significant negative impact on our earnings, results of operations and cash flows.

If we are required to obtain our crude oil supply without the benefit of our credit intermediation agreement, our exposure to the risks associated with volatile crude prices may increase and our liquidity may be reduced.

We currently obtain the majority of our crude oil supply through a crude oil credit intermediation agreement with J. Aron, which minimizes the amount of in transit inventory and mitigates crude pricing risks by ensuring pricing takes place extremely close to the time when the crude is refined and the yielded products are sold. In the event this agreement is terminated or is not renewed prior to expiration we may be unable to obtain similar services from another party at the same or better terms as our existing agreement. The current credit intermediation agreement expires on December 31, 2007. Further, if we were required to obtain our crude oil supply without the benefit of an intermediation agreement, our exposure to crude pricing risks may increase, even despite any hedging activity in which we may engage, and our liquidity would be negatively impacted due to the increased inventory and the negative impact of market volatility.

Disruption of our ability to obtain an adequate supply of crude oil could reduce our liquidity and increase our costs.

Our refinery requires approximately 80,000 bpd of crude oil in addition to the light sweet crude oil we gather locally in Kansas and northern Oklahoma. We obtain a significant amount of our non-gathered crude oil, approximately 20% to 30% on average, from Latin America and South America. If these supplies become unavailable to us, we may need to seek supplies from the Middle East, West Africa, Canada and the North Sea. We are subject to the political, geographic, and economic risks attendant to doing business with suppliers located in those regions. Disruption of production in any of such regions for any reason could have a material impact on other regions and our business. In the event that one or more of our traditional suppliers becomes unavailable to us, we may be unable to obtain an adequate supply of crude oil, or we may only be able to obtain our crude oil supply at unfavorable prices. As a result, we may experience a reduction in our liquidity and our results of operations could be materially adversely affected.

The key event of 2005 in our industry was the hurricane season which produced a record number of named storms, including hurricanes Katrina and Rita. The location and intensity of these storms caused extreme amounts of damage to both crude and natural gas production as well as extensive disruption to many U.S. Gulf Coast refinery operations although we believe that substantially most of this refining capacity has been restored. These events caused both price spikes in the commodity markets as well as substantial increases in crack spreads. Severe weather, including hurricanes along the U.S. Gulf Coast, could interrupt our supply of crude oil. Supplies of crude oil to our refinery are periodically shipped from U.S. Gulf Coast production or terminal facilities, including through the Seaway Pipeline from the U.S. Gulf Coast to Cushing, Oklahoma. U.S. Gulf Coast facilities could be subject to damage or production interruption from hurricanes or other severe weather in the future which could interrupt or materially adversely affect our crude oil supply. If our supply of crude oil is interrupted, our business, financial condition and results of operations could be materially adversely impacted.

Our profitability is linked to the light/heavy and sweet/sour crude oil price spreads. In 2005 and 2006 the light/heavy crude oil price spread increased significantly. A decrease in either of the spreads would negatively impact our profitability.

Our profitability is linked to the price spreads between light and heavy crude oil and sweet and sour crude oil within our plant capabilities. We prefer to refine heavier sour crude oils because they have historically provided wider refining margins than light sweet crude. Accordingly, any tightening of the light/heavy or sweet/sour spreads could reduce our profitability. During 2005 and 2006, relatively high demand for lighter sweet crude due to increasing demand for more highly refined fuels resulted in an attractive light/heavy crude oil price spread and an improved sweet/sour spread compared to 2004. Countries with less complex refining capacity than the United States and Europe continue to require large volumes of light sweet crude in order to meet their demand for transportation fuels. Crude oil prices may not remain at current levels and the light/heavy or sweet/sour spread may decline, which could result in a decline in profitability or operating losses.

Our refinery faces operating hazards and interruptions, including unscheduled maintenance or downtime. The limits on insurance coverage could expose us to potentially significant liability costs to the extent these hazards or interruptions are not fully covered. Insurance companies that currently insure companies in the energy industry may cease to do so or may substantially increase premiums.

Our operations, located primarily in a single location, are subject to significant operating hazards and interruptions. If our refinery experiences a major accident or fire, is damaged by severe weather or other natural disaster, or is otherwise forced to curtail its operations or shut down, we could incur significant losses which could have a material adverse impact on our financial results. In addition, a major accident, fire or other event could damage our refinery or the environment or result in injuries or loss of life. If our refinery experiences a major accident or fire or other event or an interruption in supply or operations, our business could be materially adversely affected if the damage or liability exceeds the amounts of business interruption, property, terrorism and other insurance that we maintain against these risks. As required under our existing credit facilities, we maintain property insurance capped at $1.25 billion which is subject to annual renewal. In the event of a business interruption we would not be entitled to recover our losses until the interruption exceeds 45 days in the aggregate. We are fully exposed to losses in excess of this cap or that occur in the 45 days of our deductible period. These losses may be material.

The energy industry is highly capital intensive, and the entire or partial loss of individual facilities can result in significant costs to both industry participants, such as us, and their insurance carriers. In recent years, several large energy industry claims have resulted in significant increases in the level of premium costs and deductible periods for participants in the energy industry. For example, during 2005, hurricanes Katrina and Rita caused significant damage to several petroleum refineries along the U.S. Gulf Coast, in addition to numerous oil and gas production facilities and pipelines in that region. As a result of large energy industry claims, insurance companies that have historically participated in underwriting energy-related facilities may discontinue that practice, or demand significantly higher premiums or deductibles to cover these facilities. If significant changes in the number or financial solvency of insurance underwriters for the energy industry occur, we may be unable to obtain and maintain adequate insurance at reasonable cost or we may need to significantly increase our retained exposures.

Our refinery consists of a number of processing units, many of which have been in operation for a number of years. One or more of the units may require unscheduled down time for unanticipated maintenance or repairs on a more frequent basis than our scheduled turnaround of every one to five years for each unit, or our planned turnarounds may last longer than anticipated. Scheduled and unscheduled maintenance could reduce our net income during the period of time that any of our units is not operating. For example, we have a scheduled turnaround expected to occur in the first quarter of 2007. This turnaround is expected to last 40-45 days and will include incremental time to complete the expansion projects explained throughout this prospectus. This turnaround will have a significant adverse impact on our first quarter results.

If our access to the pipelines on which we rely for the supply of our feedstock and the distribution of our products is interrupted, our inventory and costs may increase and we may be unable to efficiently distribute our products.

If one of the pipelines on which we rely for supply of our crude oil becomes inoperative, we would be required to obtain crude oil for our refinery through an alternative pipeline or from additional tanker trucks, which could increase our costs and result in lower production levels and profitability. Similarly, if a major refined fuels pipeline becomes inoperative, we would be required to keep refined fuels in inventory or supply refined fuels to our customers through an alternative pipeline or by additional tanker trucks from the refinery, which could increase our costs and result in a decline in profitability.

Our petroleum business' financial results are seasonal and generally lower in the first and fourth quarters of the year, which may cause volatility in the price of our common stock.

Demand for gasoline products is generally higher during the summer months than during the winter months due to seasonal increases in highway traffic and road construction work. As a result, our results of operations for the first and fourth calendar quarters are generally lower than for those for the second and third quarters, which may cause volatility in the price of our common stock. Further, reduced agricultural work during the winter months somewhat depresses demand for diesel fuel in the winter months. In addition to the overall seasonality of our business, unseasonably cool weather in the summer months and/or unseasonably warm weather in the winter months in the markets in which we sell our petroleum products could have the effect of reducing demand for gasoline and diesel fuel which could result in lower prices and reduce operating margins.

We face significant competition, both within and outside of our industry. Competitors who produce their own supply of feedstocks, have extensive retail outlets, make alternative fuels or have greater financial resources than we do may have a competitive advantage over us.

The refining industry is highly competitive with respect to both feedstock supply and refined product markets. We may be unable to compete effectively with our competitors within and outside of our industry, which could result in reduced profitability. We compete with numerous other companies for available supplies of crude oil and other feedstocks and for outlets for our refined products. We are not engaged in the petroleum exploration and production business and therefore we do not produce any of our crude oil feedstocks. We do not have a retail business and therefore are dependent upon others for outlets for our refined products. We do not have any long-term arrangements for much of our output. Many of our competitors in the United States as a whole, and one of our regional competitors, obtain significant portions of their feedstocks from company-owned production and have extensive retail outlets. Competitors that have their own production or extensive retail outlets with brand-name recognition are at times able to offset losses from refining operations with profits from producing or retailing operations, and may be better positioned to withstand periods of depressed refining margins or feedstock shortages. A number of our competitors also have materially greater financial and other resources than us, providing them the ability to add incremental capacity in environments of high crack spreads. These competitors have a greater ability to bear the economic risks inherent in all phases of the refining industry. An expansion or upgrade of our competitors' facilities, price volatility, international political and economic developments and other factors are likely to continue to play an important role in refining industry economics and may add additional competitive pressure on us. In addition, we compete with other industries that provide alternative means to satisfy the energy and fuel requirements of our industrial, commercial and individual consumers. The more successful these alternatives become as a result of governmental regulations, technological advances, consumer demand, improved pricing or otherwise, the greater the impact on pricing and demand for our products and our profitability. There are presently significant governmental and consumer pressures to increase the use of alternative fuels in the United States.

Environmental laws and regulations will require us to make substantial capital expenditures in the future.

Current or future federal, state and local environmental laws and regulations could cause us to expend substantial amounts to install controls or make operational changes to comply with environmental requirements. In addition, future environmental laws and regulations, or new interpretations of existing laws or regulations, could limit our ability to market and sell our products to end users. Any such future environmental laws or governmental regulations could have a material impact on the results of our operations.

In March 2004, we entered into a Consent Decree with the United States Environmental Protection Agency, or the EPA, and the Kansas Department of Health and Environment, or the KDHE, to address certain allegations of Clean Air Act violations by Farmland at the Coffeyville oil refinery in order to reduce environmental risks and liabilities going forward. Pursuant to the Consent Decree, in the short-term, we have increased the use of catalyst additives to the fluid catalytic cracking unit at the facility to reduce emissions of sulfur dioxide, or SO_2. We will begin adding catalyst to reduce oxides of nitrogen, or NOx, in 2007. A catalyst is a substance that alters, accelerates or instigates chemical changes, but is neither produced, consumed nor altered in the process. In the long term, we will install controls to minimize both SO_2 and NOx emissions, which under terms of the Consent Decree require that final controls be in place by January 1, 2011. In addition, pursuant to the Consent Decree, we assumed certain cleanup obligations at our Coffeyville refinery and Phillipsburg terminal, and we agreed to retrofit some heaters at the refinery with Ultra Low NOx burners. All heater retrofits have been performed and we are currently verifying that the heaters meet the Ultra Low NOx standards required by the Consent Decree. The Ultra Low NOx heater technology is in widespread use throughout the industry. There are other permitting, monitoring, recordkeeping and reporting requirements associated with the Consent Decree, and we are required to provide periodic reports on our compliance with the terms and conditions of the Consent Decree. The overall costs of complying with the Consent Decree over the next four years are expected to be approximately $31 million. To date, we have met all deadlines and requirements of the Consent Decree and we have not had to pay any stipulated penalties, which are required to be paid for failure to comply with various terms and conditions of the Consent Decree. Availability of equipment and technology performance, as well as EPA interpretations of provisions of the Consent Decree that differ from ours, could have a material adverse effect on our ability to meet the requirements imposed by the Consent Decree.

We will make capital expenditures over the next several years in order to comply with regulations under the Clean Air Act establishing stringent low sulfur content specifications for our petroleum products, including the Tier II gasoline standards, as well as regulations with respect to on- and off-road diesel fuel, which are designed to reduce air emissions from the use of these products. In February 2004, the EPA granted us a "hardship waiver," which will require us to meet final low sulfur Tier II gasoline standards by January 1, 2011. Compliance with the Tier II gasoline standards and on-road diesel standards required us to spend approximately $83 million during 2006 and we estimate that compliance will require us to spend approximately $33 million in 2007 and approximately

$25 million between 2008 and 2010. Changes in these laws or interpretations thereof could result in significantly greater expenditures.

Changes in our credit profile may affect our relationship with our suppliers, which could have a material adverse effect on our liquidity.

Changes in our credit profile may affect the way crude oil suppliers view our ability to make payments and may induce them to shorten the payment terms of their invoices. Given the large dollar amounts and volume of our feedstock purchases, a change in payment terms may have a material adverse effect on our liquidity and our ability to make payments to our suppliers.

We may have additional capital needs for which our internally generated cash flows and other sources of liquidity may not be adequate.

If we cannot generate cash flow or otherwise secure sufficient liquidity to support our short-term and long-term capital requirements, we may be unable to comply with certain environmental standards or pursue our business strategies, in which case our operations may not perform as well as we currently expect. We have substantial short-term and long-term capital needs, including capital expenditures we are required to make to comply with Tier II gasoline standards, on-road diesel regulations, off-road diesel regulations and the Consent Decree. Our short-term working capital needs are primarily crude oil purchase requirements, which fluctuate with the pricing and sourcing of crude oil. We also have significant long-term needs for cash. We currently estimate that mandatory capital and turnaround expenditures, excluding the non-recurring capital expenditures required to comply with Tier II gasoline standards, on-road diesel regulations, off-road diesel regulations and the Consent Decree described above, to average approximately $43 million per year over the next five years.

Risks Related to Our Nitrogen Fertilizer Business

Our nitrogen fertilizer plant has high fixed costs. If natural gas prices fall below a certain level, our nitrogen fertilizer business may not generate sufficient revenue to operate profitably or cover its costs.

Our nitrogen fertilizer plant has high fixed costs as discussed in "Management's Discussion and Analysis of Financial Condition and Results of Operation — Factors Affecting Results — Nitrogen Fertilizer Business." As a result, downtime or low productivity due to reduced demand, weather interruptions, equipment failures, low prices for our products or other causes can result in significant operating losses. Unlike our competitors, whose primary costs are related to the purchase of natural gas and whose fixed costs are minimal, we have high fixed costs not dependent on the price of natural gas. A decline in natural gas prices generally has the effect of reducing the base sale price for our products while our costs remain substantially the same. Any decline in the price of our fertilizer products could have a material negative impact on our profitability and results of operations.

Our nitrogen fertilizer business is cyclical, which exposes us to potentially significant fluctuations in our financial condition and results of operations, which could result in volatility in the price of our common stock.

A significant portion of our nitrogen fertilizer product sales consists of sales of agricultural commodity products, exposing us to fluctuations in supply and demand in the agricultural industry. These fluctuations historically have had and could in the future have significant effects on prices across all of our nitrogen fertilizer products and, in turn, our nitrogen fertilizer business' results of operations and financial condition, which could result in significant volatility in the price of our common stock. The prices of nitrogen fertilizer products depend on a number of factors, including general economic conditions, cyclical trends in end-user markets, supply and demand imbalances, and weather conditions, which have a greater relevance because of the seasonal nature of fertilizer application. Changes in supply result from capacity additions or reductions and from changes in inventory levels. Demand for fertilizer products is dependent, in part, on demand for crop nutrients by the global agricultural industry. Periods of high demand, high capacity utilization, and increasing operating margins have tended to result in new plant investment and increased production until supply exceeds demand, followed by periods of declining prices and declining capacity utilization until the cycle is repeated.

Our fertilizer products are global commodities, and we face intense competition from other nitrogen fertilizer producers.

We are subject to intense price competition in our fertilizer business from both U.S. and foreign sources, including competitors operating in the Persian Gulf, Asia-Pacific, the Caribbean and the former Soviet Union. Fertilizers are global commodities, with little or no product differentiation, and customers make their purchasing decisions principally on the basis of delivered price and availability of the product. We compete with a number of U.S. producers and producers in other countries, including state-owned and government-subsidized entities. The United States and the European Commission each have trade regulatory measures in effect which are designed to address this type of unfair trade. Changes in these measures could have an adverse impact on our sales and profitability of the particular products involved. Some of our competitors have greater total resources and are less dependent on earnings from fertilizer sales, which makes them less vulnerable to industry downturns and better positioned to pursue new expansion and development opportunities. In addition, recent consolidation in the fertilizer industry has increased the resources of several of our competitors. In light of this industry consolidation, our competitive position could suffer to the extent we are not able to expand our own resources either through investments in new or existing operations or through acquisitions, joint ventures or partnerships. Our inability to compete successfully could result in the loss of customers, which could adversely affect our sales and profitability.

Adverse weather conditions during peak fertilizer application periods may have a negative effect upon our results of operations and financial condition, as our agricultural customers are geographically concentrated.

Sales of our fertilizer products to agricultural customers are concentrated in the Great Plains and Midwest states and are seasonal in nature. For example, our nitrogen fertilizer business generates greater net sales and operating income in the spring. Accordingly, an adverse weather pattern affecting agriculture in these regions or during this season could have a negative effect on fertilizer demand, which could, in turn, result in a decline in our net sales, lower margins and otherwise negatively affect our financial condition and results of operations. Our quarterly results may vary significantly from one year to the next due primarily to weather-related shifts in planting schedules and purchase patterns, as well as the relationship between natural gas and nitrogen fertilizer product prices.

Our margins and results of operations may be adversely affected by the supply and price levels of pet coke and other essential raw materials.

Pet coke is a key raw material used in the manufacture of our nitrogen fertilizer products. Increases in the price of pet coke could result in a decrease in our profit margins or results of operations. Our profitability is directly affected by the price and availability of pet coke obtained from our oil refinery and purchased from third parties. We obtain the majority of the pet coke we need from our adjacent oil refinery, and procure the remainder on the open market. We are therefore sensitive to fluctuations in the price of pet coke on the open market. Pet coke prices could significantly increase in the future. In addition, the BOC air separation plant that provides oxygen, nitrogen, and compressed dry air to our nitrogen fertilizer plant's gasifier has experienced numerous short-term interruptions (one to five minute), thereby causing interruptions in our gasifier operations. Our operations require a reliable supply of raw materials. A disruption of our reliable supply could prevent us from producing our products at current levels and our reputation, customer relationships and results of operations may be materially harmed.

We may not be able to maintain an adequate supply of pet coke and other essential raw materials. In addition, we could experience production delays or cost increases if alternative sources of supply prove to be more expensive or difficult to obtain. If our raw material costs were to increase, or if we were to experience an extended interruption in the supply of raw materials, including pet coke, to our production facilities, we could lose sale opportunities, damage our relationships with or lose customers, suffer lower margins, and experience other negative effects to our business, results of operations and financial condition. In addition, if natural gas prices in the United States were to decline to a level that prompts those U.S. producers who have permanently or temporarily closed production facilities to resume fertilizer production, this would likely contribute to a global supply/demand imbalance that could negatively affect our margins, results of operations and financial condition.

Ammonia can be very volatile. If we are held liable for accidents involving ammonia that cause severe damage to property and/or injury to the environment and human health, our financial condition and the price of our common stock could decline. In addition, the costs of transporting ammonia could increase significantly in the future.

We manufacture, process, store, handle, distribute and transport ammonia, which is very volatile. Accidents, releases or mishandling involving ammonia could cause severe damage or injury to property, the environment and human health, as well as a possible disruption of supplies and markets. Such an event could result in civil lawsuits and regulatory enforcement proceedings, both of which could lead to significant liabilities. Any damage to persons, equipment or property or other disruption of our ability to produce or distribute our products could result in a significant decrease in operating revenues and significant additional cost to replace or repair and insure our assets, which could negatively affect our operating results and financial condition. In addition, we may incur significant losses or costs relating to the operation of railcars used for the purpose of carrying various products, including ammonia. Due to the dangerous and potentially toxic nature of the cargo, in particular ammonia on board railcars, a railcar accident may result in uncontrolled or catastrophic circumstances, including fires, explosions, and pollution. These circumstances may result in severe damage and/or injury to property, the environment and human health. In the event of pollution, we may be strictly liable. If we are strictly liable, we could be held responsible even if we are not at fault and we complied with the laws and regulations in effect at the time. Litigation arising from accidents involving ammonia may result in our being named as a defendant in lawsuits asserting claims for large amounts of damages, which could have a material adverse effect on our financial condition and the price of our common stock.

Given the risks inherent in transporting ammonia, the costs of transporting ammonia could increase significantly in the future. Ammonia is most typically transported by railcar. A number of initiatives are underway in the railroad and chemicals industries which may result in changes to railcar design in order to minimize railway accidents involving hazardous materials. If any such design changes are implemented, or if accidents involving hazardous freight increases the insurance and other costs of railcars, our freight costs could significantly increase.

Prior to our acquisition of the nitrogen fertilizer plant in 2004 and continuing into our ownership, the facility experienced equipment malfunctions, resulting in air releases of ammonia into the environment. The malfunctioning critical equipment has since been replaced. We have reported the excess emissions of ammonia to the EPA and the KDHE as part of an air permitting audit of the facility. Additional equipment or repairs may be required and any significant government enforcement or third-party claims could result from the excess ammonia emissions.

Environmental laws and regulations could require us to make substantial capital expenditures in the future.

We manufacture, process, store, handle, distribute and transport fertilizer products, including ammonia, that are subject to federal, state and local environmental laws and regulations. Presently existing or future environmental laws and regulations could cause us to expend substantial amounts to install controls or make operational changes to comply with changes in environmental requirements. In addition, future environmental laws and regulations, or new interpretations of existing laws or regulations, could limit our ability to market and sell our products to end users. Any such future environmental laws or governmental regulations may have a significant impact on our results of operations.

Our nitrogen fertilizer operations are dependent on a few third-party suppliers. Failure by key third-party suppliers of oxygen, nitrogen and electricity to perform in accordance with their contractual obligations may have a negative effect upon our results of operations and financial condition.

Our operations depend in large part on the performance of third-party suppliers, including The BOC Group, for the supply of oxygen and nitrogen, and the City of Coffeyville for the supply of electricity. The contract with The BOC Group extends through 2020 and the electricity contract extends through 2019. Should either of those two suppliers fail to perform in accordance with the existing contractual arrangements, our gasification operation would be forced to a halt. Alternative sources of supply of oxygen, nitrogen or electricity could be difficult to obtain. Any shutdown of our operations could have a material negative effect upon our results of operations and financial condition.

Risks Related to Our Entire Business

Our operations involve environmental risks that may require us to make substantial capital expenditures to remain in compliance or to remediate current or future contamination that could give rise to material liabilities.

Our results of operations may be affected by increased costs resulting from compliance with the extensive federal, state and local environmental laws and regulations to which our facilities are subject and from contamination of our facilities as a result of accidental spills, discharges or other historical releases of petroleum or hazardous substances.

Our operations are subject to a variety of federal, state and local environmental laws and regulations relating to the protection of the environment, including those governing the emission or discharge of pollutants into the environment, product specifications and the generation, treatment, storage, transportation, disposal and remediation of solid and hazardous waste and materials. Environmental laws and regulations that affect the operations, processes and margins for our refined products are extensive and have become progressively more stringent. Violations of these laws and regulations or permit conditions can result in substantial penalties, injunctive orders compelling installation of additional controls, civil and criminal sanctions, permit revocations and/or facility shutdowns.

In addition, new environmental laws and regulations, new interpretations of existing laws and regulations, increased governmental enforcement of laws and regulations or other developments could require us to make additional unforeseen expenditures. Many of these laws and regulations are becoming increasingly stringent, and the cost of compliance with these requirements can be expected to increase over time. The requirements to be met, as well as the technology and length of time available to meet those requirements, continue to develop and change. These expenditures or costs for environmental compliance could have a material adverse effect on our financial condition and results of operations.

Our business is inherently subject to accidental spills, discharges or other releases of petroleum or hazardous substances into the environment. Past or future spills related to any of our operations, including our refinery, pipelines, product terminals, fertilizer plant or transportation of products or hazardous substances from those facilities, may give rise to liability (including strict liability, or liability without fault, and potential cleanup responsibility) to governmental entities or private parties under federal, state or local environmental laws, as well as under common law. For example, we could be held strictly liable under the Comprehensive Environmental Responsibility, Compensation and Liability Act, or CERCLA, for past or future spills without regard to fault or whether our actions were in compliance with the law at the time of the spills. Pursuant to CERCLA and similar state statutes, we could be held liable for contamination associated with facilities we currently own or operate, facilities we formerly owned or operated and facilities to which we transported or arranged for the transportation of wastes or by-products containing hazardous substances for treatment, storage, or disposal. The potential penalties and clean-up costs for past or future releases or spills, liability to third parties for damage to their property or exposure to hazardous substances, or the need to address newly discovered information or conditions that may require response actions could be significant and could have a material adverse effect on our business, financial condition and results of operations.

Two of our facilities, including our Coffeyville oil refinery and the Phillipsburg terminal (which operated as a refinery until 1991), have environmental contamination. We have assumed Farmland's responsibilities under certain Resource Conservation and Recovery Act, or RCRA, corrective action orders related to contamination at or that originated from the Coffeyville refinery (which includes portions of the fertilizer plant) and the Phillipsburg terminal. If significant unforeseen liabilities that have been undetected to date by our extensive soil and groundwater investigation and sampling programs arise in the areas where we have assumed liability for the corrective action, that liability could have a material adverse effect on our results of operations and financial condition and may not be covered by insurance.

In addition, we may face liability for alleged personal injury or property damage due to exposure to chemicals or other hazardous substances located at or released from our facilities. We may also face liability for personal injury, property damage, natural resource damage or for cleanup costs for the alleged migration of contamination or other hazardous substances from our facilities to adjacent and other nearby properties.

We may face future liability for the off-site disposal of hazardous wastes. Pursuant to CERCLA, companies that dispose of, or arrange for the disposal of, hazardous substances at off-site locations can be held jointly and severally liable for the costs of investigation and remediation of contamination at those off-site locations, regardless of fault. We could become involved in litigation or other proceedings involving off-site waste disposal and the damages or costs in any such proceedings could be material.

We have a limited operating history as a stand-alone company.

Our limited historical financial performance as a stand-alone company makes it difficult for you to evaluate our business and results of operations to date and to assess our future prospects and viability. Our brief operating history has resulted in strong period-over-period revenue and profitability growth rates that may not continue in the future. We have been operating during a recent period of significant growth in the profitability of the refined products industry which may not continue or could reverse. As a result, our results of operations may be lower than we currently expect and the price of our common stock may be volatile.

Our commodity derivative activities could result in losses and may result in period-to-period earnings volatility.

The nature of our operations results in exposure to fluctuations in commodity prices. If we do not effectively manage our derivative activities, we could incur significant losses. We monitor our exposure and, when appropriate, utilize derivative financial instruments and physical delivery contracts to mitigate the potential impact from changes in commodity prices. If commodity prices change from levels specified in our various derivative agreements, a fixed price contract or an option price structure could limit us from receiving the full benefit of commodity price changes. In addition, by entering into these derivative activities, we may suffer financial loss if we do not produce oil to fulfill our obligations. In the event we are required to pay a margin call on a derivative contract, we may be unable to benefit fully from an increase in the value of the commodities we sell. In addition, we may be required to make a margin payment before we are able to realize a gain on a sale resulting in a reduction in cash flow, particularly if prices decline by the time we are able to sell.

In June 2005, Coffeyville Acquisition LLC entered into the Cash Flow Swap, which is not subject to margin calls, in the form of three swap agreements for the period from July 1, 2005 to June 30, 2010 with J. Aron in connection with the Subsequent Acquisition. These agreements were subsequently assigned from Coffeyville Acquisition LLC to Coffeyville Resources, LLC on June 24, 2005. Pursuant to the Cash Flow Swap, sales representing approximately 70% and 17% of then forecasted refinery output for the periods from July 2005 through June 2009, and July 2009 through June 2010, respectively, have been economically hedged. In addition, under the terms of the existing credit facilities, management has limited discretion to change the amount of hedged volumes under the Cash Flow Swap therefore affecting our exposure to market volatility. Because this derivative is based on NYMEX prices while our revenue is based on prices in the Coffeyville supply area, the contracts cannot completely eliminate all risk of price volatility. If the price of products on NYMEX is different from the value contracted in the swap, then we will receive from or owe to the counterparty the difference on each unit of product that is contracted in the swap. In addition, as a result of the accounting treatment of these contracts, unrealized gains and losses are charged to our earnings based on the increase or decrease in the market value of the unsettled position and the inclusion of such derivative gains or losses in earnings may produce significant period-to-period earnings volatility that is not necessarily reflective of our underlying operating performance. The positions under the Cash Flow Swap resulted in unrealized gains of $80.3 million for the nine months ended September 30, 2006. As of September 30, 2006, a $1.00 change in quoted prices for the crack spreads utilized in the Cash Flow Swap would result in a $71.2 million change to the fair value of derivative commodity position and the same change to net income. See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Cash Flow Swap."

We depend on our significant customers, and the loss of one or several of our significant customers may have a material adverse impact on our results of operations and financial condition.

We have a high concentration of customers in both our petroleum and nitrogen fertilizer businesses. Our four largest customers in the petroleum business represented 58.7% and 45.6% of our petroleum sales for the year ended December 31, 2005 and the nine months ended September 30, 2006, respectively. Further, in the aggregate our top five ammonia customers represented 55.2% and 49.6% of our ammonia sales for the year ended December 31, 2005 and the nine months ended September 30, 2006, respectively, and our top five UAN customers represented 43.1% and 30.0% of our UAN sales, respectively for the same periods. Several of our significant petroleum, ammonia and UAN customers each account for more than 10% of sales of petroleum, ammonia and UAN, respectively. Given the nature of our business, and consistent with industry practice, we do not have long-term minimum purchase contracts with any of our customers. The loss of one or several of our significant customers, or a significant reduction in purchase volume by any of them, could have a material adverse effect on our results of operations and financial condition.

We may not be able to successfully implement our business strategies, which include completion of significant capital programs.

One of our business strategies is to implement a number of capital expenditure projects designed to increase productivity and profitability of our facilities. Many factors may prevent or hinder our implementation of some or all of these projects, including compliance with or liability under environmental regulations, a downturn in refining margins, technical or mechanical problems, lack of availability of capital and other factors. Costs and delays have increased significantly during the past two years and the large number of capital projects underway in the industry has led to shortages in skilled craftsmen, engineering services and equipment manufacturing. Our capital projects were designed during periods of strong profitability for refiners which may not continue at the time these projects are undertaken. Failure to successfully implement our profit-enhancing strategy may materially adversely affect our business prospects and competitive position in the industry.

We are scheduled to execute a major turnaround and expansion beginning in the first quarter of 2007. Major equipment is scheduled to be delivered before the turnaround commences. These projects could be significantly delayed if equipment is not delivered on time or if adequate labor is not available. We may incur additional costs and these projects could run significantly over budget given escalation of labor and equipment costs recently experienced across the refining industry.

We are a holding company and depend upon our subsidiaries for our cash flow.

We are a holding company. Our subsidiaries conduct all of our operations and own substantially all of our assets. Consequently, our cash flow and our ability to meet our obligations or to pay dividends or make other distributions in the future will depend upon the cash flow of our subsidiaries and the payment of funds by our subsidiaries to us in the form of dividends, tax sharing payments or otherwise. In addition, Coffeyville Resources, LLC, our indirect subsidiary and the primary obligor under our existing credit facilities, is a holding company and its ability to meet its debt service obligations depends on the cash flow of its subsidiaries. The ability of our subsidiaries to make any payments to us will depend on their earnings, the terms of their indebtedness, including the terms of our Credit Facility, tax considerations and legal restrictions.

Our significant indebtedness may affect our ability to operate our business, and may have a material adverse effect on our financial condition and results of operation.

As of December 31, 2006, we had $775.0 million in term loans and $150.0 million in funded letters of credit outstanding under our Credit Facility and availability of $143.6 million under our revolving credit facility. We and our subsidiaries may be able to incur significant additional indebtedness in the future. If new indebtedness is added to our current indebtedness, the risks described below could increase. Our high level of indebtedness could have important consequences, such as:

- limiting our ability to obtain additional financing to fund our working capital, acquisitions, expenditures, debt service requirements or for other purposes;
- limiting our ability to use operating cash flow in other areas of our business because we must dedicate a substantial portion of these funds to service debt;
- limiting our ability to compete with other companies who are not as highly leveraged;
- placing restrictive financial and operating covenants in the agreements governing our and our subsidiaries' long-term indebtedness and bank loans, including, in the case of certain indebtedness of subsidiaries, certain covenants that restrict the ability of subsidiaries to pay dividends or make other distributions to us;
- exposing us to potential events of default (if not cured or waived) under financial and operating covenants contained in our or our subsidiaries' debt instruments that could have a material adverse effect on our business, financial condition and operating results;
- increasing our vulnerability to a downturn in general economic conditions or in pricing of our products; and
- limiting our ability to react to changing market conditions in our industry and in our customers' industries.

In addition, borrowings under our Credit Facility bear interest at variable rates. If market interest rates increase, such variable-rate debt will create higher debt service requirements, which could adversely affect our cash flow. Our interest expense for the year ended December 31, 2005 was $68.4 million on a pro forma basis. Each $^{1}/_{8}$% increase or decrease in the applicable interest rates under our Credit Facility would correspondingly change our interest expense by approximately $980,000 per year.

In addition to our debt service obligations, our operations require substantial investments on a continuing basis. Our ability to make scheduled debt payments, to refinance our obligations with respect to our indebtedness and to fund capital and non-capital expenditures necessary to maintain the condition of our operating assets, properties and systems software, as well as to provide capacity for the growth of our business, depends on our financial and operating performance, which, in turn, is subject to prevailing economic conditions and financial, business, competitive, legal and other factors. In addition, we are and will be subject to covenants contained in agreements governing our present and future indebtedness. These covenants include and will likely include restrictions on certain payments, the granting of liens, the incurrence of additional indebtedness, dividend restrictions affecting subsidiaries, asset sales, transactions with affiliates and mergers and consolidations. Any failure to comply with these covenants could result in a default under our Credit Facility. Upon a default, unless waived, the lenders under our Credit Facility would have all remedies available to a secured lender, and could elect to terminate their commitments, cease making further loans, institute foreclosure proceedings against our or our subsidiaries' assets, and force us and our subsidiaries into bankruptcy or liquidation. In addition, any defaults under the Credit Facility or any other debt could trigger cross defaults under other or future credit agreements. Our operating results may not be sufficient to service our indebtedness or to fund our other expenditures and we may not be able to obtain financing to meet these requirements.

If we lose any of our key personnel, we may be unable to effectively manage our business or continue our growth.

Our future performance depends to a significant degree upon the continued contributions of our senior management team and key technical personnel. The loss or unavailability to us of any member of our senior management team or a key technical employee could negatively affect our ability to operate our business and pursue our strategy. We face competition for these professionals from our competitors, our customers and other companies operating in our industry. To the extent that the services of members of our senior management team and key technical personnel would be unavailable to us for any reason, we would be required to hire other personnel to manage and operate our company and to develop our products and strategy. We may not be able to locate or employ such qualified personnel on acceptable terms or at all.

A substantial portion of our workforce is unionized and we are subject to the risk of labor disputes and adverse employee relations, which may disrupt our business and increase our costs.

As of September 30, 2006, approximately 39% of our employees were represented by labor unions under collective bargaining agreements expiring in 2009. We may not be able to renegotiate our collective bargaining agreements when they expire on satisfactory terms or at all. A failure to do so may increase our costs. In addition, our existing labor agreements may not prevent a strike or work stoppage at any of our facilities in the future, and any work stoppage could negatively affect our results of operations and financial condition.

The requirements of being a public company, including compliance with the reporting requirements of the Exchange Act and the requirements of the Sarbanes-Oxley Act, may strain our resources, increase our costs and distract management, and we may be unable to comply with these requirements in a timely or cost-effective manner.

As a public company, we will be subject to the reporting requirements of the Securities Exchange Act of 1934, or the Exchange Act, and the corporate governance standards of the Sarbanes-Oxley Act of 2002, or Sarbanes-Oxley Act. These requirements may place a strain on our management, systems and resources. The Exchange Act will require that we file annual, quarterly and current reports with respect to our business and financial condition. The Sarbanes-Oxley Act will require that we maintain effective disclosure controls and procedures and internal controls over financial reporting. Due to our limited operating history as a stand-alone company, our disclosure controls and procedures and internal controls may not meet all of the standards applicable to public companies. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management oversight will be required. This may divert management's attention from other business concerns, which could have a material adverse effect on our business, financial condition, results of operations and the price of our common stock.

We will be exposed to risks relating to evaluations of controls required by Section 404 of the Sarbanes-Oxley Act.

We are in the process of evaluating our internal controls systems to allow management to report on, and our independent auditors to audit, our internal controls over financial reporting. We will be performing the system and process evaluation and testing (and any necessary remediation) required to comply with the management certification and auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, and may be required to comply with Section 404 as early as December 31, 2008. Furthermore, upon completion of this process, we may identify control deficiencies of varying degrees of severity under applicable U.S. Securities and Exchange Commission, or SEC, and Public Company Accounting Oversight Board rules and regulations that remain unremediated. As a public company, we will be required to report, among other things, control deficiencies that constitute a "material weakness" or changes in internal controls that, or that are reasonably likely to, materially affect internal controls over financial reporting. A "material weakness" is a significant deficiency or combination of significant deficiencies that results in more than a remote likelihood that a material misstatement of the annual or interim financial statements will not be prevented or detected.

If we fail to implement the requirements of Section 404 in a timely manner, we might be subject to sanctions or investigation by regulatory authorities such as the SEC or the PCAOB. If we do not implement improvements to our disclosure controls and procedures or to our internal controls in a timely manner, our independent registered public accounting firm may not be able to certify as to the effectiveness of our internal controls over financial reporting pursuant to an audit of our internal controls over financial reporting. This may subject us to adverse regulatory consequences or a loss of confidence in the reliability of our financial statements. We could also suffer a loss of confidence in the reliability of our financial statements if our independent registered public accounting firm reports a material weakness in our internal controls, if we do not develop and maintain effective controls and procedures or if we are otherwise unable to deliver timely and reliable financial information. Any loss of confidence in the reliability of our financial statements or other negative reaction to our failure to develop timely or adequate disclosure controls and procedures or internal controls could result in a decline in the price of our common stock. In addition, if we fail to remedy any material weakness, our financial statements may be inaccurate, we may face restricted access to the capital markets and our stock price may be adversely affected.

We are a "controlled company" within the meaning of the rules and, as a result, will qualify for, and may rely on, exemptions from certain corporate governance requirements.

A company of which more than 50% of the voting power is held by an individual, a group or another company is a "controlled company" within the meaning of the rules and may elect not to comply with certain corporate governance requirements of the , including:

- the requirement that a majority of our board of directors consist of independent directors;
- the requirement that we have a nominating/corporate governance committee that is composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities; and
- the requirement that we have a compensation committee that is composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities.

Following this offering, we may utilize some or all of these exemptions. Accordingly, you may not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance requirements of the .

New regulations concerning the transportation of hazardous chemicals, risks of terrorism, the security of chemical manufacturing facilities and increased insurance costs could result in higher operating costs.

The costs of complying with regulations relating to the transportation of hazardous chemicals and security associated with our refining and nitrogen fertilizer facilities may have a negative impact on our operating results and may cause the price of our common stock to decline. Targets such as refining and chemical manufacturing facilities may be at greater risk of future terrorist attacks than other targets in the United States. As a result, the petroleum and chemical industries have responded to the issues that arose due to the terrorist attacks on September 11, 2001 by starting new initiatives relating to the security of petroleum and chemical industry facilities and the transportation of hazardous chemicals in the United States. Simultaneously, local, state and federal governments have begun a regulatory process that could lead to new regulations impacting the security of refinery and chemical plant locations and the transportation of petroleum and hazardous chemicals. Our business or our customers' businesses could be materially adversely affected because of the cost of complying with new regulations.

If we are not able to successfully defend against third-party claims of intellectual property infringement, our business may be adversely affected.

There are currently no claims pending against us relating to the infringement of any third-party intellectual property rights; however, in the future we may face claims of infringement that could interfere with our ability to use technology that is material to our business operations. Any litigation of this type, whether successful or unsuccessful, could result in substantial costs to us and diversions of our resources, either of which could negatively affect our business, profitability or growth prospects. In the event a claim of infringement against us is successful, we may be required to pay royalties or license fees for past or continued use of the infringing technology, or we may be prohibited from using the infringing technology altogether. If we are prohibited from using any technology as a result of such a claim, we may not be able to obtain licenses to alternative technology adequate to substitute for the technology we can no longer use, or licenses for such alternative technology may only be available on terms that are not commercially reasonable or acceptable to us. In addition, any substitution of new technology for currently licensed technology may require us to make substantial changes to our manufacturing processes or equipment or to our products, and may have a material adverse effect on our business, profitability or growth prospects.

If we are not able to continue to license the technology used in our operations, our business may be adversely affected.

We have licensed, and may license in the future, a combination of patent, trade secret and other intellectual property rights of third parties for use in our business. If any of our license agreements were to be terminated, we may not be able to obtain licenses to alternative technology adequate to substitute for technology we no longer license, or we may only be able to obtain licenses for such alternative technology on terms that are not commercially reasonable or acceptable to us. In addition, any substitution of new technology for currently-licensed technology may require us to make substantial changes to our manufacturing processes or equipment or to our products, and may have a material adverse effect on our business, profitability or growth prospects.

Risks Related to this Offering

There is no existing market for our common stock, and we do not know if one will develop to provide you with adequate liquidity. If our stock price fluctuates after this offering, you could lose a significant part of your investment.

Prior to this offering, there has not been a public market for our common stock. If an active trading market does not develop, you may have difficulty selling any of our common stock that you buy. The initial public offering price for the shares will be determined by negotiations between us, the selling stockholder and the underwriters and may not be indicative of prices that will prevail in the open market following this offering. Consequently, you may not be able to sell shares of our common stock at prices equal to or greater than the price paid by you in this offering. The market price of our common stock may be influenced by many factors including:

- the failure of securities analysts to cover our common stock after this offering or changes in financial estimates by analysts;
- announcements by us or our competitors of significant contracts or acquisitions;
- variations in quarterly results of operations;
- loss of a large customer or supplier;
- general economic conditions;
- terrorist acts;
- future sales of our common stock; and
- investor perceptions of us and the industries in which our products are used.

As a result of these factors, investors in our common stock may not be able to resell their shares at or above the initial offering price. In addition, the stock market in general has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of companies like us. These broad market and industry factors may materially reduce the market price of our common stock, regardless of our operating performance.

Following the completion of this offering, the Goldman Sachs Funds and the Kelso Funds will continue to control us and may have conflicts of interest with other stockholders. Conflicts of interest may arise because our principal stockholders or their affiliates have continuing agreements and business relationships with us.

Upon completion of this offering, the Goldman Sachs Funds and the Kelso Funds will control % of our outstanding common stock, or % if the underwriters exercise their option in full, through their controlling interest in Coffeyville Acquisition LLC, which will own shares of our common stock. As a result, the Goldman Sachs Funds and the Kelso Funds will continue to be able to control the election of our directors, determine our corporate and management policies and determine, without the consent of our other stockholders, the outcome of any corporate transaction or other matter submitted to our stockholders for approval, including potential mergers or acquisitions, asset sales and other significant corporate transactions. The Goldman Sachs Funds and the Kelso Funds will also have sufficient voting power to amend our organization documents.

Conflicts of interest may arise between our principal stockholders and us. Affiliates of some of our principal stockholders engage in transactions with our company. We obtain the majority of our crude oil supply through a crude oil credit intermediation agreement with J. Aron, a subsidiary of The Goldman Sachs Group, Inc. and an affiliate of the Goldman Sachs Funds, and Coffeyville Resources, LLC currently has outstanding commodity derivative contracts (swap agreements) with J. Aron for the period from July 1, 2005 to June 30, 2010. See "Certain Relationships and Related Party Transactions." Further, the Goldman Sachs Funds and the Kelso Funds are in the business of making investments in companies and may, from time to time, acquire and hold interests in businesses that compete directly or indirectly with us and they may either directly, or through affiliates, also maintain business relationships with companies that may directly compete with us. In general, the Goldman Sachs Funds and the Kelso Funds or their affiliates could pursue business interests or exercise their voting power as stockholders in ways that are detrimental to us, but beneficial to themselves or to other companies in which they invest or with whom they have a material relationship. Conflicts of interest could also arise with respect to business opportunities that could be advantageous to the Goldman Sachs Funds and the Kelso Funds and they may pursue acquisition opportunities that may be complementary to our business, and as a result, those acquisition opportunities may not be available to us.

Since June 24, 2005, we have made one cash distribution to the Goldman Sachs Funds and the Kelso Funds. This distribution, in the aggregate amount of $244.7 million, was made in December 2006. In addition, the Goldman Sachs Funds and the Kelso Funds have received and continue to receive advisory and other fees pursuant to separate consulting and advisory agreements between Coffeyville Acquisition LLC and each of Goldman, Sachs & Co. and Kelso & Company, L.P. See "Certain Relationships and Related Party Transactions."

As a result of these relationships, the interests of the Goldman Sachs Funds and the Kelso Funds may not coincide with the interests of our company or other holders of our common stock. So long as the Goldman Sachs Funds and the Kelso Funds continue to control a significant amount of the outstanding shares of our common stock, the Goldman Sachs Funds and the Kelso Funds will continue to be able to strongly influence or effectively control our decisions, including potential mergers or acquisitions, asset sales and other significant corporate transactions.

You will incur immediate and substantial dilution.

The initial public offering price of our common stock is substantially higher than the adjusted net tangible book value per share of our outstanding common stock. As a result, if you purchase shares in this offering, you will incur immediate and substantial dilution in the amount of $ per share. See “Dilution.”

Shares eligible for future sale may cause the price of our common stock to decline.

Sales of substantial amounts of our common stock in the public market, or the perception that these sales may occur, could cause the market price of our common stock to decline. This could also impair our ability to raise additional capital through the sale of our equity securities. Under our amended and restated articles of incorporation, we are authorized to issue up to shares of common stock, of which shares of common stock will be outstanding following this offering. Of these shares, shares of common stock sold in this offering will be freely transferable without restriction or further registration under the Securities Act by persons other than “affiliates,” as that term is defined in Rule 144 under the Securities Act. Our selling stockholder, our directors and executive officers will enter into lock-up agreements, pursuant to which they are expected to agree, subject to certain exceptions, not to sell or transfer, directly or indirectly, any shares of our common stock for a period of 180 days from the date of this prospectus, subject to extension in certain circumstances. See “Shares Eligible for Future Sale.”

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements. Statements that are predictive in nature, that depend upon or refer to future events or conditions or that include the words “believe,” “expect,” “anticipate,” “intend,” “estimate” and other expressions that are predictions of or indicate future events and trends and that do not relate to historical matters identify forward-looking statements. Our forward-looking statements include statements about our business strategy, our industry, our future profitability, our expected capital expenditures and the impact of such expenditures on our performance, the costs of operating as a public company, our capital programs and environmental expenditures. These statements involve known and unknown risks, uncertainties and other factors, including the factors described under “Risk Factors,” that may cause our actual results and performance to be materially different from any future results or performance expressed or implied by these forward-looking statements. Such risks and uncertainties include, among other things:

- volatile margins in the refining industry;
- exposure to the risks associated with volatile crude prices;
- disruption of our ability to obtain an adequate supply of crude oil;
- decreases in the light/heavy and/or the sweet/sour crude oil price spreads;
- refinery operating hazards and interruptions, including unscheduled maintenance or downtime, and the availability of adequate insurance coverage;
- interruption of the pipelines supplying feedstock and in the distribution of our products;
- the seasonal nature of our petroleum business;
- competition in the petroleum and nitrogen fertilizer businesses;
- capital expenditures required by environmental laws and regulations;
- changes in our credit profile;
- the availability of adequate cash and other sources of liquidity for our capital needs;
- fluctuations in the price of natural gas;
- the cyclical nature of our nitrogen fertilizer business;
- adverse weather conditions;
- the supply and price levels of essential raw materials;
- the volatile nature of ammonia, potential liability for accidents involving ammonia that cause severe damage to property and/or injury to the environment and human health and potential increased costs relating to transport of ammonia;
- the dependence of our nitrogen fertilizer operations on a few third-party suppliers;
- our limited operating history as a stand-alone company;
- our commodity derivative activities;
- our dependence on significant customers;
- our potential inability to successfully implement our business strategies, including the completion of significant capital programs;
- our significant indebtedness;
- the dependence on our subsidiaries for cash to meet our debt obligations;
- the potential loss of key personnel;
- labor disputes and adverse employee relations;
- potential increases in costs and distraction of management resulting from the requirements of being a public company;

- risks relating to evaluations of internal controls required by Section 404 of the Sarbanes-Oxley Act;
- the operation of our company as a “controlled company”;
- new regulations concerning the transportation of hazardous chemicals, risks of terrorism and the security of chemical manufacturing facilities;
- successfully defending against third-party claims of intellectual property infringement; and
- our ability to continue to license the technology used in our operations.

You should not place undue reliance on our forward-looking statements. Although forward-looking statements reflect our good faith beliefs, reliance should not be placed on forward-looking statements because they involve known and unknown risks, uncertainties and other factors, which may cause our actual results, performance or achievements to differ materially from anticipated future results, performance or achievements expressed or implied by such forward-looking statements. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, changed circumstances or otherwise.

USE OF PROCEEDS

We expect to receive $ million of gross proceeds from the sale of shares by us in this offering, based on an assumed initial public offering price of $ per share, the mid-point of the range set forth on the cover page of this prospectus. We expect to use the net proceeds of this offering to repay a portion of our indebtedness under our Credit Facility. We will not receive any proceeds from the purchase by the underwriters of up to shares from the selling stockholder.

Our subsidiary, Coffeyville Resources, LLC, entered into the Credit Facility on December 28, 2006. The term loans under the Credit Facility mature on December 28, 2013 and the revolving loans under the Credit Facility mature on December 28, 2012. The term loans under the Credit Facility bear interest at either (a) the greater of the prime rate and the federal funds effective rate plus 0.5%, plus 2.00%, or, at the borrower's election, (b) LIBOR plus 3.00%, subject, in either case, to adjustment upon achievement of certain ratings conditions. Borrowings under the revolving loans facility (including revolving letters of credit) bear interest at either (a) the greater of the prime rate and the federal funds effective rate plus 0.5%, plus 2.00%, or, at the borrower's election, (b) LIBOR plus 3.00%, subject, in either case, to adjustment upon achievement of certain ratings conditions. At December 31, 2006, the interest rate on the term loans under the Credit Facility was 8.36%. At December 31, 2006, $775.0 million and $0.0 million was outstanding under the term loans and the revolving loans, respectively, under the Credit Facility. The $775 million in net proceeds from the term loans under the Credit Facility received in December 2006 were used to repay the term loans and revolving loans under our then existing first lien credit facility, repay all amounts outstanding under our then existing second lien credit facility, pay related fees and expenses, and pay a dividend to existing members of Coffeyville Acquisition LLC in the amount of $250 million.

DIVIDEND POLICY

Following the completion of this offering, we do not anticipate paying any cash dividends in the foreseeable future. We currently intend to retain future earnings, if any, to finance operations and the expansion of our business. Any future determination to pay cash dividends will be at the discretion of our board of directors and will be dependent upon our financial condition, results of operations, capital requirements and other factors that the board deems relevant. In addition, the covenants contained in Coffeyville Resources, LLC's Credit Facility limit the ability of our subsidiaries to pay dividends to us, which limits our ability to pay dividends. Our ability to pay dividends also may be limited by covenants contained in the instruments governing future indebtedness that we or our subsidiaries may incur in the future. See "Description of Our Indebtedness and the Cash Flow Swap."

On December 28, 2006, the directors of Coffeyville Acquisition LLC approved a special dividend of $250 million to its members, including $244.7 million to companies related to the Goldman Sachs Funds and the Kelso Funds and $3.4 million to certain members of our management and a director who had previously made capital contributions to Coffeyville Acquisition LLC. See "Certain Relationships and Related Party Transactions — Investments in Coffeyville Acquisition LLC."

CAPITALIZATION

The following table describes our cash and cash equivalents and our consolidated capitalization as of September 30, 2006:

- on an actual basis for Coffeyville Acquisition LLC; and
- as adjusted to give effect to the sale by us of shares in this offering at an assumed initial offering price of $ per share, the mid-point of the range set forth on the cover page of this prospectus, the use of proceeds from this offering and the Transactions.

You should read this table in conjunction with “Use of Proceeds,” “Selected Historical Consolidated Financial Data,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and the consolidated financial statements and related notes included elsewhere in this prospectus.

	As of September 30, 2006	
	Actual	As Adjusted
	(in millions)	
Cash and cash equivalents	$ 38.1	$
Term debt (including current portion)		
First lien credit facility(1)	$ 252.8	$
Second lien credit facility	275.0	
Total term debt	527.8	
Management voting common units subject to redemption, 227,500 units	9.0	
Members’ equity(2):		
Members’ voting common equity, 25,588,500 units	300.7	
Operating override units, 919,630 units	1.5	
Value override units, 1,839,265 units	0.9	
Total members’ equity	303.1	
Stockholders’ equity(2):		
Common stock, $0.01 par value per share, shares authorized; shares issued and outstanding as adjusted	—	
Preferred stock, $0.01 par value; shares authorized; no shares issued and outstanding as adjusted	—	
Additional paid-in capital(2)	—	
Total stockholders’ equity	—	
Total capitalization	$ 839.9	$

(1) As of September 30, 2006, we had availability of $93.6 million under the revolving credit facility.

(2) On an actual basis, the Members’ equity reflects the unit ownership at Coffeyville Acquisition LLC which is structured as a partnership for tax purposes. Upon completion of this offering, the reporting entity will be CVR Energy, Inc., a corporation. The ownership at Coffeyville Acquisition LLC will not be reported, and as such, the components of Members’ equity do not appear in the “As Adjusted” column. Upon completion of this offering, common stock in CVR Energy, Inc. will be issued and reflected in Common stock in the “As Adjusted” column. Members’ equity will be eliminated and replaced with Stockholders’ equity to reflect the new corporate structure. Any difference in the total value of equity upon completion of this offering and the par value of the common stock issued will be reflected in Additional paid-in capital.

DILUTION

Purchasers of common stock offered by this prospectus will suffer immediate and substantial dilution in net tangible book value per share. Our pro forma net tangible book value as of September 30, 2006 was approximately $ million, or approximately $ per share of common stock. Pro forma net tangible book value per share represents the amount of tangible assets less total liabilities, divided by the number of shares of common stock outstanding.

Dilution in net tangible book value per share represents the difference between the amount per share paid by purchasers of our common stock in this offering and the pro forma net tangible book value per share of our common stock immediately after this offering. After giving effect to the sale of shares of common stock in this offering at an assumed initial public offering price of $ per share, the mid-point of the range set forth on the cover page of this prospectus, and after deduction of the estimated underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma net tangible book value as of September 30, 2006 would have been approximately $ million, or $ per share. This represents an immediate increase in net tangible book value of $ per share of common stock to our existing stockholder and an immediate pro forma dilution of $ per share to purchasers of common stock in this offering. The following table illustrates this dilution on a per share basis.

Assumed initial public offering price per share		$
Pro forma net tangible book value per shares of September 30, 2006	$	
Pro forma increase per share attributable to new investors	$	
Net tangible book value per share after the offering		$
Dilution per share to new investors		$

The following table sets forth as of September 30, 2006 the number of shares of common stock purchased or to be purchased from us, total consideration paid or to be paid and the average price per share paid by our existing stockholder and by new investors, before deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us at an assumed initial public offering price of $ per share.

	Shares Purchased		Total Consideration		Average Price
	Number	Percent	Amount	Percent	Per Share
Existing stockholder		%	$	%	
New investors					
Total		100.0%	$	100.0%	

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

CVR Energy, Inc. was incorporated in Delaware in September 2006. CVR Energy has assumed that concurrent with this offering, a newly formed direct subsidiary of CVR Energy will merge with Coffeyville Refining & Marketing, Inc. and a separate newly formed direct subsidiary of CVR Energy will merge with Coffeyville Nitrogen Fertilizers, Inc. which will make Coffeyville Refining & Marketing and Coffeyville Nitrogen Fertilizers directly owned subsidiaries of CVR Energy. CVR Energy currently has no assets, liabilities, revenues, or financial activity of its own. It was organized in connection with and in order to consummate this offering. The pre-IPO reorganization transactions will have no financial impact on our results of operations.

Coffeyville Acquisition LLC was formed in May 2005 to effect the acquisition, pursuant to a stock purchase agreement dated May 15, 2005, of all of the subsidiaries of Coffeyville Group Holdings LLC, which we refer to as the Subsequent Acquisition.

On December 28, 2006, our subsidiary Coffeyville Resources, LLC entered into a Credit Facility which provides financing of up to $1.075 billion. The Credit Facility consists of $775 million of tranche D term loans, a $150 million revolving credit facility, and a funded letter of credit facility of $150 million issued in support of the Cash Flow Swap. The Credit Facility refinanced the first lien and second lien credit facilities which had been amended and restated on June 29, 2006.

The following unaudited pro forma condensed consolidated statement of operations of CVR Energy, Inc. for the year ended December 31, 2005 has been derived from (1) the historical statement of operations of Coffeyville Group Holdings, LLC and subsidiaries, excluding the operations of Leiber Holdings, LLC, which we collectively refer to as Immediate Predecessor, for the 174-day period ended June 23, 2005 and (2) the historical statement of operations of Coffeyville Acquisition LLC and subsidiaries, which we refer to as the Successor, for the 233-day period ended December 31, 2005, adjusted to give pro forma effect to the Subsequent Acquisition (which was consummated on June 24, 2005) and for the refinancing of the Credit Facility (which was entered into on December 28, 2006) as though they occurred on January 1, 2005. The unaudited pro forma condensed statement of operations of CVR Energy, Inc. for the nine months ended September 30, 2006 has been derived from the unaudited condensed consolidated statement of operations of CVR Energy, Inc. for the nine months ended September 30, 2006 and is adjusted to give pro forma effect for the refinancing of the Credit Facility as though it was completed on January 1, 2005.

The operations of Leiber were not included in the historical statement of operations of the Immediate Predecessor as Leiber's operations were unrelated to, and were not part of, the ongoing operations of the Company. The Immediate Predecessor owned for a brief period from October 8, 2004 through June 23, 2005 a portion of a joint venture which included the operations of Leiber. The Leiber business was a designer handbag business whose operations had no relation to the business of the Company. The management was not the same as the Immediate Predecessor's or the Successor's, nor were there any intercompany transactions between Leiber and the Immediate Predecessor or the Successor, aside from certain contributions. There have been no relevant amounts related to the Leiber business with respect to the ongoing business of the Company. Due to this, the pro forma condensed consolidated statement of operations has been prepared consistent with the historical financial statement of operations which excluded the operations of Leiber.

The historical results of operations of the Immediate Predecessor and Successor during 2005 overlap for 42 days: we present the Immediate Predecessor for 174 days ended June 23, 2005 and the Successor period for the 233 days ended December 31, 2005. The reason for the overlap is that Successor was formed on May 13, 2005 but had no financial statement activity during the 42-day period from May 13, 2005 to June 24, 2005, with the exception of certain crude oil, heating oil and gasoline option agreements entered into with J. Aron as of May 16, 2005 which expired unexercised on June 16, 2005. As a result, although the Successor's financial statement period begins on May 13, 2005, the activity of the subsidiaries of Coffeyville Group Holdings LLC were not included in the financial information of Coffeyville Acquisition LLC until June 24, 2005 when the Subsequent

Acquisition occurred. The financial activity of the subsidiaries of Coffeyville Group Holdings LLC through June 23, 2005 is included in the Immediate Precedessor results of operations.

The unaudited pro forma condensed consolidated statements of operations are provided for informational purposes only and do not purport to represent or be indicative of the results that actually would have been obtained had the transactions described above occurred on January 1, 2005 and are not intended to project our results of operations for any future period.

The pro forma adjustments are based on available information and certain assumptions that we believe are reasonable. The pro forma adjustments and certain assumptions are described in the accompanying notes. Other information included under this heading has been presented to provide additional analysis. The allocation of the purchase price of the Subsequent Acquisition to the net assets acquired has been performed in accordance with Statement of Financial Accounting Standards (SFAS) 141.

The unaudited pro forma statement of operations set forth below should be read in conjunction with the historical financial statements, the related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this prospectus.

CVR Energy, Inc.
Unaudited Pro Forma Condensed Consolidated Statement of Operations
For the Year Ended December 31, 2005

	Historical Immediate Predecessor 174 Days Ended June 23, 2005	Historical Successor 233 Days Ended December 31, 2005	Pro Forma Adjustments to Give Effect To the Subsequent Acquisition and the Refinancing	Pro Forma Year Ended December 31, 2005
Net Sales	980,706,261	1,454,259,542	—	2,434,965,803
Operating costs and expenses:				
Cost of product sold (exclusive of depreciation and amortization)	768,067,178	1,168,137,217	—	1,936,204,395
Direct operating expenses (exclusive of depreciation and amortization)	80,913,862	85,313,202	24,481 (a)	166,251,545
Selling, general and administrative expenses (exclusive of depreciation and amortization)	18,341,522	18,320,030	(2,645,573)(a)	36,724,904
			2,708,925 (b)	
Depreciation and amortization	1,128,005	23,954,031	22,376,281 (c)	47,643,362
			185,045 (d)	
Total operating costs and expenses	868,450,567	1,295,724,480	22,649,159	2,186,824,206
Operating income	112,255,694	158,535,062	(22,649,159)	248,141,597
Other income (expense):				
Interest expense	(7,801,821)	(25,007,159)	(35,585,468) (e)	(68,394,448)
Loss on derivatives	(7,664,725)	(316,062,111)	—	(323,726,836)
Loss on extinguishment of debt	(8,093,754)	—	8,093,754 (f)	—
Other income (expense)	(250,929)	409,074	—	158,145
Net income (loss) before income taxes	88,444,465	(182,125,134)	(50,140,873)	(143,821,542)
Income taxes expense (benefit)	36,047,516	(62,968,044)	(20,978,045)(g)	(47,898,573)
Net income (loss)	52,396,949	(119,157,090)	(29,162,828)	(95,922,969)
Pro forma earnings per share, basic and diluted(h)	$ —	$ —		$ —
Pro forma weighted average earnings per share, basic and diluted(h)	—	—		—

(a) (1) To reverse the share based compensation expense associated with senior management share based compensation plans of Immediate Predecessor of $3,985,991 as the compensation plans of Immediate Predecessor were immediately terminated concurrent with and as a direct result of the consummation of the Subsequent Acquisition, and (2) to recognize share based compensation expense of $1,364,899 of Successor as if the senior management share based compensation plans of Successor had gone into effect on January 1, 2005, based on the valuation as of the purchase date (June 24, 2005), as adjusted for the additional vesting period from January 1, 2005 to June 24, 2005, as the Successor adopted new share based compensation plans effective with and as a direct result of the consummation of the Subsequent Acquisition. These adjustments are necessary as they are directly attributable to the Subsequent Acquisition. If the Subsequent Acquisition had occurred on January 1, 2005, the share based compensation plans would have been those of Successor, and not the Immediate Predecessor.

(b) To reflect the additional increase in fees related to the refinancing transaction and the related funded letter of credit in support of the cash flow swaps, which are required under the terms of the senior secured credit facility refinanced on December 28, 2006.

(c) To reflect the increase in depreciation resulting from the step-up of property, plant, and equipment, depreciated on a straight-line basis over 3 to 30 years.

The allocation of the purchase price at June 24, 2005, the date of the Subsequent Acquisition, as more fully described in note 1 to the consolidated financial statements, was as follows (in thousands):

Assets acquired	
Cash	$ 666.5
Accounts receivable	37,329.0
Inventories	156,171.3
Prepaid expenses and other current assets	4,865.2
Intangibles, contractual agreements	1,322.0
Goodwill	83,774.9
Other long-term assets	3,837.6
Property, plant, and equipment	750,910.2
Total assets acquired	$ 1,038,876.7
Liabilities assumed	
Accounts payable	$ 47,259.1
Other current liabilities	16,017.2
Current income taxes	5,076.0
Deferred income taxes	276,888.8
Other long-term liabilities	7,843.5
Total liabilities assumed	$ 353,084.6
Cash paid for acquisition of Immediate Predecessor	$ 685,792.1

(d) To increase amortization expense due to the amortization of identifiable intangibles using a straight-line method over a weighted average life of eight years.

(e) To increase the interest expense for (1) additional interest resulting from entering into the Credit Facility on December 28, 2006 as if it had occurred on January 1, 2005 and (2) the amortization of the deferred financing costs resulting from $9.4 million of deferred financing charges related to the debt incurred on December 28, 2006 amortized using an effective interest amortization method over the term of the debt. An assumed average interest rate of 8.36% based on the interest rate in effect on the term loans as of December 28, 2006 was used to calculate interest expense on an average annual balance of $772 million of term debt as if the December 28, 2006 refinancing occurred on January 1, 2005. Actual interest expense may be higher or lower depending upon fluctuations in interest rates. A $^1/_8$% change in interest rates would result in a $978,505 change in annual interest expense.

(f) To reverse the write-off of $8.1 million of deferred financing costs which were written off in connection with the refinancing of our senior secured credit facility on June 24, 2005. This adjustment is directly attributable to the Subsequent Acquisition, which triggered the change of control provision included in the Immediate Predecessor's debt agreement. In connection with the Subsequent Acquisition, we entered into a refinancing transaction as required by the stock purchase agreement (dated May 15, 2005) and obligations contained in commitment letters. The $8.1 million expense represents the unamortized portion of the deferred financing costs incurred by the Immediate Predecessor in connection with entering into its credit facility in 2004 that would have been written off in 2004 and not in 2005 had the Subsequent Acquisition occurred as of January 1, 2005.

(g) To reflect the income tax effect of the pro forma pre-tax loss adjustments of $50,140,873 for the year ended December 31, 2005, based on an effective tax rate of 41.8%. The effective tax rate was determined by applying a combined federal and state statutory income tax rate of approximately 39.7% to pro forma pre-tax loss adjustments of $52,841,423. There was no tax effect on pro forma adjustments of pre-tax income of $2,700,550 relating to non-deductible unearned compensation expense.

(h) To calculate earnings per share on a pro forma basis, based on an assumed number of shares outstanding at the time of the initial public offering with respect to the existing shares. All information in this prospectus assumes that prior to the initial public offering, two newly formed direct wholly owned subsidiaries of CVR Energy will merge with two wholly owned subsidiaries of Coffeyville Acquisition LLC, CVR Energy will effect a for stock split prior to completion of this offering and CVR Energy will issue shares of common stock in this offering. No effect has been given to any shares that might be issued in this offering pursuant to the exercise by the underwriters of their option.

CVR Energy, Inc.
Unaudited Pro Forma Condensed Consolidated Statement of Operations
For the Nine Months Ended September 30, 2006

	Historical Successor Nine Month Ended September 30, 2006	Pro Forma Adjustments to Give Effect To the Refinancing	Pro Forma Nine Months Ended September 30, 2006
Net Sales	2,329,152,871	—	2,329,152,871
Operating costs and expenses:			
Cost of product sold (exclusive of depreciation and amortization)	1,848,076,557	—	1,848,076,557
Direct operating expenses (exclusive of depreciation and amortization)	144,461,227	—	144,461,227
Selling, general and administrative expenses (exclusive of depreciation and amortization)	32,796,414	666,667(a)	33,463,081
Depreciation and amortization	36,809,644	—	36,809,644
Total operating costs and expenses	2,062,143,842	666,667	2,062,810,509
Operating income	267,009,029	(666,667)	266,342,362
Other income (expense):			
Interest expense	(33,016,684)	(8,819,722)(b)	(41,836,406)
Gain on derivatives	44,746,853	—	44,746,853
Other income	3,084,653	—	3,084,653
Net income before income taxes	281,823,851	(9,486,389)	272,337,462
Provision for income taxes	111,027,829	(3,766,096)(c)	107,261,733
Net income (loss)	170,796,022	(5,720,293)	165,075,729
Pro forma earnings per share, basic and diluted(d)	$ —		$ —
Pro forma weighted average earnings per share, basic and diluted(d)	—		—

(a) To reflect the additional increase in fees related to the refinancing transaction and the related funded letter of credit in support of the cash flow swaps, which are required under the terms of the senior secured credit facility refinanced on December 28, 2006

(b) To increase the interest expense for (1) additional interest resulting from the refinancing of the Credit Facility on December 28, 2006 as if it had occurred on January 1, 2005 and the amortization of the deferred financing costs resulting from $9.4 million of deferred financing charges related to the debt incurred on December 28, 2006 amortized using an effective interest amortization method over the term of the debt. An assumed average interest rate of 8.36% based on the interest rate in effect on the term loans as of December 28, 2006 was used to calculate interest expense on an average annual balance of $765 million of term debt. Actual interest expense may be higher or lower depending upon fluctuations in interest rates. A $^1/_8$% change in interest rates would result in a $725,486 change in interest expense for the nine month period.

(c) To reflect the income tax effect of the pro forma pre-tax loss adjustments of $9,486,389 for the nine months ended September 30, 2006 using a combined federal and state statutory rate of approximately 39.7%.

(d) To calculate earnings per share on a pro forma basis, based on an assumed number of shares outstanding at the time of the initial public offering with respect to the existing shares. All information in this prospectus assumes that prior to the initial public offering, two newly formed direct wholly owned subsidiaries of CVR Energy will merge with two wholly owned subsidiaries of Coffeyville Acquisition LLC, CVR Energy will effect a for stock split prior to completion of this offering and CVR Energy will issue shares of common stock in this offering. No effect has been given to any shares that might be issued in this offering pursuant to the exercise by the underwriters of their option.

SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA

You should read the selected historical consolidated financial data presented below in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and the related notes included elsewhere in this prospectus.

The selected consolidated financial information presented below under the caption Statement of Operations Data for the year ended December 31, 2003, for the 62-day period ended March 2, 2004, for the 304 days ended December 31, 2004, for the 174-day period ended June 23, 2005 and for the 233-day period ended December 31, 2005, and the selected consolidated financial information presented below under the caption Balance Sheet Data as of December 31, 2004 and 2005 have been derived from our audited consolidated financial statements included elsewhere in this prospectus, which financial statements have been audited by KPMG LLP, independent registered public accounting firm. The consolidated financial information presented below under the caption Statement of Operations Data for the years ended December 31, 2001 and 2002, and the consolidated financial information presented below under the caption Balance Sheet Data at December 31, 2001, 2002 and 2003, are derived from our audited consolidated financial statements that are not included in this prospectus. The selected unaudited interim consolidated financial information presented below under the caption Statement of Operations Data presented below for the 141-day period ended September 30, 2005 and the nine month period ended September 30, 2006, and the selected unaudited interim consolidated financial information presented below under the caption Balance Sheet Data as of September 30, 2006, have been derived from our unaudited interim consolidated financial statements, which are included elsewhere in this prospectus and have been prepared on the same basis as the audited consolidated financial statements. In the opinion of management, the interim data reflect all adjustments, consisting only of normal and recurring adjustments, necessary for a fair presentation of results for these periods. Operating results for the nine month period ended September 30, 2006 are not necessarily indicative of the results that may be expected for the year ended December 31, 2006.

Prior to March 3, 2004, our assets were operated as a component of Farmland. Farmland filed for bankruptcy protection under Chapter 11 of the U.S. Bankruptcy Code on May 31, 2002. On March 3, 2004, Coffeyville Resources, LLC completed the purchase of these assets from Farmland in a sales process under Chapter 11 of the U.S. Bankruptcy Code. See note 1 to our consolidated financial statements included elsewhere in this prospectus. As a result of certain adjustments made in connection with this acquisition, a new basis of accounting was established on the date of the acquisition and the results of operations for the 304 days ended December 31, 2004 are not comparable to prior periods.

During Original Predecessor periods, Farmland allocated certain general corporate expenses and interest expense to Original Predecessor. The allocation of these costs is not necessarily indicative of the costs that would have been incurred if Original Predecessor had operated as a stand-alone entity. Further, the historical results are not necessarily indicative of the results to be expected in future periods.

We calculate earnings per share for Successor on a pro forma basis, based on an assumed number of shares outstanding at the time of the initial public offering with respect to the existing shares. All information in this prospectus assumes that in conjunction with the initial public offering, the two direct wholly owned subsidiaries of Successor will merge with two of our direct wholly owned subsidiaries, we will effect a -for- stock split prior to completion of this offering, and we will issue shares of common stock in this offering. No effect has been given to any shares that might be issued in this offering pursuant to the exercise by the underwriters of their option.

We have omitted earnings per share data for Immediate Predecessor because we operated under a different capital structure than what we will operate under at the time of this offering and, therefore, the information is not meaningful.

We have omitted per share data for Original Predecessor because, under Farmland's cooperative structure, earnings of Original Predecessor were distributed as patronage dividends to members and associate members based on the level of business conducted with Original Predecessor as opposed to a common stockholder's proportionate share of underlying equity in Original Predecessor.

Original Predecessor was not a separate legal entity, and its operating results were included with the operating results of Farmland and its subsidiaries in filing consolidated federal and state income tax returns. As a cooperative, Farmland was subject to income taxes on all income not distributed to patrons as qualifying patronage refunds and Farmland did not allocate income taxes to its divisions. As a result, Original Predecessor periods do not reflect any provision for income taxes.

On June 24, 2005, pursuant to a stock purchase agreement dated May 15, 2005, Coffeyville Acquisition LLC acquired all of the subsidiaries of Coffeyville Group Holdings, LLC. See note 1 to our consolidated financial statements included elsewhere in this prospectus. As a result of certain adjustments made in connection with this acquisition, a new basis of accounting was established on the date of the acquisition. Since the assets and liabilities of Successor and Immediate Predecessor were each presented on a new basis of accounting, the financial information for Successor, Immediate Predecessor and Original Predecessor is not comparable.

Financial data for the 2005 fiscal year is presented as the 174 days ended June 23, 2005 and the 233 days ended December 31, 2005. Financial data for the first nine months of 2005 is presented as the 174 days ended June 23, 2005 and the 141 days ended September 30, 2005. Successor had no financial statement activity during the period from May 13, 2005 to June 24, 2005, with the exception of certain crude oil, heating oil, and gasoline option agreements entered into with a related party as of May 16, 2005.

	Immediate Predecessor 174 Days Ended June 23, 2005	Successor 141 Days Ended September 30, 2005 (unaudited)	Successor Nine Months Ended September 30, 2006 (unaudited)
	(in millions, except as otherwise indicated)		
Statement of Operations Data:			
Net sales	$ 980.7	$ 776.6	$ 2,329.2
Cost of product sold (exclusive of depreciation and amortization)	768.0	624.9	1,848.1
Direct operating expenses (exclusive of depreciation and amortization)	80.9	36.7	144.5
Selling, general and administrative expenses (exclusive of depreciation and amortization)	18.4	7.3	32.8
Depreciation and amortization	1.1	11.9	36.8
Operating income	$ 112.3	$ 95.8	$ 267.0
Other income (expense) and gain (loss) on sale in joint ventures(1)	(8.4)	0.1	3.1
Interest (expense)	(7.8)	(12.2)	(33.0)
Gain (loss) on derivatives	(7.6)	(487.1)	44.7
Income (loss) before taxes	$ 88.5	$ (403.4)	$ 281.8
Income tax (expense) benefit	(36.1)	150.8	(111.0)
Net income (loss)(2)	$ 52.4	$ (252.6)	$ 170.8
Pro forma earnings per share, basic and diluted			
Pro forma weighted average shares, basic and diluted			
Historical dividends per unit(3):			
Preferred	$ 0.70	$ —	$ —
Common	$ 0.70	$ —	$ —
Balance Sheet Data:			
Cash and cash equivalents			$ 38.1
Working capital			173.4
Total assets			1,397.7
Total debt, including current portion			527.8
Management units subject to redemption			9.0
Divisional/members' equity			303.1
Other Financial Data:			
Depreciation and amortization	$ 1.1	$ 11.9	$ 36.8
Net income adjusted for unrealized gain or loss from Cash Flow Swap(4)	52.4	4.9	122.0
Cash flows provided by operating activities	12.7	63.3	97.9
Cash flows (used in) investing activities	(12.3)	(697.2)	(173.0)
Cash flows provided by (used in) financing activities	(52.4)	713.2	48.5
Capital expenditures for property, plant and equipment	(12.3)	(12.1)	(173.0)
Key Operating Statistics:			
Petroleum Business			
Production (barrels per day)(5)(6)	99,171	105,162	106,975
Crude oil throughput (barrels per day)(5)(6)	88,012	93,268	94,061
Nitrogen Fertilizer Business			
Production Volume:			
Ammonia (tons in thousands)(5)	193.2	118.1	283.9
UAN (tons in thousands)(5)	309.9	185.8	465.0

	Original Predecessor				Immediate Predecessor		Successor
	Year Ended December 31,			62 Days Ended March 2,	304 Days Ended December 31,	174 Days Ended June 23,	233 Days Ended December 31,
	2001	2002	2003	2004	2004	2005	2005
	(in millions, except as otherwise indicated)						
Statement of Operations Data:							
Net sales	$1,630.2	$ 887.5	$1,262.2	$261.1	$1,479.9	$980.7	$1,454.3
Cost of product sold (exclusive of depreciation and amortization)	1,458.0	765.8	1,061.9	221.4	1,244.2	768.0	1,168.1
Direct operating expenses (exclusive of depreciation and amortization)	146.3	149.4	133.1	23.4	117.0	80.9	85.3
Selling, general and administrative expenses (exclusive of depreciation and amortization)	24.8	16.3	23.6	4.7	16.3	18.4	18.4
Depreciation and amortization	19.1	30.8	3.3	0.4	2.4	1.1	24.0
Impairment, earnings (losses) in joint ventures, and other charges(7)	(2.8)	(375.1)	(10.9)	—	—	—	—
Operating income (loss)	$ (20.8)	$(449.9)	$ 29.4	$ 11.2	$ 100.0	$112.3	$ 158.5
Other income (expense) and gain (loss) on sale in joint ventures(1)	19.2	0.1	(0.5)	—	(6.9)	(8.4)	0.4
Interest (expense)	(18.3)	(11.7)	(1.3)	—	(10.1)	(7.8)	(25.0)
Gain (loss) on derivatives	0.5	(4.2)	0.3	—	0.5	(7.6)	(316.1)
Income (loss) before taxes	$ (19.4)	$(465.7)	$ 27.9	$ 11.2	$ 83.5	$ 88.5	$ (182.2)
Income tax (expense) benefit	—	—	—	—	(33.8)	(36.1)	63.0
Net income (loss)(2)	$ (19.4)	$(465.7)	$ 27.9	$ 11.2	$ 49.7	$ 52.4	$ (119.2)
Pro forma earnings per share, basic and diluted							
Pro forma weighted average shares, basic and diluted							
Historical dividends per unit(3):							
Preferred					$ 1.50	$ 0.70	
Common					$ 0.48	$ 0.70	
Balance Sheet Data:							
Cash and cash equivalents	$ 0.0	$ 0.0	$ 0.0		$ 52.7		$ 64.7
Working capital(8)	71.2	122.2	150.5		106.6		108.0
Total assets	300.3	172.3	199.0		229.2		1,221.5
Liabilities subject to compromise(9)	—	105.2	105.2		—		—
Total debt, including current portion	—	—	—		148.9		499.4
Management units subject to redemption	—	—	—		—		3.7
Divisional/members' equity	241.4	49.8	58.2		14.1		115.8
Other Financial Data:							
Depreciation and amortization	$ 19.1	$ 30.8	$ 3.3	$ 0.4	$ 2.4	$ 1.1	$ 24.0
Net income (loss) adjusted for unrealized gain or loss from Cash Flow Swap(4)	(19.4)	(465.7)	27.9	11.2	49.7	52.4	23.6
Cash flows provided by (used in) operating activities	65.4	(1.7)	20.3	53.2	89.8	12.7	82.5
Cash flows (used in) investing activities	17.9	(272.4)	(0.8)	—	(130.8)	(12.3)	(730.3)

	Original Predecessor				Immediate Predecessor		Successor
	Year Ended December 31,			62 Days Ended March 2,	304 Days Ended December 31,	174 Days Ended June 23,	233 Days Ended December 31,
	2001	2002	2003	2004	2004	2005	2005
	(in millions, except as otherwise indicated)						
Cash flows provided by (used in) financing activities	(83.3)	274.1	(19.5)	(53.2)	93.6	(52.4)	712.5
Capital expenditures for property, plant and equipment	8.2	272.4	0.8	—	14.2	12.3	45.2
Key Operating Statistics:							
Petroleum Business							
Production (barrels per day)(5)(6)	94,758	84,343	95,701	106,645	102,046	99,171	107,177
Crude oil throughput (barrels per day)(5)(6)	84,605	74,446	85,501	92,596	90,418	88,012	93,908
Nitrogen Fertilizer Business							
Production Volume:							
Ammonia (tons in thousands)(5)	198.5	265.1	335.7	56.4	252.8	193.2	220.0
UAN (tons in thousands)(5)	286.2	434.6	510.6	93.4	439.2	309.9	353.4

(1) Includes a gain on the sale of a joint venture interest of $18.0 million that was recorded in 2001 for the disposition of our share in Country Energy, LLC. During the 304 days ended December 31, 2004 and the 174 days ended June 23, 2005, we recognized a loss of $7.2 million and $8.1 million, respectively, on early extinguishment of debt, respectively.

(2) The following are certain charges and costs incurred in each of the relevant periods that are meaningful to understanding our net income and in evaluating our performance due to their unusual or infrequent nature:

	Immediate Predecessor	Successor	Successor
	174 Days Ended June 23, 2005	141 Days Ended September 30, 2005 (unaudited)	Nine Months Ended September 30, 2006 (unaudited)
		(in millions)	
Loss on extinguishment of debt(d)	$8.1	$ —	$ —
Inventory fair market value adjustment(e)	—	16.9	—
Funded letter of credit and interest rate swap not included in interest expense(f)	—	1.4	0.2
Major scheduled turnaround expense(g)	—	—	4.4
Loss on termination of swap(h)	—	25.0	—
Unrealized (gain) loss from Cash Flow Swap	—	427.1	(80.3)

	Original Predecessor				Immediate Predecessor		Successor
	Year Ended December 31,			62 Days Ended March 2,	304 Days Ended December 31,	174 Days Ended June 23,	233 Days Ended December 31,
	2001	2002	2003	2004	2004	2005	2005
					(in millions)		
Impairment of property, plant and equipment(a)	$ —	$375.1	$9.6	$—	$ —	$ —	$ —
Fertilizer lease payments(b)	18.7	0.3	—	—	—	—	—
Loss on extinguishment of debt(c)	—	—	—	—	7.2	8.1	—
Inventory fair market value adjustment(d)	—	—	—	—	3.0	—	16.6
Funded letter of credit expense and interest rate swap not included in interest expense(e)	—	—	—	—	—	—	2.3
Major scheduled turnaround expense(f)	—	17.0	—	—	1.8	—	—
Loss on termination of swap(g)	—	—	—	—	—	—	25.0
Unrealized loss from Cash Flow Swap	—	—	—	—	—	—	235.9
(Gain) on sale of joint venture(h)	(18.0)	—	—	—	—	—	—

(a) During the year ended December 31, 2002, we recorded a $375.1 million asset impairment related to the write-down of our refinery and nitrogen fertilizer plant to estimated fair value. During the year ended December 31, 2003, we recorded an additional charge of $9.6 million related to the asset impairment of our refinery and nitrogen fertilizer plant based on the expected sales price of the assets in the Initial Acquisition.

(b) Reflects the impact of an operating lease structure utilized by Farmland to finance the nitrogen fertilizer plant which operating lease structure is not currently in use. The cost of this plant under the operating lease was $263.0 million and the rental payments were $18.7 million and $0.3 million for the periods ended December 31, 2001 and 2002, respectively. In February 2002, Farmland refinanced the operating lease into a secured loan structure, which effectively terminated the lease and all of Farmland’s obligations under the lease.

(c) Represents the write-off of $7.2 million of deferred financing costs in connection with the refinancing of our senior secured credit facility on May 10, 2004 and the write-off of $8.1 million of deferred financing costs in connection with the refinancing of our senior secured credit facility on June 23, 2005.

(d) Consists of the additional cost of product sold expense due to the step up to estimated fair value of certain inventories on hand at March 3, 2004 and June 24, 2005, as a result of the allocation of the purchase price of the Initial Acquisition and the Subsequent Acquisition to inventory.

(e) Consists of fees which are expensed to Selling, general and administrative expenses in connection with the funded letter of credit facility of $150.0 million issued in support of the Cash Flow Swap. We consider these fees to be equivalent to interest expense and the fees are treated as such in the calculation of EBITDA in the Credit Facility.

(f) Represents expense associated with a major scheduled turnaround.

(g) Represents the expense associated with the expiration of the crude oil, heating oil and gasoline option agreements entered into by Coffeyville Acquisition LLC in May 2005.

(h) Reflects the gain on the sale of $18.0 million, which was recorded for the disposition of Original Predecessor’s share in Country Energy, LLC.

(3) Historical dividends per unit for the 304-day period ended December 31, 2004 and the 174-day period ended June 23, 2005 are calculated based on the ownership structure of Immediate Predecessor.

(4) Net income adjusted for unrealized gain or loss from Cash Flow Swap results from adjusting for the derivative transaction that was executed in conjunction with the Subsequent Acquisition. On June 16, 2005, Coffeyville Acquisition LLC entered into the Cash Flow Swap with J. Aron, a subsidiary of The Goldman Sachs Group, Inc., and a related party of ours. The Cash Flow Swap was subsequently assigned by Coffeyville Acquisition LLC to Coffeyville Resources, LLC on June 24, 2005. Under these agreements, sales representing approximately 70% and 17% of then forecasted refinery output for the periods from July 2005 through June 2009, and July 2009 through June 2010, respectively, have been economically hedged. The derivative took the form of three NYMEX swap agreements whereby if crack spreads fall below the fixed level,

Table of Contents

J. Aron agreed to pay the difference to us, and if crack spreads rise above the fixed level, we agreed to pay the difference to J. Aron. See "Description of Our Indebtedness and the Cash Flow Swap."

We have determined that the Cash Flow Swap does not qualify as a hedge for hedge accounting purposes under current GAAP. As a result, our periodic statements of operations reflect material amounts of unrealized gains and losses based on the increases or decreases in market value of the unsettled position under the swap agreements, which is accounted for as a liability on our balance sheet. As the crack spreads increase we are required to record an increase in this liability account with a corresponding expense entry to be made to our statement of operations. Conversely, as crack spreads decline we are required to record a decrease in the swap related liability and post a corresponding income entry to our statement of operations. Because of this inverse relationship between the economic outlook for our underlying business (as represented by crack spread levels) and the income impact of the unrecognized gains and losses, and given the significant periodic fluctuations in the amounts of unrealized gains and losses, management utilizes Net income adjusted for gain or loss from Cash Flow Swap as a key indicator of our business performance. In managing our business and assessing its growth and profitability from a strategic and financial planning perspective, management and our Board of Directors considers our U.S. GAAP net income results as well as Net income adjusted for unrealized gain or loss from Cash Flow Swap. We believe that Net income adjusted for unrealized gain or loss from Cash Flow Swap enhances the understanding of our results of operations by highlighting income attributable to our ongoing operating performance exclusive of charges and income resulting from mark to market adjustments that are not necessarily indicative of the performance of our underlying business and our industry. The adjustment has been made for the unrealized loss from Cash Flow Swap net of its related tax benefit.

Net income adjusted for gain or loss from Cash Flow Swap is not a recognized term under GAAP and should not be substituted for net income as a measure of our performance but instead should be utilized as a supplemental measure of financial performance or liquidity in evaluating our business. Because Net income adjusted for unrealized gain or loss from Cash Flow Swap excludes mark to market adjustments, the measure does not reflect the fair market value of our Cash Flow Swap in our net income. As a result, the measure does not include potential cash payments that may be required to be made on the Cash Flow Swap in the future. Also, our presentation of this non-GAAP measure may not be comparable to similarly titled measures of other companies.

The following is a reconciliation of Net income adjusted for unrealized gain or loss from Cash Flow Swap to Net income:

	Immediate Predecessor	Successor	Successor
	174 Days Ended June 23, 2005	141 Days Ended September 30, 2005 (unaudited)	Nine Months Ended September 30, 2006 (unaudited)
		(in millions)	
Net income adjusted for unrealized gain or loss from Cash Flow Swap	$52.4	$ 4.9	$122.4
Plus:			
Unrealized gain (loss) from Cash Flow Swap, net of taxes	—	(257.5)	48.4
Net income (loss)	$52.4	$(252.6)	$170.8

	Original Predecessor				Immediate Predecessor		Successor
	Year Ended December 31,			62 Days Ended March 2,	304 Days Ended December 31,	174 Days Ended June 23,	233 Days Ended December 31,
	2001	2002	2003	2004	2004	2005	2005
					(in millions)		
Net income (loss) adjusted for unrealized gain (loss) from Cash Flow Swap	$(19.4)	$(465.7)	$27.9	$11.2	$49.7	$52.4	$ 23.6
Plus:							
Unrealized (loss) from Cash Flow Swap, net of tax benefit	—	—	—	—	—	—	(142.8)
Net income (loss)	$(19.4)	$(465.7)	$27.9	$11.2	$49.7	$52.4	$(119.2)

(5) Operational information reflected for the 141-day Successor period ended September 30, 2005 includes only 99 days of operational activity. Operational information reflected for the 233-day Successor period ended December 31, 2005 includes only 191 days of operational activity. Successor was formed on May 13, 2005 but had no financial statement activity during the 42-day period from May 13, 2005 to June 24, 2005, with the exception of certain crude oil, heating oil and gasoline option agreements entered into with J. Aron as of May 16, 2005 which expired unexercised on June 16, 2005.

(6) Barrels per day is calculated by dividing the volume in the period by the number of calendar days in the period. Barrels per day as shown here is impacted by plant down-time and other plant disruptions and does not represent the capacity of the facility's continuous operations.

(7) Includes the following:

- During the year ended December 31, 2001, we recognized expenses of $2.8 million for our share of losses of Country Energy, LLC.
- During the year ended December 31, 2002, we recorded a $375.1 million asset impairment related to the write-down of the refinery and nitrogen fertilizer plant to estimated fair value.
- During the year ended December 31, 2003, we recorded an additional charge of $9.6 million related to the asset impairment of the refinery and nitrogen plant based on the expected sales price of the assets in the Initial Acquisition. In addition, we recorded a charge of $1.3 million for the rejection of existing contracts while operating under Chapter 11 of the U.S. Bankruptcy Code.

(8) Excludes liabilities subject to compromise due to Original Predecessor's bankruptcy of $105.2 million as of December 31, 2002 and 2003 in calculating Original Predecessor's working capital.

(9) While operating under Chapter 11 of the U.S. Bankruptcy Code, Original Predecessor's financial statements were prepared in accordance with SOP 90-7 "Financial Reporting by Entities in Reorganization under Bankruptcy Code." SOP 90-7 requires that pre-petition liabilities be segregated in the Balance Sheet.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our financial statements and related notes included elsewhere in this prospectus. This discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of a number of factors, including, but not limited to, those set forth under "Risk Factors" and elsewhere in this prospectus.

Overview and Executive Summary

We are an independent refiner and marketer of high value transportation fuels and a producer of ammonia and UAN fertilizers. We are one of only seven petroleum refiners and marketers in the Coffeyville supply area (Kansas, Oklahoma, Missouri, Nebraska and Iowa) and, at current natural gas prices, the lowest cost producer and marketer of ammonia and UAN in North America.

We have two business segments: petroleum and nitrogen fertilizer. For the fiscal years ended December 31, 2004 and 2005 and the twelve months ended September 30, 2006, we generated combined net sales of $1.7 billion, $2.4 billion and $3.0 billion, respectively. Our petroleum business generated $1.6 billion, $2.3 billion and $2.8 billion of our combined net sales, respectively, over these periods, with our nitrogen fertilizer business generating substantially all of the remainder. In addition, during these three periods, our petroleum business contributed 76%, 74% and 84% of our combined operating income, respectively, with our nitrogen fertilizer business contributing substantially all of the remainder.

Our petroleum business includes a 108,000 bpd complex full coking sour crude refinery in Coffeyville, Kansas. In addition, supporting businesses include (1) a crude oil gathering system serving central Kansas and northern Oklahoma, (2) storage and terminal facilities for asphalt and refined fuels in Phillipsburg, Kansas, and (3) a rack marketing division supplying product through tanker trucks directly to customers located in close geographic proximity to Coffeyville and Phillipsburg and at throughput terminals on Magellan's refined products distribution systems. In addition to rack sales (sales which are made at terminals using tanker trucks), we make bulk sales (sales through third party pipelines) into the mid-continent markets via Magellan and into Colorado and other destinations utilizing the product pipeline networks owned by Magellan, Enterprise and Valero. Our refinery is situated approximately 100 miles from Cushing, Oklahoma, one of the largest crude oil trading and storage hubs in the United States, served by numerous pipelines from locations including the U.S. Gulf Coast and Canada, which provides us with access to virtually any crude variety in the world capable of being transported by pipeline.

Throughput (the volume processed at a facility) at the refinery has markedly increased since July 2005. Management's focus on crude slate optimization (the process of determining the most economic crude oils to be refined), reliability, technical support and operational excellence coupled with prudent expenditures on equipment has significantly improved the operating metrics of the refinery. Historically, the Coffeyville refinery operated at an average crude throughput rate of less than 90,000 bpd. In the second quarter of 2006, the plant averaged over 102,000 bpd of crude throughput and over 94,000 bpd for the first nine months of 2006 with peak daily rates in excess of 108,000 bpd. Not only were rates increased but yields were simultaneously improved. Since June 2005 the refinery has eclipsed monthly record (30 day) processing rates on approximately two thirds of the individual units on site.

Crude is supplied to our refinery through our owned and leased gathering system and by a Plains pipeline from Cushing, Oklahoma. We maintain capacity on the Spearhead Pipeline from Canada and receive foreign and deepwater domestic crudes via the Seaway Pipeline system. We also maintain leased storage in Cushing to facilitate optimal crude purchasing and blending. We have significantly expanded the variety of crude grades processed in any given month from a limited few to nearly a dozen, including onshore and offshore domestic grades, various Canadian sours, heavy sours and sweet synthetics, and a variety of South American and West African imported grades. As a result of the crude slate optimization, we have improved the crude purchase cost discount to WTI from $2.80 per barrel in the first nine months of 2005 compared to $4.29 per barrel in the first nine months of 2006.

Prior to July 2005, we did not maintain shipper status on the Magellan pipeline system. Instead, rack marketing was limited to our owned terminals. Today, while we still rack market at our own terminals, our growing rack marketing network sells approximately 23% of produced transportation fuels at enhanced margins. For the first nine months of 2006, we improved net income on rack sales compared to alternative pipeline bulk sales that occurred in the first nine months of 2005.

Our nitrogen fertilizer business in Coffeyville, Kansas includes a unique pet coke gasification facility that produces high purity hydrogen which in turn is converted to ammonia at our ammonia synthesis plant. Ammonia is further upgraded into UAN solution in our UAN plant. Pet coke is a low value by-product of the refinery coking process. On average more than 80% of the pet coke consumed by the fertilizer plant is produced by our refinery.

We are the lowest cost producer of ammonia and UAN in North America, assuming natural gas prices remain at current levels. Our fertilizer plant is the only commercial facility in North America utilizing a coke gasification process to produce nitrogen fertilizers. Our redundant train gasifier provides exceptional on-stream reliability and the use of low cost by-product pet coke feed (rather than natural gas) to produce hydrogen provides us with a significant competitive advantage due to high and volatile natural gas prices. Our competition utilizes natural gas to produce ammonia. Continual operational improvements resulted in producing over 800,000 tons of product in 2005. Recently, the first phase of a planned expansion successfully resulted in further output. We are also considering a fertilizer plant expansion, which we estimate could increase our capacity to upgrade ammonia into premium priced UAN by 50% to approximately 1,000,000 tons per year.

Management has identified and developed several significant capital projects with a total cost of approximately $400 million. Substantially all of these capital expenditures are expected to be made before the end of 2007. Our engineering and construction team is managing these projects in-house with support from specialized contractors, thus giving us maximum control and oversight of execution. Major projects include construction of a new diesel hydrotreater, a new continuous catalytic reformer, a new sulfur recovery unit, a new plant-wide flare system, a technology upgrade to the fluid catalytic cracking unit and a refinery-wide capacity expansion. The spare gasifier at our fertilizer plant was expanded and it is expected that ammonia production will increase by at least 6,500 tons per year. The refinery expansion is expected to allow us to process up to 120,000 bpd of crude. Once completed, these projects are intended to significantly enhance the profitability of the refinery in environments of high crack spreads and allow the refinery to operate more profitably at lower crack spreads than is currently possible.

Factors Affecting Comparability

Our results over the past three years have been influenced by the following factors, which are fundamental to understanding comparisons of our period-to-period financial performance.

Acquisitions

On March 3, 2004, Coffeyville Resources, LLC completed the acquisition of the former Farmland petroleum division and one facility within Farmland's eight-plant nitrogen fertilizer manufacturing and marketing division which now comprise our business. As a result, financial information as of and for the periods prior to March 3, 2004 discussed below and included elsewhere in this prospectus was derived from the financial statements and reporting systems of Farmland. Prior to March 3, 2004, Farmland's petroleum division was primarily comprised of our current petroleum business. Our nitrogen fertilizer plant, however, was the only coke gasification facility within Farmland's eight-plant nitrogen fertilizer manufacturing and marketing division.

A new basis of accounting was established on the date of the Initial Acquisition and, therefore, the financial position and operating results after March 3, 2004 are not consistent with the operating results before the Initial Acquisition date. However, management believes the most meaningful way to comment on the statement of operations data due to the short period from January 1, 2004 to March 2, 2004 is to compare the sum of the operating results for both periods in 2004 with the corresponding period in 2003. Management believes it is not practical to comment on the cash flows from operating activities in the same manner because the Initial Acquisition resulted in some comparisons not being meaningful. For instance, we did not assume the accounts receivable or the accounts payable of Farmland. Farmland collected and made payments on these accounts after March 3, 2004, and these transactions are not included in our consolidated statements of cash flows.

On June 24, 2005, pursuant to a stock purchase agreement dated May 15, 2005, Coffeyville Acquisition LLC acquired all of the subsidiaries of Coffeyville Group Holdings, LLC. As a result of certain adjustments made in connection with this acquisition, a new basis of accounting was established on the date of the acquisition and the results of operations for the 233 days ended December 31, 2005 are not comparable to prior periods. In connection with the acquisition, Coffeyville Resources, LLC entered into a series of commodity derivative contracts, the Cash Flow Swap, in the form of three long-term swap agreements pursuant to which sales representing approximately 70% and 17% of then forecasted refinery output for the periods from July 2005 through June 2009, and July 2009 through June 2010, respectively, has been economically hedged. We have determined that the Cash Flow Swap does not qualify as a hedge for hedge accounting purposes under Statement of Financial Accounting Standards, or SFAS, No. 133, *Accounting for Derivative Instruments and Activities.* Therefore, in the financial statements for all periods after July 1, 2005, the statement of operations reflects all the realized and unrealized gains and losses from this swap. For the 233 day period ending December 31, 2005, we recorded realized and unrealized losses of $59.3 million and $235.9 million, respectively. For the nine month period ending September 30, 2006, we recorded net realized losses of $46.1 million and net unrealized gains of $80.3 million.

Original Predecessor Corporate Allocations

Our financial statements prior to March 3, 2004 reflect an allocation of certain general corporate expenses of Farmland, including general and corporate insurance, property insurance, corporate retirement and benefits, human resource and payroll department salaries, facility costs, information services, and information systems support. For the year ended December 31, 2003 and for the 62-day period ended March 2, 2004, these costs allocated to our businesses were approximately $12.7 million and $3.9 million, respectively. Our financial statements prior to March 3, 2004 also reflect an allocation of interest expense from Farmland. These allocations were made by Farmland on a basis deemed meaningful for their internal management needs and may not be representative of the actual expense levels required to operate the businesses at that time or as they have been operated after March 3, 2004. With the exception of insurance, the net impact to our financial statements as a result of these allocations is higher selling, general and administrative expense for the period from January 1, 2003 to March 2, 2004. Our insurance costs are greater now as compared to the period prior to March 3, 2004, as we have elected to obtain additional insurance coverage that had not been carried by Farmland. Examples of this additional insurance coverage are business interruption insurance and a remediation cost cap policy related to assumed RCRA corrective orders related to contamination at or that originated from our refinery and the Phillipsburg terminal. The preceding examples and other coverage changes resulted in additional insurance costs for us.

Asset Impairments

In December 2002, Farmland implemented SFAS No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets*, resulting in a reorganization expense from the impairment of long-lived assets. Under this Statement, recoverability of assets to be held and used is measured by comparison of the carrying amount of an asset to the estimated undiscounted future net cash flows expected to be generated by the asset. It was determined that the carrying amount of the petroleum assets and the carrying amount of our nitrogen fertilizer plant in Coffeyville exceeded their estimated future undiscounted net cash flow. Impairment charges of $144.3 million and $230.8 million were recognized for each of the refinery and fertilizer assets, based on Farmland's best assumptions regarding the use and eventual disposition of those assets, primarily from indications of value received from potential bidders through the bankruptcy sale process. In 2003, as a result of receiving a bid from Coffeyville Resources, LLC in the bankruptcy court's sales process, Farmland revised its estimate for the amount to be generated from the disposition of these assets, and an additional impairment charge was taken. The charge to earnings in 2003 was $3.9 million and $5.7 million, respectively, for the refinery and fertilizer assets.

Original Predecessor Agreements with CHS, Inc. and Agriliance, LLC

In December 2001, Farmland entered into an agreement to sell to CHS, Inc. all of Farmland's refined products produced at the Coffeyville refinery through November 2003. The selling price for this production was set by reference to daily market prices within a defined geographic region. Subsequent to the expiration of the CHS agreement, the petroleum business began marketing its refined products in the open market to multiple customers.

The revenue received by the petroleum business under the CHS agreement was limited due to the pricing formula and product mix. From December 2001 through November 2003, under the CHS agreement, both sales of bulk pipeline shipments and truckload quantities at the Coffeyville truck rack were priced at Group III Platts Low. Currently, all sales at the Coffeyville truck rack are sold at the Platts mean price or higher. Our term contracted bulk product sales are priced between the Platts low and Platts mean prices. All other bulk sales are sold at spot market prices. In addition, we are selling several value added products that were not produced under the CHS agreement.

For the period ending December 31, 2003 and the first 62 days of 2004, Farmland's sales of nitrogen fertilizer products were subject to a marketing agreement with Agriliance, LLC. Under the agreement, Agriliance, LLC was responsible for marketing substantially all of the nitrogen made by Farmland on a basis deemed meaningful to their internal management. Following the Initial Acquisition, we began marketing nitrogen fertilizer products directly to distributors and dealers. As a result, we have been able to generate higher average netbacks on sales of fertilizer products as a percentage of market average prices. For example, in 2004 we generated average netbacks as a percentage of market averages of 90.1% and 80.2% for ammonia and UAN, respectively, compared to average netbacks as a percentage of market averages of 86.6% and 75.9% for ammonia and UAN, respectively, in 2003.

Refinancing and Prior Indebtedness

At March 3, 2004, Immediate Predecessor entered into an agreement with a financial institution for a term loan of $21.9 million with an interest rate based on the greater of the Index Rate (the greater of prime or the federal funds rate plus 50 basis points per year) plus 4.5% or 9% and a $100 million revolving credit facility with interest at the borrower's election of either the Index Rate plus 3% or LIBOR plus 3.5%. Amounts totaling $21.9 million of the term loan borrowings and $38.8 million of the revolving credit facility were used to finance the Initial Acquisition on March 3, 2004 as described above. Outstanding borrowings on May 10, 2004 were repaid in connection with the refinancing described below.

Effective May 10, 2004, Immediate Predecessor entered into a term loan of $150 million and a $75 million revolving loan facility with a syndicate of banks, financial institutions, and institutional lenders. Both loans were secured by substantially all of Immediate Predecessor's real and personal property, including receivables, contract rights, general intangibles, inventories, equipment, and financial assets. The covenants contained under the new term loan contained restrictions which limited the ability to pay dividends at the complete discretion of the Board of Directors. The Immediate Predecessor had no other restrictions on its ability to make dividend payments. Once any debt requirements were met, any dividends were at the discretion of the Board of Directors. There were outstanding borrowings of $148.9 million under the term loan and less than $0.1 million under the revolving loan facility at December 31, 2004. Outstanding borrowings on June 23, 2005 were repaid in connection with the Subsequent Acquisition as described above.

Effective June 24, 2005, Coffeyville Resources, LLC entered into a first lien credit facility and a second lien credit facility. The first lien credit facility was in an aggregate amount not to exceed

$525 million, consisting of $225 million tranche B term loans; $50 million of delayed draw term loans available for the first 18 months of the agreement and subject to accelerated payment terms; a $100 million revolving loan facility; and a funded letter of credit facility (funded facility) of $150 million for the benefit of the Cash Flow Swap provider. The first lien credit facility was secured by substantially all of Coffeyville Resources, LLC's assets. In June 2006 the first lien credit facility was amended and restated and the $225 million of tranche B term loans were refinanced with $225 million of tranche C term loans. At September 30, 2006, $222.8 million of tranche C term loans was outstanding, $30 million of delayed draw term loans was outstanding and there was $93.6 million available under the revolving loan facility. At September 30, 2006, Coffeyville Resources, LLC had $150 million in a funded letter of credit outstanding to secure payment obligations under derivative financial instruments. The second lien credit facility was a $275 million term loan facility secured by substantially all of Coffeyville Resources, LLC's assets on a second priority basis.

On December 28, 2006, Coffeyville Resources, LLC entered into a new Credit Facility and used the proceeds thereof to repay its then existing first lien credit facility and second lien credit facility, and to pay a dividend to the members of Coffeyville Acquisition LLC. The Credit Facility provides financing of up to $1.075 billion, consisting of $775 million of tranche D term loans, a $150 million revolving credit facility, and a funded letter of credit facility of $150 million issued in support of the Cash Flow Swap. The Credit Facility is secured by substantially all of Coffeyville Resources, LLC's assets. See "Description of Our Indebtedness and the Cash Flow Swap."

Public Company Expenses

We expect that our general and administrative expenses will increase due to the costs of operating as a public company, such as increases in legal, accounting and compliance, insurance premiums, and investor relations. We estimate that the increase in these costs will total approximately $2.5 million to $3.0 million on an annual basis excluding the costs associated with this offering and the costs of the initial implementation of our Sarbanes-Oxley Section 404 internal controls review and testing. Our financial statements following this offering will reflect the impact of these expenses and will affect the comparability with our financial statements of periods prior to the completion of this offering.

Changes in Legal Structure

Original Predecessor was not a separate legal entity, and its operating results were included within the operating results of Farmland and its subsidiaries in filing consolidated federal and state income tax returns. As a cooperative, Farmland was subject to income taxes on all income not distributed to patrons as qualified patronage refunds, and Farmland did not allocate income taxes to its divisions. As a result, the accompanying Original Predecessor financial statements do not reflect any provision for income taxes.

Industry Factors

Earnings for our petroleum business depend largely on refining industry margins, which have been and continue to be volatile. Crude oil and refined product prices depend on factors beyond our control. While it is impossible to predict refining margins due to the uncertainties associated with global crude oil supply and global and domestic demand for refined products, we believe that refining margins for U.S. refineries will generally remain above those experienced in the period from and including 1998 through 2003 as growth in demand for refining products in the United States, particularly transportation fuels, continues to exceed the ability of domestic refiners to increase capacity. In addition, changes in global supply and demand and other factors have constricted the extent to which product importation to the United States can relieve domestic supply deficits. This phenomenon is more pronounced in our marketing region, where demand for refined products exceeded refining production by approximately 24% in 2005.

During 2004, the market price of distillates (primarily No. 1 diesel fuel and kerosene) relative to crude oil was above average due to low industry inventories and strong consumer demand brought about by the relatively cold winter weather in the Midwest and high natural gas prices. In addition, gasoline margins were above average, and substantially so during the spring and summer driving seasons, primarily because of very low pre-driving season inventories exacerbated by high demand growth. The increased demand for refined products due to the relatively cold winter and the decreased supply due to high turnaround activity led to increasing refining margins during the early part of 2004. The key event of 2005 to our industry was the hurricane season which produced a record number of named storms. The location and intensity of these storms caused extreme amounts of damage to both crude and natural gas production as well as extensive disruption to many U.S. Gulf Coast refinery operations. These events caused both price spikes in the commodity markets as well as substantial increases in crack spreads. The U.S. Gulf Coast refining market was most affected, which then led to very strong margins in the Group 3 market as the U.S. Gulf Coast refined products were not being shipped north. In addition, several environmental mandates took effect in 2005 and 2006, such as the banning of Methyl Tertiary Butyl Ether, or MTBE (an ether produced from the reaction of isobutylene and methanol specifically for use as a gasoline blendstock), in the gasoline pool and initial implementation of the reduced sulfur requirements on diesel fuels, which caused price fluctuations due to logistical and supply/demand implications.

Average discounts for sour and heavy sour crude oil compared to sweet crude increased in 2005 and 2006 from already favorable 2004 levels due to increasing worldwide production of sour and heavy sour crude oil relative to the worldwide production of light sweet crude oil coupled with the continuing demand for light sweet crude oil. In 2004, the average discount for West Texas Sour, or WTS, compared to WTI widened to $3.96 per barrel and again in 2005 to $4.73. With the newly discovered deepwater Gulf of Mexico production combined with the introduction of Canadian sours to the mid-continent this sweet/sour spread continues to exceed average historic levels, as evidenced by the average discount of $5.41 per barrel for the first nine months of 2006. WTI also continues to trade at a premium to WTS due to continued high demand for sweet crude oil resulting from the more stringent fuel specifications implemented both in the United States and globally. We expect to continue to recognize significant benefits from our ability to meet current fuel specifications using predominantly heavy and medium sour crude oil feedstocks to the extent the discount for heavy and medium sour crude oil compared to WTI continues at its current level.

Earnings for our nitrogen fertilizer business depend largely on the prices of nitrogen fertilizer products, the floor price of which is directly influenced by natural gas prices. Natural gas prices have been and continue to be volatile.

Factors Affecting Results

Petroleum Business

In our petroleum business, earnings and cash flow from operations are primarily affected by the relationship between refined product prices and the prices for crude oil and other feedstocks. Feedstocks are petroleum products, such as crude oil and natural gas liquids, that are processed and blended into refined products. The cost to acquire feedstocks and the price for which refined products are ultimately sold depend on factors beyond our control, including the supply of, and demand for, crude oil, as well as gasoline and other refined products which, in turn, depend on, among other factors, changes in domestic and foreign economies, weather conditions, domestic and foreign political affairs, production levels, the availability of imports, the marketing of competitive fuels and the extent of government regulation. While our net sales fluctuate significantly with movements in crude oil prices, these prices do not generally have a direct long-term relationship to net income. Because we apply first-in, first-out, or FIFO, accounting to value our inventory, crude oil price movements may impact net income in the short term because of instantaneous changes in the value of the minimally required, unhedged on hand inventory. The effect of changes in crude oil prices on our results of operations is influenced by the rate at which the prices of refined products adjust to reflect these changes.

Feedstock and refined product prices are also affected by other factors, such as product pipeline capacity, local market conditions and the operating levels of competing refineries. Crude oil costs and the prices of refined products have historically been subject to wide fluctuations. An expansion or upgrade of our competitors' facilities, price volatility, international political and economic developments and other factors beyond our control are likely to continue to play an important role in refining industry economics. These factors can impact, among other things, the level of inventories in the market, resulting in price volatility and a reduction in product margins. Moreover, the refining industry typically experiences seasonal fluctuations in demand for refined products, such as increases in the demand for gasoline during the summer driving season and for home heating oil during the winter, primarily in the Northeast. For further details on the economics of refining, see "Industry Overview — Oil Refining Industry."

In order to assess our operating performance, we compare our net sales, less cost of product sold (refining margin), against an industry refining margin benchmark. The industry refining margin is calculated by assuming that two barrels of benchmark light sweet crude oil is converted, or cracked, into one barrel of conventional gasoline and one barrel of distillate. This benchmark is referred to as the 2-1-1 crack spread. Because we calculate the benchmark margin using the market value of NYMEX gasoline and heating oil against the market value of NYMEX WTI (WTI) crude oil (West Texas Intermediate crude oil, which is used as a benchmark for other crude oils), we refer to the benchmark as the NYMEX 2-1-1 crack spread, or simply, the 2-1-1 crack spread. The 2-1-1 crack spread is expressed in dollars per barrel and is a proxy for the per barrel margin that a sweet crude refinery would earn assuming it produced and sold the benchmark production of conventional gasoline and distillate.

Although the 2:1:1 crack spread is a benchmark for our refinery margin, because our refinery has certain feedstock costs and/or logistical advantages as compared to a benchmark refinery and our product yield is less than total refinery throughput, the crack spread does not account for all the factors that affect refinery margin. Our refinery is able to process a blend of crude oil that includes quantities of heavy and medium sour crude oil that has historically cost less than WTI crude oil. We measure the cost advantage of our crude oil slate by calculating the spread between the price of our delivered crude oil to the price of WTI crude oil, a light sweet crude oil. The spread is referred to as our consumed crude differential. Our refinery margin can be impacted significantly by the consumed crude differential. Our consumed crude differential will move directionally with changes in the WTS differential to WTI and the Maya differential to WTI as both these differentials indicate the relative price of heavier, more sour slate to WTI. The correlation between our consumed crude differential and published differentials will vary depending on the volume of light medium sour crude and heavy sour crude we purchase as a percent of our total crude volume and will correlate more closely with such published differentials the heavier and more sour the crude oil slate. For the nine months ending September 30, 2006 the WTI less Maya crude oil differential was $15.53/barrel per compared to $15.34/barrel for the first nine months of 2005 and the WTI less WTS crude oil differential increased to $5.41 from $4.44 for the same periods, respectively. For the same time period, the Company's consumed crude differential increased to $4.29/barrel from $2.80/barrel.

The value of our products is also an important consideration in understanding our results. We produce a high volume of high value products, such as gasoline and distillates. We benefit from the fact that our marketing region consumes more refined products than it produces so that the market prices of our products have to be high enough to cover the logistics cost for U.S. Gulf Coast refineries to ship into our region. The result of this logistical advantage and the fact the actual product specification used to determine the NYMEX is different from the actual production in the refinery, is that prices we realize are different than those used in determining the 2:1:1 crack spread. The difference between our price and the price used to calculate the 2:1:1 crack spread is referred to as gasoline PAD II, Group 3 vs. NYMEX basis, or gasoline basis, and heating oil PAD II, Group 3 vs. NYMEX basis, or heating oil basis. Both gasoline and heating oil basis are greater than zero, which represents that prices in our marketing area exceeds those used in the 2:1:1 crack spread. Since 2003, the heating oil basis has been positive in all periods presented including an increase to $7.90

per barrel for the nine months ending September 30, 2006 from $1.87 per barrel for the nine month period ending September 30, 2005. The increase for the nine months ending September 30, 2006 was significantly impacted by the introduction of Ultra Low Sulfur Diesel. Gasoline basis for the nine months ending September 30, 2006 was $1.88 per barrel compared to ($0.27) per barrel for the nine months ended September 30, 2005. Beginning January 1, 2007, the benchmark used for gasoline will change from Reformulated Gasoline (RFG) to Reformulated Blend for Oxygenate Blend (RBOB). Given that RBOB has limited historical information the change to RBOB from RFG may have an unfavorable impact on our gasoline basis compared to the historical numbers presented.

Our direct operating expense structure is also important to our profitability. Major direct operating expenses include energy, employee labor, maintenance, contract labor, and environmental compliance. Our predominant variable cost is energy and the most important benchmark for energy costs is the value of natural gas. Our predominant variable of direct operating expense is largely energy related and therefore sensitive to the movements of natural gas prices.

Consistent, safe, and reliable operations at our refineries are key to our financial performance and results of operations. Unplanned downtime of our refinery may result in lost margin opportunity, increased maintenance expense and a temporary increase in working capital investment and related inventory position. We seek to mitigate the financial impact of planned downtime, such as major turnaround maintenance, through a diligent planning process that takes into account the margin environment, the availability of resources to perform the needed maintenance, feedstock logistics and other factors. For example, we have spent significant time planning for our 2007 turnaround. This turnaround is expected to occur in the first quarter of 2007 and is expected to last 40-45 days, including incremental time to complete the expansion projects explained throughout this prospectus. This turnaround will have a significant adverse impact on our first quarter results.

We purchase most of our crude oil using a credit intermediation agreement. Our credit intermediation agreement is structured such that we take title, and the price of the crude oil is set, when it is metered and delivered at Broome Station, which is connected to, and located approximately 22 miles from, our refinery. Once delivered at Broome Station, the crude oil is delivered to our refinery through two of our wholly owned pipelines which begin at Broome Station and end at our refinery. The crude oil is delivered at Broome Station because Broome Station is located near our facility and is connected via pipeline to our facility. The terms of the credit intermediation agreement provide that we will obtain all of the crude oil for our refinery, other than the crude we obtain through our own gathering system, through J. Aron. Once we identify cargos of crude oil and pricing terms that meet our requirements, we notify J. Aron and J. Aron then provides credit, transportation and other logistical services to us for a fee. This agreement significantly reduces the investment that we are required to maintain in petroleum inventories relative to our competitors and reduces the time we are exposed to market fluctuations before the inventory is priced to a customer.

Because petroleum feedstocks and products are essentially commodities, we have no control over the changing market. Therefore, the lower target inventory we are able to maintain significantly reduces the impact of commodity price volatility on our petroleum product inventory position relative to other refiners. This target inventory position is generally not hedged. To the extent our inventory position deviates from the target level, we consider risk mitigation activities usually through the purchase or sale of futures contracts on the New York Mercantile Exchange, or NYMEX. Our hedging activities carry customary time, location and product grade basis risks generally associated with hedging activities. Because most of our titled inventory is valued under the FIFO costing method, price fluctuations on our target level of titled inventory have a major effect on our financial results unless the market value of our target inventory is increased above cost.

Nitrogen Fertilizer Business

In our nitrogen fertilizer business, earnings and cash flow from operations are primarily affected by the relationship between nitrogen fertilizer product prices and direct operating expenses. Unlike our competitors, we use minimal natural gas as feedstock and, as a result, are not directly heavily impacted in terms of cost, by high or volatile swings in natural gas prices. Instead, our adjacent oil refinery primarily supplies our coke feedstock. The price at which nitrogen fertilizer products are ultimately sold depends on numerous factors, including the supply of, and the demand for, nitrogen fertilizer products which, in turn, depends on, among other factors, the price of natural gas, the cost and availability of fertilizer transportation infrastructure, changes in the world population, weather conditions, grain production levels, the availability of imports, and the extent of government intervention in agriculture markets. While our net sales could fluctuate significantly with movements in natural gas prices during periods when fertilizer markets are weak and sell at the floor price, high natural gas prices do not force us to shut down our operations because we employ pet coke as a feedstock to produce ammonia and UAN.

Nitrogen fertilizer prices are also affected by other factors, such as local market conditions and the operating levels of competing facilities. Natural gas costs and the price of nitrogen fertilizer products have historically been subject to wide fluctuations. An expansion or upgrade of our competitors' facilities, price volatility, international political and economic developments and other factors are likely to continue to play an important role in nitrogen fertilizer industry economics. These factors can impact, among other things, the level of inventories in the market resulting in price volatility and a reduction in product margins. Moreover, the industry typically experiences seasonal fluctuations in demand for nitrogen fertilizer products. The demand for fertilizers is affected by the aggregate crop planting decisions and fertilizer application rate decisions of individual farmers. Individual farmers make planting decisions based largely on the prospective profitability of a harvest, while the specific varieties and amounts of fertilizer they apply depend on factors like crop prices, their current liquidity, soil conditions, weather patterns and the types of crops planted. For further details on the economics of fertilizer, see "Industry Overview — Nitrogen Fertilizer Industry."

Natural gas is the most significant raw material required in the production of most nitrogen fertilizers. North American natural gas prices have increased substantially and, since 1999, have become significantly more volatile. In 2005, North American natural gas prices reached unprecedented levels due to the impact hurricanes Katrina and Rita had on an already tight natural gas market. Recently, natural gas prices have moderated, returning to pre-hurricane levels or lower.

In order to assess our operating performance, we calculate netbacks, also referred to as plant gate price, to determine our operating margin. Netbacks refer to the unit price of fertilizer, in dollars per ton, offered on a delivered basis, excluding shipment costs. Given our use of low cost pet coke, we are not presently subjected to the high raw materials costs of competitors that use natural gas, the cost of which has been high in recent periods. Instead of experiencing high variability in the cost of raw materials, we utilize less than 1% of the natural gas relative to other natural gas-based fertilizer producers and we estimate that we would continue to have a production cost advantage in comparison to U.S. Gulf Coast ammonia producers at natural gas prices as low as $2.50 per million Btu. The spot price for natural gas at Henry Hub on September 30, 2006 was $5.620 per million Btu.

Because our fertilizer plant has certain logistical advantages relative to end users of ammonia and UAN and so long as demand relative to production remains high, we can afford to target end users in the U.S. farm belt where we incur lower freight costs as compared to our competitors. The farm belt refers to the states of Illinois, Indiana, Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, Ohio, Oklahoma, South Dakota, Texas and Wisconsin. We do not incur any intermediate transfer, storage, barge freight or pipeline freight charges, giving us a distribution cost advantage over U.S. Gulf Coast importers, assuming freight rates and handling charges for U.S. Gulf Coast importers as in effect in September 2006. The distribution cost advantage represents a significant portion of the market price of these commodities. For example, since the end of 2004, Southern Plains ammonia prices have fluctuated between $290 and $424 per ton, and Cornbelt UAN prices have fluctuated between $175 and $230 per ton. Selling products to customers in close proximity to our fertilizer plant and keeping transportation costs low are keys to maintaining our profitability.

The value of our nitrogen fertilizer products is also an important consideration in understanding our results. We currently upgrade approximately two-thirds of our ammonia production into UAN, a product that presently generates a greater value for the upgraded ammonia. UAN production is a major contributor to our profitability.

Our direct operating expense structure is also important to our profitability. Using a pet coke gasification process, we have significantly higher fixed costs than natural gas-based fertilizer plants. Major direct operating expenses include electrical energy, employee labor, maintenance, including contract labor, and outside services. These costs comprise the fixed costs associated with the fertilizer plant. Variable costs associated with the fertilizer plant have averaged approximately 1.9% of direct operating expenses over the last 24 months ending September 30, 2006. The average fixed costs over the last 24 months ending September 30, 2006 have approximated $58 million.

Consistent, safe, and reliable operations at our nitrogen fertilizer plant are critical to our financial performance and results of operations. Unplanned downtime of our nitrogen fertilizer plant may result in lost margin opportunity, increased maintenance expense and a temporary increase in working capital investment and related inventory position. The financial impact of planned downtime, such as major turnaround maintenance, is mitigated through a diligent planning process that takes into account margin environment, the availability of resources to perform the needed maintenance, feedstock logistics and other factors.

Results of Operations

The period to period comparisons of our results of operations have been prepared using the historical periods included in our financial statements. As discussed in Note 1 to our consolidated financial statements, effective March 3, 2004, Immediate Predecessor acquired the net assets of Original Predecessor in a business combination accounted for as a purchase, and effective June 24, 2005, Successor acquired the net assets of Immediate Predecessor in a business combination accounted for as a purchase. As a result of these acquisitions, the consolidated financial statements for the periods after the acquisitions are presented on a different cost basis than that for the periods before the acquisitions and, therefore, are not comparable. Accordingly, in this "Results of Operations" section we compare the nine months ended September 30, 2006 with the 174-day period ended June 23, 2005 and the 141-day period ended September 30, 2005. In addition, we compare the 174-day period ended June 23, 2005 and the 233-day period ended December 31, 2005 with the 62-day period ended March 2, 2004 and the 304-day period ended December 31, 2004. Lastly, we compare the 62-day period ended March 2, 2004 and the 304-day period ended December 31, 2004 with the year ended December 31, 2003.

Net sales consist principally of sales of refined fuel and nitrogen fertilizer products. For the petroleum business, net sales are mainly affected by crude oil and refined product prices, changes to the input mix and volume changes caused by operations. Product mix refers to the percentage of production represented by higher value light products, such as gasoline, rather than lower value finished products, such as pet coke. In the nitrogen fertilizer business, net sales are primarily impacted by manufactured tons and nitrogen fertilizer prices.

Industry-wide petroleum results are driven and measured by the relationship, or margin, between refined products and the prices for crude oil referred to as crack spreads. See "— Factors Affecting Results." We discuss our results of petroleum operations in the context of per barrel consumed crack spreads and the relationship between net sales and cost of product sold.

Our consolidated results of operations include certain other unallocated corporate activities and the elimination of intercompany transactions and therefore are not a sum of only the operating results of our petroleum and nitrogen fertilizer businesses.

In order to effectively review and assess our historical financial information below, we have also included supplemental operating measures and industry measures which we believe are material to understanding our business. For the years ended December 31, 2004 and 2005 and the nine month period ended September 30, 2005 we have provided this supplemental information on a combined basis in order to provide a comparative basis for similar periods of time. As discussed above, due to the various acquisitions that occurred, there were multiple financial statement periods of less than

12 months. We believe that the most meaningful way to present this supplemental data for the various periods is to compare the sum of the combined operating results for the 2004 and 2005 calendar years with prior fiscal years, and to compare the sum of the combined operating results for the nine months ended September 30, 2005 with the nine months ended September 30, 2006.

Accordingly, for purposes of displaying supplemental operating data for the nine months ended September 30, 2005, we have combined the 174-day period ended June 23, 2005 and the 141-day period ended September 30, 2005 to provide a comparative nine month period ended September 30, 2005 to the nine month period ended September 30, 2006. Additionally, the 62-day period ended March 2, 2004 and the 304-day period ended December 31, 2004 have been combined to provide a comparative twelve month period ended December 31, 2004 to a combined twelve month period ended December 31, 2005 comprised of the 174-day period ended June 23, 2005 and the 233-day period ended December 31, 2005.

	Original Predecessor		Immediate Predecessor		Successor	Successor	
Consolidated Financial Results	Year Ended December 31, 2003	62 Days Ended March 2, 2004	304 Days Ended December 31, 2004	174 Days Ended June 23, 2005	233 Days Ended December 31, 2005	141 Days Ended September 30, 2005	Nine Months Ended September 30, 2006
				(in millions)			
Net sales	$ 1,262.2	$ 261.1	$ 1,479.9	$ 980.7	$ 1,454.3	$ 776.6	$ 2,329.2
Cost of product sold (exclusive of depreciation and amortization)	1,061.9	221.4	1,244.2	768.0	1,168.1	624.9	1,848.1
Depreciation and amortization(1)	3.3	0.4	2.4	1.1	24.0	11.9	36.8
Direct operating expenses (exclusive of depreciation and amortization)	133.1	23.4	117.0	80.9	85.3	36.6	144.5
Selling, general and administrative expense (exclusive of depreciation and amortization)	23.6	4.7	16.3	18.4	18.4	7.4	32.8
Impairment, (losses) in joint ventures, and other charges(2)	(10.9)	—	—	—	—	—	—
Operating income	$ 29.4	$ 11.2	$ 100.0	$ 112.3	$ 158.5	$ 95.8	$ 267.0
Net income (loss)(3)	27.9	11.2	49.7	52.4	(119.2)	(252.6)	170.8
Net income adjusted for unrealized gain or loss from Cash Flow Swap(4)	27.9	11.2	49.7	52.4	23.6	4.9	122.4

(1) Depreciation and amortization is comprised of the following components as excluded from cost of products sold, direct operating expense and selling, general and administrative expense:

	Original Predecessor		Immediate Predecessor		Successor	Immediate Predecessor	Successor	Successor
	Year Ended December 31, 2003	62 Days Ended March 2, 2004	304 Days Ended December 31, 2004	174 Days Ended June 23, 2005	233 Days Ended December 31, 2005	174 Days Ended June 23, 2005	141 Days Ended September 30, 2005 (unaudited)	Nine Months Ended September 30, 2006 (unaudited)
				(in millions, except as otherwise indicated)				
Depreciation and amortization included in cost of product sold	—	—	0.2	0.1	1.1	0.1	0.5	1.6
Depreciation and amortization included in direct operating expense	3.3	0.4	2.0	0.9	22.7	0.9	11.3	34.5
Depreciation and amortization included in selling, general and administrative expense	—	—	0.2	0.1	0.2	0.1	0.1	0.7
Total depreciation and amortization	3.3	0.4	2.4	1.1	24.0	1.1	11.9	36.8

(2) During the year ended December 31, 2003, we recorded an additional charge of $9.6 million related to the asset impairment of the refinery and nitrogen fertilizer plant based on the expected sales price of the assets in the Initial Acquisition. In addition, we recorded a charge of $1.3 million for the rejection of existing contracts while operating under Chapter 11 of the U.S. Bankruptcy Code.

(3) The following are certain charges and costs incurred in each of the relevant periods that are meaningful to understanding our net income and in evaluating our performance due to their unusual or infrequent nature:

	Original Predecessor		Immediate Predecessor		Successor	Successor	
	Year Ended December 31, 2003	62 Days Ended March 2, 2004	304 Days Ended December 31, 2004	174 Days Ended June 23, 2005	233 Days Ended December 31, 2005	141 Days Ended September 30, 2005	Nine Months Ended September 30, 2006
	(in millions)						
Impairment of property, plant and equipment(a)	$ 9.6	$ —	$ —	$ —	$ —	$ —	$ —
Loss of extinguishment of debt(b)	—	—	7.2	8.1	—	—	—
Inventory fair market value adjustment(c)	—	—	3.0	—	16.6	16.9	—
Funded letter of credit expense & interest rate swap not included in interest expense(d)	—	—	—	—	2.3	1.4	0.2
Major scheduled turnaround expense(e)	—	—	1.8	—	—	—	4.4
Loss on termination of swap(f)	—	—	—	—	25.0	25.0	—
Unrealized (gain) loss from Cash Flow Swap	—	—	—	—	235.9	427.1	(80.3)

(a) During the year ended December 31, 2003, we recorded an additional charge of $9.6 million related to the asset impairment of our refinery and nitrogen fertilizer plant based on the expected sales price of the assets in the Initial Acquisition.

(b) Represents the write-off of $7.2 million of deferred financing costs in connection with the refinancing of our senior secured credit facility on May 10, 2004 and the write-off of $8.1 million of deferred financing costs in connection with the refinancing of our senior secured credit facility on June 23, 2005.

(c) Consists of the additional cost of product sold expense due to the step up to estimated fair value of certain inventories on hand at March 3, 2004 and June 24, 2005, as a result of the allocation of the purchase price of the Initial Acquisition and the Subsequent Acquisition to inventory.

(d) Consists of fees which are expensed to selling, general and administrative expense in connection with the funded letter of credit facility of $150.0 million issued in support of the Cash Flow Swap. We consider these fees to be equivalent to interest expense and the fees are treated as such in the calculation of EBITDA in the Credit Facility.

(e) Represents expenses associated with a major scheduled turnaround at our nitrogen fertilizer plant.

(f) Represents the expense associated with the expiration of the crude oil, heating oil and gasoline option agreements entered into by Coffeyville Acquisition LLC in May 2005.

(4) Net income adjusted for unrealized gain or loss from Cash Flow Swap results from adjusting for the derivative transaction that was executed in conjunction with the Subsequent Acquisition. On June 16, 2005, Coffeyville Acquisition LLC entered into the Cash Flow Swap with J. Aron, a subsidiary of The Goldman Sachs Group, Inc., and a related party of ours. The Cash Flow Swap was subsequently assigned from Coffeyville Acquisition LLC to Coffeyville Resources, LLC on June 24, 2005. Under these agreements, sales representing approximately 70% and 17% of then forecasted refinery output for the periods from July 2005 through June 2009, and July 2009 through June 2010, respectively, have been economically hedged. The derivative took the form of three NYMEX swap agreements whereby if crack spreads fall below the fixed level, J. Aron agreed to pay the difference to us, and if crack spreads rise above the fixed level, we agreed to pay the difference to J. Aron. See "Description of Our Indebtedness and the Cash Flow Swap."

We have determined that the Cash Flow Swap does not qualify as a hedge for hedge accounting purposes under current GAAP. As a result, our periodic statements of operations reflect material amounts of unrealized gains and losses based on the increases or decreases in market value of the unsettled position under the swap agreements which is accounted for as a liability on our balance sheet. As the crack spreads increase we are required to record an increase in this liability account with a corresponding expense entry to be made to our statement of operations. Conversely, as crack spreads decline, we are required to record a decrease in the swap related liability and post a corresponding income entry to our statement of operations. Because of this inverse relationship between the economic outlook for our underlying business (as represented by crack spread levels) and the income impact of the unrecognized gains and losses, and given the significant periodic fluctuations in the amounts of unrealized gains and losses, management utilizes Net income adjusted for gain or loss from Cash Flow Swap as a key indicator of our business performance. In managing our business and assessing its growth and profitability from a strategic and financial planning perspective, management and our Board of Directors considers our U.S. GAAP net income results as well as Net income adjusted for unrealized gain or loss from Cash Flow Swap. We believe that Net income adjusted for unrealized gain or loss from Cash Flow Swap enhances the understanding of our results of operations by highlighting income attributable to our ongoing operating performance exclusive of charges and income resulting from mark to market adjustments that are not necessarily indicative of the performance of our underlying business and our industry. The adjustment has been made for the unrealized loss from Cash Flow Swap net of its related tax benefit.

Net income adjusted for unrealized gain or loss from Cash Flow Swap is not a recognized term under GAAP and should not be substituted for net income as a measure of our financial performance or liquidity but instead should be utilized as a supplemental measure of performance in evaluating our business. Because Net income adjusted for unrealized gain or loss from Cash Flow Swap excludes mark to market adjustments, the measure does not reflect the fair market value of our cash flow swap in our net income. As a result, the measure does not include potential cash payments that may be required to be made on the Cash Flow Swap in the future. Also, our presentation of this non-GAAP measure may not be comparable to similarly titled measures of other companies.

The following is a reconciliation of Net income adjusted for unrealized gain or loss from Cash Flow Swap to Net income:

	Original Predecessor		Immediate Predecessor		Successor	Successor	
	Year Ended December 31, 2003	62 Days Ended March 2, 2004	304 Days Ended December 31, 2004	174 Days Ended June 23, 2005	233 Days Ended December 31, 2005	141 Days Ended September 30, 2005	Nine Months Ended September 30, 2006
				(in millions)			
Net Income adjusted for unrealized gain or loss from Cash Flow Swap	$ 27.9	$ 11.2	$ 49.7	$ 52.4	$ 23.6	$ 4.9	$ 122.4
Plus:							
Unrealized gain or (loss) from Cash Flow Swap, net of taxes	—	—	—	—	(142.8)	(257.5)	48.4
Net income (loss)	$ 27.9	$ 11.2	$ 49.7	$ 52.4	$ (119.2)	$ (252.6)	$ 170.8

Petroleum Business Results of Operations

Refining margin is a measurement calculated as the difference between net sales and cost of products sold (exclusive of depreciation and amortization). Refining margin is a non-GAAP measure that we believe is important to investors in evaluating our refinery's performance as a general indication of the amount above our cost of products that we are able to sell refined products. Each of the components used in this calculation (net sales and cost of products sold exclusive of depreciation and amortization) can be taken directly from our statement of operations. Our calculation of refining margin may differ from similar calculations of other companies in our industry, thereby limiting its usefulness as a comparative measure. The following table shows selected information about our petroleum business including refining margin:

	Original Predecessor		Immediate Predecessor		Successor	Successor	Successor
	Year Ended December 31, 2003	62 Days Ended March 2, 2004	304 Days Ended December 31, 2004	174 Days Ended June 23, 2005	233 Days Ended December 31, 2005	141 Days Ended September 30, 2005 (unaudited)	Nine Months Ended September 30, 2006 (unaudited)
				(in millions)			
Petroleum Business:							
Net sales	$ 1,161.3	$ 241.6	$ 1,390.8	$ 903.8	$ 1,363.4	$ 731.6	$ 2,205.0
Cost of product sold (exclusive of depreciation and amortization)	1,040.0	217.4	1,228.1	761.7	1,156.2	617.2	1,828.1
Direct operating expenses (exclusive of depreciation and amortization)	80.1	14.9	73.2	52.6	56.2	22.5	97.3
Depreciation and amortization	2.1	0.3	1.5	0.8	15.6	7.7	23.6
Gross profit	$ 39.1	$ 9.0	$ 88.0	$ 88.7	$ 135.4	$ 84.2	$ 256.0
Plus direct operating expenses (exclusive of depreciation and amortization)	80.1	14.9	73.2	52.6	56.2	22.5	97.3
Plus depreciation and amortization	2.1	0.3	1.5	0.8	15.6	7.7	23.6
Refining margin	$ 121.3	$ 24.2	$ 162.7	$ 142.1	$ 207.2	$ 114.4	$ 376.9
Refining margin per refinery throughput barrel	$ 3.89	$ 4.23	$ 5.92	$ 9.28	$ 11.55	$ 12.39	$ 14.68
Gross profit per refinery throughput barrel	$ 1.25	$ 1.57	$ 3.20	$ 5.79	$ 7.55	$ 9.12	$ 9.97
Direct operating expenses (exclusive of depreciation and amortization) per refinery throughput barrel	$ 2.57	$ 2.60	$ 2.66	$ 3.44	$ 3.13	$ 2.44	$ 3.79
Operating income	21.5	7.7	77.1	76.7	123.0	79.1	233.5

Market Indicators	Original Predecessor	Original Predecessor and Immediate Predecessor Combined	Immediate Predecessor and Successor Combined	Immediate Predecessor and Successor Combined	Successor
	Year Ended December 31,			Nine Months Ended September 30,	
	2003	2004	2005	2005	2006
			(dollars per barrel)		
West Texas Intermediate (WTI) crude oil	$30.99	$41.47	$56.70	$55.61	$68.24
NYMEX 2-1-1 Crack Spread	5.53	7.43	11.62	11.57	11.60
Crude Oil Differentials:					
WTI less WTS (sour)	2.67	3.96	4.73	4.44	5.41
WTI less Maya (heavy sour)	6.78	11.40	15.67	15.34	15.53
WTI less Dated Brent (foreign)	2.16	3.20	2.18	1.87	1.31
PADD II Group 3 versus NYMEX Basis:					
Gasoline	0.62	(0.52)	(0.53)	(0.27)	1.88
Heating Oil	1.11	1.24	3.20	1.87	7.90

Company Operating Statistics	Original Predecessor	Original Predecessor and Immediate Predecessor Combined	Immediate Predecessor and Successor Combined	Immediate Predecessor and Successor Combined	Successor
	Year Ended December 31,			Nine Months Ended September 30,	
	2003	2004	2005	2005	2006
			(in millions)		
Per barrel profit, margin and expense of crude oil throughput:					
Refining margin	$3.89	$5.62	$10.50	$10.45	$14.68
Gross profit	$1.25	$2.92	$ 6.74	$ 7.04	$ 9.97
Direct operating expenses (exclusive of depreciation and amortization)	2.57	2.65	3.27	3.06	3.79
Per gallon sales price:					
Gasoline	0.91	1.19	1.61	1.62	1.99
Distillate	0.84	1.15	1.71	1.62	2.04

Selected Company Volumetric Data	Original Predecessor		Original Predecessor and Immediate Predecessor Combined		Immediate Predecessor and Successor Combined		Immediate Predecessor and Successor Combined		Successor	
	Year Ended December 31,						Nine Months Ended September 30,			
	2003		2004		2005		2005		2006	
	Barrels Per Day	%	Barrels Per Day	%	Barrels Per Day	%	Barrels Per Day	%	Barrels Per Day	%
Production:										
Total gasoline	48,230	50.4	48,420	47.1	45,275	43.8	44,241	43.7	46,137	43.1
Total distillate	34,363	35.9	38,104	37.1	39,997	38.7	39,106	38.6	41,401	38.7
Total other	13,108	13.7	16,301	15.9	18,090	17.5	17,997	17.7	19,437	18.2
Total all production	95,701	100.0	102,825	100.0	103,362	100.0	101,344	100.0	106,975	100.0
Crude oil throughput	85,501	93.4	90,787	92.8	91,097	92.6	89,918	93.4	94,061	92.6
All other inputs	6,085	6.6	7,023	7.2	7,246	7.4	6,375	6.6	7,463	7.4
Total feedstocks	91,586	100.0	97,810	100.0	98,343	100.0	96,293	100.0	101,524	100.0

	Original Predecessor		Original Predecessor and Immediate Predecessor Combined		Immediate Predecessor and Successor Combined		Immediate Predecessor and Successor Combined		Successor	
	Year Ended December 31,						Nine Months Ended September 30,			
	2003		2004		2005		2005		2006	
	Total Barrels	%	Total Barrels	%	Total Barrels	%	Total Barrels	%	Total Barrels	%
Crude oil throughput by crude type:										
Sweet	18,187,215	58.3	15,232,022	45.8	13,958,567	42.0	11,169,134	45.5	12,916,402	50.3
Light/medium sour	12,311,203	39.4	17,995,949	54.2	19,291,951	58.0	13,378,413	54.5	12,685,293	49.4
Heavy sour	709,300	2.3	—	—	—	—	—	—	77,036	0.3
Total crude oil throughput	31,207,718	100.0	33,227,971	100.0	33,250,518	100.0	24,547,547	100.0	25,678,731	100.0

Nine Months Ended September 30, 2006 Compared to the 174 Days Ended June 23, 2005 and the 141 Days Ended September 30, 2005.

Net Sales. Petroleum net sales were $2,205.0 million in the nine months ended September 30, 2006 compared to $903.8 million for the 174 days ended June 23, 2005 and $731.6 million for the 141 days ended September 30, 2005. The increase of $569.6 million for the nine months ended September 30, 2006 as compared to the combined periods for the nine months ended September 30, 2005 resulted from significantly higher product prices ($401.2 million) and increased sales volumes ($168.4 million) over the comparable periods. Our average sales price per gallon for the nine months ending September 30, 2006 for gasoline of $1.99 and distillate of $2.04 increased by 23% and 26%, respectively, as compared to the nine months ended September 30, 2005. Overall sales volumes of refined fuels for the nine months ended September 30, 2006 increased 9% as compared to the nine months ended September 30, 2005. The increased sales volume primarily resulted from higher production levels of refined fuels during the nine months ended September 30, 2006 as compared to the same period in 2005 because of our increased focus on process unit maximization and lower production levels in 2005 due to a scheduled reformer regeneration and minor maintenance in the coker unit and one of our crude units.

Cost of Product Sold Exclusive of Depreciation and Amortization. Cost of product sold includes cost of crude oil, other feedstocks and blendstocks, purchased products for resale, transportation and distribution costs. Petroleum cost of product sold exclusive of depreciation and amortization was $1,828.1 million in the nine months ended September 30, 2006 compared to $761.7 million for the 174 days ended June 23, 2005 and $617.2 million for the 141 days ended September 30, 2005. The increase of $449.2 million for the nine months ended September 30, 2006 as compared to the combined periods for the nine months ended September 30, 2005 was primarily the result of higher crude oil prices, increased sales volumes and the impact of FIFO accounting. Our average cost per barrel of crude oil for the nine months ended September 30, 2006 was $63.87, compared to $52.32 for the comparable period of 2005, an increase of 22%. Crude oil prices increased on average by 23% during the first nine months of 2006 as compared to the comparable period of 2005 due to the residual impact of Hurricanes Katrina and Rita on the refining sector, geopolitical concerns and strong demand for refined products. Sales volume of refined fuels increased 9% for the nine months ended September 30, 2006 as compared to the nine months ended September 30, 2005. In addition, under our FIFO accounting method, changes in crude oil prices can cause significant fluctuations in the inventory valuation of our crude oil, work in process and finished goods, thereby resulting in FIFO inventory gains when crude oil prices increase and FIFO inventory losses when crude oil prices decrease. For the nine months ended September 30, 2006, we reported FIFO inventory gains of $13.0 million compared to FIFO inventory gains of $29.2 million for the comparable period of 2005.

Refining margin per barrel of crude throughput increased from $10.45 for the nine months ended September 30, 2005 to $14.68 for the nine months ended September 30, 2006, due to increased discount for sour crude oils demonstrated by the $0.97, or 22%, increase in the spread between the WTI price, which is a market indicator for the price of light sweet crude, and the WTS price, which is an indicator for the price of sour crude, in the nine months ended September 30, 2006 as compared to the nine months ended September 30, 2005. In addition, positive regional differences between refined fuel prices in our primary marketing region (the Coffeyville supply area) and those of the NYMEX, known as basis, significantly contributed to the dramatic increase in our consumed crack spread in the nine months ended September 30, 2006 as compared to the nine months ended September 30, 2005. The average distillate basis for the nine months ended September 30, 2006 increased by $6.03 per barrel to $7.90 per barrel compared to $1.87 per barrel in the comparable period of 2005. The average gasoline basis in the nine months ended September 30, 2006 increased by $2.15 per barrel to $1.88 per barrel in comparison to a negative basis of $0.27 per barrel in the comparable period of 2005.

Depreciation and Amortization. Petroleum depreciation and amortization was $23.6 million in the nine months ended September 30, 2006 as compared to $0.8 million for the 174 days ended June 23, 2005 and $7.7 million for the 141 days ended September 30, 2005. The increase of $15.1 million for the nine months ending September 30, 2006 compared to the combined periods for the nine months ended September 30, 2005 was primarily the result of the step-up in our property, plant and equipment for the Subsequent Acquisition. See "— Factors Affecting Comparability."

Direct Operating Expenses Exclusive of Depreciation and Amortization. Direct operating expenses for our Petroleum operations include costs associated with the actual operations of our refinery, such as energy and utility costs, catalyst and chemical costs, repairs and maintenance, labor and environmental compliance costs. Petroleum direct operating expenses exclusive of depreciation and amortization were $97.3 million for the nine months ended September 30, 2006 compared to direct operating expenses of $52.6 million for the 174 days ended June 23, 2005 and $22.5 million for the 141 days ended September 30, 2005. The increase of $22.2 million for the nine month period ending September 30, 2006 compared to the combined periods for the nine months ended September 30, 2005 was the result of increases in expenses associated with direct labor ($1.8 million), environmental compliance ($2.4 million), operating materials ($1.8 million), repairs and maintenance ($7.3 million), chemicals ($1.6 million), energy and utilities ($3.7 million) and outside services ($1.0 million). On a per barrel of crude throughput basis, direct operating expenses per barrel of crude throughput for the nine months ending September 30, 2006 increased to $3.79 per barrel as compared to $3.06 per barrel for the nine months ending September 30, 2005.

Operating Income. Petroleum operating income was $233.5 million in the nine months ended September 30, 2006 as compared to $76.7 million for the 174 days ended June 23, 2005 and $79.1 million for the 141 days ended September 30, 2005. This increase of $77.8 million for the nine months ended September 30, 2006 as compared to the combined periods for the nine months ended September 30, 2005 primarily resulted from higher refining margin due to improved NYMEX crack spreads, improved crude differentials and strong gasoline and distillate basis during the nine months ended September 30, 2006 as compared to the nine months ended September 30, 2005. The increase in operating income was somewhat offset by expenses associated with direct labor ($1.8 million), environmental compliance ($2.4 million), operating materials ($1.8 million), repairs and maintenance ($7.3 million), chemicals ($1.6 million), energy and utilities ($3.7 million), outside services ($1.0 million) and depreciation and amortization ($15.1 million).

233 Days Ended December 31, 2005 and the 174 Days Ended June 23, 2005 Compared to the 304 Days Ended December 31, 2004 and the 62 Days Ended March 2, 2004.

Net Sales. Petroleum net sales were $1,363.4 million for the 233 days ended December 31, 2005 and $903.8 million for the 174 days ended June 23, 2005 compared to $1,390.8 million for the 304 days ended December 31, 2004 and $241.6 million for the 62 days ended March 2, 2004. The increase of $634.8 million for the combined periods for the year ended December 31, 2005 as compared to the combined periods for the year ended December 31, 2004 was primarily attributable to increases in product prices ($688.3 million) offset by reduced sales volumes ($53.5 million) as compared to 2004. As compared to 2004, sales prices of gasoline and distillates increased for the combined 2005 period by 35% and 49%, respectively. Sales prices increased primarily as a result of increased crude oil prices and improvements in the gasoline and distillate crack spreads. The increase in average refined product prices was partially offset by a 3% decrease in refined fuels sales volume due to a 1% reduction in refined fuels production volumes in 2005 as compared to 2004. Refined fuels production was negatively impacted in 2005 due to a scheduled reformer regeneration and an outage in the fluidized catalytic cracking unit at our Coffeyville refinery.

Cost of Product Sold Exclusive of Depreciation and Amortization. Cost of product sold includes cost of crude oil, other feedstocks and blendstocks, purchased products for resale, transportation and distribution costs. Petroleum cost of product sold exclusive of depreciation and amortization was $1,156.2 million for the 233 days ended December 31, 2005 and $761.7 million for the 174 days ended June 23, 2005 compared to $1,228.1 million for the 304 days ended December 31, 2004 and $217.4 million for the 62 days ended March 2, 2004. The increase of $472.5 million for the combined periods for the year ended December 31, 2005 as compared to the combined periods in the year ended December 31, 2004 was primarily the result of higher crude oil prices partially offset by lower sales volumes and the impact of FIFO accounting. Our average cost per barrel of crude oil for the year ended December 31, 2005 was $53.42, compared to $40.23 for the same period in 2004, an increase of 33%. Crude oil prices increased significantly in 2005 as compared to 2004 due to the impact of Hurricanes Katrina and Rita, geopolitical concerns and strong demand for refined products in 2005. Sales volume decreased 3.0% for the year ended December 31, 2005 as compared to 2004. In addition, under our FIFO accounting method, changes in crude oil prices can cause significant fluctuations in the inventory valuation of our crude oil, work in process and finished goods, thereby resulting in FIFO inventory gains when crude oil prices increase and FIFO inventory losses when crude oil prices decrease. For the year ended December 31, 2005, we reported FIFO inventory gains of $18.6 million compared to FIFO inventory gains of $9.2 million for the comparable period of 2004.

Refining margin per barrel of crude throughput increased from $5.62 for the year ended December 31, 2004 to $10.50 for the year ended December 31, 2005, due to historically high differentials between refined fuel prices and crude oil prices as exemplified in the average NYMEX crack spread of $11.62 per barrel for the year ended December 31, 2005 as compared to $7.43 per barrel for 2004. Increased discount for heavy crude oils demonstrated by the $4.27, or 37%, increase in the spread between the WTI price, which is a market indicator for the price of light sweet crude, and the Maya price, which is an indicator for the price of heavy crude, in the year ended December 31, 2005 compared to the same period in 2004 also contributed to the increased refining margin over the comparable period. In addition to the widening of the NYMEX crack spread and the increase in crude differentials, positive regional differences between refined fuel prices in our primary marketing region (PADD II, Group 3) and those of the NYMEX, known as basis, also contributed to the dramatic increase in our consumed crack spread in the year ended December 31, 2005 as compared to 2004. The average distillate basis for the year ended December 31, 2005 increased $1.96 per barrel to $3.20 per barrel as compared to $1.24 per barrel for the comparable period of 2004. The average gasoline basis for the year ended December 31, 2005 as compared to the year ended December 31, 2004 was essentially flat at a negative basis of $0.53 per barrel as compared to a negative basis of $0.52 per barrel in 2004.

Depreciation and Amortization. Petroleum depreciation and amortization was $15.6 million for the 233 days ended December 31, 2005 and $0.8 million for the 174 days ended June 23, 2005 compared to $1.5 million for the 304 days ended December 31, 2004 and $0.3 million for the 62 days ended March 2, 2004. The increase of $14.6 million for the combined period ended December 31, 2005 as compared to the combined period ended December 31, 2004 was primarily the result of the step-up in our property, plant and equipment for the Subsequent Acquisition. See “— Factors Affecting Comparability.”

Direct Operating Expenses Exclusive of Depreciation and Amortization. Direct operating expenses for our Petroleum operations include costs associated with the actual operations of our refinery, such as energy and utility costs, catalyst and chemical costs, repairs and maintenance, labor and environmental compliance costs. Petroleum direct operating expenses were $56.2 million for the 233 days ended December 31, 2005 and $52.6 million for the 174 days ended June 23, 2005 compared to $73.2 million for the 304 days ended December 31, 2004 and $14.9 million for the 62 days ended March 2, 2004. The increase of $20.6 million for the combined period ended December 31, 2005 as compared to direct operating expenses of $88.2 million for the combined period in 2004 was the result of increases in expenses associated with labor and incentive bonuses ($2.2 million), environmental compliance ($2.5 million), repairs and maintenance ($9.1 million), chemicals ($1.9 million), energy and utilities (1.9 million) and outside services ($1.9 million). On a per barrel of crude throughput basis, direct operating expenses per barrel of crude throughput for 2005 increased to $3.27 per barrel as compared to $2.65 per barrel for 2004.

Operating Income. Petroleum operating income was $123.0 million for the 233 days ended December 31, 2005 and $76.7 million for the 174 days ended June 23, 2005 compared to $77.1 million for the 304 days ended December 31, 2004 and $7.7 million for the 62 days ended March 2, 2004. The increase of $114.9 million for the combined period ended December 31, 2005 as compared to the combined period ended December 31, 2004 primarily resulted from higher refining margin due to favorable market conditions in the domestic refining industry somewhat offset by a 3% decrease in sales volumes and increases in expenses associated with labor and incentive bonuses ($2.2 million), environmental compliance ($2.5 million), repairs and maintenance ($9.1 million), chemicals ($1.9 million), energy and utilities ($1.9 million), outside services ($1.9 million) and depreciation and amortization ($14.6 million).

304 Days Ended December 31, 2004 and the 62 Days Ended March 2, 2004 Compared to Year Ended December 31, 2003.

Net Sales. Petroleum net sales were $1,390.8 million for the 304 days ended December 31, 2004 and $241.6 million for the 62 days ended March 2, 2004 compared to $1,161.3 million in the year ended December 31, 2003. This revenue increase for the combined periods ended December 31, 2004 compared to the year ended December 31, 2003 was attributable to increased production volumes ($83.2 million) and higher product prices ($387.9 million), which reacted favorably to the increase in global crude oil prices over the period. In 2004, crude oil throughput increased by an average of 5,286 bpd, or 6%, as compared to 2003. The higher crude throughput experienced in 2004 as compared to 2003 was directly attributable to Farmland's inability, because of its impending reorganization, to purchase optimum crude oil blends necessary to operate the refinery at 2004 levels in 2003. During 2004, our petroleum business experienced increases in gasoline and distillate prices of 31% and 37%, respectively, as compared to the same period in 2003.

Cost of Product Sold Exclusive of Depreciation and Amortization. Cost of product sold includes cost of crude oil, other feedstocks and blendstocks, purchased products for resale, transportation and distribution costs. Petroleum cost of product sold exclusive of depreciation and amortization was $1,228.1 million for the 304 days ended December 31, 2004 and $217.4 million for the 62 days ended March 2, 2004 compared to $1,040.0 million in the year ended December 31, 2003. This increase for the combined periods of the year ended December 31, 2004 as compared to the year ended December 31, 2003 was attributable to strong differentials between refined products prices and crude oil prices as exemplified in the average NYMEX crack spread of $7.43 per barrel for the year ended December 31, 2004 as compared to $5.53 per barrel in the comparable period of 2003. Increased discount for heavy crude oils demonstrated by the $4.62, or 68%, increase in the spread between the WTI price, which is a market indicator for the price of light sweet crude, and the Maya price, which is a market indicator for the price of heavy crude, in the year ended December 31, 2004 as compared to the same period in 2003 also contributed to the increase in refining margin over the comparable periods. Diluting the positive impact of the widening of the NYMEX crack spread and the increased crude differentials was the negative impact of gasoline prices in our primary marketing area (PADD II, Group 3) in comparison to gasoline prices on the NYMEX, known as basis. The average gasoline basis for the year ended December 31, 2004 decreased $1.14 per barrel to a negative basis of $0.52 per barrel as compared to $0.62 per barrel for 2003. The average distillate basis for the year ended December 31, 2004 was $1.24 per barrel compared to $1.11 per barrel in 2003. Additionally, our refining margin for the year ended December 31, 2004 improved as a result of the termination of a single customer product marketing agreement in November 2003. During 2003 Farmland was party to a marketing agreement that required it to sell all refined products to a single customer at a fixed differential to an index price. Subsequent to the conclusion of the contract, we have expanded our customer base and increased the realized differential to that index.

Depreciation and Amortization. Petroleum depreciation and amortization was $1.5 million for the 304 days ended December 31, 2004 and $0.3 million for the 62 days ended March 2, 2004 compared to $2.1 million for the year ended December 31, 2003. The decrease of $0.3 million for the combined periods of the year ended December 31, 2004 as compared to the year ended December 31, 2003 was primarily the result of the petroleum assets' useful lives being reset to longer periods in the Initial Acquisition as compared to the prior period based on management's assessment of the condition of the petroleum assets acquired, offset by the impact of the step-up in value of the acquired assets in the Initial Acquisition.

Direct Operating Expenses Exclusive of Depreciation and Amortization. Direct operating expenses for our Petroleum operations include costs associated with the actual operations of our refinery, such as energy and utility costs, catalyst and chemical costs, repairs and maintenance, labor and environmental compliance costs. Petroleum direct operating expenses exclusive of depreciation and amortization were $73.2 million for the 304 days ended December 31, 2004 and $14.9 million for the 62 days ended March 2, 2004 as compared to $80.1 million in the corresponding period of 2003. The primary reason for the increase for the combined periods for the year ended December 31, 2004 relative to the year ended December 31, 2003 were due to expenses associated with environmental compliance ($1.1 million), repairs and maintenance ($2.8 million), chemicals ($2.3 million) and energy and utilities ($3.3 million). These increases were offset by a $2.4 million reduction in rent expense. Direct operating expenses per barrel of crude throughput for the year ended December 31, 2004 increased by $0.08 per barrel compared to direct operating expenses per barrel of crude throughput of $2.57 in 2003.

Operating Income. Petroleum operating income was $77.1 million for the 304 days ended December 31, 2004 and $7.7 million for the 62 days ended March 2, 2004 as compared to $21.5 million in the year ended December 31, 2003. This increase for the combined periods for the year ended December 31, 2004 compared to the year ended December 31, 2003 primarily resulted from higher refining margin due to improved conditions in the domestic refining industry and a 6% increase in sales volumes. The increase in operating income was somewhat offset by increases in expenses related to environmental compliance ($1.1 million), repairs and maintenance ($2.8 million), chemicals ($2.3 million) and energy and utilities ($3.3 million).

Nitrogen Fertilizer Business Results of Operations

Nitrogen Fertilizer Business Financial Results	Original Predecessor Year Ended December 31, 2003	Original Predecessor 62 Days Ended March 2, 2004	Immediate Predecessor 304 Days Ended December 31, 2004	Immediate Predecessor 174 Days Ended June 23, 2005	Successor 233 Days Ended December 31, 2005	Successor 141 Days Ended September 30, 2005	Successor Nine Months Ended September 30, 2006
	(in millions)						
Net sales	$100.9	$19.4	$93.4	$79.3	$93.7	$46.6	$128.2
Cost of product sold (exclusive of depreciation and amortization)	21.9	4.1	20.4	9.1	14.5	9.2	23.8
Depreciation and amortization	1.2	0.1	0.9	0.3	8.4	4.2	12.7
Direct operating expenses (exclusive of depreciation and amortization)	53.0	8.4	43.8	28.3	29.2	14.1	47.2
Operating income	7.8	3.5	22.9	35.3	35.7	16.7	34.1

Table of Contents

Market Indicators	Year Ended December 31, 2003	2004	2005	Nine Months Ended September 30, 2005	2006
Natural gas (dollars per million Btu)	$5.49	$6.18	$9.01	$7.75	$6.89
Ammonia — southern plains (dollars per ton)	274	297	356	328	360
UAN — corn belt (dollars per ton)	143	171	212	205	198

Company Operating Statistics	Original Predecessor	Original Predecessor and Immediate Predecessor Combined	Immediate Predecessor and Successor Combined	Immediate Predecessor and Successor Combined	Successor
	Year Ended December 31,			Nine Months Ended September 30,	
	2003	2004	2005	2005	2006
Production (thousand tons):					
Ammonia	335.7	309.2	413.2	311.3	283.9
UAN	510.6	532.6	663.3	495.7	465.0
Total	846.3	841.8	1,076.5	807.0	748.9
Sales (thousand tons)(1):					
Ammonia	134.8	103.9	141.8	102.4	96.8
UAN	528.9	541.6	646.5	487.4	477.7
Total	663.7	645.5	788.3	589.8	574.5
Product pricing (plant gate) (dollars per ton)(1):					
Ammonia	$ 235	$ 266	$ 324	$ 305	$ 346
UAN	107	136	173	172	169
On-stream factor(2):					
Gasification	90.1%	92.4%	98.1%	98.3%	91.7%
Ammonia	89.6%	79.9%	96.7%	96.7%	87.8%
UAN	81.6%	83.3%	94.3%	94.8%	87.9%
Capacity utilization:					
Ammonia(3)	83.6%	76.8%	102.9%	103.7%	94.5%
UAN(4)	93.3%	97.0%	121.2%	121.0%	113.6%
Reconciliation to net sales (dollars in thousands):					
Freight in revenue	$ 12,535	$ 11,429	$ 15,010	$ 11,140	$ 13,860
Sales net plant gate	88,373	101,439	157,989	114,798	114,295
Total net sales	100,908	112,868	172,999	125,938	128,155

(1) Plant gate sales per ton represents net sales less freight revenue divided by sales tons. Plant gate pricing per ton is shown in order to provide industry comparability.

(2) On-stream factor is the total number of hours operated divided by the total number of hours in the reporting period.

(3) Based on nameplate capacity of 1,100 tons per day.

(4) Based on nameplate capacity of 1,500 tons per day.

Nine Months Ended September 30, 2006 Compared to the 174 Days Ended June 23, 2005 and the 141 Days Ended September 30, 2005.

Net Sales. Nitrogen fertilizer net sales were $128.2 million for the nine months ended September 30, 2006 compared to $79.3 million for the 174 days ended June 23, 2005 and $46.6 million for the 141 days ended September 30, 2005. The increase of $2.3 million for the nine months ended September 30, 2006 as compared to the combined periods for the nine months ended September 30, 2005 was the result of increases in selling prices ($6.1 million) offset by a reduction in overall sales volumes ($3.9 million) of our fertilizer products as compared to the nine months ended September 30, 2005.

In regard to product sales volumes for the nine months ended September 30, 2006, our nitrogen operations experienced a decrease of 6% in ammonia sales unit volumes (5,590 tons) and a decrease of 2% in UAN sales unit volumes (9,727 tons). The decrease in ammonia and UAN sales volumes was the result of decreased production volumes over the nine months ended September 30, 2006 relative to the comparable period due to the scheduled turnaround at our fertilizer plant during July 2006. On-stream factors (total number of hours operated divided by total hours in the reporting period) for all units of our nitrogen operations (gasifier, ammonia plant and UAN plant) were less than the comparable period primarily due to the scheduled turnaround in July 2006 and downtime in the ammonia plant due to a crack in the converter. It is typical to experience brief outages in complex manufacturing operations such as our nitrogen fertilizer plant which result in less than one hundred percent on-stream availability for one or more specific units.

Plant gate prices are prices FOB the delivery point less any freight cost we absorb to deliver the product. We believe plant gate price is meaningful because we sell products both FOB our plant gate (sold plant) and FOB the customer's designated delivery site (sold delivered) and the percentage of sold plant versus sold delivered can change month to month or year to year. The plant gate price provides a measure that is consistently comparable period to period. Plant gate prices for the nine months ended September 30, 2006 for ammonia were greater than plant gate prices for the comparable period of 2005 by 13%. In contrast to ammonia, UAN prices decreased for the nine month period ended September 30, 2006 as compared to the nine months ended September 30, 2005 by 2%. These strong price comparisons for ammonia sales, given the dramatic decline in natural gas prices during the comparable periods, were the result of prepay contracts executed during the period of relatively high natural gas prices that resulted from the impact of hurricanes Katrina and Rita on an already tight natural gas market.

The demand for fertilizer is affected by the aggregate crop planting decisions and fertilizer application rate decisions of individual farmers. Individual farmers make planting decisions based largely on the prospective profitability of a harvest, while the specific varieties and amounts of fertilizer they apply depend on factors like crop prices, their current liquidity, soil conditions, weather patterns and the types of crops planted.

Cost of Product Sold Exclusive of Depreciation and Amortization. Cost of product sold exclusive of depreciation and amortization is primarily comprised of pet coke expense and freight and distribution expenses. Cost of product sold excluding depreciation and amortization for the nine months ended September 30, 2006 was $23.8 million in the nine months ended September 30, 2006 compared to $9.1 million for the 174 days ended June 23, 2005 and $9.2 million for the 141 days ended September 30, 2005. The increase of $5.5 million for the nine months ended September 30, 2006 as compared to the combined periods for the nine months ended September 30, 2005 was primarily the result of increases in freight and distribution expense.

Depreciation and Amortization. Nitrogen fertilizer depreciation and amortization was $12.7 million for the nine months ended September 30, 2006 as compared to $0.3 million for the 174 days ended June 23, 2005 and $4.2 million for the 141 days ended September 30, 2005. This increase of $8.2 million for the nine months ended September 30, 2006 as compared to the combined periods for the nine months ended September 30, 2005 was primarily the result of the step-up in property, plant and equipment for the Subsequent Acquisition. See "— Factors Affecting Comparability."

Direct Operating Expenses Exclusive of Depreciation and Amortization. Direct operating expenses for our Nitrogen fertilizer operations include costs associated with the actual operations of our nitrogen plant, such as repairs and maintenance, energy and utility costs, catalyst and chemical costs, outside services, labor and environmental compliance costs. Nitrogen direct operating expenses exclusive of depreciation and amortization for the nine months ended September 30, 2006 were $47.2 million as compared to $28.3 million for the 174 days ended June 23, 2005 and $14.1

million for the 141 days ended September 30, 2005. The increase of $4.7 million for the nine months ended September 30, 2006 as compared to the combined periods for the nine months ended September 30, 2005 was primarily the result of increases in repairs and maintenance ($0.6 million), turnaround expenses ($2.6 million), outside services ($0.7 million), and utilities ($0.9 million), partially offset by a reduction in catalyst expenses ($0.6 million).

Operating Income. Nitrogen fertilizer operating income was $34.1 million in the nine months ended September 30, 2006 as compared to $35.3 million for the 174 days ended June 23, 2005 and $16.7 million for the 141 days ended September 30, 2005. This decrease of $17.9 million for the nine months ended September 30, 2006 as compared to the combined periods for the nine months ended September 30, 2005 was the result of reduced sales volumes, increased direct operating expenses related to repairs and maintenance ($0.6 million), turnaround expenses ($2.6 million), outside services ($0.7 million), and utilities ($0.9 million), partially offset by a reduction in catalyst expenses ($0.6 million) and higher ammonia prices.

233 Days Ended December 31, 2005 and the 174 Days Ended June 23, 2005 Compared to the 304 Days Ended December 31, 2004 and the 62 Days Ended March 2, 2004.

Net Sales. Nitrogen fertilizer net sales were $93.7 million for the 233 days ended December 31, 2005 and $79.3 million for the 174 days ended June 23, 2005 compared to $93.4 million for the 304 days ended December 31, 2004 and $19.4 million for the 62 days ended March 2, 2004. The increase of $60.1 million for the combined periods for the year ended December 31, 2005 as compared to the combined periods ended December 31, 2004 was the result of increases in both sales volumes ($33.2 million) and selling prices of ammonia and UAN ($26.9 million) as compared to 2004.

In regard to product sales volumes for the year ended December 31, 2005, nitrogen fertilizer experienced an increase of 36% in ammonia sales unit volumes (37,949 tons) and an increase of 19% in UAN sales unit volumes (104,982 tons) as compared to 2004. The increases in both ammonia and UAN sales were due to improved on-stream factors for all units of the nitrogen operations (gasifier, ammonia plant and UAN plant) in 2005 as compared to 2004. On-stream factors in 2004 were negatively impacted during September 2004 by additional downtime from a scheduled turnaround, which resulted from delay in start-up associated with projects completed during the turnaround and outages in the ammonia plant to repair a damaged heat exchanger.

Plant gate prices are prices FOB the delivery point less any freight cost we absorb to deliver the product. We believe plant gate price is meaningful because we sell products both FOB our plant gate (sold plant) and FOB the customer's designated delivery site (sold delivered) and the percentage of sold plant as compared to sold delivered can change month to month or year to year. The plant gate price provides a measure that is consistently comparable period to period. Plant gate prices in 2005 for ammonia and UAN were greater than 2004 by 22% and 27%, respectively. These prices reflected the strong market conditions in the nitrogen fertilizer business as reflected in relatively high natural gas prices during 2005.

The demand for fertilizer is affected by the aggregate crop planting decisions and fertilizer application rate decisions of individual farmers. Individual farmers make planting decisions based largely on the prospective profitability of a harvest, while the specific varieties and amounts of fertilizer they apply depend on factors like their current liquidity, soil conditions, weather patterns and the types of crops planted.

Cost of Product Sold Exclusive of Depreciation and Amortization. Cost of product sold exclusive of depreciation and amortization is primarily comprised of pet coke expense and freight and distribution expenses. Cost of product sold excluding depreciation and amortization was $14.5 million for the 233 days ended December 31, 2005 and $9.1 million for the 174 days ended June 23, 2005 compared to $20.4 million for the 304 days ended December 31, 2004 and $4.1 million for the 62 days ended March 2, 2004. For the combined periods for the year ended December 31, 2005 as compared to the combined periods ended December 31, 2004, cost of product sold exclusive of depreciation and amortization decreased by $0.9 million.

Depreciation and Amortization. Nitrogen fertilizer depreciation and amortization was $8.4 million for the 233 days ended December 31, 2005 and $0.3 million for the 174 days ended June 23, 2005 compared to $0.9 million for the 304 days ended December 31, 2004 and $0.1 million for the 62 days ended March 2, 2004. The increase of $7.7 million for the combined periods ending December 31, 2005 as compared to the combined periods ended December 31, 2004 was primarily the result of the step-up in property, plant and equipment for the Subsequent Acquisition. See "— Factors Affecting Comparability."

Direct Operating Expenses Exclusive of Depreciation and Amortization. Direct operating expenses for our Nitrogen fertilizer operations include costs associated with the actual operations of our nitrogen plant, such as repairs and maintenance, energy and utility costs, catalyst and chemical costs, outside services, labor and environmental compliance costs. Nitrogen fertilizer direct operating expenses exclusive of depreciation and amortization were $29.2 million for the 233 days ended December 31, 2005 and $28.3 million for the 174 days ended June 23, 2005 compared to $43.8 million for the 304 days ended December 31, 2004 and $8.4 million for the 62 days ended March 2, 2004. The increase of $5.3 million for the combined period ended December 31, 2005 as compared to the combined period, ended December 31, 2004 was primarily the result of increases in labor ($1.9 million), outside services ($1.4 million), and energy and utilities costs ($3.8 million), partially offset by reductions in turnaround expenses ($1.8 million) and catalyst expense ($1.6 million).

Operating Income. Nitrogen fertilizer operating income was $35.7 million for the 233 days ended December 31, 2005 and $35.3 million for the 174 days ended June 23, 2005 compared to $22.9 million for the 304 days ended December 31, 2004 and $3.5 million for the 62 days ended March 2, 2004. The increase of $44.6 million for the combined periods ended December 31, 2005 as compared to the combined periods ended December 31, 2004 was due to improved sales volume and nitrogen fertilizer pricing that resulted from improved on-stream factors for the nitrogen plant and strong market conditions in the nitrogen fertilizer business. These positive factors were partially offset by increased direct operating expenses due to increases in labor ($1.9 million), outside services ($1.4 million), and energy and utilities costs ($3.8 million).

304 Days Ended December 31, 2004 and the 62 Days Ended March 2, 2004 Compared to Year Ended December 31, 2003.

Net Sales. Nitrogen fertilizer net sales were $93.4 million for the 304 days ended December 31, 2004 and $19.4 million for the 62 days ended March 2, 2004 as compared to $100.9 million in 2003. This revenue increase for the combined periods of the year ended December 31, 2004 as compared to the year ended December 31, 2003 was entirely attributable to increased nitrogen fertilizer prices ($18.8 million), which more than offset a slight decline in total sales volume ($6.8 million) due to a planned turnaround in August 2004. For 2004, southern plains ammonia and corn belt UAN prices increased 8% and 20%, respectively, as compared to the comparable period in 2003. In addition, due to our direct marketing efforts, our actual plant gate prices, relative to the market indices presented above improved substantially. Plant gate prices for the year ended December 31, 2004 for ammonia and UAN were greater than the comparable period in 2003 by 13% and 27%, respectively. Plant gate prices are prices FOB the delivery point less any freight cost we absorb to deliver the product. We believe the plant gate price is meaningful because we sell products both FOB our plant gate (sold plant) and FOB the customer's designated delivery site (sold delivered) and the percentage of sold plant versus sold delivered can change month to month or year to year. The plant gate price provides a measure that is consistently comparable period to period. The improvement in plant gate price relative to the market index was the result of eliminating the reseller discount offered under the terms of our prior marketing agreement and maximizing shipments to customers that were more freight logical to our facility.

Cost of Product Sold Exclusive of Depreciation and Amortization. Cost of product sold exclusive of depreciation and amortization is primarily comprised of pet coke expense and freight and distribution expenses. Cost of product sold excluding depreciation and amortization was $20.4 million for the 304 days ended December 31, 2004 and $4.1 million for the 62 days ended March 2, 2004 as compared to $21.9 million in 2003. The increase for the combined periods of the year ended December 31, 2004 as compared to the year ended December 31, 2003 was primarily the result of the recognition of the cost of pet coke after the Initial Acquisition as compared to a zero value transfer during the Original Predecessor period. Subsequent to the Initial Acquisition in 2004 the nitrogen fertilizer business was charged $4.3 million for pet coke transferred from our petroleum business. During the Original Predecessor period, pet coke was transferred at zero value.

Depreciation and Amortization. Nitrogen fertilizer depreciation and amortization was $0.9 million for the 304 days ended December 31, 2004 and $0.1 million for the 62 days ended March 2, 2004 as compared to $1.2 million in 2003. This decrease for the combined periods of the year ended December 31, 2004 and the year ended December 31, 2003 was principally due to the nitrogen fertilizer assets' useful lives being reset to longer periods in the Initial Acquisition period compared to the prior period based on management's assessment of the condition of the nitrogen fertilizer assets acquired offset by the impact of the step-up in value of the acquired nitrogen fertilizer assets in the Initial Acquisition.

Direct Operating Expenses Exclusive of Depreciation and Amortization. Direct operating expenses for our Nitrogen fertilizer operations include costs associated with the actual operations of our nitrogen plant, such as repairs and maintenance, energy and utility costs, catalyst and chemical costs, outside services, labor and environmental compliance costs. Nitrogen fertilizer direct operating expenses exclusive of depreciation and amortization were $43.8 million for the 304 days ended December 31, 2004 and $8.4 million for the 62 days ended March 2, 2004 as compared to $53.0 million for the year ended December 31, 2003.

Operating Income. Nitrogen fertilizer operating income was $22.9 million for the 304 days ended December 31, 2004 and $3.5 million for the 62 days ended March 2, 2004 as compared to $7.8 million in 2003. This increase of $18.6 million for the combined periods of the year ended December 31, 2004 and the year ended December 31, 2003 was due to improved market conditions and pricing in the domestic nitrogen fertilizer industry and a decrease in direct operating expenses. The improvement in operating income was negatively impacted subsequent to the Initial Acquisition in 2004 as the nitrogen fertilizer business was charged $4.3 million for pet coke transferred from our petroleum business. During the Original Predecessor period, pet coke was transferred at zero value.

Consolidated Results of Operations

Nine Months Ended September 30, 2006 Compared to the 174 Days Ended June 23, 2005 and the 141 Days Ended September 30, 2005.

Net Sales. Consolidated net sales were $2,329.2 million in the nine months ended September 30, 2006 compared to $980.7 million for the 174 days ended June 23, 2005 and $776.6 million for the 141 days ended September 30, 2005. The increase of $571.9 million for the nine months ended September 30, 2006 as compared to the combined periods of the nine months ended September 30, 2005 was primarily due to an increase in petroleum net sales of $569.6 million that resulted from significantly higher product prices ($401.2 million) and increased sales volumes ($168.4 million) over the comparable periods. Nitrogen fertilizer net sales increased $2.3 million for the nine months ended September 30, 2006 as compared to the nine months ended September 30, 2005 due to increased selling prices ($6.1 million) partially offset by a reduction in overall sales volumes ($3.9 million).

Cost of Product Sold Exclusive of Depreciation and Amortization. Consolidated cost of product sold exclusive of depreciation and amortization was $1,848.1 million for the nine months ended September 30, 2006 as compared to $768.1 million for the 174 days ended June 23, 2005 and $624.9 million for the 141 days ended September 30, 2005. The increase of $455.2 million for the nine months ended September 30, 2006 as compared to the combined periods ended September 30, 2005 was primarily due to an increase in crude oil prices, sales volumes and the impact of FIFO accounting in our petroleum business. Our fertilizer business accounted for approximately $5.5 million of the increase in cost of products sold over the comparable periods primarily related to increases in freight and distribution expense.

Depreciation and Amortization. Consolidated depreciation and amortization was $36.8 million for the nine months ended September 30, 2006 as compared to $1.1 million for the 174 days ended June 23, 2005 and $11.9 million for the 141 days ended September 30, 2005. The increase of $23.8 million for the nine months ended September 30, 2006 as compared to the combined periods ended September 30, 2005 was due to an increase in petroleum depreciation and amortization of $15.1 million and an increase in nitrogen fertilizer depreciation and amortization of $8.2 million.

Direct Operating Expenses Exclusive of Depreciation and Amortization. Consolidated direct operating expenses exclusive of depreciation and amortization were $144.5 million for the nine months ended September 30, 2006 as compared to $80.9 million for the 174 days ended June 23, 2005 and $36.7 million for the 141 days ended September 30, 2005. This increase of $26.9 million for the nine months ended September 30, 2006 as compared to the combined periods ended September 30, 2005 was due to an increase in petroleum direct operating expenses of $22.2 million and an increase in nitrogen fertilizer direct operating expenses of $4.7 million.

Operating Income. Consolidated operating income was $267.0 million for the nine months ended September 30, 2006 as compared to $112.3 million for the 174 days ended June 23, 2005 and $95.8 million for the 141 days ended September 30, 2005. For the nine months ended September 30, 2006 as compared to the combined periods ended September 30, 2005, petroleum operating income increased $77.7 million and nitrogen fertilizer operating income decreased by $17.9 million.

Selling, General and Administrative Expenses Exclusive of Depreciation and Amortization. Consolidated selling, general and administrative expenses were $32.8 million for the nine months ended September 30, 2006 as compared to $18.3 million for the 174 days ended June 23, 2005 and $7.4 million for the 141 days ended September 30, 2005. Consolidated selling, general and administrative expenses for the 174 days ended June 23, 2005 were negatively impacted by certain expenses associated with $3.3 million of unearned compensation related to the management equity of Immediate Predecessor in relation to the Subsequent Acquisition. Adjusting for this expense, consolidated selling, general and administrative expenses increased $10.4 million for the nine months ended September 30, 2006 as compared to the combined periods ended September 30, 2005. This variance was primarily the result of increases in administrative labor ($1.4 million), office costs ($0.9 million), insurance costs associated with Successor's $1.25 billion property insurance limit requirement ($1.3 million), letter of credit fees due under our $150.0 million funded letter of credit facility utilized as collateral for the Cash Flow Swap which was not in place for approximately six months in the comparable period ($2.4 million), public relations expense ($0.5 million) and outside services expense ($2.6 million).

Interest Expense. We reported consolidated interest expense for the nine months ended September 30, 2006 of $33.0 million as compared to interest expense of $7.8 million for the 174 days ended June 23, 2005 and $12.2 million for the 141 days ended September 30, 2005. This 65% increase for the nine months ended September 30, 2006 as compared to the combined periods ended September 30, 2005 was the direct result of increased borrowings associated with our borrowing facility completed in association with the Subsequent Acquisition (see "— Liquidity and Capital Resources — Debt") and an increase in the actual rate of our borrowings due to increases both in index rates (LIBOR and prime rate) and applicable margins. The comparability of interest expense during the comparable periods has been impacted by the differing capital structures of Successor and Immediate Predecessor periods. See "— Factors Affecting Comparability."

Interest Income. Interest income was $2.8 million in the nine months ended September 30, 2006 as compared to 0.5 million for the 174 days ended June 23, 2005 and $0.2 million for the 141 days ended September 30, 2005. The increase for the nine months ended September 30, 2006 as compared to the combined periods ended September 30, 2005 was primarily due to larger cash balances and higher yields on invested cash.

Gain (loss) on Derivatives. For the nine months ended September 30, 2006, we reported $44.7 million in gains on derivatives. This compares to a $7.7 million loss on derivatives for the 174 days ended June 23, 2005 and a $487.0 million loss on derivatives for the 141 days ended September 30, 2005. This significant change in gain (loss) on derivatives for the nine months ended September 30, 2006 as compared to the combined period ended September 30, 2005 was primarily attributable to our Cash Flow Swap and the accounting treatment for all of our derivative transactions. We determined that the Cash Flow Swap and our other derivative instruments do not qualify as hedges for hedge accounting purposes under SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities.* Since the Cash Flow Swap had a significant term remaining as of September 30, 2006 (approximately three years and nine months) and the NYMEX crack spread that is the basis for the underlying swap contracts that comprised the Cash Flow Swap had declined substantially during this period, the unrealized gains on the Cash Flow Swap increased significantly. The $494.7 million loss on derivatives during the nine months ended September 30, 2005 is inclusive of the expensing of a $25.0 million option entered into by Successor for the purpose of hedging certain levels of refined product margins. At closing of the Subsequent Acquisition, we determined that this option was not economical and we allowed the option to expire worthless, which resulted in the expensing of the associated premium in the nine months ended September 30, 2005. See "— Quantitative and Qualitative Disclosures About Market Risk — Commodity Price Risk."

Extinguishment of Debt. On June 24, 2005 and in connection with the acquisition of Immediate Predecessor by Coffeyville Acquisition LLC (see "— Factors Affecting Comparability"), we raised $800.0 million in long-term debt commitments under a first lien credit facility and second lien credit facility. See "— Liquidity and Capital Resources — Debt." As a result of the retirement of Immediate Predecessor's outstanding indebtedness consisting of $150.0 million term loan and revolving credit facilities, we recognized $8.1 million as a loss on extinguishment of debt in 2005. There was no similar expense during the first nine months of 2006.

Other Income (Expense). For the nine months ended September 30, 2006, other income was $0.3 million as compared to other expense of $0.8 million for the 174 days ended June 23, 2005. This change for the nine months ended September 30, 2006 as compared to the combined periods ended September 30, 2005 was primarily the result of asbestos related accruals, which resulted in other expense during the nine months ending September 30, 2005.

Provision for Income Taxes. Income tax expense for the nine months ended September 30, 2006 was $111.0 million, or 39.4% of earnings before income taxes, as compared to a tax benefit of $114.7 million for the nine months ended September 30, 2005. The effective tax rate for 2005 was impacted by a realized loss on option agreements that expired unexercised. Coffeyville Acquisition LLC was party to these agreements and the loss was incurred at that level which we effectively treated as a permanent non-deductible loss.

Net Income. For the nine months ended September 30, 2006, net income increased to $170.8 million as compared to net income of $52.4 million for the 174 days ended June 23, 2005 and a net loss of $252.6 million for the 141 days ended September 30, 2005. Net income increased $371.0 million for the nine months ended September 30, 2006 as compared to the combined periods ended September 30, 2005, primarily due to improved operating income in our Petroleum operations and a significant change in the value of the Cash Flow Swap over the comparable periods.

233 Days Ended December 31, 2005 and the 174 Days Ended June 23, 2005 Compared to the 304 Days Ended December 31, 2004 and the 62 Days Ended March 2, 2004.

Net Sales. Consolidated net sales were $1,454.3 million for the 233 days ended December 31, 2005 and $980.7 million for the 174 days ended June 23, 2005 as compared to $1,479.9 million for the 304 days ended December 31, 2004 and $261.1 million for the 62 days ended March 2, 2004. This increase of $694.0 million for the combined periods ended December 31, 2005 compared to the combined periods ended December 31, 2004 was primarily due to an increase in petroleum net sales of $634.8 million that resulted from increased refined product prices ($688.3 million) offset by reduced sales volumes ($53.5 million) as compared to 2004. Also contributing to the increase in net sales during the comparable periods was a $60.1 million increase in nitrogen fertilizer net sales primarily driven by increase in both sales volumes ($33.2 million) and selling prices of ammonia and UAN ($26.9 million).

Cost of Product Sold Exclusive of Depreciation and Amortization. Consolidated cost of product sold exclusive of depreciation and amortization was $1,168.1 million for the 233 days ended December 31, 2005 and $768.1 million for the 174 days ended June 23, 2005 as compared to $1,244.2 million for the 304 days ended December 31, 2004 and $221.4 million for the 62 days ended March 2, 2004. This increase of $470.5 million for the combined periods ended December 31, 2005 compared to the combined periods ended December 31, 2004 was primarily due to increased crude oil prices partially offset by lower sales volumes and the impact of FIFO inventory valuation.

Depreciation and Amortization. Consolidated depreciation and amortization was $24.0 million for the 233 days ended December 31, 2005 and $1.1 million for the 174 days ended June 23, 2005 as compared to $2.4 million for the 304 days ended December 31, 2004 and $0.4 million for the 62 days ended March 2, 2004. This increase of $22.3 million for the combined periods ended December 31, 2005 compared to the combined periods ended December 31, 2004 was due to an increase in petroleum depreciation and amortization of $14.6 million and in nitrogen fertilizer depreciation and amortization of $7.7 million primarily the result of a step-up in property, plant and equipment for the Subsequent Acquisition. See "Factors Affecting Comparability."

Direct Operating Expenses Exclusive of Depreciation and Amortization. Consolidated direct operating expenses exclusive of depreciation and amortization were $85.3 million for the 233 days ended December 31, 2005 and $80.9 million for the 174 days ended June 23, 2005 as compared to $117.0 million for the 304 days ended December 31, 2004 and $23.4 million for the 62 days ended March 2, 2004. This increase of $25.8 million for the combined periods ended December 31, 2005 compared to the combined periods ended December 31, 2004 was due to an increase in petroleum direct operating expenses of $20.5 million and an increase in nitrogen fertilizer direct operating expenses of $5.3 million.

Selling, General and Administrative Expenses Exclusive of Depreciation and Amortization. Consolidated selling, general and administrative expenses were $18.3 million for the 233 days ended December 31, 2005 and $18.3 million for the 174 days ended June 23, 2005 as compared to $16.3 million for the 304 days ended December 31, 2004 and $4.6 million for the 62 days ended March 2, 2004. This increase of $15.7 million for the combined periods ended December 31, 2005 compared to the combined periods ended December 31, 2004 was primarily the result of increases in insurance costs associated with Successor's $1.25 billion property insurance limit requirement, letter of credit fees due under our $150.0 million funded letter of credit facility utilized as collateral for the Cash Flow Swap which was not in place in the prior period, management fees, discretionary bonuses and the write-off of unearned compensation associated with the Subsequent Acquisition.

Operating Income. Consolidated operating income was $158.5 million for the 233 days ended December 31, 2005 and $112.3 million for the 174 days ended June 23, 2005 as compared to $100.0 million for the 304 days ended December 31, 2004 and $11.2 million for the 62 days ended March 2, 2004. This increase of $159.6 million for the combined periods ended December 31, 2005 compared to the combined periods ended December 31, 2004 was the result of an increase in petroleum operating income of $114.9 million and an increase in nitrogen fertilizer operating income of $44.6 million.

Interest Expense. Consolidated interest expense was $25.0 million for the 233 days ended December 31, 2005 and $7.8 million for the 174 days ended June 23, 2005 as compared to $10.1 million for the 304 days ended December 31, 2004 and $0 for the 62 days ended March 2, 2004. This increase of $22.7 million for the combined periods ended December 31, 2005 compared to the combined periods ended December 31, 2004 was the direct result of increased borrowings in 2005 associated with our first tier credit facility and second tier credit facility completed in association with the Subsequent Acquisition (See "— Liquidity and Capital Resources — Debt") and an increase in the actual rate of our borrowings due to both increases in index rates (LIBOR and prime rate) and applicable margins. The comparability of 2005 and 2004 interest expense has been impacted by the differing capital structures of Successor, Immediate Predecessor and Original Predecessor. See "— Factors Affecting Comparability."

Interest Income. Interest income was $1.0 million for the 233 days ended December 31, 2005 and $0.5 million for the 174 days ended June 23, 2005 as compared to $0.2 million for the 304 days ended December 31, 2004 and $0.0 million for the 62 days ended March 2, 2004. This increase of $1.3 million for the combined periods ended December 31, 2005 compared to the combined periods ended December 31, 2004 was the result of larger cash balances and higher yields on invested cash.

Gain (loss) on Derivatives. Gain (loss) on derivatives was a loss of $316.1 million for the 233 days ended December 31, 2005 and a loss of $7.7 million for the 174 days ended June 23, 2005 as compared to $0.5 million gain for the 304 days ended December 31, 2004 and $0 for the 62 days ended March 2, 2004. This dramatic decrease of $324.2 million for the combined periods ended December 31, 2005 compared to the combined periods ended December 31, 2004 is the result of a dramatic increase in losses on derivatives primarily attributable to our Cash Flow Swap and the accounting treatment for all of our derivative transactions. We determined that the Cash Flow Swap and our other derivative instruments do not qualify as hedges for hedge accounting purposes under SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*. Therefore, the net income for the year ended December 31, 2005 included both the realized and the unrealized losses on all derivatives. Since the Cash Flow Swap had a significant term remaining as of December 31, 2005 (approximately four years) and the NYMEX crack spread that is the basis for the underlying swap contracts that comprised the Cash Flow Swap had improved substantially, the unrealized losses on the Cash Flow Swap increased significantly as of December 31, 2005. The impact of these unrealized losses on all derivatives, including the Cash Flow Swap, resulted in unrealized losses of $229.8 million for 2005. Realized losses on derivative transaction comprised the balance of the losses for 2005 or $93.9 million. See "— Quantitative and Qualitative Disclosures About Market Risk — Commodity Price Risk."

Extinguishment of Debt. On June 24, 2005 and in connection with the acquisition of Immediate Predecessor by Coffeyville Acquisition LLC (see "— Factors Affecting Comparability"), we raised $800.0 million in long-term debt commitments under the First Lien Credit Facility and the Second Lien Credit Facility. As a result of the retirement of Immediate Predecessor's outstanding indebtedness consisting of $150.0 million term loan and revolving credit facilities, we recognized $8.1 million as a loss on extinguishment of debt in 2005. This compares to a loss on extinguishment of debt of $7.2 million for the year ended December 31, 2004. On May 10, 2004, we used proceeds from a $150.0 million term loan to pay off our then existing debt which was originally incurred on March 3, 2004. In connection with the extinguishment of debt, we recognized $7.2 million as a loss on extinguishment of debt in the 304 day period ended December 31, 2004.

Other Income (Expense). Other income (expense) was expense of $0.6 million for the 233 days ended December 31, 2005 and expense of $0.8 million for the 174 days ended June 23, 2005 as compared to income of $0.1 million for the 304 days ended December 31, 2004 and $0 for the 62 days ended March 2, 2004. This decrease of $1.4 million for the combined periods ended December 31, 2005 compared to the combined periods ended December 31, 2004 was primarily the result of asbestos related accruals in 2005.

Provision for Income Taxes. Our income tax benefit in the year ended December 31, 2005 was ($26.9 million), or 28.7% of loss before income tax, as compared to $33.8 million in 2004. The effective tax rate for 2005 was impacted by a realized loss on option agreements that expired unexercised. Coffeyville Acquisition LLC was the party to these agreements and the loss was incurred at that level which we effectively treated as a permanent non-deductible loss, therefore generating a lower effective tax rate on the net loss for the year.

Net Income. Net income was a loss of $119.2 million for the 233 days ended December 31, 2005 and net income $52.4 million for the 174 days ended June 23, 2005 as compared to net income of $49.7 million for the 304 days ended December 31, 2004 and net income of $11.2 million for the 62 days ended March 2, 2004. This decrease of $127.7 million for the combined periods ended December 31, 2005 compared to the combined periods ended December 31, 2004 was primarily due to losses on derivatives offset by improved margins in the year ending December 31, 2005 as compared to 2004.

304 Days Ended December 31, 2004 and the 62 Days Ended March 2, 2004 Compared to Year Ended December 31, 2003.

Net Sales. Consolidated net sales were $1,479.9 million for the 304 days ended December 31, 2004 and $261.1 for the 62 days ended March 2, 2004 compared to $1,262.2 million for the year ended December 31, 2003. The increase of $478.8 million for the combined periods of the year ended December 31, 2004 compared to the year ended December 31, 2003 was primarily due to an increase in petroleum net sales of $471.1 million due to both increased sales volumes ($83.2 million) and increased refined product prices ($387.9 million). Nitrogen fertilizer net sales increased $12.0 million in the combined periods of the year ended December 31, 2004 as compared to the year ended December 31, 2003 as a result of improved nitrogen fertilizer prices ($18.8 million), offset by a decline in overall fertilizer sales volume ($6.8 million).

Cost of Product Sold Exclusive of Depreciation and Amortization. Consolidated cost of product sold exclusive of depreciation and amortization was $1,244.2 million for the 304 days ended December 31, 2004 and $221.4 million for the 62 days ended March 2, 2004 compared to $1,061.9 million for the year ended December 31, 2003. This increase of $403.8 million for the combined periods of the year ended December 31, 2004 compared to the year ended December 31, 2003 was primarily due to an increase in crude oil costs and increased crude throughput in our Petroleum business for the year ended December 31, 2004 as compared to the year ended December 31, 2003. Nitrogen fertilizer cost of product sold also increased in the comparable periods primarily due to the recognition of the cost of pet coke after the Initial Acquisition as compared to zero value transfer during the Original Predecessor period.

Depreciation and Amortization. Consolidated depreciation and amortization was $2.4 million for the 304 days ended December 31, 2004 and $0.4 million for the 62 days ended March 2, 2004 compared to $3.3 million for the year ended December 31, 2003. This decrease of $0.5 million for the combined periods of the year ended December 31, 2004 compared to the year ended December 31, 2003 was due to a decrease in petroleum depreciation and amortization of $0.3 million and a decrease in nitrogen fertilizer depreciation and amortization of $0.2 million.

Direct Operating Expenses Exclusive of Depreciation and Amortization. Consolidated direct operating expenses exclusive of depreciation and amortization were $117.0 million for the 304 days ended December 31, 2004 and $23.4 million for the 62 days ended March 2, 2004 compared to $133.1 million for the year ended December 31, 2003. The increase of $7.2 million for the combined periods of the year ended December 31, 2004 compared to the year ended December 31, 2003 was primarily due to an increase in petroleum direct operating expenses of $8.1 million. This increase in the petroleum business was partially offset by a decrease in nitrogen fertilizer direct operating expenses of $0.8 million.

Operating Income. Consolidated operating income was $100.0 million for the 304 days ended December 31, 2004 and $11.2 million for the 62 days ended March 2, 2004 compared to $29.4 million for the year ended December 31, 2003. For the combined periods of the year ended December 31, 2004 compared to the year ended December 31, 2003, petroleum operating income increased $63.3 million and nitrogen fertilizer operating income increased by $18.6 million.

Selling, General and Administrative Expenses Exclusive of Depreciation and Amortization, Reorganization Expenses and Interest Expense. Consolidated selling, general and administrative expenses were $16.3 million for the 304 days ended December 31, 2004 and $4.7 million for the 62 days ended March 2, 2004 compared to $23.6 million for the year ended December 31, 2003. The $16.3 million of consolidated selling, general and administrative expenses for the 304 days ended

December 31, 2004 represented the cost associated with corporate governance, legal expenses, treasury, accounting, marketing, human resources and maintaining corporate offices in New York and Kansas City. During the predecessor periods, Farmland allocated corporate overhead based on internal needs, which may not have been representative of the actual cost to operate the businesses. In addition, during the year ended December 31, 2003, Farmland incurred a number of charges related to its bankruptcy. As a result of the charges and issues related to allocations, a comparison of selling, general and administrative expenses for the year ended December 31, 2004 to the year ended December 31, 2003 is not meaningful.

Extinguishment of Debt. On May 10, 2004, we used proceeds from a $150.0 million dollar term loan to pay off our then existing debt which was originally incurred on March 3, 2004. In connection with the extinguishment of debt, we recognized $7.2 million as a loss on extinguishment of debt in the 304 day period ended December 31, 2004.

Provision for Income Taxes. Original Predecessor was not a separate legal entity, and its operating results were included with the operating results of Farmland and its subsidiaries in filing consolidated federal and state income tax returns. Farmland did not allocate income taxes to its divisions. As a result, Original Predecessor periods do not reflect any provision for income taxes.

Net Income. Net income was $49.7 million for the 304 days ended December 31, 2004 and $11.2 million for the 62 days ended March 2, 2004 compared to $27.9 million for the year ended December 31, 2003. This increase of $33.0 million for the combined periods of the year ended December 31, 2004 compared to the year ended December 31, 2003 was due to both the change in ownership and improved results in both the petroleum business and the nitrogen fertilizer business.

Critical Accounting Policies

We prepare our consolidated financial statements in accordance with GAAP. In order to apply these principles, management must make judgments, assumptions and estimates based on the best available information at the time. Actual results may differ based on the accuracy of the information utilized and subsequent events. Our accounting policies are described in the Notes to our audited Financial Statements included elsewhere in this prospectus. Our critical accounting policies, which are described below, could materially affect the amounts recorded in our financial statements.

Impairment of Long-Lived Assets

During 2001, Farmland accounted for long-lived assets in accordance with SFAS No. 121, *Accounting for Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of.* SFAS No. 121 was superseded by SFAS No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets*, which was adopted by Farmland effective January 1, 2002.

In accordance with both SFAS No. 144 and SFAS No. 121, Farmland reviewed its long-lived assets for impairment whenever events or changes in circumstances indicated that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future net cash flows expected to be generated by the asset. If the carrying amount of an asset exceeded its estimated future undiscounted net cash flows, an impairment charge was recognized by the amount by which the carrying amount of the assets exceeded the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying value or fair value less cost to sell, and are no longer depreciated.

In its Plan of Reorganization, Farmland stated, among other things, its intent to dispose of its petroleum and nitrogen fertilizer assets. Despite this stated intent, these assets were not classified as held for sale under SFAS 144 until October 7, 2003 because, ultimately, any disposition must be approved by the bankruptcy court and the bankruptcy court did not approve such disposition until that date. Since Farmland determined that it was more likely than not that its assets would be disposed of, those assets were tested for impairment in 2002 pursuant to SFAS 144, using projected undiscounted net cash flows. Based on Farmland's best assumptions regarding the use and eventual disposition of those assets, primarily from indications of value received from potential bidders in the bankruptcy sales process, the assets were determined to exceed the fair value expected to be received on disposition by approximately $375.1 million. Accordingly, an impairment charge was recognized for that amount in 2002. The ultimate proceeds from disposition of these assets were decided in a bidding and auction process conducted in the bankruptcy proceedings. In 2003, as a result of receiving a bid from Coffeyville Resources, LLC, Farmland revised its estimate of the amount to be generated from the disposition of these assets and an additional impairment charge of $9.6 million was taken in the year ended December 31, 2003.

As of September 30, 2006, net property, plant and equipment totaled $928.2 million. To the extent events or circumstances change indicating the carrying amounts of our assets may not be recoverable, we could experience asset impairments in the future.

Derivative Instruments and Fair Value of Financial Instruments

We use futures contracts, options, and forward contracts primarily to reduce exposure to changes in crude oil prices, finished goods product prices and interest rates to provide economic hedges of inventory positions and anticipated interest payments on long term-debt. Although management considers these derivatives economic hedges, the Cash Flow Swap and our other derivative instruments do not qualify as hedges for hedge accounting purposes under SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*, and accordingly are recorded at fair value in the balance sheet. Changes in the fair value of these derivative instruments are recorded into earnings as a component of other income (expense) in the period of change. The estimated fair values of forward and swap contracts are based on quoted market prices and assumptions for the estimated forward yield curves of related commodities in periods when quoted market prices are unavailable. The Company recorded net gains (losses) from derivative instruments of ($323.7 million) and $44.7 million in gain (loss) on derivatives for the fiscal year ended December 31, 2005 and the nine months ended September 30, 2006.

As of September 30, 2006, a $1.00 change in quoted prices for the crack spreads utilized in the Cash Flow Swap would result in a $71.2 million change to the fair value of derivative commodity position and the same change to net income.

Environmental Expenditures

Liabilities related to future remediation of contaminated properties are recognized when the related costs are considered probable and can be reasonably estimated. Estimates of these costs are based upon currently available facts, existing technology, site-specific costs, and currently enacted laws and regulations. In reporting environmental liabilities, no offset is made for potential recoveries. All liabilities are monitored and adjusted as new facts or changes in law or technology occur. Environmental expenditures are capitalized when such costs provide future economic benefits. Changes in laws, regulations or assumptions used in estimating these costs could have a material impact to our financial statements. The amount recorded for environmental obligations at September 30, 2006 totaled $7.4 million, including $1.8 million included in current liabilities.

Share-Based Compensation

We estimated fair value of units for all applicable periods as described below.

At March 3, 2004, we determined the per unit value of the Original Predecessor common units by assessing the fair value of the preference components associated with the preferred units based on expected future cash flows of the business and subtracting that value from the total fair value of our equity to arrive at a fair value of the residual interests of the preferred and common units.

In addition to voting rights, the holders of the preferred units, who contributed all the cash into the Original Predecessor on the acquisition date, were entitled to a return of their contributed capital plus a 15% per annum preferred yield on any outstanding unreturned contributed capital. In determining the value that the preferred unit holders transferred to the common unit holders, rather than applying a waterfall method which would have resulted in no value, we applied a discounted cash flow analysis based on a range of potential earnings outcomes and assumptions. The percent of equity value transferred from the preferred unit holders to the common unit holders was based on the discounted cash flow analysis after giving effect to the preference obligations, including the 15% per annum preferred yield. Changes in assumptions such as discount rates, prices or operating plant operating conditions used to determine the forecasted cash flows used in the valuation could have a material impact on the percent of equity value allocated to the common units. In preparing the discounted cash flow analysis, the product sales price assumptions used for the fertilizer and refinery products assumed sustained prices for a five-year period at historically high levels.

In connection with its refinancing on May 10, 2004, we had obtained independent third party appraisals for the refinery and the nitrogen fertilizer plant property, plant and equipment. Taking into account the third party appraisals, we calculated an equity value for the business. The appraisals included market approach valuations and income approach valuations in the form of a discounted cash flow. The discounted cash flow analysis included assumptions for product sales prices consistent with readily available forward market indicators and reflected existing plant performance measures. Changes in assumptions such as discount rates, prices or operating plant operating conditions used to determine the forecasted cash flows used in the valuation could have a material impact on the equity value. Given the refinancing allowed us to settle the preference obligations, the equity value resulting from the appraisal was allocated pro rata to all unit holders for the 74,852,941 shares outstanding subject to a discount of 8% attributed to the common units for the non-voting status.

For the 141–day period ended September 30, 2005, the 233–day period ended December 31, 2005 and the nine month period ended September 30, 2006, we account for share-based compensation in accordance with Statement of Financial Accounting Standards (SFAS) No. 123(R), Share-Based Payments. SFAS 123(R) requires that compensation costs relating to share-based payment transactions be recognized in a company's financial statements. SFAS 123(R) applies to transactions in which an entity exchanges its equity instruments for goods or services and also may apply to liabilities an entity incurs for goods or services that are based on the fair value of those equity instruments.

In accordance with SFAS 123(R), we apply a fair-value-based measurement method in accounting for share-based override units and phantom points. See "Management–Employment Agreements, Separation and Consulting Agreement and Other Arrangements." Override units are equity classified awards measured using the grant date fair value with compensation expense recognized over the respective vesting period. Phantom points are liability classified awards marked to market based on their fair value at the end of each reporting period with compensation expense recognized over the respective vesting period.

At June 24, 2005 an independent third party appraisal for the refinery and the nitrogen fertilizer plant were obtained. Additionally, an independent appraisal process occurred at that time, to value the management common units that were subject to redemption and our override value units, override operating units and phantom points. The Monte Carlo method of valuation was utilized to value the override operating units, override value units and phantom points that were issued on June 24, 2005.

In addition, an independent appraisal process occurs each reporting period in order to revalue the management common units and phantom points. The significant assumptions that are used each reporting period to value the phantom and performance service points are: (1) estimated forfeiture rate; (2) explicit service period or derived service period as applicable, (3) grant-date fair value–controlling basis; (4) marketability and minority interest discounts and (5) volatility.

For the independent valuations that occurred as of December 31, 2005, June 30, 2006 and September 30, 2006, a Binomial Option Pricing Model was utilized to value the phantom points. Probability-weighted values that were determined in this independent valuation process were discounted to determine the present value of the units. Prospective financial information is utilized in the valuation process. A discounted cash flow method, a variation of the income approach, and a guideline company method, which is a variation of a market approach is utilized to value the management common units.

There is considerable judgment in the determination of the significant assumptions used in determining the fair value for our share based compensation. Changes in these assumptions could result in material changes in the amounts recognized as compensation expense in our consolidated financial statements. For example, if we accelerated the expected term or maturity date of the override units as a result of a change in assumptions for the timeframe for when the override units begin to receive distributions (i.e. timing of an exit event), or increased the current value of the common units based on changes in the projected future cash flows of the business, the measurement date fair value of the override units and the phantom points could materially increase, which could materially increase the amount of compensation expense recognized in our consolidated financial statements. In addition, changes in the assumptions of discount rate, volatility, or free cash flows will impact the amount of compensation expense recognized. The extent of the impact is influenced by the expected term or maturity date of the override units and current value of the common units.

Assuming an override maturity date beyond ten years, which increases the strike price as a result of requiring a higher return on the common units before distributions are paid to the override units, any changes to the discount rate, volatility, or free cash flows that would increase compensation expense are largely offset by the increase in the strike price. Assuming the September 30, 2006 value of the common units, which is significantly greater than the benchmark value of the override units and phantom points, accelerating the override maturity date from beyond ten years to an exit event or maturity date in 2013 would result in additional compensation expense of approximately $15 million, that would be recognized over the vesting period, as a result of accelerating the timeframe under which the override units would begin to receive distributions.

Purchase Price Accounting and Allocation

The Initial Acquisition and the Subsequent Acquisition described in Note 1 to our audited consolidated financial statements included elsewhere in this prospectus have been accounted for using the purchase method of accounting as of March 3, 2004 and June 24, 2005, respectively. The allocations of the purchase prices to the net assets acquired have been performed in accordance with SFAS No. 141, *Business Combinations.* In connection with the allocations of the purchase prices, management used estimates and assumptions to determine the fair value of the assets acquired and liabilities assumed. Changes in these assumptions and estimates such as discount rates and future cash flows used in the appraisal process could have a material impact on how the purchase prices were allocated at the dates of acquisition.

Income Taxes

Income tax expense is estimated based on the projected effective tax rate based upon future tax return filings. The amounts anticipated to be reported in those filings may change between the time the financial statements are prepared and the time the tax returns are filed. Further, because tax filings are subject to review by taxing authorities, there is also the risk that a position on a tax return may be challenged by a taxing authority. If the taxing authority is successful in asserting a position different than that taken by us, differences in a tax expense or between current and deferred tax items may arise in future periods. Any of these differences which could have a material impact on our financial statements would be reflected in the financial statements when management considers them probable of occurring and the amount reasonably estimatable.

Valuation allowances reduce deferred tax assets to an amount that will more likely than not be realized. Management's estimates of the realization of deferred tax assets is based on the information available at the time the financial statements are prepared and may include estimates of future income and other assumptions that are inherently uncertain. No valuation allowance is currently recorded, as we expect to realize our deferred tax assets.

Liquidity and Capital Resources

Our principal sources of liquidity are from cash and cash equivalents, cash from operations and borrowings under Coffeyville Resources, LLC's senior secured credit facilities.

Cash Balance and Other Liquidity

As of September 30, 2006, we had cash, cash equivalents and short-term investments of $38.1 million. We believe our September 30, 2006 cash levels, together with the availability of borrowings under our revolving loan facilities and the proceeds we receive from this offering, will be adequate to fund our cash requirements based on our current level of operations for at least the next twelve months. As of September 30, 2006, we had available up to $93.6 million under our then existing revolving loan facilities.

Debt

On December 28, 2006, our subsidiary Coffeyville Resources, LLC entered into a Credit Facility which provides financing of up to $1.075 billion. The Credit Facility consists of $775 million of tranche D term loans, a $150 million revolving credit facility, and a funded letter of credit facility of $150 million issued in support of the Cash Flow Swap. The Credit Facility is guaranteed by all of our subsidiaries and is secured by substantially all of their assets including the equity of our subsidiaries on a first lien priority basis.

The Credit Facility refinanced our then existing first lien credit facility and second lien credit facility, which were initially entered into on June 24, 2005 in conjunction with the Subsequent Acquisition. The first lien credit facility consisted of $225.0 million of tranche B term loans; $50 million of delayed draw term loans; a $100.0 million revolving loan facility; and a $150.0 million funded letter of credit facility issued in support of the Cash Flow Swap. The second lien credit facility consisted of a $275.0 million term loan. The first lien credit facility was amended and restated on June 29, 2006 on substantially the same terms as the June 24, 2005 agreement; the primary reason for the June 2006 amendment and restatement was to reduce the applicable margin spreads for borrowings on the first lien term loans and the funded letter of credit facility.

The $775.0 million of tranche D term loans are subject to quarterly principal amortization payments of 0.25% of the outstanding balance commencing on April 1, 2007 and increasing to 23.5% of the outstanding principal balance on April 1, 2013 and the next two quarters, with a final payment of the aggregate outstanding balance on December 28, 2013. Our first lien credit facility, now repaid in full, had a similar amortization schedule and prior to repayment in full we had made all of the quarterly principal amortization payments under that facility.

The revolving loan facility of $150.0 million provides for direct cash borrowings for general corporate purposes and on a short-term basis. Letters of credit issued under the revolving loan facility are subject to a $75.0 million sub-limit. The revolving loan commitment expires on December 28, 2012. The borrower has an option to extend this maturity upon written notice to the lenders; however, the revolving loan maturity cannot be extended beyond the final maturity of the term loans, which is December 28, 2013. As of December 31, 2006, we had available $143.6 million under the revolving credit facility.

The $150.0 million funded letter of credit facility provides credit support for our obligations under the Cash Flow Swap. The funded letter of credit facility is fully cash collateralized by the funding by the lenders of cash into a credit linked deposit account. This account is held by the funded letter of credit issuing bank. Contingent upon the requirements of the Cash Flow Swap, the borrower has the ability to reduce the funded letter of credit at any time upon written notice to the lenders. The funded letter of credit facility expires on December 28, 2010.

The net proceeds of $775.0 million received on December 28, 2006 from the term loans under the Credit Facility were used to repay the term loans under our then existing first lien credit facility, repay all amounts outstanding under our then existing second lien credit facility, pay related fees and expenses, and pay a dividend to existing members of Coffeyville Acquisition LLC in the amount of $250 million.

The net proceeds received in June 2005 from the tranche B term loan of $225.0 million under our then-existing first lien credit facility, second lien term loans of $275.0 million, $12.6 million of revolving loan facilities and a $227.7 million equity contribution from Coffeyville Acquisition LLC were utilized to fund the following upon the closing of the Subsequent Acquisition:

- $685.8 million for cash proceeds to Immediate Predecessor ($1,038.9 million of assets acquired less $353.1 million of liabilities assumed), including $12.6 million of legal, accounting, advisory, transaction and other expenses associated with the Subsequent Acquisition;
- $49.6 million of other fees and expenses related to the Subsequent Acquisition, including financing fees, risk management fees associated with option premiums for crack spread swaps, and title fees; and
- $4.9 million of cash to fund our operating accounts.

The Credit Facility incorporates the following pricing by facility type:

- Tranche D term loans bear interest at either (a) the greater of the prime rate and the federal funds effective rate plus 0.5%, plus in either case 2.00%, or, at the borrower's option, (b) LIBOR plus 3.00% (with step-downs to the prime rate/federal funds rate plus 1.50% or LIBOR plus 2.50%, respectively, upon achievement of certain rating conditions). Prior to the December 2006 amendment and restatement, first lien term loans accrued interest at (a) the greater of the prime rate and the federal funds rate plus 0.5%, plus in either case 1.25%, or, at the borrower's option, (b) LIBOR plus 2.25% (with potential stepdowns to LIBOR plus 2.00% or the prime rate plus 1.00%), and second lien term loans accrued interest at a rate of LIBOR plus 6.75% or, at the borrower's option, the prime rate plus 5.75%.
- Revolving loan borrowings bear interest at either (a) the greater of the prime rate and the federal funds effective rate plus 0.5%, plus in either case 2.00%, or, at the borrower's option, (b) LIBOR plus 3.00% (with step-downs to the prime rate/federal funds rate plus 1.50% or LIBOR plus 2.50%, respectively, upon achievement of certain rating conditions). Prior to the December 2006 amendment and restatement, revolving loans under the then-existing first lien credit facility accrued interest at (a) the greater of the prime rate and the federal funds effective rate plus 0.5%, plus in either case 1.50%, or, at the borrower's option, (b) LIBOR plus 2.50%, (with potential stepdowns to LIBOR plus 2.00% or the prime rate plus 1.00%).
- Letters of credit issued under the $75.0 million sub-limit available under the revolving loan facility are subject to a fee equal to the applicable margin on revolving LIBOR loans owing to all revolving lenders and a fronting fee of 0.25% per annum owing to the issuing lender.
- Funded letters of credit are subject to a fee equal to the applicable margin on term LIBOR loans owed to all funded letter of credit lenders and a fronting fee of 0.125% per annum owing to the issuing lender. The borrower is also obligated to pay a fee of 0.10% to the administrative agent on a quarterly basis based on the average balance of funded letters of credit outstanding during the calculation period, for the maintenance of a credit-linked deposit account backstopping funded letters of credit.

In addition to the fees stated above, the Credit Facility requires the borrower to pay 0.50% per annum in commitment fees on the unused portion of the revolving loan facility.

The Credit Facility requires the borrower to prepay outstanding loans, subject to certain exceptions, with:

- 100% of the net asset sale proceeds received from specified asset sales and net insurance/condemnation proceeds, if the borrower does not reinvest those proceeds in assets to be used in its business or make other permitted investments within 12 months or if, within 12 months of receipt, the borrower does not contract to reinvest those proceeds in assets to be used in its business or make other permitted investments within 18 months of receipt, each subject to certain limitations;

- 100% of the cash proceeds from the incurrence of specified debt obligations;
- 75% of "consolidated excess cash flow" less 100% of voluntary prepayments made during the fiscal year; provided that with respect to any fiscal year commencing with fiscal 2008 this percentage will be reduced to 50% if the total leverage ratio at the end of such fiscal year is less than 1.50:1.00 and 25% if the total leverage ratio as of the end of such fiscal year is less than 1.00:1.00; and
- 100% of the cash proceeds received by us from any initial public offering or secondary registered offering of equity interests, until the aggregate amount of such proceeds is equal to $280 million.

Mandatory prepayments will be applied first to the term loan, second to the swing line loans, third to the revolving loans, fourth to outstanding reimbursement obligations with respect to revolving letters of credit and funded letters of credit, and fifth to cash collateralize revolving letters of credit and funded letters of credit. Voluntary prepayments of loans under the Credit Facility are permitted, in whole or in part, at the borrower's option, without premium or penalty. This offering will trigger a mandatory prepayment of the Credit Facility.

The Credit Facility contains customary covenants. These agreements, among other things, restrict, subject to certain exceptions, the ability of Coffeyville Resources, LLC and its subsidiaries to incur additional indebtedness, create liens on assets, make restricted junior payments, enter into agreements that restrict subsidiary distributions, make investments, loans or advances, engage in mergers, acquisitions or sales of assets, dispose of subsidiary interests, enter into sale and leaseback transactions, engage in certain transactions with affiliates and shareholders, change the business conducted by the credit parties, and enter into hedging agreements. The Credit Facility provides that Coffeyville Resources, LLC may not enter into commodity agreements if, after giving effect thereto, the exposure under all such commodity agreements exceeds 75% of Actual Production (the borrower's estimated future production of refined products based on the actual production for the three prior months) or for a term of longer than six years from December 28, 2006. In addition, the borrower may not enter into material amendments related to any material rights under the Cash Flow Swap or the management agreements with the Goldman Sachs Funds and the Kelso Funds, without the prior written approval of the lenders. These limitations are subject to critical exceptions and exclusions and are not designed to protect investors in our common stock.

The Credit Facility also requires the borrower to maintain certain financial ratios as follows:

Fiscal quarter ending	Minimum interest coverage ratio	Maximum leverage ratio
March 31, 2007	2.25:1.00	4.75:1.00
June 30, 2007	2.50:1.00	4.50:1.00
September 30, 2007	2.75:1.00	4.25:1.00
December 31, 2007	2.75:1.00	4.00:1.00
March 31, 2008	3.25:1.00	3.25:1.00
June 30, 2008	3.25:1.00	3.00:1.00
September 30, 2008	3.25:1.00	2.75:1.00
December 31, 2008	3.25:1.00	2.50:1.00
March 31, 2009 and thereafter	3.75:1.00	2.25:1.00 to December 31, 2009, 2.00:1.00 thereafter

The computation of these ratios is governed by the specific terms of the Credit Facility and may not be comparable to other similarly titled measures computed for other purposes or by other companies. The minimum interest coverage ratio is the ratio of consolidated adjusted EBITDA to consolidated cash interest expense over a four quarter period. The maximum leverage ratio is the ratio of consolidated total debt to consolidated adjusted EBITDA over a four quarter period. The computation of these ratios requires a calculation of consolidated adjusted EBITDA. In general, under the terms of our Credit Facility, consolidated adjusted EBITDA is calculated by adding consolidated net income, consolidated interest expense, income taxes, depreciation and amortization, other non-cash expenses, any fees and expenses related to permitted acquisitions, any non-recurring expenses incurred in connection with the issuance of debt or equity, management fees, any unusual or non-recurring charges up to 7.5% of consolidated adjusted EBITDA, any net after-tax loss from disposed or discontinued operations, any incremental property taxes related to abatement non-renewal, any losses attributable to minority equity interests and major scheduled turnaround expenses.

We present consolidated adjusted EBITDA because it is a material component of material covenants within our current Credit Facility and significantly impacts our liquidity and ability to borrow under our revolving line of credit. However, consolidated adjusted EBITDA is not a defined term under GAAP and should not be considered as an alternative to operating income or net income as a measure of operating results or as an alternative to cash flows as a measure of liquidity. Consolidated adjusted EBITDA is calculated under the Credit Facility as follows:

Consolidated Financial Results	Original Predecessor	Original Predecessor and Immediate Predecessor Combined (non-GAAP)	Immediate Predecessor and Successor Combined (non-GAAP)	Immediate Predecessor and Successor Combined (non-GAAP)	Successor	Successor (non-GAAP)
	Year Ended December 31,			Nine Months Ended September 30,		Twelve Months Ended September 30,
	2003	2004	2005	2005	2006	2006
		(unaudited)	(unaudited) (in millions)	(unaudited)		(unaudited)
Net income (loss)	$ 27.9	$ 60.9	$ (66.8)	$ (200.2)	$ 170.8	$ 304.2
Plus:						
Depreciation and amortization	3.3	2.8	25.1	13.0	36.8	48.9
Interest expense	1.3	10.1	32.8	20.0	33.0	45.8
Income tax expense (benefit)	—	33.8	(26.9)	(114.7)	111.0	198.8
Impairment of property, plant and equipment	9.6	—	—	—	—	—
Loss on extinguishment of debt	—	7.2	8.1	8.1	—	—
Inventory fair market value adjustment	—	3.0	16.6	16.9	—	(0.3)
Funded letters of credit expenses and interest rate swap not included in interest expense	—	—	2.3	1.4	0.2	1.1
Major scheduled turnaround expense	—	1.8	—	—	4.4	4.4
Loss on termination of Swap	—	—	25.0	25.0	—	—
Unrealized (gain) or loss on hedge derivatives	—	—	229.8	421.7	(81.6)	(273.5)
Non-cash compensation expense for equity awards	—	1.1	1.8	1.3	2.3	2.8
(Gain) or loss on disposition of fixed assets	—	—	—	—	1.2	1.2
Expenses related to acquisition	—	—	3.5	3.5	—	—
Management fees	—	0.5	2.3	1.7	1.6	2.2
Consolidated Adjusted EBITDA	$ 42.1	$ 121.2	$ 253.6	$ 197.7	$ 279.7	$ 335.6

In addition to the financial covenants summarized in the table above, the Credit Facility restricts the capital expenditures of Coffeyville Resources, LLC to $225 million in 2007 (plus the difference between $260 million and the amount spent on capital expenditures in 2006), $100 million in 2008, $80 million in 2009, $80 million in 2010, and $50 million in 2011 and each year thereafter. The capital expenditures covenant includes a mechanism for carrying over the excess of any previous year's capital expenditure limit. The capital expenditures limitation will not apply for any fiscal year commencing with fiscal 2009 if the borrower consummates an initial public offering and obtains a total leverage ratio of less than or equal to 1.25:1.00 for any quarter commencing with the quarter ended December 31, 2008. We believe the limitations on our capital expenditures imposed by the Credit Facility should allow us to meet our current capital expenditure needs. However, if future events require us or make it beneficial for us to make capital expenditures beyond those currently planned, we would need to obtain consent from the lenders under our Credit Facility.

The Credit Facility also contains customary events of default. The events of default include the failure to pay interest and principal when due, including fees and any other amounts owed under the Credit Facility, a breach of certain covenants under the Credit Facility, a breach of any representation or warranty contained in the Credit Facility, any default under any of the documents entered into in connection with the Credit Facility, the failure to pay principal or interest or any other amount payable under other debt arrangements in an aggregate amount of at least $20 million, a breach or default with respect to material terms under other debt arrangements in an aggregate amount of at least $20 million which results in the debt becoming payable or declared due and payable before its stated maturity, a breach or default under the Cash Flow Swap that would permit the holder or holders to terminate the Cash Flow Swap, events of bankruptcy, judgments and attachments exceeding $20 million, events relating to employee benefit plans resulting in liability in excess of $20 million, a change in control, the guarantees, collateral documents or the Credit Facility failing to be in full force and effect or being declared null and void, any guarantor repudiating its obligations, the failure of the collateral agent under the Credit Facility to have a lien on any material portion of the collateral, and any party under the Credit Facility (other than the agent or lenders under the Credit Facility) contesting the validity or enforceability of the Credit Facility.

The Credit Facility is subject to an intercreditor agreement among the lenders and the Cash Flow Swap provider, which deal with, among other things, priority of liens, payments and proceeds of sale of collateral.

At December 31, 2006, funded long-term debt, including current maturities, totaled $775.0 million of tranche D term loans. Other commitments included a $150.0 million funded letter of credit facility and a $150.0 million revolving credit facility. As of December 31, 2006, the commitments outstanding on the revolving loan facilities were $3.2 million in letters of credit issued in support of certain environmental obligations and $3.2 million in letters of credit to secure transportation services for a crude oil pipeline.

We are required to measure our compliance with the financial ratios and other required metrics under our credit agreements on a quarterly basis and we were in compliance with those ratios as of September 30, 2006. As of September 30, 2006, our minimum interest coverage ratio was 6.49:1 and our maximum leverage ratio was 1.51:1, in each case as such ratios were defined and calculated in the first and second lien credit agreements.

Capital Spending

We divide our capital spending needs into two categories: non-discretionary, which is either capitalized or expensed, and discretionary, which is capitalized. Non-discretionary capital spending, such as for planned turnarounds and other maintenance, is required to maintain safe and reliable operations or to comply with environmental, health and safety regulations. Our total non-discretionary capital spending needs, including turnaround expenses, were approximately $126 million in 2006 and we estimate that our total non-discretionary capital spending needs will be approximately $122 million in 2007 and approximately $159 million in the aggregate over the three-year period beginning 2008. These estimates include, among other items, the capital costs necessary to comply with environmental regulations, including Tier II gasoline standards and on-road diesel regulations. As described above, our credit facilities limit the amount we can spend on capital expenditures.

Compliance with the Tier II gasoline and on-road diesel standards required us to spend approximately $83 million during 2006 and we estimate that compliance will require us to spend approximately $33 million during 2007 and approximately $25 million in the aggregate between 2008 and 2010. See “Business — Environmental Matters — Fuel Regulations — Tier II, Low Sulfur Fuels.”

The following table sets forth our estimate of our non-discretionary spending for the years presented as of December 31, 2006:

	2006	2007	2008	2009	2010	Cumulative Through 2010
			(in millions)			
Environmental capital needs	$ 95.2	$ 57.3	$ 9.1	$ 12.7	$ 42.7	$ 217.0
Sustaining capital needs	23.7	26.9	16.6	16.1	20.0	103.3
Subtotal	$ 118.9	$ 84.2	$ 25.7	$ 28.8	$ 62.7	$ 320.3
Turnaround expenses	6.6	38.0	5.5	3.0	32.9	86.0
Total estimated non-discretionary spending	$ 125.5	$ 122.2	$ 31.2	$ 31.8	$ 95.6	$ 406.3

We undertake discretionary capital spending based on the expected return on incremental capital employed. Discretionary capital projects generally involve an expansion of existing capacity, improvement in product yields, and/or a reduction in direct operating expenses. As of September 30, 2006, we had committed approximately $170 million towards discretionary capital spending in 2006.

Cash Flows

Comparability of cash flows from operating activities, investing activities and financing activities for the nine months ended September 30, 2006 and 2005 and the years ended December 31, 2005, 2004 and 2003 has been impacted by the Initial Acquisition and the Subsequent Acquisition. See "Factors Affecting Comparability." Therefore, we have presented our discussion of cash flows from operating activities, investing activities and financing activities by comparing (1) the nine months ending September 30, 2006 with the 174 days ended September 23, 2005 and the 141 days ended September 30, 2005, (2) the 233 days ended December 31, 2005, the 174 days ended September 23, 2005, the 304 days ended December 31, 2004 and the 62 days ended March 2, 2004 and (3) the year ended December 31, 2003, the 62 days ended March 2, 2004, and the 304 days ended December 31, 2004.

Operating Activities

Comparison of Nine Months Ended September 30, 2006, the 174 Days Ended June 23, 2005 and the 141 Days Ended September 30, 2005.

Comparability of cash flows from operating activities for the nine months ended September 30, 2006 and the nine months ended September 30, 2005 has been impacted by the Initial Acquisition and the Subsequent Acquisition. See "— Factors Affecting Comparability." For instance, completion of the Subsequent Acquisition by Successor required a mark up of purchased inventory to fair market value at the closing of the transaction on June 24, 2005. This had the effect of reducing overall cash flow for Successor as it capitalized that portion of the purchase price of the assets into cost of product sold. Therefore, the discussion of cash flows from operations has been broken down into three separate periods: the nine months ending September 30, 2006, the 174 days ended June 23, 2005 and the 141 days ended September 30, 2005.

Net cash flows from operating activities for the nine months ended September 30, 2006 was $97.9 million. The positive cash flow from operating activities generated over this period was primarily driven by our strong operating environment and favorable changes in other assets and liabilities, partially offset by unfavorable changes in trade working capital and other working capital over the period. For purposes of this cash flow discussion, we define trade working capital as accounts receivable, inventory and accounts payable. Other working capital is defined as all other current assets and liabilities except trade working capital. Net income for the period was not indicative of the operating margins for the period. This is the result of the accounting treatment of our derivatives in general and more specifically, the Cash Flow Swap. See "— Consolidated Results of Operations — Nine Months Ended September 30, 2006 Compared to the 174 Days Ended June 23, 2005 and the

141 Days Ended September 30, 2005." We have determined that the Cash Flow Swap does not qualify as a hedge for hedge accounting purposes under SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities.* Therefore, the net income for the nine months ended September 30, 2006 included both the realized losses and the unrealized gains on the Cash Flow Swap. Since the Cash Flow Swap had a significant term remaining as of September 30, 2006 (approximately three years and nine months) and the NYMEX crack spread that is the basis for the underlying swaps had declined substantially, the unrealized gains on the Cash Flow Swap significantly increased our Net Income over this period. The impact of these unrealized gains on the Cash Flow Swap is apparent in the $88.5 million decrease in the payable to swap counterparty. Reducing our operating earnings for the nine months ended September 30, 2006 was a $37.0 million use of cash related to an increase in trade working capital. For the nine months ending September 30, 2006, accounts receivable decreased approximately $23.1 million while inventory increased $59.8 million. The primary reason for the increase in inventory relates to the increased unit volumes in inventory and also overall price increases in the related crude oil and refined product inventory. Other primary uses of cash during the period include a $16.5 million increase in prepaid expenses and other current assets and a $16.6 million reduction in accrued income taxes. Offsetting these uses of cash was a $57.5 million increase in deferred income taxes primarily the result of the unrealized gain on the Cash Flow Swap.

Net cash flows from operating activities for the 174 days ended June 23, 2005 was $12.7 million. The positive cash flow generated over this period was primarily driven by strong income of $52.4 million, offset by a $54.3 million increase in trade working capital. During this period, accounts receivable and inventory increased $11.3 million and $59.0 million, respectively. These uses of cash were primarily the result of our expansion into the rack marketing business, which offered increased accounts receivable credit terms relative to bulk refined product sales, an increase in product sales prices and an increase in overall inventory levels.

Net cash flows provided by operating activities for the 141 days ended September 30, 2005 was $63.3 million. The positive cash flow from operating activities during this period was primarily the result of strong operating earnings during the period partially offset by the expensing of a $25.0 million option entered into by Successor for the purpose of hedging certain levels of refined product margins and the accounting treatment of our derivatives in general and more specifically, the Cash Flow Swap. At the closing of the Subsequent Acquisition, we determined that this option was not economical and we allowed the option to expire worthless and thus resulted in the expensing of the associated premium. See "— Quantitative and Qualitative Disclosures About Market Risk — Commodity Price Risk" and "— Consolidated Results of Operations — Nine Months Ended September 30, 2006 Compared to the 174 Days Ended June 23, 2005 and the 141 Days Ended September 30, 2005." We have determined that the Cash Flow Swap does not qualify as a hedge for hedge accounting purposes under SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities.* Therefore, the net income for the nine months ended September 30, 2005 included the unrealized losses on the Cash Flow Swap. Since the Cash Flow Swap became effective July 1, 2005 and had an original term of approximately five years and the NYMEX crack spread that is the basis for the underlying swaps had improved since the trade date of the Cash Flow Swap on June 16, 2005, the unrealized losses on the Cash Flow Swap significantly reduced our net income over this period. The impact of these unrealized losses on all derivatives, including the Cash Flow Swap, is apparent in the $466.7 million increase in the payable to swap counterparty. Additionally and as a result of the closing of the Subsequent Acquisition, Successor marked up the value of purchased inventory to fair market value at the closing of the transaction on June 24, 2005. This had the effect of reducing overall cash flow for Successor as it capitalized that portion of the purchase price of the assets into cost of product sold. The total impact of this for the 141 days ended September 30, 2005 was $14.3 million. Trade working capital provided $4.5 million in cash during the 141 days ended September 30, 2005 as an increase in accounts receivable was more than offset by decreases in inventory and an increase in accounts payable. Offsetting the sources of cash from operating activities highlighted above was a $175.6 million use of cash related to deferred income taxes.

Comparison of the 233 Days Ended December 31, 2005, the 174 Days Ended June 23, 2005, the 304 Days Ended December 31, 2004 and the 62 Days Ended March 2, 2004.

Comparability of cash flows from operating activities for the year ended December 31, 2005 to the year ended December 31, 2004 has been impacted by the Initial Acquisition and the Subsequent Acquisition. See "— Factors Affecting Comparability." Immediate Predecessor did not assume the accounts receivable or the accounts payable of Farmland. As a result, Farmland collected and made payments on these accounts after March 3, 2004 and these transactions are not included on our consolidated statements of cash flows. In addition, Coffeyville Acquisition LLC's acquisition of the subsidiaries of Coffeyville Group Holdings, LLC required a mark up of purchased inventory to fair market value at the closing of the Initial Acquisition on June 24, 2005. This had the effect of reducing overall cash flow for Coffeyville Acquisition LLC as it capitalized that portion of the purchase price of the assets into cost of product sold. Therefore, the discussion of cash flows from operations has been broken down into four separate periods: the 233 days ended December 31, 2005, the 174 days ended June 23, 2005, the 304 days ended December 31, 2004 and the 62 days ended March 2, 2004.

Net cash flows for operating activities for the 233 days ended December 31, 2005 was $82.5 million. The positive cash flow from operating activities generated over this period was primarily driven by our strong operating environment and favorable changes in other working capital over the period. For purposes of this cash flow discussion, we define trade working capital as accounts receivable, inventory and accounts payable. Other working capital is defined as all other current assets and liabilities except trade working capital. The net income for the period was not indicative of the excellent operating margins for the period. This is the result of the accounting treatment of our derivatives in general and more specifically, the Cash Flow Swap. See "— Consolidated Results of Operations — 233 Days Ended December 31, 2005 and the 174 Days Ended June 23, 2005 Compared to the 304 Days Ended December 31, 2004 and the 62 Days Ended March 2, 2004." We have determined that the Cash Flow Swap does not qualify as a hedge for hedge accounting purposes under SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*. Therefore, the net income for the 233 days ended December 31, 2005 included both the realized and the unrealized losses on the Cash Flow Swap. Since the Cash Flow Swap had a significant term remaining as of December 31, 2005 (approximately four and one-half years) and the NYMEX crack spread that is the basis for the underlying swaps had improved substantially, the unrealized losses on the Cash Flow Swap significantly reduced our Net Income over this period. The impact of these unrealized losses on all derivatives, including the Cash Flow Swap, is apparent in the $256.7 million unrealized loss in the period related to the increase in the payable to swap counterparty. Contributing to the sources of cash for operating activities during the period was a decrease of trade working capital of $8.0 million and an increase in both deferred revenue and other current liabilities of $10.0 million and $10.5 million, respectively. Primary uses of cash during the period were related to increases in prepaid expenses of $6.5 million due to increases in insurance and other prepaids and an increase in deferred income taxes associated with purchase price accounting for the transaction of $98.4 million.

Net cash flows for operating activities for the 174 days ended June 23, 2005 was $12.7 million. The positive cash flow generated over this period was primarily driven by income of $52.4 million, offset by a $54.3 million increase in trade working capital. During this period, accounts receivable and inventory increased $11.3 million and $59.0 million, respectively. These uses of cash were primarily the result of our expansion into the rack marketing business, which offered increased accounts receivable credit terms relative to bulk refined product sales, an increase in product sales prices and an increase in overall inventory levels.

Net cash flow from operating activities for the 304 days ended December 31, 2004 was $89.8 million. The primary driver for the positive cash flow from operations over this period was cash earnings and favorable changes in trade working capital. During this period, we experienced favorable market conditions in our petroleum and nitrogen fertilizer businesses. Changes in trade working capital produced cash flow of approximately $27.6 million during this period. For the 304 days ended December 31, 2004, we experienced a $20.1 million decrease in inventory due to an effort to reduce inventory carrying levels and a $31.1 million increase in accounts payable due to the extension of credit terms by several crude oil vendors and a large electricity vendor. These positive cash flows from operations were partially offset by an increase in accounts receivable of $23.6 million as Immediate Predecessor assumed ownership of the business from Farmland. In addition, changes in other working capital generated approximately $8.7 million in cash during the period. This was primarily the result of increases in other current liabilities by $13.0 million as a result of accruals for personnel, taxes other than income taxes, leases, freight and professional services, offset by reductions in certain prepaid expenses.

Net cash from operating activities for the 62 days ended March 2, 2004 was $53.2 million. The positive cash flow generated over this period was primarily driven by cash earnings and favorable changes in other working capital of $34.4 million. With respect to other working capital, $25.7 million in cash resulted from reductions in prepaid expenses and other current assets due to the reduction in prepaid crude oil required by Farmland due to the Initial Acquisition by Coffeyville Group Holdings, LLC and $8.3 million of deferred revenue resulting primarily from prepaid fertilizer contract activity of our nitrogen fertilizer operations. The $6.5 million of cash flows generated from trade working capital was mainly the result of a $19.6 million decrease in accounts receivable due to the collection of a large petroleum account, which had been past due.

Comparison of the Year Ended December 31, 2003, the 62 Days Ended March 2, 2004 and the 304 Days Ended December 31, 2004.

Comparability of cash flows from operating activities for the year ended December 31, 2004 to 2003 has been impacted by the closing of the Initial Acquisition on March 3, 2004. We did not assume the accounts receivable or the accounts payable of Farmland. As a result, Farmland collected and made payments on these accounts after March 3, 2004 and these transactions are not included on our consolidated statements of cash flows. Therefore, this discussion of the cash flow from operations has been separated into three periods: the year ended December 31, 2003, the 62 days ended March 2, 2004 and the 304 days ended December 31, 2004.

Net cash flow from operating activities for the 304 days ended December 31, 2004 was $89.8 million. The primary driver for the positive cash flow from operations over this period was cash earnings and favorable changes in trade working capital. For purposes of this cash flow discussion, we define trade working capital as accounts receivable, inventory and accounts payable. Other working capital is defined as all other current assets and liabilities except trade working capital. During this period, we experienced favorable market conditions in our petroleum and nitrogen fertilizer businesses. Changes in trade working capital produced cash flow of approximately $27.6 million during this period. For the 304 days ended December 31, 2004, we experienced a $20.1 million decrease in inventory due to an effort to reduce inventory carrying levels and a $31.1 million increase in accounts payable due to the extension of credit terms by several crude oil vendors and a large electricity vendor. These positive cash flows from operations were partially offset by an increase in accounts receivable of $23.6 million as Immediate Predecessor assumed ownership of the business from Farmland. In addition, changes in other working capital generated approximately $8.7 million in cash during the period. This was primarily the result of increases in other current liabilities by $13.0 million as a result of accruals for personnel, taxes other than income taxes, leases, freight and professional services, offset by reductions in certain prepaid expenses.

Net cash flow from operating activities for the 62 days ended March 2, 2004 was $53.2 million. The positive cash flow generated over this period was primarily driven by cash earnings and favorable changes in other working capital of $34.4 million. With respect to other working capital, $25.7 million in cash resulted from reductions in prepaid expenses and other current assets due to the reduction in prepaid crude oil required by Farmland due to the Initial Acquisition by Coffeyville Group Holdings, LLC and $8.3 million of deferred revenue resulting primarily from prepaid fertilizer contract activity of our nitrogen fertilizer operations. The $6.5 million of cash flows generated from trade working capital was mainly the result of a $19.6 million decrease in accounts receivable due to the collection of a large petroleum account, which had been past due.

Net cash flow from operating activities for the year ended December 31, 2003 was $20.3 million. The positive cash flow from operations over this period was directly attributable to cash earnings offset by unfavorable changes in trade and other working capital. The positive cash earnings were the result of an improvement in the environment for both our petroleum and nitrogen fertilizer businesses versus the prior period. The $6.6 million cash outflow resulting from changes in trade working capital was primarily attributable to a $25.3 million increase in accounts receivable due to the delinquency of a large petroleum customer. This increase in accounts receivable was partially offset by a reduction in inventory by $10.4 million and an $8.3 million increase in accounts payable. The increase in other working capital of $21.8 million was primarily driven by a $23.8 million increase in prepaid expenses and other current assets directly attributable to the necessity for Farmland to prepay its crude oil supply during its bankruptcy.

Investing Activities

Nine Months Ended September 30, 2006 Compared to the 174 Days Ended June 23, 2005 and the 141 Days Ended September 30, 2005.

Net cash used in investing activities for the nine months ended September 30, 2006 was $173.0 million compared to $12.3 million for the 174 days ended June 23, 2005 and $697.2 million for the 141 days ended September 30, 2005. Investing activities for the nine months ended September 30, 2006 was the result of a capital spending increase associated with Tier II fuel compliance and other capital expenditures. Investing activities for the combined period ended September 30, 2005 included $685.1 million related to the Subsequent Acquisition. The other primary use of cash for investing activities for the nine months ended September 30, 2005 was approximately $24.4 million in capital expenditures.

233 Days Ended December 31, 2005 and the 174 Days Ended June 23, 2005 Compared to the 304 Days Ended December 31, 2004 and the 62 Days Ended March 2, 2004.

Net cash used in investing activities was $730.3 million for the 233 days ended December 31, 2005 and $12.3 million for the 174 days ended June 23, 2005 as compared to $130.8 million for the 304 days ended December 31, 2004 and $0 for the 62 days ended March 2, 2004. For the combined the years ended December 31, 2005 and December 31, 2004, net cash used in investing activities was $742.6 million as compared to $130.8 million. Both periods included acquisition costs associated with successive owners of the assets. Investing activities for the year ended December 31, 2005 included the $685.1 million related to the Subsequent Acquisition. Investing activities for the year ended December 31, 2004 included the $116.6 million acquisition of our assets by Immediate Predecessor from Original Predecessor on March 3, 2004. The other primary use of cash for investing activities was $57.4 million for capital expenditures in 2005 as compared to $14.2 million for 2004. This increase in capital expenditures was primarily the result of a capital spending increase associated with Tier II fuel compliance and other capital expenditures.

304 Days Ended December 31, 2004 and the 62 Days Ended March 2, 2004 Compared to Year Ended December 31, 2003.

Net cash used in investing activities for the 304 days ended December 31, 2004 was $130.8 million and $0 for the 62 days ended March 2, 2004 as compared to $0.8 million in 2003. This difference in the combined periods for the year ended December 31, 2004 and the year ended December 31, 2003 of $130.0 million is directly attributable to an increase in capital expenditures and the acquisition of the Farmland assets during the comparable periods. Throughout its bankruptcy, Farmland maintained capital expenditures for its petroleum and nitrogen assets at a minimum.

Financing Activities

Nine Months Ended September 30, 2006 Compared to the 174 Days Ended June 23, 2005 and the 141 Days Ended September 30, 2005.

Net cash provided by financing activities in the nine months ended September 30, 2006 was $48.5 million as compared to net cash used by financing activities for the 174 days ended June 23, 2005 of $52.4 million and net cash provided by financing activities of $713.2 million for the 141 days ended September 30, 2005. For the combined period ended September 30, 2005, net cash provided by financing activities was $660.8 million. The primary sources of cash for the nine months ended September 30, 2006 were $20.0 million of additional equity contributions into Coffeyville Acquisition LLC, which was subsequently contributed to our operating subsidiaries, and $30.0 million of additional delayed draw term loans. These sources of cash were specifically generated to fund a portion of two discretionary capital expenditures at our petroleum operations. During this period, we also paid $1.7 million of scheduled principal payments on the first lien term loans. The primary sources of cash for the combined periods ended September 30, 2005 related to the funding of Successor's acquisition of the assets on June 24, 2005 in the form of $500.0 million in long-term debt and $237.7 million of equity. Additional sources of funds during the nine months ending September 30, 2005 were obtained through the borrowing of $0.2 million in revolving loan proceeds, net of $69.6 million of repayments. Offsetting these sources of cash from financing activities during the nine months ending September 30, 2005 were $24.4 million in deferred financing costs associated with the first and second lien debt commitments raised by Successor in connection with the Subsequent Acquisition (see "— Liquidity and Capital Resources — Debt") and a $52.2 million cash distribution to Immediate Predecessor prior to the Subsequent Acquisition.

233 Days Ended December 31, 2005 and the 174 Days Ended June 23, 2005 Compared to the 304 Days Ended December 31, 2004 and the 62 Days Ended March 2, 2004.

Net cash provided by financing activities for the 233 days ended December 31, 2005 was $712.5 million and net cash used by financing activities for the 174 days ended June 23, 2005 was $52.4 million. Net cash provided by financing activities for the 304 days ended December 31, 2004 was $93.6 million and net cash used by financing activities was $53.2 million. For the combined periods ended December 31, 2005 and December 31, 2004, net cash used in investing activities was $660.0 million and $40.4 million, respectively. The primary sources of cash for the combined periods of 2005 related to the funding of Successor's acquisition of the assets on June 24, 2005 in the form of $500.0 million in long-term debt and $227.7 million of equity. Additional equity of $10.0 million was contributed into Coffeyville Acquisition LLC subsequent to the aforementioned acquisition, which was subsequently contributed to our operating subsidiaries, in order to fund a portion of two discretionary capital expenditures at our refining operations. Offsetting these sources of cash from financing activities during the year ended December 31, 2005 were $24.7 million in deferred financing costs associated with the first and second lien debt commitments raised by Coffeyville Acquisition LLC in connection with the Subsequent Acquisition (see "— Liquidity and Capital Resources — Debt") and a $52.2 million cash distribution to the owners of Coffeyville Group Holdings, LLC prior to the Subsequent Acquisition.

The uses of cash for financing activities for the combined periods ended December 31, 2004 related primarily to the prepayment of the $23.0 million term loan, a $100.0 million cash distribution to the holders of the preferred and common units issued by Coffeyville Group Holdings, LLC, $1.2 million repayment of a capital lease obligation, $16.3 million in financing costs and $53.2 million in net divisional equity distribution to Farmland. We used cash from operations, a $63.3 million equity contribution related to the Initial Acquisition and a new term loan for $150.0 million completed on May 10, 2004 to finance the aforementioned cash outflows in 2004.

304 Days Ended December 31, 2004 and the 62 Days Ended March 2, 2004 Compared to Year Ended December 31, 2003.

Net cash provided by financing activities for the 304 days ended December 31, 2004 was $93.6 million and net cash used by financing activities was $53.2 million for the 62 days ended

March 2, 2004. For the combined period ended December 31, 2004, net cash provided by financing activities in 2004 was $40.4 million. The uses of cash for financing activities for the combined period ended December 31, 2004 related primarily to the prepayment of the $23.0 million term loan, a $100.0 million cash distribution to the holders of the preferred and common units issued by Coffeyville Group Holdings, LLC, $1.2 million repayment of a capital lease obligation, $16.3 million in financing costs and $53.2 million in net divisional equity distribution to Farmland. We used cash from operations, a $63.3 million equity contribution related to the Initial Acquisition and a new term loan for $150.0 million completed on May 10, 2004 to finance the aforementioned cash outflows in 2004. In 2003, we used $19.5 million in cash to fund a net divisional equity distribution.

Prior to the Initial Acquisition, our petroleum and nitrogen fertilizer businesses were organized as divisions within Farmland. As such, these divisions did not have a discreet legal structure from Farmland and the cash flows from these operations were collected and disbursed under Farmland's centralized approach to cash management and the financing of its operations. The net divisional equity distribution characterized on the accompanying financial statements represents the net cash generated by these divisions and funded to Farmland to finance its overall operations.

Capital and Commercial Commitments

In addition to long-term debt, we are required to make payments relating to various types of obligations. The following table summarizes our minimum payments as of September 30, 2006 relating to long-term debt, operating leases, unconditional purchase obligations and other specified capital and commercial commitments for the three months ending December 31, 2006, the four-year period following December 31, 2006 and thereafter.

Our ability to make payments on and to refinance our indebtedness, to fund planned capital expenditures and to satisfy our other capital and commercial commitments will depend on our ability to generate cash flow in the future. This, to a certain extent, is subject to refining spreads, fertilizer margins and general economic financial, competitive, legislative, regulatory and other factors that are beyond our control. Based on our current level of operations, we believe our cash flow from operations, available cash and available borrowings under our revolving loan facility and the proceeds we receive from this offering will be adequate to meet our future liquidity needs for at least the next twelve months.

	Payments Due by Period						
	Total	Three Months Ending December 31, 2006	2007	2008	2009	2010	Thereafter
	(in millions)						
Contractual Obligations							
Long-term debt(1)	$ 527.8	$ 0.6	$ 2.4	$ 2.5	$ 2.5	$ 2.4	$517.4
Operating leases(2)	13.7	0.9	3.8	3.6	2.9	1.6	0.9
Unconditional purchase obligations(3)	252.2	6.6	24.8	20.6	20.5	18.1	161.6
Environmental liabilities(4)	10.2	0.3	1.7	0.9	0.5	0.4	6.4
Funded letter of credit fees(5)	14.1	0.9	3.8	3.8	3.8	1.8	—
Interest payments(6)	331.1	13.4	53.2	53.1	52.8	52.6	106.0
Total	$1,149.1	$22.7	$89.7	$84.5	$83.0	$76.9	$792.3
Other Commercial Commitments							
Standby letters of credit(7)	$ 6.4	$ —	$ 6.4	$ —	$ —	$ —	$ —

(1) Long-term debt amortization is based on the contractual terms of our existing credit facilities. See "Description of Our Indebtedness and the Cash Flow Swap."

(2) We lease various facilities and equipment, primarily railcars for our nitrogen fertilizer business under non-cancelable operating leases for various periods.

(3) The amount includes (1) commitments under several agreements in our petroleum operations related to pipeline usage, petroleum products storage and petroleum transportation and (2) commitments under an electric supply agreement with the City of Coffeyville.

(4) Environmental liabilities represents our estimated payments required by federal and/or state environmental agencies related to closure of hazardous waste management units at our sites in Coffeyville and Phillipsburg, Kansas. We also have other environmental liabilities which are not contractual obligations but which would be necessary for our continued operations. See "Business — Environmental Matters."

(5) This amount represents the total of all fees related to the funded letter of credit issued under our then-existing first lien credit facility. The funded letter of credit is utilized as credit support for the Cash Flow Swap. See "— Quantitative and Qualitative Disclosures About Market Risk — Commodity Price Risk."

(6) Interest payments are based on interest rates in effect at September 30, 2006 and assume contractual amortization payments.

(7) Standby letters of credit include our obligations under $3.2 million of letters of credit issued in connection with environmental liabilities, and $3.2 million to secure transportation expenses related to the Transportation Services Agreement with CCPS Transportation, LLC.

Our business may not generate sufficient cash flow from operations, and future borrowings may not be available to us under our revolving credit facility in an amount sufficient to enable us to pay our indebtedness or to fund our other liquidity needs. We may seek to sell additional assets to fund our liquidity needs but may not be able to do so. We may also need to refinance all or a portion of our indebtedness on or before maturity. We may not be able to refinance any of our indebtedness on commercially reasonable terms or at all.

Recently Issued Accounting Standards

In December 2004, the Financial Accounting Standards Board, or FASB, issued FASB No. 123 (revised 2004), *Share-Based Payment*, which addresses the accounting for transactions in which an entity exchanges its equity instruments for goods or services, with a primary focus on transactions in which an entity obtains employee services in share-based payment transactions. This Statement requires us to measure the cost of employee services received in exchange for an award of equity based on the grant-date fair value of the award (with limited exceptions). Incremental compensation costs arising from subsequent modifications of awards after the grant date must be recognized. Successor elected early adoption of SFAS 123(R) for the 233-day period ended December 31, 2005. The effect of the adoption of this standard is described in the footnotes to the Audited Financial Statements.

In December 2004, the FASB issued FASB No. 151, *Inventory Costs*, which clarifies the accounting for abnormal amounts of idle facility expense, freight, handling costs, and spoilage. Under FASB 151, such items will be recognized as current-period charges. In addition, Statement No. 151 requires that allocation of fixed production overheads to the costs of conversion be based on the normal capacity of the production facilities. We adopted SFAS 151 effective January 1, 2006. There was not a significant impact on our financial position or results of operation.

In March 2005, the FASB issued FASB Interpretation No. 47, *Accounting for Conditional Asset Retirement Obligations*, which requires companies to recognize a liability for the fair value of a legal obligation to perform asset-retirement activities that are conditional on a future event when the amount can be reasonably estimated. FIN No. 47 also clarifies when an entity would have sufficient information to reasonably estimate the fair value of an asset retirement obligation under SFAS 143. We adopted FIN 47, as required, for the year ending December 31, 2005. A net asset retirement obligation of $636,000 was included in other liabilities on the consolidated balance sheet.

The Emerging Issues Task Force, or EITF, reached a consensus on Issue No. 04-13, *Accounting for Purchases and Sales of Inventory with the Same Counterparty*, and the FASB ratified it on September 28, 2005. This Issue addresses accounting matters that arise when one company both sells inventory to and buys inventory from another company in the same line of business, specifically, when it is appropriate to measure purchases and sales of inventory at fair value and record them in cost of sales and revenues, and when they should be recorded as an exchange measured at the book value of the item sold. This Issue is to be applied to new arrangements entered into in reporting periods beginning after March 15, 2006. There was not a significant impact on our financial position or results of operations as a result of adoption.

In June 2006, the FASB issued Interpretation No. 48, *Accounting for Uncertainty in Income Taxes — an interpretation of FASB Statement No. 109.* FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with FASB Statement No. 109, *Accounting for Income Taxes*, by prescribing a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. If a tax position is more likely than not to be sustained upon examination, then an enterprise would be required to recognize in its financial statements the largest amount of benefit that is greater than 50% likely of being realized upon ultimate settlement. FIN No. 48 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosures and transition. The application of FIN No. 48 is effective for fiscal years beginning after December 15, 2006. We are currently evaluating FIN No. 48 and the effect it will have on our financial statements.

In May 2005, the FASB issued SFAS No. 154, *Accounting Changes and Error Corrections*, which replaces APB Opinion No. 20, *Accounting Changes* and SFAS No. 3, *Reporting Accounting Changes in Interim Financial Statements.* SFAS 154 retained accounting guidance related to changes in estimates, changes in a reporting entity and error corrections. However, changes in accounting principles must be accounted for retrospectively by modifying the financial statements of prior periods unless it is impracticable to do so. SFAS 154 is effective for accounting changes made in fiscal years beginning after December 15, 2005. The adoption of SFAS 154 did not have a material impact on our financial position or results of operations.

The SEC issued Staff Accounting Bulletin ("SAB") No. 108 on September 13, 2006. SAB No. 108 was issued to address diversity in practice in quantifying financial statement misstatements and the potential under current practice for the build-up of improper amounts on the balance sheet. The effects of applying the guidance issued in SAB No. 108 are to be reflected in annual financial statements covering the first fiscal year ending after November 15, 2006. We are currently evaluating SAB No. 108 and the effect that it will have on our financial statements.

In September 2006, the FASB issued FAS No. 157, "Fair Value Measurements" which establishes a framework for measuring fair value in GAAP and expands disclosures about fair value measurements. FAS No. 157 states that fair value is "the price that would be received to sell the asset or paid to transfer the liability (an exit price), not the price that would be paid to acquire the asset or received to assume the liability (an entry price)." The statement is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. We are currently evaluating the effect that this statement will have on our financial statements.

Off-Balance Sheet Arrangements

We do not have any "off-balance sheet arrangements" as such term is defined within the rules and regulations of the SEC.

Quantitative and Qualitative Disclosures About Market Risk

The risk inherent in our market risk sensitive instruments and positions is the potential loss from adverse changes in commodity prices and interest rates. None of our market risk sensitive instruments are held for trading.

Commodity Price Risk

We, as a manufacturer of refined petroleum products and nitrogen fertilizer products, all of which are commodities, have exposure to market pricing for products sold in the future. In order to realize value from our processing capacity, a positive spread between the cost of raw materials and the value of finished products must be achieved (i.e., gross margin or crack spread). The physical commodities that comprise our raw materials and finished goods are typically bought and sold at a spot or index price that can be highly variable.

We use a crude oil purchasing intermediary which allows us to take title and price of our crude oil at the refinery, as opposed to the crude origination point, reducing our risk associated with volatile commodity prices by shortening the commodity conversion cycle time. The commodity conversion cycle time refers to the time elapsed between raw material acquisition and the sale of finished goods. In addition, we seek to reduce the variability of commodity price exposure by engaging in hedging strategies and transactions that will serve to protect gross margins as forecasted in the annual operating plan. Accordingly, we use financial derivatives to economically hedge future cash flows (i.e., gross margin or crack spreads) and product inventories. With regard to our hedging activities, we may enter into, or have entered into, derivative instruments which serve to:

- lock in or fix a percentage of the anticipated or planned gross margin in future periods when the derivative market offers commodity spreads that generate positive cash flows; and
- hedge the value of inventories in excess of minimum required inventories.

Further, we intend to engage only in risk mitigating activities directly related to our business.

Basis Risk. The effectiveness of our derivative strategies is dependent upon the correlation of the price index utilized for the hedging activity and the cash or spot price of the physical commodity for which price risk is being mitigated. Basis risk is a term we use to define that relationship. Basis risk can exist due to several factors including time or location differences between the derivative instrument and the underlying physical commodity. Our selection of the appropriate index to utilize in a hedging strategy is a prime consideration in our basis risk exposure.

Examples of our basis risk exposure are as follows:

- Time Basis — In entering over-the-counter swap agreements, the settlement price of the swap is typically the average price of the underlying commodity for a designated calendar period. This settlement price is based on the assumption that the underling physical commodity will price ratably over the swap period. If the commodity does not move ratably over the periods then weighted average physical prices will be weighted differently than the swap price as the result of timing.
- Location Basis — In hedging NYMEX crack spreads, we experience location basis as the settlement of NYMEX refined products (related more to New York Harbor cash markets) which may be different than the prices of refined products in our Group 3 pricing area.

Price and Basis Risk Management Activities. Our most prevalent risk management activity is to sell forward the crack spread when opportunities exist to lock in a margin sufficient to meet our cash obligations or our operating plan. Selling forward derivative contracts for which the underlying commodity is the crack spread enables us to lock in a margin on the spread between the price of crude oil and price of refined products. The commodity derivative contracts are either exchange-traded contracts in the form of futures contracts or over-the-counter contracts in the form of commodity price swaps.

In the event our inventories exceed our target base level of inventories, we may enter into commodity derivative contracts to manage our price exposure to our inventory positions that are in excess of our base level. Excess inventories are typically the result of plant operations such as a turnaround or other plant maintenance. The commodity derivative contracts are either exchange-traded contracts in the form of futures contracts or over-the-counter contracts in the form of commodity price swaps.

To reduce the basis risk between the price of products for Group 3 and that of the NYMEX associated with selling forward derivative contracts for NYMEX crack spreads, we may enter into basis swap positions to lock the price difference. If the difference between the price of products on the NYMEX and Group 3 (or some other price benchmark as we may deem appropriate) is different than the value contracted in the swap, then we will receive from or owe to the counterparty the difference on each unit of product contracted in the swap, thereby completing the locking of our margin. An example of our use of a basis swap is in the winter heating oil season. The risk associated with not hedging the basis when using NYMEX forward contracts to fix future margins is if the crack spread increases based on prices traded on NYMEX while Group 3 pricing remains flat or decreases then we would be in a position to lose money on the derivative position while not earning an offsetting additional margin on the physical position based on the Group 3 pricing.

On September 30, 2006, we had the following open commodity derivative contracts whose unrealized gains and losses are included in gain (loss) on derivatives in the consolidated statements of operations:

- Successor’s Petroleum Segment holds commodity derivative contracts in the form of three swap agreements for the period from July 1, 2005 to June 30, 2010 with J. Aron, a subsidiary of The Goldman Sachs Group, Inc. and a related party of ours. The swap agreements were originally executed on June 16, 2005 in conjunction with the Subsequent Acquisition of Immediate Predecessor and required under the terms of our long-term debt agreements. These agreements were subsequently assigned from Coffeyville Acquisition LLC to Coffeyville Resources, LLC on June 24, 2005. The total notional quantities on the date of execution were 100,911,000 barrels of crude oil; 2,348,802,750 gallons of unleaded gasoline and 1,889,459,250 gallons of heating oil; pursuant to these swaps, we receive a fixed price with respect to the heating oil and the unleaded gasoline while we pay a fixed price with respect to crude oil. In June 2006, a subsequent swap was entered into with J. Aron to effectively reduce our unleaded notional quantity and increase our heating oil notional quantity by 229,671,750 gallons over the period July 2, 2007 to June 30, 2010. The swap agreements were executed at the prevailing market rate at the time of execution and management believed the swap agreements would provide an economic hedge on future transactions. At September 30, 2006 the net notional open amounts under these swap agreements were 71,206,000 barrels of crude oil, 1,495,326,000 gallons of heating oil and 1,495,326,000 gallons of unleaded gasoline. The purpose of these contracts is to economically hedge 35,603,000 barrels of heating oil crack spreads, the price spread between crude oil and heating oil and 35,603,000 barrels of unleaded gas crack spreads, the price spread between crude oil and unleaded gasoline. These open contracts had total unrealized net loss at September 30, 2006 of approximately $155.6 million.
- Successor’s Petroleum Segment holds two other commodity derivative contracts for the period from February 1, 2007 to February 28, 2007 with J. Aron. The combined notional quantity of the contracts is 100,000 barrels of unleaded gasoline crack spreads. The swap agreements were executed to effectively reduce the unleaded gasoline crack position of the swap agreements discussed in the previous bullet point. These open contracts had an unrealized gain of $0.1 million at September 30, 2006.
- Successor’s Petroleum Segment also holds various NYMEX positions through ABN Amro LLC. At September 30, 2006, we were short 390 crude contracts, 73 heating oil contracts and 100 unleaded contracts, reflecting an unrealized loss of $0.2 million on that date.

As of September 30, 2006, a $1.00 change in quoted futures price for the crack spreads described in the first bullet point would result in a $71.2 million change to the fair value of the derivative commodity position and the same change in net income.

Interest Rate Risk

As of September 30, 2006, all of our $527.8 million of outstanding debt was at floating rates. An increase of 1.0% in the LIBOR rate would result in an increase in our interest expense of approximately $5.4 million per year.

In an effort to mitigate the interest rate risk highlighted above and as required under the current first and second lien credit agreements, we entered into several interest rate swap agreements in 2005. These swap agreements were entered into with counterparties that we believe to be creditworthy. Under the swap agreements, we pay fixed rates and receive floating rates based on the three-month LIBOR rates, with payments calculated on the notional amounts set for in the table below. The interest rate swaps are settled quarterly and marked to market at each reporting date.

Notional Amount	Effective Date	Termination Date	Fixed Rate
$375.0 million	6/30/06	3/30/07	4.038%
$325.0 million	3/31/07	6/30/07	4.038%
$325.0 million	6/29/07	3/31/08	4.195%
$250.0 million	3/31/08	3/31/09	4.195%
$180.0 million	3/31/09	3/31/10	4.195%
$110.0 million	3/31/10	6/30/10	4.195%

We have determined that these interest rate swaps do not qualify as hedges for hedge accounting purposes. Therefore, changes in the fair value of these interest rate swaps are included in income in the period of change. Net realized and unrealized gains or losses are reflected in the gain (loss) for derivative activities at the end of each period. For the nine month period ending September 30, 2006, we had $2.9 million of realized and unrealized gains on these interest rate swaps.

INDUSTRY OVERVIEW

Oil Refining Industry

Oil refining is the process of separating the wide spectrum of hydrocarbons present in crude oil, and in certain processes, modifying the constituent molecular structures, for the purpose of converting them into marketable finished, or refined, petroleum products optimized for specific end uses. Refining is primarily a margin-based business where both the feedstocks (the petroleum products such as crude oil or natural gas liquids that are processed and blended into refined products) and the refined finished products are commodities. It is important for a refinery to maintain high throughput rates (the volume per day processed through the refinery) and capacity utilization given the substantial fixed component in the total operating costs. There are also material variable costs associated with the fuel and by-product components that become increasingly expensive as crude prices increase. The refiner's goal is to achieve highest profitability by maximizing the yields of high value finished products and by minimizing feedstock and operating costs.

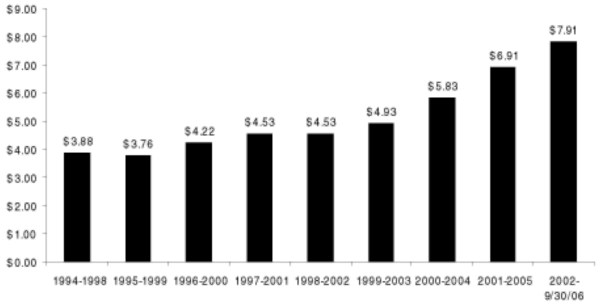
According to the Energy Information Administration, or the EIA, as of January 1, 2006, there were 142 oil refineries operating in the United States, with the 15 smallest each having a capacity of 11,000 bpd or less, and the 10 largest having capacities ranging from 306,000 to 562,500 bpd. Refiners typically are structured as part of a fully or partially integrated oil company, or as an independent entity, such as our Company.

Refining Margins

A variety of so called "crack spread" indicators are used to track the profitability of the refining industry. Among those of most relevance to our refinery are (1) the gas crack spread, (2) the heat crack spread, and (3) the 2-1-1 crack spread. The gas crack spread is the simple difference in per barrel value between reformulated gasoline (gasoline the compounds or properties of which meet the requirements of the reformulated gasoline regulations) in New York Harbor as traded on the New York Mercantile Exchange, or NYMEX, and the NYMEX prompt price of West Texas Intermediate, or WTI, crude oil on any given day. This provides a measure of the profitability when producing gasoline. The heat crack spread is the similar measure of the price of Number 2 heating oil in New York Harbor as traded on the NYMEX, relative to the value of WTI crude which provides a measure of the profitability of producing diesel and heating oil. The 2-1-1 crack spread is a composite spread that assumes for simplification and comparability purposes that for every two barrels of WTI consumed, a refinery produces one barrel of gasoline and one barrel of heating oil; the spread is based on the NYMEX price and delivery of gasoline and heating oil in New York Harbor. The 2-1-1 crack spread provides a measure of the general profitability of a medium high complexity refinery on the day that the spread is computed. The ability of a crack spread to measure profitability is affected by the absolute crude price.

Our refinery uses a consumed 2-1-1 crack spread to measure its specific daily performance in the market. The consumed 2-1-1 crack spread assumes the same relative production of gasoline and heating oil from crude, so like the NYMEX based 2-1-1 crack spread, it has an inherent inaccuracy because the refinery does not produce exactly two barrels of high valued products for each two barrels of crude oil, and the relative proportions of gasoline to heating oil will vary somewhat from the 1:1 relationship. However, the consumed 2-1-1 crack spread is an economically more accurate measure of performance than the NYMEX based 2-1-1 crack spread since the crude price used represents the price of our actual charged crude slate and is based on the actual sale values in our marketing region, rather than on New York Harbor NYMEX numbers. Average 2-1-1 crack spreads vary from region to region depending on the supply and demand balances of crude oils and refined products and can vary seasonally and from year to year reflecting more macroeconomic factors.

Although refining margins, the difference between the per barrel prices for refined products and the cost of crude oil, can be volatile during short term periods of time due to seasonality of demand, refinery outages, extreme weather conditions and fluctuations in levels of refined product held in storage, longer-term averages have steadily increased over the last 10 years as a result of the improving fundamentals for the refining industry. For example, the NYMEX based 2-1-1 crack spread averaged $3.88 per barrel from 1994 through 1998 compared to $5.83 per barrel from 2000 to 2004. The following chart shows a rolling average of the NYMEX based 2-1-1 crack spread from 1994 through September 2006:



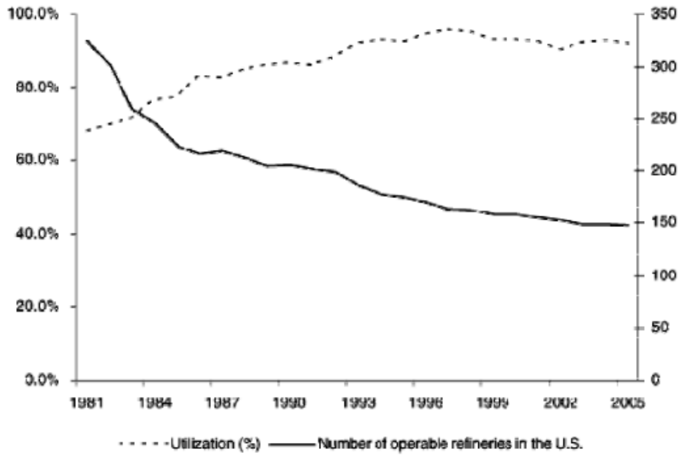
Source: Platts

Refining Market Trends

The supply and demand fundamentals of the domestic refining industry have improved since the 1990s and are expected to remain favorable as the growth in demand for refined products continues to exceed increases in refining capacity. Over the next two decades, the EIA projects that U.S. demand for refined products will grow at an average of 1.5% per year compared to total domestic refining capacity growth of only 1.3% per year. Approximately 83.3% of the projected demand growth is expected to come from the increased consumption of light refined products (including gasoline, diesel, jet fuel and liquefied petroleum gas), which are more difficult and costly to produce than heavy refined products (including asphalt and carbon black oil).

High capital costs, historical excess capacity and environmental regulatory requirements have limited the construction of new refineries in the United States over the past 30 years. According to the EIA, domestic refining capacity decreased approximately 8% between January 1981 and January 2006 from 18.6 million bpd to 17.1 million bpd, as more than 175 generally small and unsophisticated refineries that were unable to process heavy crude into a marketable product mix have been shut down, and no new major refinery has been built in the United States. The implementation of the federal Tier II low sulfur fuel regulations is expected to further reduce existing refining capacity.

In order to meet the increasing demands of the market, U.S. refineries have pursued efficiency measures to improve existing production levels. These efficiency measures and other initiatives, generally known as capacity creep, have raised productive capacity of existing refineries by approximately 1% per year since 1993. According to the EIA, between 1981 and 2004, refinery utilization increased from 69% to 93%. Over the next 20 years, the EIA projects that utilization will remain high relative to historic levels, ranging from 92% to 95% of design capacity.



Source: EIA

The price discounts available to refiners of heavy sour crude oil have widened as many refiners have turned to sweeter and lighter crude oils to meet lower sulfur fuel specifications, which has resulted in increasing the surplus of sour and heavy crude oils. As the global economy has improved, worldwide crude oil demand has increased, and OPEC and other producers have tended to incrementally produce more of the sour or heavier crude oil varieties. We believe that the combination of increasing worldwide supplies of lower cost sour and heavy crude oils and increasing demand for sweet and light crude oils will provide a cost advantage to refineries with configurations that are able to process sour crude oils.

We expect refined products that meet new and evolving fuel specifications will account for an increasing share of total fuel demand, which will benefit refiners who are able to efficiently produce these fuels. As part of the Clean Air Act, major metropolitan areas in the United States with air pollution problems must require the sale and use of reformulated gasoline meeting certain environmental standards in their jurisdictions. Boutique fuels, such as low vapor pressure Kansas City gasoline, enable refineries capable of producing such refined products to achieve higher margins.

Due to the ongoing supply and demand imbalance, the United States continues to be a net refined products importer. Imports, largely from northwest Europe and Asia, accounted for over 13% of total U.S. consumption in 2004. The level of imports generally increases during periods when refined product prices in the United States are materially higher than in Europe and Asia.

Based on the strong fundamentals for the global refining industry, capital investments for refinery expansions and new refineries in international markets have increased during the recent year. However, the competitive threat faced by domestic refiners is limited by U.S. fuel specifications and increasing foreign demand for refined products, particularly for light transportation fuels.

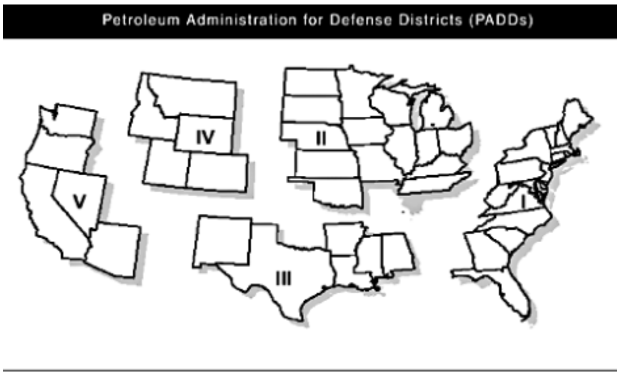
Certain regional markets in the United States, such as the Coffeyville supply area, do not have the necessary refining capacity to produce a sufficient amount of refined products to meet area demand and therefore rely on pipelines and other modes of transportation for incremental supply from other regions of the United States and globally. The shortage of refining capacity is a factor that results in local refiners serving these markets earning generally higher margins on their product sales than those who have to transport their products to this region over long distances.

Notwithstanding the trends described above, the refining industry is cyclical and volatile and has undergone downturns in the past. See "Risk Factors."

Refinery Locations

A refinery's location can have an important impact on its refining margins because location can influence access to feedstocks and efficient distribution. There are five regions in the United States, the Petroleum Administration for Defense Districts (PADDs), that have historically experienced varying levels of refining profitability due to regional market conditions. Refiners located in the U.S. Gulf Coast region operate in a highly competitive market due to the fact that this region (PADD III) accounts for approximately 37% of the total number of U.S. refineries and approximately 48% of the country's refining capacity. PADD I represents the East Coast, PADD IV the Rocky Mountains and PADD V is the West Coast.

Coffeyville operates in the Midwest (PADD II) region of the US. In 2005, demand for gasoline and distillates (primarily diesel fuels, kerosene and jet fuel) exceeded refining production in the Coffeyville supply area by approximately 24%, which created a need to import a significant portion of the region's requirement for petroleum products from the U.S. Gulf Coast and other regions. The deficit of local refining capacity benefits local refined product pricing and could generally lead to higher margins for local refiners such as our company.



Nitrogen Fertilizer Industry

Plant Nutrition and Nitrogen Fertilizers

Commercially produced fertilizers give plants the primary nutrients needed in a form they can readily absorb and use. Nitrogen is an essential element for plant growth. Absorbed by plants in larger amounts than other nutrients, nitrogen makes plants green and healthy and is the nutrient most responsible for increasing yields in crop plants. Although plants will absorb nitrogen from organic matter and soil materials, this is usually not sufficient to satisfy the demands of crop plants. The supply of nutrients must, accordingly, be supplemented with fertilizers to meet the requirements of crops during periods of plant growth, to replenish nutrients removed from the soil through crop harvesting and to provide those nutrients that are not already available in appropriate amounts in the soil. The two most important sources of nutrients are manufactured or mineral fertilizers and organic manures. Farmers determine the types, quantities and proportions of fertilizer to apply to their fields depending on, among other factors, the crop, soil and weather conditions, regional farming practices, and fertilizer and crop prices.

Nitrogen, which typically accounts for approximately 60% of worldwide fertilizer consumption in any planting season, is an essential element for most organic compounds in plants as it promotes protein formation and is a major component of chlorophyll, which helps to promote green healthy growth and high yields. There are no substitutes for nitrogen fertilizers in the cultivation of high-yield crops. The four principal nitrogen based fertilizer products are:

Ammonia. Ammonia is used in limited quantities as a direct application fertilizer, and is primarily used as a building block for other nitrogen products, including intermediate products for industrial applications and finished fertilizer products. Ammonia, consisting of 82% nitrogen, is stored either as a refrigerated liquid at minus 27 degrees, or under pressure if not refrigerated. It is gaseous at ambient temperatures and is injected into the soil as a gas. The direct application of ammonia requires farmers to make a considerable investment in pressurized storage tanks and injection machinery, and can take place only under a narrow range of ambient conditions.

Urea. Urea is formed by reacting ammonia with carbon dioxide, or CO_2, at high pressure. From the warm urea liquid produced in the first, wet stage of the process, the finished product is mostly produced as a coated, granular solid containing 46% nitrogen and suitable for use in bulk fertilizer blends containing the other two principal fertilizer nutrients, phosphate and potash. We do not produce merchant urea.

Ammonium Nitrate. Ammonium nitrate is another dry, granular form of nitrogen based fertilizer. It is produced by converting ammonia to nitric acid in the presence of a platinum catalyst reaction, then further reacting the nitric acid with additional volumes of ammonia to form ammonium nitrate. We do not produce this product.

Urea Ammonium Nitrate Solution (UAN). Urea can be combined with ammonium nitrate solution to make liquid nitrogen fertilizer (urea ammonium nitrate or UAN). These solutions contain 32% nitrogen and are easy to store and transport and provide the farmer with the most flexibility in tailoring fertilizer, pesticide and fungicide applications.

In 2005, we produced approximately 413,200 tons of ammonia, of which approximately two-thirds was upgraded into approximately 663,300 tons of UAN.

Ammonia Production Technology — Advantages of Coke Gasification

Ammonia is produced by reacting gaseous nitrogen with hydrogen at high pressure and temperature in the presence of a catalyst. Traditionally, nearly all hydrogen produced for the manufacture of nitrogen based fertilizers is produced by reforming natural gas at a high temperature and pressure in the presence of water and a catalyst. This process consumes a significant amount of natural gas and is believed to become unprofitable as the natural gas input costs increase.

Alternatively, hydrogen for ammonia can also be produced by gasifying pet coke. Pet coke is a coal-like substance that is produced during the refining process. The coke gasification process, which is commercially employed at our nitrogen fertilizer plant, the only such plant in North America, takes advantage of the large cost differential between pet coke and natural gas in current markets. Our coke gasification process allows us to use less than 1% of the natural gas relative to other nitrogen based fertilizer facilities that are heavily dependent upon natural gas and are thus heavily impacted by natural gas price swings. We also benefit from the ready availability of pet coke supply from our refinery plant. Pet coke is a refinery by-product which if not used in the fertilizer plant would otherwise be sold as fuel, generating less value to the company.

Fertilizer Consumption Trends

Global demand for fertilizers typically grows at predictable rates and tends to correspond to growth in grain production. Global fertilizer demand is driven in the long-term primarily by population growth, increases in disposable income and associated improvements in diet. Short-term demand depends on world economic growth rates and factors creating temporary imbalances in supply and demand. These factors include weather patterns, the level of world grain stocks relative to consumption, agricultural commodity prices, energy prices, crop mix, fertilizer application rates, farm income and temporary disruptions in fertilizer trade from government intervention, such as changes in the buying patterns of large countries like China or India. According to the International Fertilizer Industry Association, or IFA, from 1960 to 2005, global fertilizer demand has grown 3.7% annually and global nitrogen demand has grown at a faster rate of 4.8% annually. According to the IFA, during that 45-year period, North American fertilizer demand has grown 2.4% annually with North American nitrogen demand growing at a faster rate of 3.3% annually.

In 2000, the FAO projected an increase in major world crop production from 1995/97 to 2030 of approximately 76%. The annual growth rate for fertilizer consumption through 2030 is projected by the FAO to be between 0.7% and 1.3% per year. This forecast assumes a slowdown in the growth of the world's population and crop production, and an improvement in fertilizer use efficiency.

The Farm Belt Nitrogen Market

All of our product shipments target freight advantaged destinations located in the U.S. farm belt. The farm belt refers to the states of Illinois, Indiana, Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, Ohio, Oklahoma, South Dakota, Texas and Wisconsin. Because shipping ammonia requires refrigerated or pressured containers and UAN is more than 65% water, transportation cost is substantial for ammonia and UAN producers. As a result, locally based fertilizer producers, such as our company, enjoy a distribution cost advantage over U.S. Gulf Coast ammonia and UAN importers. Southern Plains ammonia and Corn Belt UAN 32 prices averaged $272/ton and $157/ton, respectively, for the 2002 through 2005 period, based on data provided by Blue Johnson & Associates. The distribution cost for a U.S. Gulf Coast importer represents a significant portion of both ammonia's and UAN's price. The volumes of ammonia and UAN sold into certain farm belt markets are set forth in the table below:

Recent United States Ammonia and UAN Demand in Selected Mid-continent Areas

State	Ammonia Quantity	UAN 32 Quantity
	(thousand tons per year)	
Texas	2,300	850
Oklahoma	80	225
Kansas	370	670
Missouri	325	250
Iowa	690	865
Nebraska	335	1,100
Minnesota	335	195

Source: Blue Johnson & Associates Inc.

Fertilizer Pricing Trends

The nitrogen fertilizer industry is cyclical and relatively volatile, reflecting the commodity nature of ammonia and the major finished fertilizer products (e.g., urea). Although domestic industry-wide sales volumes of nitrogen based fertilizers vary little from one fertilizer season to the next due to the need to apply nitrogen every year to maintain crop yields, in the normal course of business industry participants are exposed to fluctuations in supply and demand, which can have significant effects on prices across all participants' commodity business areas and products and, in turn, their operating results and profitability. Changes in supply can result from capacity additions or reductions and from changes in inventory levels. Demand for fertilizer products is dependent on demand for crop nutrients by the global agricultural industry, which, in turn, depends on, among other things, weather conditions in particular geographical regions. Periods of high demand, high capacity utilization and increasing operating margins tend to result in new plant investment, higher crop pricing and increased production until supply exceeds demand, followed by periods of declining prices and declining capacity utilization, until the cycle is repeated. Due to dependence of the prevalent nitrogen fertilizer technology on natural gas, the marginal cost and pricing of fertilizer products also tend to exhibit positive correlation with the price of natural gas.

The historical average annual U.S. Corn Belt ammonia prices as well as natural gas and crude oil prices are detailed in the table below.

Year	Natural Gas ($/million btu)	WTI ($/bbl)	Ammonia ($/ton)
1990	1.78	24.53	125
1991	1.53	21.55	130
1992	1.73	20.57	134
1993	2.11	18.43	139
1994	1.94	17.16	197
1995	1.69	18.38	238
1996	2.50	22.01	217
1997	2.48	20.59	220
1998	2.16	14.43	162
1999	2.32	19.26	145
2000	4.32	30.28	208
2001	4.06	25.92	262
2002	3.39	26.19	191
2003	5.49	31.03	292
2004	5.90	41.47	326
2005	8.92	56.58	394
2006 (through September 30)	7.24	67.13	387

Source: Bloomberg (natural gas and WTI) and Blue Johnson & Associates, Inc. (ammonia)

BUSINESS

We are an independent refiner and marketer of high value transportation fuels and a producer of ammonia and UAN fertilizers. We are one of only seven petroleum refiners and marketers in the Coffeyville supply area (Kansas, Oklahoma, Missouri, Nebraska and Iowa) and, at current natural gas prices, the lowest cost producer and marketer of ammonia and UAN in North America.

Our petroleum business includes a 108,000 bpd, complex full coking sour crude refinery in Coffeyville, Kansas. In addition, our supporting businesses include (1) a crude oil gathering system serving central Kansas and northern Oklahoma, (2) storage and terminal facilities for asphalt and refined fuels in Phillipsburg, Kansas, and (3) a rack marketing division supplying product through tanker trucks directly to customers located in close geographic proximity to Coffeyville and Phillipsburg, and to customers at throughput terminals on Magellan refined products distribution systems. In addition to rack sales (sales which are made at terminals using tanker trucks), we make bulk sales (sales through third party pipelines) into the mid-continent markets via Magellan and into Colorado and other destinations utilizing the product pipeline networks owned by Magellan, Enterprise and Valero. Our refinery is situated approximately 100 miles from Cushing, Oklahoma, one of the largest crude oil trading and storage hubs in the United States, served by numerous pipelines from locations including the U.S. Gulf Coast and Canada, providing us with access to virtually any crude variety in the world capable of being transported by pipeline.

Our nitrogen fertilizer business is the only operation in North America that utilizes a coke gasification process to produce ammonia (based on data provided by Blue Johnson & Associates). A majority of the ammonia produced by our fertilizer plant is further upgraded to UAN fertilizer (a solution of urea and ammonium nitrate in water used as a fertilizer). By using pet coke (a coal-like substance that is produced during the refining process) instead of natural gas as raw material, we are the lowest cost producer of ammonia and UAN in North America. Furthermore, on average, over 80% of the pet coke utilized by us is produced and supplied to the fertilizer plant as a by-product of our refinery. As such, we benefit from high natural gas prices, as fertilizer prices increase with natural gas prices, while our input costs remain substantially the same (because we utilize pet coke rather than natural gas as a primary raw material).

We have two business segments: petroleum and nitrogen fertilizer. For the fiscal years ended December 31, 2004 and 2005 and the twelve months ended September 30, 2006, we generated combined net sales of $1.7 billion, $2.4 billion and $3.0 billion, respectively, and operating income of $111.2 million, $270.8 million and $329.7 million, respectively. Our petroleum business generated $1.6 billion, $2.3 billion and $2.8 billion of our combined net sales, respectively, over these periods, with our nitrogen fertilizer business generating substantially all of the remainder. In addition, during these three periods, our petroleum business contributed 76%, 74% and 84% of our combined operating income, respectively, with our nitrogen fertilizer business contributing substantially all of the remainder.

Significant Milestones Since the Change of Control in June 2005

Following the acquisition by certain affiliates of The Goldman Sachs Group, Inc. (whom we collectively refer to in this prospectus as the Goldman Sachs Funds) and certain affiliates of Kelso & Company (whom we collectively refer to in this prospectus as the Kelso Funds) in June 2005, a new senior management team led by John J. Lipinski, our Chief Executive Officer, was formed that combined selected members of existing management with experienced new members. Our new senior management team has executed several key strategic initiatives that we believe have significantly enhanced our competitive position and improved our financial and operational performance.

Increased Refinery Throughput and Yields. Management's focus on crude slate optimization (the process of determining the most economic crude oils to be refined), reliability, technical support and operational excellence coupled with prudent expenditures on equipment has significantly improved the operating metrics of the refinery. The refinery's crude throughput rate (the volume per day processed through the refinery) has increased from an average of less than 90,000 bpd to an average of greater than 102,000 bpd in the second quarter of 2006, with peak daily rates in excess of 108,000 bpd of crude. Crude throughputs averaged 94,000 bpd for the first nine months of 2006, an improvement of over 4,000 bpd over the first nine months in 2005. Recent operational improvements at the refinery have also allowed us to produce higher volumes of favorably priced distillates (primarily No. 1 diesel fuel and kerosene), premium gasoline and boutique gasoline grades.

Diversified Crude Feedstock Variety. We have expanded the variety of crude grades processed in any given month from a limited few to over a dozen, including onshore and offshore domestic grades, various Canadian sours, heavy sours and sweet synthetics, and a variety of South American and West African imported grades. This has improved our crude purchase cost discount to WTI from $2.80 per barrel in the first nine months of 2005 to $4.29 per barrel in the first nine months of 2005.

Expanded Direct Rack Sales. We have significantly expanded and intend to continue to expand rack marketing of refined products (petroleum products such as gasoline and diesel fuel) directly to customers rather than origin bulk sales. Today, we sell over 23% of our produced transportation fuels throughout the Coffeyville supply area within the mid-continent, at enhanced margins, through our proprietary terminals and at Magellan's throughput terminals. With the expanded rack sales program, we improved our net income for the first nine months of 2006 compared to the first nine months of 2005.

Significant Plant Improvement and Capacity Expansion Projects. Management has identified and developed several significant capital projects with an estimated total cost of approximately $400 million primarily aimed at (1) expanding refinery capacity (throughput the refinery is capable of sustaining on a daily basis), (2) enhancing operating reliability and flexibility, (3) complying with more stringent environmental, health and safety standards, and (4) improving our ability to process heavy sour crude feedstock varieties (petroleum products that are processed and blended into refined products). Substantially all of these capital projects have targeted completion dates prior to the end of 2007.

The following major projects under this program were completed in 2006:

- Construction of a new 23,000 bpd high pressure diesel hydrotreater and associated new sulfur recovery unit, which will allow the facility to meet the EPA Tier II Ultra Low Sulfur Diesel federal regulations; and
- Expansion of one of the two gasification units within the fertilizer complex, which is expected to increase ammonia production by over 6,500 tons per year.

The following major projects under this program expected to be completed in 2007 are intended to increase refinery processing capacity to up to 120,000 bpd, increase gasoline production and improve our liquid volume yield:

- Refinery-wide capacity expansion by increasing throughput of the existing fluid catalytic cracking unit (the unit that converts gas oil from the crude unit or coker unit into liquified petroleum gas, distillates and gasoline blendstocks), the delayed coker (the unit that processes heavy feedstock and produces lighter products and pet coke), and other major process units to be completed during a plant-wide turnaround scheduled to begin in the first quarter of 2007; and
- Construction of a new grass roots 24,000 bpd continuous catalytic reformer to be completed in the third quarter of 2007.

Once completed, these projects are intended to significantly enhance the profitability of the refinery in environments of high crack spreads and allow the refinery to operate more profitably at lower crack spreads than is currently possible. A crack spread is a simplified calculation that measures the difference between the price for light products, like gasoline and diesel fuel, and crude oil. Our engineering and construction team is managing these projects in-house with support from specialized contractors, thus giving us maximum control and oversight of execution. We intend to finance these capital projects with cash from our operations and occasional borrowings from our revolving credit facility. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Debt” and “Description of Our Indebtedness and the Cash Flow Swap.”

We have also undertaken a study to review expansion of the refinery beyond the program described above. Preliminary engineering for the first stage of a potential multi-stage expansion has been approved by our board of directors. We anticipate that each stage of this extended expansion program would decrease refinery crude cost by enabling the plant to process significant additional volumes of lower cost heavy sour crude from Canada or offshore. If fully implemented, this first phase would be intended for completion in 2009.

Our Competitive Strengths

Regional Advantage and Strategic Asset Location. Our refinery is one of only seven refineries located in the Coffeyville supply area within the mid-continent region, where demand for refined products exceeded refining production by approximately 24% in 2005. We estimate that this favorable supply/demand imbalance combined with our lower pipeline transportation cost as compared to the U.S. Gulf Coast refiners has allowed us to generate refining margins, as measured by the 2-1-1 crack spread, that have exceeded U.S. Gulf Coast refining margins by approximately $1.40 per barrel on average for the last four years. The 2-1-1 crack spread is a general industry standard that approximates the gross margin resulting from processing two barrels of crude oil to produce one barrel of gasoline and one barrel of diesel fuel. In addition, our nitrogen fertilizer business is geographically advantaged to supply products to markets in Kansas, Missouri, Nebraska, Iowa, Illinois and Texas without incurring intermediate transfer, storage, barge or pipeline freight charges. Because we do not have to incur these costs, this geographic advantage provides us with a distribution cost benefit over U.S. Gulf Coast ammonia and UAN importers, assuming in each case freight rates and handling charges for U.S. Gulf Coast importers as in effect in September 2006. These cost differentials represent a significant portion of the market price of these commodities.

Access to and Ability to Process Multiple Crude Oils. Since June 2005 we have significantly expanded the variety of crude grades processed in any given month and have reduced our acquisition cost of crude relative to WTI by approximately $1.49 per barrel in the first nine months of 2006 compared to the first nine months of 2005. While our proximity to the Cushing crude oil trading hub minimizes the likelihood of an interruption to our supply, we intend to further diversify our sources of crude oil. Among other initiatives in this regard, we have secured shipper rights on the newly built Spearhead pipeline, owned by CCPS Transportation, LLC (which is ultimately owned by Enbridge), which connects Chicago to the Cushing hub and provides us with an ability to secure incremental oil supplies from Canada. We also own and operate a crude gathering system located in northern Oklahoma and central Kansas, which allows us to acquire quality crudes at a discount to WTI.

High Quality, Modern Asset Base with Solid Track Record. We operate a complex full coking sour crude refinery. Complexity is a measure of a refinery’s ability to process lower quality crude in an economic manner; greater complexity makes a refinery more profitable. Our refinery’s complexity allows us to optimize the yields (the percentage of refined product that is produced from crude and other feedstocks) of higher value transportation fuels (gasoline and distillate), which currently account for approximately 94% of our liquid production output. From 1995 through the first nine months of 2006, we have invested approximately $375 million to modernize our oil refinery and to meet more stringent U.S. environmental, health and safety requirements. As a result, we have achieved significant increases in our refinery crude throughput rate from an average of less than 90,000 bpd prior to June 2005 to over 102,000 bpd in the second quarter of 2006 and over 94,000 bpd for the first nine months of 2006 with peak daily rates in excess of 108,000 bpd. Management’s consistent focus on reliability and safety earned us the NPRA Gold Award for safety in 2005. Our fertilizer plant, completed in 2000, is the newest facility of its kind in North America, utilizes less than

1% of the natural gas relative to natural gas-based fertilizer producers and, since 2003, has demonstrated a consistent record of operating near full capacity. (The percentage of natural gas we use compared to our competitors was calculated using our own internal data regarding our own natural gas usage and industry data from Blue Johnson regarding typical natural gas use by other ammonia manufacturers.) The fertilizer plant underwent a scheduled turnaround (a periodically required procedure to refurbish and maintain the facility that involves the shutdown and inspection of major processing units) in 2006, and we have recently expanded the plant's spare gasifier to increase its production capacity.

Near Term Internal Expansion Opportunities. Since June 2005, we have identified and developed several significant capital projects with an estimated total cost of approximately $400 million primarily aimed at (1) expanding refinery capacity, (2) enhancing operating reliability and flexibility, (3) complying with more stringent environmental, health and safety standards and (4) improving our ability to process heavy sour crude feedstock varieties. With the completion of $400 million of identified and developed significant capital projects, we expect to significantly enhance the profitability of our refinery during periods of high crack spreads while enabling the refinery to operate more profitably at lower crack spreads than is currently possible. A crack spread is a simplified calculation that measures the difference between the price for light products (gasoline, diesel fuel) and crude oil. We also estimate that our contemplated fertilizer plant expansion could increase our capacity to upgrade ammonia into premium priced UAN by 50% to approximately 1,000,000 tons per year.

Unique Coke Gasification Fertilizer Plant. Our nitrogen fertilizer plant is the only one of its kind in North America utilizing a coke gasification process to produce ammonia. The coke gasification process allows us to produce ammonia at a lower cost than natural gas-based fertilizer plants because we use much less natural gas then our competitors. We estimate that our production cost advantage over U.S. Gulf Coast ammonia producers is sustainable at natural gas prices as low as $2.50 per million Btu. This cost advantage has been more pronounced in today's environment of high natural gas prices, as the reported Henry Hub natural gas price has fluctuated between approximately $4.20 and $15.00 per million Btu since the end of 2003. Our fertilizer business has a secure raw material supply as on average over 80% of the pet coke required by the fertilizer plant is supplied by our refinery. The sustaining capital requirements for this business are low relative to earnings and are expected to range between $3 million and $5 million per year as compared to $71.0 million of operating income in our nitrogen fertilizer segment for the combined twelve months ended December 31, 2005.

Experienced Management Team. In conjunction with the acquisition of our business by Coffeyville Acquisition LLC in June 2005, a new senior management team was formed that combined selected members of existing management with experienced new members. Our senior management team averages over 27 years of refining and fertilizer industry experience and, in coordination with our broader management team, has increased our operating income and shareholder value since the acquisition of Coffeyville Resources. Mr. John J. Lipinski, our Chief Executive Officer, has over 34 years experience in the refining and chemicals industries, and prior to joining us in connection with the acquisition of Coffeyville Resources in June 2005, was in charge of a 550,000 bpd refining system and a multi-plant fertilizer system. Mr. Stanley A. Riemann, our Chief Operating Officer, has over 32 years of experience, and prior to joining us in March 2004, was in charge of one of the largest fertilizer manufacturing systems in the United States. Mr. James T. Rens, our Chief Financial Officer, has over 15 years experience in the energy and fertilizer industries, and prior to joining us in March 2004, was the chief financial officer of two fertilizer manufacturing companies.

Our Business Strategy

Our objective is to continue to increase the economic throughput (the volume of crude processed each day) of our operating facilities, control direct operating expenses and take advantage of market opportunities as they arise by:

- Continuing to take advantage of favorable supply and demand dynamics in the mid-continent region (where demand from our products currently outweighs supply);

- Selectively investing in significant projects that enhance our operating efficiency and expanding our capacity while rigorously controlling costs;
- Increasing our sales and supply capabilities of UAN, and other high value products, while finding lower cost sources of raw materials;
- Continuing to focus on being a reliable, low cost producer of petroleum and fertilizer products;
- Continuing to focus on the reliability, safety and environmental performance of our operations; and
- Selectively evaluating attractive growth opportunities through acquisitions and/or strategic alliances.

Our History

Our business was founded in 1906 by The National Refining Company, which at the time was the largest independent oil refiner in the United States. In 1944 the Coffeyville refinery was purchased by the Cooperative Refinery Association, a subsidiary of a parent company that in 1966 renamed itself Farmland Industries, Inc. Our assets were operated as a small component of Farmland Industries, Inc., an agricultural cooperative, until March 3, 2004. Farmland filed for bankruptcy protection on May 31, 2002.

Coffeyville Resources, LLC, a subsidiary of Coffeyville Group Holdings, LLC, won the bankruptcy court auction for Farmland's petroleum business and a nitrogen fertilizer plant and completed the purchase of these assets on March 3, 2004. On October 8, 2004, Coffeyville Group Holdings, LLC, through two of its wholly owned subsidiaries, Coffeyville Refining & Marketing, Inc. and Coffeyville Nitrogen Fertilizers, Inc., acquired an interest in Judith Leiber business, a designer handbag business, through an investment in CLJV Holdings, LLC (CLJV), a joint venture with The Leiber Group, Inc., whose majority stockholder was also the majority stockholder of Coffeyville Group Holdings, LLC. On June 23, 2005, the entire interest in the Judith Leiber business held by CLJV was returned to The Leiber Group, Inc. in exchange for all of its ownership interest in CLJV, resulting in a complete separation of the Immediate Predecessor and the Judith Leiber business.

On June 24, 2005, pursuant to a stock purchase agreement dated May 15, 2005, Coffeyville Acquisition LLC, which was formed in Delaware on May 13, 2005, acquired all of the subsidiaries of Coffeyville Group Holdings, LLC. With the exception of crude oil, heating oil and gasoline option agreements entered into with J. Aron as of May 16, 2005, Coffeyville Acquisition LLC had no operations from its inception until the acquisition on June 24, 2005. The Goldman Sachs Funds and the Kelso Funds own substantially all of the common units of Coffeyville Acquisition LLC, which currently owns all of our capital stock.

Prior to this offering, Coffeyville Acquisition LLC directly or indirectly owned all of our subsidiaries. We were formed in Delaware in September 2006 as a wholly owned subsidiary of Coffeyville Acquisition LLC. Concurrently with this offering, we will merge a newly formed direct subsidiary of ours with Coffeyville Refining & Marketing and merge a separate newly formed direct subsidiary of ours with Coffeyville Nitrogen Fertilizers which will make Coffeyville Refining & Marketing and Coffeyville Nitrogen Fertilizers direct wholly owned subsidiaries of ours. These transactions will result in a new corporate entity, CVR Energy, below Coffeyville Acquisition LLC and above its two operating subsidiaries, so that CVR Energy will become the parent of the two operating subsidiaries. The mergers of the two operating subsidiaries with subsidiaries of CVR Energy provide a tax free means to put an appropriate organizational structure in place to go public and give the Company the flexibility to simplify its structure in a tax efficient manner in the future if necessary. We refer to these pre-IPO reorganization transactions in the prospectus as the "Transactions."

Petroleum Business

Asset Description

We operate one of the seven refineries located in the Coffeyville supply area (Kansas, Oklahoma, Missouri, Nebraska and Iowa). The Company's complex cracking and coking oil refinery has the capacity to produce 108,000 bpd which accounts for approximately 14% of the region's output. As part of our comprehensive capital expenditure program, we expect to increase the refinery capacity to up to 120,000 bpd in 2007. The facility is situated on approximately 440 acres in southeast Kansas, approximately 100 miles from the Cushing, Oklahoma crude oil trading and storage hub.

The Coffeyville refinery is a complex facility. Complexity is a measure of a refinery's ability to process lower quality crude in an economic manner. It is also a measure of a refinery's ability to convert lower cost, more abundant heavier and sour crudes into greater volumes of higher valued refined products such as gasoline, thereby providing a competitive advantage over less complex refineries. At the time of the Subsequent Acquisition we had a modified Solomon complexity score of approximately 10.0. "Modified Solomon complexity" is a standard industry measure of a refinery's ability to process less-expensive feedstock, such as heavier and higher-sulfur content crude oils, into value-added products. Modified Solomon complexity is the weighted average of the Solomon complexity factors for each operating unit multiplied by the throughput of each refinery unit, divided by the crude capacity of the refinery. Due to the refinery's complexity, higher value products such as gasoline and diesel represent approximately an 86% product yield on a total throughput basis. Other products include slurry, light cycle oil, vacuum tower bottom, or VTB, reformer feeds, gas oil, pet coke and sulfur. All of our pet coke by-product is consumed by our adjacent nitrogen fertilizer business, which enables the fertilizer plant to be cost effective, because pet coke is utilized in lieu of higher priced natural gas. Following completion of our present capital expenditure program we expect the Solomon complexity score to rise from 10.0 to 11.2.

The refinery consists of two crude units with maximum sustainable capacities of 75,000 bpd and 45,000 bpd. It has two vacuum units with 21,000 bpd and 16,000 bpd capacities. A vacuum unit is a secondary unit which processes crude oil by separating product from the crude unit according to boiling point under high heat and low pressure to recover various hydrocarbons. The availability of more than one crude and vacuum unit creates redundancy in the refinery system and enables us to continue to run the refinery even if one of these units were to shut down for scheduled or unscheduled plant maintenance and upgrades. However, the maximum combined capacity of the crude units is limited by the overall downstream capacity of the vacuum units and other units.

Our petroleum business also includes the following auxiliary operating assets:

- ***Crude Oil Gathering System.*** We own and operate a 25,000 bpd crude oil gathering system comprised of over 300 miles of feeder and trunk pipelines, 40 trucks and associated storage facilities for gathering light, sweet Kansas and Oklahoma crude oils purchased from independent crude producers. We have also leased a section of a pipeline from Magellan Pipeline Company, L.P. that will allow us to gather additional volumes of attractively priced quality crudes.
- ***Phillipsburg Terminal.*** We own storage and terminalling facilities for asphalt and refined fuels at Phillipsburg, Kansas. Our asphalt storage and terminalling facilities are used to receive, store and redeliver asphalt for another oil company for a fee pursuant to an asphalt services agreement.

Feedstocks Supply

Our refinery has the capability to process a blend of heavy sour as well as light sweet crudes. Currently, our refinery processes crude from a broad array of sources, approximately two-thirds domestic and one-third foreign. We purchase foreign crudes from Latin America, South America, West Africa, the North Sea and Canada. We purchase domestic crudes that meet pipeline specifications from Kansas, Oklahoma, Texas, and offshore deepwater Gulf of Mexico production. Given our refinery's ability to process a wide variety of crudes and ready access to multiple sources of crude, we have never curtailed production due to lack of crude access. Other feedstocks (petroleum products that are processed and blended into refined products) include natural gasoline, various grades of butanes, vacuum gas oil, vacuum tower bottom, or VTB, and others which are sourced from the Conway/Group 140 storage facility or regional refinery suppliers. Below is a summary of our historical feedstock inputs:

	Year Ended December 31,					Nine Months Ended September 30,	
	2001	2002	2003	2004	2005	2005	2006
	(in barrels)						
Crude oil	30,880,860	27,172,830	31,207,718	33,227,971	33,250,518	24,547,547	25,678,731
Natural gasoline	694,552	1,093,629	483,362	317,874	455,587	344,382	273,559
Normal butane	—	—	—	530,575	467,176	158,116	194,132
Isobutane	1,142,098	1,037,855	1,627,989	1,615,898	1,398,694	1,035,321	1,089,415
Alky feed	—	—	—	—	68,636	68,636	112,358
Gas oil	—	—	—	—	155,344	34,574	337,764
Vacuum tower bottom	32,951	98,371	109,974	105,981	99,362	99,362	30,208
Total Inputs	32,750,461	29,402,685	33,429,043	35,798,299	35,895,317	26,287,938	27,716,167

Crude is supplied to our refinery through our wholly owned gathering system and by pipeline.

Our crude gathering system was expanded in 2006 and now supplies in excess of 22,000 bpd of crude to the refinery (approximately 20% of total supply). We leased a pipeline in 2006 from Magellan Pipeline Company, L.P. that will serve as part of our pipeline system and will allow for further buying of attractively priced locally produced crudes. Locally produced crudes are delivered to the refinery at a discount to WTI and are of similar quality to WTI. These lighter sweet crudes allow us to blend higher percentages of low cost crudes such as heavy sour Canadian while maintaining our target medium sour blend.

Crude oils sourced outside of our proprietary gathering system are first delivered by common carrier pipelines (primarily Seaway) into various terminals in Cushing, Oklahoma, where they are blended and then delivered to Caney, Kansas via a pipeline owned by Plains All American L.P. Crudes are delivered to our refinery from Caney, Kansas via a 145,000 bpd proprietary pipeline system, which we own. We also maintain capacity on the Spearhead Pipeline owned ultimately by Enbridge from Canada. As part of our crude supply optimization efforts, we lease approximately 1,550,000 barrels of crude oil storage in Cushing, and recently purchased 65 acres of land and contracted to purchase an additional 120 acres of land in the heart of the Cushing crude storage district, which we expect will provide us a storage expansion option should the addition of crude storage be required in the future.

The following table sets forth the feedstock pipelines used by the oil refinery as of September 30, 2006:

Pipeline	Nominal Capacity (bpd)
Seaway Pipeline (TEPPCO) from U.S. Gulf Coast to Cushing, Oklahoma	350,000
Spearhead (CCPS/Enbridge) from Griffith (Chicago) to Cushing, Oklahoma	125,000
Coffeyville Crude Oil Pipeline System from Caney, Kansas to Oil Refinery	145,000
Coffeyville Crude Oil Gathering and Trucking System	25,000
Natural Gas Liquid (NGL) Connection from/to Conway, Kansas through MAPCO and ONEOK	15,000
Plains-Cushing to Caney, Kansas	97,000
Sun Logistics Pipeline from U.S.G.C. to Cushing, Oklahoma	120,000

We purchase most of our crude oil requirements outside of our proprietary gathering system under a credit intermediation agreement with J. Aron. The credit intermediation agreement helps us reduce our inventory position and mitigate crude pricing risk. Once we identify cargos of crude oil and pricing terms that meet our requirements, we notify J. Aron which then provides, for a fee, credit, transportation and other logistical services for delivery of the crude to the crude oil tank farm. Generally, we select crude oil approximately 30 to 45 days in advance of the time the related refined products are to be marketed, except for Canadian and West African crude purchases which require an additional 30 days of lead time due to transit considerations.

Transportation Fuels

- ***Gasoline.*** Gasoline typically accounts for approximately 47% of our refinery's production. Our oil refinery produces various grades of gasoline, ranging from 84 sub-octane regular unleaded to 91 octane premium unleaded and uses a computerized component blending system to optimize gasoline blending.
- ***Distillates.*** Distillates typically account for approximately 41% of the refinery's production. The majority of the diesel fuel we produce is low-sulfur.

The following table summarizes our historical oil refinery yields:

	Year Ended December 31,					Nine Months Ended September 30,	
	2001	2002	2003	2004	2005	2005	2006
	(in barrels)						
Gasoline:							
Regular unleaded	15,118,607	14,071,304	16,531,362	16,703,566	16,154,172	11,740,790	11,926,825
Premium unleaded	423,898	306,334	298,789	220,908	261,467	227,242	374,211
Sub-octane unleaded	803,590	754,264	773,831	797,416	109,774	109,774	294,356
Total gasoline	16,346,095	15,131,902	17,603,982	17,721,890	16,525,413	12,077,806	12,595,393
Distillate:							
Kerosene	25,675	26,085	25,149	23,256	32,302	13,086	(5,774)
Jet fuel	97,354	—	—	—	—	—	—
No. 1 distillate	278,325	124,741	342,363	99,832	261,048	40,447	13,628
No. 2 low sulfur distillate	6,708,536	6,526,883	7,899,132	8,896,701	9,129,518	6,533,104	8,496,463
No. 2 high sulfur distillate	3,138,236	2,268,116	3,017,785	3,500,351	3,916,658	2,955,997	2,743,127
Diesel	2,105,709	1,923,370	1,258,279	1,425,897	1,259,308	1,133,210	55,043
Total distillate	12,353,835	10,869,195	12,542,708	13,946,037	14,598,834	10,675,844	11,302,488
Liquid by-products:							
NGL (propane, butane)	676,753	583,095	734,737	1,137,645	696,637	519,939	509,479
Slurry	507,407	445,784	532,236	500,692	562,657	385,503	524,078
Light cycle oil sales	214,504	84,146	42,571	—	—	—	—
VTB sales	188,684	8,212	26,438	150,700	134,899	40,927	66,126
Reformer feed sales	207,154	—	—	79,906	230,785	170,171	231,250
Gas oil sales	—	84,673	—	—	66,274	66,274	—
Total liquid by-products	1,794,502	1,205,910	1,335,982	1,868,943	1,691,252	1,182,814	1,330,933
Solid by-products:							
Coke	2,751,298	2,068,031	1,956,619	2,384,414	2,439,297	1,854,020	1,848,931
Sulfur	92,918	74,226	131,137	88,744	100,035	77,877	65,292
Total solid by-products	2,844,216	2,142,257	2,087,756	2,473,158	2,539,332	1,931,897	1,914,223
NGL production	226,159	52,682	(8,539)	—	548,883	548,883	473,639
In process change	(347,599)	114,945	(120,122)	(12,369)	265,280	38,652	311,226
Produced fuel	1,369,413	1,268,388	1,489,030	1,636,665	1,557,689	1,210,977	1,276,288
Processing loss (gain)	(1,836,160)	(1,382,594)	(1,501,754)	(1,836,025)	(1,831,366)	(1,378,935)	(1,488,023)
Total yields	32,750,461	29,402,685	33,429,043	35,798,299	35,895,317	26,287,938	27,716,167

Our oil refinery's long-term capacity utilization (ratio of total refinery throughput to the refinery's rated capacity) has steadily improved over the years. To further enhance capacity utilization, our operations management initiatives and capital expenditures program are focused on improving crude slate flexibility, increasing inbound NGL pipeline capacity and optimizing use of raw materials and in-process feedstock.

The following table summarizes storage capacity at the oil refinery as of September 30, 2006 which we believe is sufficient for our current needs:

Product	Capacity (barrels)
Gasoline	767,000
Distillates	1,068,000
Intermediates	1,004,000
Crude oil(1)	1,194,000

(1) Crude oil storage consists of 674,000 barrels of refinery storage capacity and 520,000 barrels of field storage capacity.

Distribution Pipelines and Product Terminals

We focus our marketing efforts on the midwestern states of Oklahoma, Kansas, Missouri, Nebraska, and Iowa for the sale of our petroleum products because of their relative proximity to our oil refinery and their pipeline access. Since the Subsequent Acquisition, we have significantly expanded our rack sales directly to the customers as opposed to origin bulk sales. Rack sales are sales which are made using tanker trucks via either a proprietary or third party terminal facility designed for truck loading. In contrast, bulk sales are sales made through pipelines. Currently, approximately 23% of the refinery's products are sold through the rack system directly to retail and wholesale customers while the remaining 77% is sold through pipelines via bulk spot and term contracts.

We are able to distribute gasoline, diesel fuel, and natural gas liquids produced at the refinery either into the Magellan or Enterprise pipeline and further on through Valero and other Magellan systems or via the trucking system. The Magellan #2 and #3 pipelines are connected directly to the refinery and transport products to Kansas City and other northern cities. The Valero and Magellan (Mountain) pipelines are accessible via the Enterprise outbound line or through the Magellan system at El Dorado, Kansas. Our modern three-bay, bottom-loading fuels loading rack has been in service since July 1998 with a maximum delivery capability of 225 trucks per day or 40,000 bpd of finished gasoline and diesel fuels. We own and operate refined fuels and asphalt storage and terminalling facilities in Phillipsburg, Kansas. Our asphalt storage and terminalling facilities are used to receive, store and redeliver asphalt for another oil company for a fee pursuant to an asphalt services agreement. Our refined fuels truck terminal includes two loading locations with a capacity of approximately 95 trucks per day.

Below is a detailed summary of our product distribution pipelines and their capacities:

Pipeline	Capacity (bpd)
Magellan Pipeline #3-8" Line (from Coffeyville to northern cities via Caney, Kansas)	32,000
Magellan Pipeline #2-10" Line (from Coffeyville to northern cities via Barnsdall, Oklahoma)	81,000
Enterprise Pipeline (provides accessibility to Magellan (Mountain) and Valero systems at El Dorado, Kansas)	12,000
Truck Loading Rack Delivery System	40,000

The following map depicts part of the Magellan pipeline, which the oil refinery uses for the majority of its distribution.

Source: Magellan Midstream Partners, L.P.

Nitrogen Fertilizer Business

We operate the only nitrogen fertilizer plant in North America that utilizes a coke gasification process to generate hydrogen feedstock that is further converted to ammonia for the production of nitrogen fertilizers. We are also considering a fertilizer plant expansion, which we estimate could increase our capacity to upgrade ammonia into premium priced UAN by 50% to approximately 1,000,000 tons per year.

Our facility uses a gasification process licensed from an affiliate of The General Electric Company, or General Electric, to convert pet coke to high purity hydrogen for subsequent conversion to ammonia. It uses between 950 to 1,050 tons per day of pet coke from the refinery and another 250 to 300 tons per day from unaffiliated, third-party sources such as other Midwestern refineries or pet coke brokers and converts it all to approximately 1,200 tons per day of ammonia. Our fertilizer plant has demonstrated consistent levels of production at levels close to full capacity and has the following advantages compared to competing natural gas-based facilities:

Significantly Lower Cost Position. Our coke gasification process allows us to use less than 1% of the natural gas relative to other nitrogen based fertilizer facilities that are heavily dependent upon natural gas and are thus heavily impacted by natural gas price swings. Because our plant uses pet coke, we have a significant cost advantage over other North American natural gas-based fertilizer producers. The adjacent refinery supplies on average more than 80% of our raw material.

Strategic Location with Transportation Advantage. We believe that selling products to customers in close proximity to our UAN plant and reducing transportation costs are keys to maintaining our profitability. Due to our favorable location relative to end users and high product demand relative to production volume all of our product shipments are targeted to freight advantaged destinations located in the U.S. farm belt. The available ammonia production at our nitrogen fertilizer plant is small and easily sold into truck and rail delivery points. Our products leave the plant either in trucks for direct shipment to customers or in railcars for principally Union Pacific Railroad destinations.

We do not incur any intermediate transfer, storage, barge freight, or pipeline freight charges. Consequently, because we do not have to incur these costs, we estimate that our plant enjoys a distribution cost advantage over U.S. Gulf Coast ammonia and UAN importers, assuming in each case freight rates and handling charges for U.S. Gulf Coast importers as in effect in September 2006. Such cost differentials represent a significant portion of the market price of these commodities. For example, since the end of 2004, ammonia prices have fluctuated between $290 and $424 per ton, and UAN prices have fluctuated between $175 and $230 per ton.

High and Increasing Capacity Utilization. Capacity utilization has increased steadily over the past few years of operation. The gasifier on-stream factor (a measure of how long the gasifier has been operational over a period) was 98.3% and 91.7% for 2005 and for the first nine months of 2006, respectively. We expect that efficiency of the plant will continue to improve with operator training, replacement of unreliable equipment, and reduced dependence on contract maintenance.

	Year Ended December 31,				Nine Months Ended September 30,	
	2002	2003	2004	2005	2005	2006
Gasifier on-stream(1)	78.6%	90.1%	92.4%	98.1%	98.3%	91.7%
Ammonia capacity utilization(2)	66.0%	83.6%	76.8%	102.9%	103.7%	94.5%
UAN capacity utilization(3)	79.4%	93.3%	97.0%	121.2%	121.0%	113.6%

(1) On-stream factor is the total number of hours operated divided by the total number of hours in the reporting period.

(2) Based on nameplate capacity of 1,100 tons per day.

(3) Based on nameplate capacity of 1,500 tons per day.

Raw Material Supply

Our nitrogen fertilizer facility's primary input is pet coke, of which more than 80% on average is supplied by our adjacent oil refinery at market prices. Historically we have obtained a small amount of pet coke from third parties such as other Midwestern refineries or pet coke brokers at spot prices. We believe that optimization of the use of our oil refinery's coker should reduce the need for purchasing pet coke from third parties. If necessary, the gasifier can also operate on low grade coal, which provides an additional raw material source. There are significant supplies of low grade coal within a 60 mile radius of our plant.

The BOC Group owns, operates, and maintains the air separation plant that provides contract volumes of oxygen, nitrogen, and compressed dry air to the gasifier for a monthly fee. We provide and pay for all utilities required for operation of the air separation plant. The air separation plant has not experienced any long-term operating problems. The nitrogen fertilizer plant is covered for business interruption insurance for up to $25 million in case of any interruption in the supply of oxygen from The BOC Group from a covered peril. Our agreement with The BOC Group expires in 2020.

We import start-up steam for the fertilizer plant from our adjacent oil refinery, and then export steam back to the oil refinery once all units are in service. Monthly charges and credits are booked with steam valued at the gas price for the month.

Production Process

Our nitrogen fertilizer plant was built in 2000 with a pair of gasifiers to provide reliability. Following a turnaround completed in the second quarter of 2006, the plant is capable of processing approximately 1,300 tons per day of pet coke from the oil refinery and third-party sources and converting it into approximately 1,200 tons per day of ammonia. It uses a gasification process licensed from General Electric to convert the pet coke to high purity hydrogen for subsequent conversion to ammonia. A majority of the ammonia is converted to approximately 2,075 tons per day of UAN. Typically 0.41 tons of ammonia are required to produce one ton of UAN.

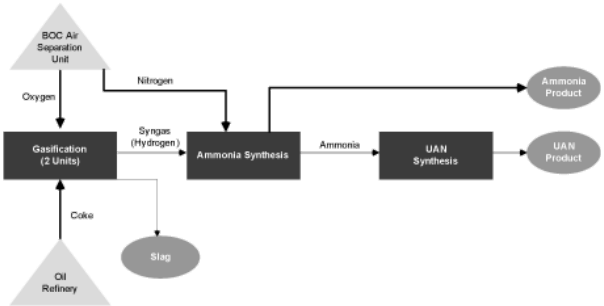
Pet coke is first ground and blended with water and a fluxant (a mixture of fly ash and sand) to form a slurry that is then pumped into the partial oxidation gasifier. The slurry is then contacted with oxygen from an air separation unit, or ASU. Partial oxidation reactions take place and the synthesis gas, or syngas, consisting predominantly of hydrogen and carbon monoxide, is formed. The mineral residue from the slurry is a molten slag (a glasslike substance containing the metal impurities originally present in coke) and flows along with the syngas into a quench chamber. The syngas and slag are rapidly cooled and the syngas is separated from the slag.

Slag becomes a by-product of the process. The syngas is scrubbed and saturated with moisture. The syngas next flows through a shift unit where the carbon monoxide in the syngas is reacted with the moisture to form hydrogen and carbon dioxide. The heat from this reaction generates saturated steam. This steam is combined with steam produced in the ammonia unit and the excess steam not consumed by the process is sent to the adjacent oil refinery.

After additional heat recovery, the high-pressure syngas is cooled and processed in the acid gas removal, or AGR, unit. The syngas is then fed to a pressure swing absorption, or PSA, unit, where the remaining impurities are extracted. The PSA unit reduces residual carbon monoxide and carbon dioxide levels to trace levels, and the moisture-free, high-purity hydrogen is sent directly to the ammonia synthesis loop.

The hydrogen is reacted with nitrogen from the ASU in the ammonia unit to form the ammonia product. A portion of the ammonia is converted to UAN.

The following is an illustrative Nitrogen Fertilizer Plant Process Flow Chart:



Critical equipment is set up on routine maintenance schedules using our own maintenance technicians. We have a Technical Services Agreement with General Electric which licensed the gasification technology to us. Under this agreement, General Electric experts provide technical advice and technological updates from their ongoing research as well as other licensees' operating experiences.

We license the coke gasification process from General Electric Company pursuant to a license agreement that will be fully paid up as of June 1, 2007. The license grants us perpetual rights to use the coke gasification process on specified terms and conditions. The license is important to us because it allows us to operate our nitrogen fertilizer facility at a low cost compared to facilities which rely on natural gas.

Distribution

The primary geographic markets for our fertilizer products are Kansas, Missouri, Nebraska, Iowa, Illinois, and Texas. We market our ammonia products to industrial and agricultural customers and our UAN products to agricultural customers. The direct application agricultural demand from our nitrogen fertilizer plant occurs in three main use periods. The summer wheat pre-plant occurs in August and September. The fall pre-plant occurs in late October and November. The highest level of ammonia demand is traditionally observed in the spring pre-plant period, from March through May. There are also small fill volumes that move in the off-season to fill the available storage at the dealer level.

Ammonia and UAN are distributed by truck or by railcar. If delivered by truck, products are sold on a freight-on-board basis, and freight is normally arranged by the customer. We also own and lease a fleet of railcars. We also negotiate with distributors that have their own leased railcars to utilize these assets to deliver products. We own all of the truck and rail loading equipment at our facility. We operate two truck loading and eight rail loading racks for each of ammonia and UAN.

Sales and Marketing

Petroleum Business

We focus our marketing efforts on the Midwestern states of Oklahoma, Kansas, Missouri, Nebraska, and Iowa and frequently Colorado, as economics dictate, for the sale of our petroleum products because of their relative proximity to our refinery and their pipeline access. Our refinery produces approximately 88,000 bpd of gasoline and distillates, which we estimate was approximately 10% of the demand for gasoline and distillates in our target market area in the first nine months of 2006.

Nitrogen Fertilizer Business

The primary geographic markets for our fertilizer products are Kansas, Missouri, Nebraska, Iowa, Illinois, and Texas. We market our ammonia products to industrial and agricultural customers and our UAN products to agricultural customers. The direct application agricultural demand from our nitrogen fertilizer plant occurs in three main use periods. The summer wheat pre-plant occurs in August and September. The fall pre-plant occurs in late October and in November. The highest level of ammonia demand is traditionally in the spring pre-plant period, from March through May. There are also small fill volumes that move in the off-season to fill the available storage at the dealer level.

We market our agricultural products to destinations that produce the best margins for our business. These markets are primarily located on the Union Pacific railroad or destinations which can be supplied by truck. By securing this business directly, we reduce our dependence on distributors serving the same customer base, which enables us to capture a larger margin and allows us to better control our product distribution. Most of our agricultural sales are made on a competitive spot basis. We also offer products on a prepay basis for in-season demand. The heavy in-season demand periods are spring and fall in the corn belt and summer in the wheat belt. The corn belt is the primary corn producing region of the United States, which includes Illinois, Indiana, Iowa, Minnesota, Missouri, Nebraska, Ohio and Wisconsin. The wheat belt is the primary wheat producing region of the United States, which includes Oklahoma, Kansas, North Dakota, South Dakota and Texas. Some of our industrial sales are spot sales, but most are on annual or multiyear contracts. Industrial demand for ammonia provides consistent sales and allows us to better manage inventory control and generate consistent cash flow.

Customers

Petroleum Business

Customers for our petroleum products include other refiners, convenience store companies, railroads and farm cooperatives. We have bulk term contracts in place with most of these customers, which typically extend from a few months to one year in length. Our shipments to these customers are typically in the 10,000 to 60,000 barrel range (420,000 to 2,520,000 gallons) and are delivered by pipeline. We enter into these types of contracts in order to lock in a committed volume at market prices to ensure an outlet for our refinery production. For the year ended December 31, 2005, CHS Inc., SemFuel LP, QuikTrip Corporation and GROWMARK, Inc. accounted for 16.2%, 15.9%, 15.8% and 10.8%, respectively, of our petroleum business sales and for the nine months ended September 30, 2006, they accounted for 2.0%, 11.1%, 15.5% and 10.4%, respectively. We sell bulk products based on industry market related indexes such as Platt's or NYMEX related Group Market (Midwest) prices.

In addition to bulk sales, we have implemented an aggressive rack marketing initiative. Utilizing the Magellan pipeline system we are able to reach customers such as QuikTrip, Casey's, Murphy, Hy-Vee, Pilot Travel Centers, Flying J Truck Stops, Krause-Gentel (Kum and Go) and others. Our longer term, target customers may include industrial and commercial end users, railroads, and farm cooperatives that buy in truckload quantities. Truck terminal sales are at daily posted prices which are influenced by competitor pricing and spot market factors. Rack prices are typically higher than bulk prices.

Nitrogen Fertilizer Business

We sell ammonia to agricultural and industrial customers. We sell approximately 80% of the ammonia we produce to agricultural customers, such as farmers in the mid-continent area between North Texas and Canada, and approximately 20% to industrial customers. Our agricultural customers include distributors such as MFA, United Suppliers, Inc., Brandt Consolidated Inc., Interchem, GROWMARK, Inc., Mid West Fertilizer Inc., DeBruce Grain, Inc., and Agriliance, LLC. Our industrial customers include Tessenderlo Kerley, Inc. and Truth Chemical. We sell UAN products to retailers and distributors. For the year ended December 31, 2005 and the nine months ended September 30, 2006, our top five ammonia customers in the aggregate represented 55.2% and 49.6% of our ammonia sales, respectively, and our top five UAN customers in the aggregate represented 43.1% and 30.0% of our UAN sales, respectively. During the year ended December 31, 2005, Brandt Consolidated Inc. and MFA accounted for 23.3% and 13.6% of our ammonia sales, respectively, and Agriliance and ConAgra Fertilizer accounted for 14.7% and 12.7% of our UAN sales, respectively. During the nine months ended September 30, 2006, Brandt Consolidated Inc. and MFA accounted for 21.1% and 12.6% of our ammonia sales, respectively, and Agriliance and ConAgra Fertilizer accounted for 7.8% and 5.6% of our UAN sales, respectively.

Competition

We have experienced and expect to continue to meet significant levels of competition from current and potential competitors, many of whom have significantly greater financial and other resources. See "Risk Factors — Risks Related to Our Petroleum Business — We face significant competition, both within and outside of our industry. Competitors who produce their own supply of feedstocks, have extensive retail outlets, make alternative fuels or have greater financial resources than we do may have a competitive advantage over us" and "Risk Factors — Risks Related to Our Nitrogen Fertilizer Business — Our fertilizer products are global commodities, and we face intense competition from other nitrogen fertilizer producers."

Petroleum Business

Our oil refinery in Coffeyville, Kansas ranks third in processing capacity and fifth in refinery complexity, among the seven mid-continent fuels refineries. The following table presents certain information about us and the six other major mid-continent fuel oil refineries with which we compete:

Company	Location	Crude Capacity (barrels per calendar day)	Solomon Complexity Index
ConocoPhillips	Ponca City, OK	187,000	12.5
Frontier Oil	El Dorado, KS	110,000	13.3
CVR Energy	Coffeyville, KS	108,000	10.0
Valero	Ardmore, OK	88,000	11.3
NCRA	McPherson, KS	82,200	14.1
Gary Williams Energy	Wynnewood, OK	52,500	8.0
Sinclair	Tulsa, OK	50,000	8.3
Mid-continent Total:		677,700	

Source: Oil and Gas Journal. A Sunoco refinery located in Tulsa, Oklahoma was excluded from this table because it is not a stand-alone fuels refinery. The Solomon Complexity Index of each of these facilities has been calculated based on data from the Oil and Gas Journal together with Company estimates and assumptions.

We compete with our competitors primarily on the basis of price, reliability of supply, availability of multiple grades of products and location. The principal competitive factors affecting our refining operations are costs of crude oil and other feedstock costs, refinery complexity (a measure of a refinery's ability to convert lower cost heavy and sour crudes into greater volumes of higher valued refined products such as gasoline), refinery efficiency, refinery product mix and product distribution and transportation costs. The location of our refinery provides us with a reliable supply of crude oil and a transportation cost advantage over our competitors.

Our competitors include trading companies such as SemFuel, L.P., Western Petroleum, Center Oil, Tauber Oil Company, Morgan Stanley and others. In addition to competing refineries located in the mid-continent United States, our oil refinery also competes with other refineries located outside the region that are linked to the mid-continent market through an extensive product pipeline system. These competitors include refineries located near the U.S. Gulf Coast and the Texas Panhandle region.

Our refinery competition also includes branded, integrated and independent oil refining companies such as BP, Shell, ConocoPhillips, Valero, Sunoco and Citgo, whose strengths include their size and access to capital. Their branded stations give them a stable outlet for refinery production although the branded strategy requires more working capital and a much more expensive marketing organization.

Nitrogen Fertilizer Business

Competition in the nitrogen fertilizer industry is dominated by price considerations. However, during the spring and fall application seasons, farming activities intensify and delivery capacity is a significant competitive factor. We maintain a large fleet of rail cars and we seasonally adjust inventory to enhance our manufacturing and distribution operations.

Domestic competition, mainly from regional cooperatives and integrated multinational fertilizer companies, is intense due to customers' sophisticated buying tendencies and production strategies that focus on cost and service. Also, foreign competition exists from producers of fertilizer products manufactured in countries with lower cost natural gas supplies. In certain cases, foreign producers of fertilizer who export to the United States may be subsidized by their respective governments. Our major competitors include Koch Nitrogen, Terra and CF Industries, among others.

Our nitrogen fertilizer plant's main competition in ammonia marketing are Koch's plants at Beatrice, Nebraska, Dodge City, Kansas and Enid, Oklahoma, as well as Terra's plants in Verdigris and Woodward, Oklahoma and Port Neal, Iowa.

Based on Blue Johnson data regarding total U.S. demand for UAN and ammonia, we estimate that our UAN production in 2005 represented approximately 5.5% of the total U.S. demand and that the net ammonia produced and marketed at Coffeyville represents less than 1% of the total U.S. demand.

Seasonality

Petroleum Business

Our petroleum business experiences seasonal effects as demand for gasoline products is generally higher during the summer months than during the winter months due to seasonal increases in highway traffic and road construction work. Demand for diesel fuel during the winter months also decreases due to agricultural work declines during the winter months. As a result, our results of operations for the first and fourth calendar quarters are generally lower than for those for the second and third calendar quarters. In addition, unseasonably cool weather in the summer months and/or unseasonably warm weather in the winter months in the markets in which we sell our petroleum products can reduce demand for gasoline and diesel fuel.

Nitrogen Fertilizer Business

A significant portion of our nitrogen fertilizer product sales consists of sales of agricultural commodity products, exposing us to seasonal fluctuations in demand for nitrogen fertilizer products in the agricultural industry. As a result, our nitrogen fertilizer business typically generates greater net sales and operating income in the spring. In addition, the demand for fertilizers is affected by the aggregate crop planting decisions and fertilizer application rate decisions of individual farmers who make planting decisions based largely on the prospective profitability of a harvest. The specific varieties and amounts of fertilizer they apply depend on factors like crop prices, their current liquidity, soil conditions, weather patterns and the types of crops planted.

Environmental Matters

Our business and operations are subject to extensive and frequently changing federal, state and local laws and regulations relating to the protection of the environment. These laws, their underlying regulatory requirements and the enforcement thereof impact our business and operations by imposing:

- restrictions on operations and/or the need to install enhanced or additional controls;
- the need to obtain and comply with permits and authorizations;
- liability for the investigation and remediation of contaminated soil and groundwater at current and former facilities and off-site waste disposal locations; and
- specifications for the products we market, primarily gasoline, diesel fuel, UAN and ammonia.

The petroleum refining industry is subject to frequent public and governmental scrutiny of its environmental compliance. As a result, the laws and regulations to which we are subject are often evolving and many of them have become more stringent or become subject to more stringent interpretation or enforcement by federal and state agencies. The ultimate impact of complying with existing laws and regulations is not always clearly known or determinable due in part to the fact that our operations may change over time and certain implementing regulations for laws such as the

Resource Conservation and Recovery Act, or the RCRA, and the Clean Air Act have not yet been finalized, are under governmental or judicial review or are being revised. These regulations and other new air and water quality standards and stricter fuel regulations could result in increased capital, operating and compliance costs.

The principal environmental risks associated with our operations are air emissions, releases of hazardous substances into the environment, and the treatment and discharge of wastewater. The legislative and regulatory programs that affect these areas are outlined below.

The Clean Air Act

The Clean Air Act and its underlying regulations as well as the corresponding state laws and regulations that regulate emissions of pollutants into the air affect our operations both directly and indirectly. Direct impacts may occur through Clean Air Act permitting requirements and/or emission control requirements relating to specific air pollutants. The Clean Air Act indirectly affects our operations by extensively regulating the air emissions of sulfur dioxide, or SO_2, volatile organic compounds, nitrogen oxides and other compounds including those emitted by mobile sources, which are direct or indirect users of our products.

The Clean Air Act imposes stringent limits on air emissions, establishes a federally mandated permit program and authorizes civil and criminal sanctions and injunctions for any failure to comply. The Clean Air Act also establishes National Ambient Air Quality Standards, or NAAQS, that states must attain. If a state cannot attain the NAAQS (i.e., is in nonattainment), the state will be required to reduce air emissions to bring the state into attainment. A geographic area's attainment status is based on the severity of air pollution. A change in the attainment status in the area where our facilities are located could necessitate the installation of additional controls. At the current time, all areas that we operate in are classified as attainment for NAAQS.

There have been numerous other recently promulgated National Emission Standards for Hazardous Air Pollutants, NESHAP or MACT, including, but not limited to, the Organic Liquid Distribution MACT, the Miscellaneous Organic NESHAP, Gasoline Distribution Facilities MACT, Reciprocating Internal Combustion Engines MACT, Asphalt Processing MACT, Commercial and Institutional Boilers and Process Heaters standards. Some or all of these MACT standards or future promulgations of MACT standards may require the installation of controls or changes to our operations in order to comply. If we are required to install controls or change our operations, the costs could be significant. These new requirements, other requirements of the Clean Air Act, or other presently existing or future environmental regulations could cause us to expend substantial amounts to comply and/or permit our refinery to produce products that meet applicable requirements.

Air Emissions. The regulation of air emissions under the Clean Air Act requires us to obtain various operating permits and to incur capital expenditures for the installation of certain air pollution control devices at our refinery. Various regulations specific to, or that directly impact, our industry have been implemented, including regulations that seek to reduce emissions from refineries' flare systems, sulfur plants, large heaters and boilers, fugitive emission sources and wastewater treatment systems. Some of the applicable programs are the Benzene Waste Operations NESHAP, New Source Performance Standards, New Source Review, and Leak Detection and Repair. We have incurred, and expect to continue to incur, substantial capital expenditures to maintain compliance with these and other air emission regulations.

The EPA recently embarked on a Petroleum Refining Initiative alleging industry-wide noncompliance with four "marquee" issues — New Source Review, flaring, leak detection and repair, and the Benzene Waste Operations NESHAP. The Petroleum Refining Initiative has resulted in many refiners entering into consent decrees imposing civil penalties and requiring substantial expenditures for additional or enhanced pollution control. At this time, we do not know how, if at all, the Petroleum Refining Initiative will affect us. However, in March 2004, we entered into a Consent Decree with the EPA and the KDHE to resolve air compliance concerns raised by the EPA and KDHE related to

Farmland's prior operation of our oil refinery. The Consent Decree covers some, but not all, of the Petroleum Refining Initiative's marquee issues.

Under the Consent Decree, we agreed to install controls on certain process equipment and make certain operational changes at our refinery. As a result of our agreement to install certain controls and implement certain operational changes, the EPA and KDHE agreed not to impose civil penalties, and provided a release from liability for Farmland's alleged noncompliance with the issues addressed by the Consent Decree. Pursuant to the Consent Decree, in the short term, we have increased the use of catalyst additives to the fluid catalytic cracking unit at the facility to reduce emissions of SO_2. We will begin adding catalyst to reduce oxides of nitrogen, or NOx, in 2007. In the long term, we will install controls to minimize both SO_2 and NOx emissions, which under terms of the Consent Decree require that final controls be in place by January 1, 2011. In addition, pursuant to the Consent Decree, we assumed certain cleanup obligations at the Coffeyville refinery and the Phillipsburg terminal. We agreed to retrofit certain heaters at the refinery with Ultra Low NOx burners. All heater retrofits have been performed and we are currently verifying that the heaters meet the Ultra Low NOx standards required by the Consent Decree. The Ultra Low NOx heater technology is in widespread use throughout the industry. There are other permitting, monitoring, record-keeping and reporting requirements associated with the Consent Decree. The overall cost of complying with the Consent Decree is expected to be approximately $31 million, of which approximately $25 million is expected to be capital expenditures and which does not include the cleanup obligations. No penalties are expected to be imposed as a result of the Consent Decree.

Fertilizer Plant Audit. We conducted an air permitting compliance audit of our fertilizer plant pursuant to agreements with EPA and KDHE immediately after Immediate Predecessor acquired the fertilizer plant in 2004. The audit revealed that the fertilizer plant was not properly permitted under the Clean Air Act and its implementing regulations and corresponding Kansas environmental statutes and regulations. As a result, the fertilizer plant performed air modeling to demonstrate that the current emissions from the facility are in compliance with federal and state air quality standards, and that the air pollution controls that are in place are the controls that are required to be in place. In the event that the EPA or KDHE determines that additional controls are required, we may incur significant expenditures to comply. The completion of this process requires that we submit a new permit application, which we have done. We are now awaiting the final permit approval from KDHE at which time we will file a Title V air operating permit application that will include the relevant terms and conditions of the new air permit.

Air Permitting. The petroleum refinery is a "major source" of air emissions under the Title V permitting program of the federal Clean Air Act. A final Class I (major source) operating permit was issued for our oil refinery in August 2006. We are currently in the process of amending the Title V permit to include the recently approved expansion project permit and the continuous catalytic reformer permit.

The fertilizer plant has agreed to file a new Title V operating air permit application because the voluntary fertilizer plant audit (described in more detail above) revealed that the fertilizer plant should be permitted as a "major source" of certain air pollutants. In the meantime, the fertilizer plant is operating under the Clean Air Act's "application shield" (which protects permittees from enforcement while an operating permit is being issued as long as the permittee complies with the permit conditions contained in the permit application), the current construction permits, other KDHE approvals and the protections of the federal and state audit policies. Once the current air permit application is approved, we will file the final Title V permit application that will contain all terms and conditions imposed under the new permit and any other permits and/or approvals in place. We do not anticipate significant cost or difficulty in obtaining these permits. However, in the event that the EPA or KDHE determines that additional controls are required, we may incur significant expenditures to comply.

We believe that we hold all material air permits required to operate the Phillipsburg Terminal and our crude oil transportation company's facilities.

Release Reporting

The release of hazardous substances or extremely hazardous substances into the environment is subject to release reporting of threshold quantities under federal and state environmental laws. Our operations periodically experience releases of hazardous substances and extremely hazardous substances that could cause us to become the subject of a government enforcement action or third-party claims. We report such releases promptly to federal and state environmental agencies.

Prior to the acquisition of the nitrogen fertilizer plant by Immediate Predecessor in 2004 and during the period the plant was owned by Immediate Predecessor, the facility experienced heat exchanger equipment deterioration at an unanticipated rate, resulting in upset/malfunction air releases of ammonia into the environment. We replaced the equipment in August 2004 with a new metallurgy design that also experienced an unanticipated deterioration rate. The new equipment was subsequently replaced in 2005 by a redesigned exchanger with upgraded metallurgy, which has operated without additional ammonia emissions. Other critical exchanger metallurgy was upgraded during our most recent July 2006 turnaround. We have reported the excess emissions of ammonia to EPA and KDHE as part of an air permitting audit of the facility. Additional equipment, repairs to existing equipment, changes to current operations, government enforcement or third-party claims could result in significant expenditures and liability.

Fuel Regulations

Tier II, Low Sulfur Fuels. The EPA interprets the Clean Air Act to authorize the EPA to require modifications in the formulation of the refined transportation fuel products we manufacture in order to limit the emissions associated with their final use. The EPA believes such limits are necessary to protect new automobile emission control systems that may be inhibited by sulfur in the fuel. For example, in February 2000, EPA promulgated the Tier II Motor Vehicle Emission Standards Final Rule for all passenger vehicles, establishing standards for sulfur content in gasoline. These regulations mandate that the sulfur content of gasoline at any refinery shall not exceed 30 ppm during any calendar year beginning January 1, 2006. These requirements began being phased in during 2004. In addition, in January 2001, EPA promulgated its on-road diesel regulations, which required a 97% reduction in the sulfur content of diesel sold for highway use by June 1, 2006, with full compliance by January 1, 2010. EPA adopted a rule for off-road diesel in May 2004. The off-road diesel regulations will generally require a 97% reduction in the sulfur content of diesel sold for off-road use by June 1, 2010.

Modifications will be required at our refinery as a result of the Tier II gasoline and low sulfur diesel standards. In February 2004 EPA granted us approval under a “hardship waiver” that would defer meeting final low sulfur Tier II gasoline standards until January 1, 2011 in exchange for our meeting low sulfur highway diesel requirements by January 1, 2007. We are currently in the startup phase of our Ultra Low Sulfur Diesel Hydrodesulfurization unit, which utilizes technology with widespread use throughout the industry. Compliance with the Tier II gasoline and on-road diesel standards required us to spend approximately $83 million during 2006 and we estimate that compliance will require us to spend approximately $33 million during 2007 and approximately $25 million between 2008 and 2010.

Methyl Tertiary Butyl Ether (MTBE). The EPA previously required gasoline to contain a specified amount of oxygen in certain regions that exceed the National Ambient Air Quality Standards for either ozone or carbon monoxide. This oxygen requirement had been satisfied by adding to gasoline one of many oxygen-containing materials including, among others, methyl tertiary butyl ether, or MTBE. As a result of growing public concern regarding possible groundwater contamination resulting from the use of MTBE as a source of required oxygen in gasoline, MTBE has been banned for use as a gasoline additive. Neither we nor, to the best of our knowledge, the Successor, the Immediate Predecessor or Farmland used MTBE in our petroleum products. We cannot make any assurance as to whether MTBE was added to our petroleum products after those products left our facilities or whether MTBE-containing products were distributed through our pipelines.

The Clean Water Act

The federal Clean Water Act of 1972 affects our operations by regulating the treatment of wastewater and imposing restrictions on effluent discharge into, or impacting, navigable water. Regular monitoring, reporting requirements and performance standards are preconditions for the issuance and renewal of permits governing the discharge of pollutants into water. We maintain numerous discharge permits as required under the National Pollutant Discharge Elimination System program of the Clean Water Act and have implemented internal programs to oversee our compliance efforts.

All of our facilities are subject to Spill Prevention, Control and Countermeasures, or SPCC, requirements under the Clean Water Act. The SPCC rules were modified in 2002 with the modifications to go into effect in 2004. In 2004, certain requirements of the rule were extended. Changes to our operations may be required to comply with the modified SPCC rule.

In addition, we are regulated under the Oil Pollution Act. Among other requirements, the Oil Pollution Act requires the owner or operator of a tank vessel or facility to maintain an emergency oil response plan to respond to releases of oil or hazardous substances. We have developed and implemented such a plan for each of our facilities covered by the Oil Pollution Act. Also, in case of such releases, the Oil Pollution Act requires responsible parties to pay the resulting removal costs and damages, provides for substantial civil penalties, and authorizes the imposition of criminal and civil sanctions for violations. States where we have operations have laws similar to the Oil Pollution Act.

Wastewater Management. We have a wastewater treatment plant at our refinery permitted to handle an average flow of 2.2 million gallons per day. The facility uses a complete mix activated sludge, or CMAS, system with three CMAS basins. The plant operates pursuant to a KDHE permit. We are also implementing a comprehensive spill response plan in accordance with the EPA rules and guidance.

Ongoing fuels terminal and asphalt plant operations at Phillipsburg generate only limited wastewater flows (e.g., boiler blowdown, asphalt loading rack condensate, groundwater treatment). These flows are handled in a wastewater treatment plant that includes a primary clarifier, aerated secondary clarifier, and a final clarifier to a lagoon system. The plant operates pursuant to a KDHE Water Pollution Control Permit. To control facility runoff, management implements a comprehensive Spill Response Plan. Phillipsburg also has a timely and current application on file with the KDHE for a separate storm water control permit.

Resource Conservation and Recovery Act (RCRA)

Our operations are subject to the RCRA requirements for the generation, treatment, storage and disposal of hazardous wastes. When feasible, RCRA materials are recycled instead of being disposed of on-site or off-site. RCRA establishes standards for the management of solid and hazardous wastes. Besides governing current waste disposal practices, RCRA also addresses the environmental effects of certain past waste disposal operations, the recycling of wastes and the regulation of underground storage tanks containing regulated substances.

Waste Management. There are two closed hazardous waste units at the refinery and eight other hazardous waste units in the process of being closed pending state agency approval. In addition, one closed interim status hazardous waste landfarm located at the Phillipsburg terminal is under long-term post closure care.

We have set aside approximately $3.2 million in financial assurance for closure/post-closure care for hazardous waste management units at the Phillipsburg terminal and the Coffeyville refinery.

Impacts of Past Manufacturing. We are subject to a 1994 EPA administrative order related to investigation of possible past releases of hazardous materials to the environment at the Coffeyville refinery. In accordance with the order, we have documented existing soil and ground water conditions, which require investigation or remediation projects. The Phillipsburg terminal is subject to a 1996 EPA administrative order related to investigation of possible past releases of hazardous materials to the environment at the Phillipsburg terminal, which operated as a refinery until 1991. The Consent Decree that we signed with EPA and KDHE requires us to complete all activities in accordance with federal and state rules.

The anticipated remediation costs through 2010 were estimated, as of September 30, 2006, to be as follows:

Facility	Site Investigation Costs	Capital Costs	Total O&M Costs Through 2010	Total Estimated Costs Through 2010
Coffeyville Oil Refinery	$ 0.5	$ –	$ 1.0	$ 1.5
Phillipsburg Terminal	0.3	–	1.9	2.2
Total Estimated Costs	$ 0.8	$ –	$ 2.9	$ 3.7

These estimates are based on current information and could go up or down as additional information becomes available through our ongoing remediation and investigation activities. At this point, we have estimated that, over ten years, we will spend between $5.4 and $6.8 million to remedy impacts from past manufacturing activity at the Coffeyville refinery and to address existing soil and groundwater contamination at the Phillipsburg terminal. It is possible that additional costs will be required after this ten year period.

Environmental Insurance. We have entered into several environmental insurance policies as part of our overall risk management strategy. Our pollution legal liability policy provides us with an aggregate limit of $50.0 million subject to a $1.0 million self-insured retention. This policy covers cleanup costs resulting from pre-existing or new pollution conditions and bodily injury and property damage resulting from pollution conditions. It also includes a $25.0 million business interruption sub-limit subject to a ten day waiting period. We also have a financial assurance policy that provides a $4.0 million limit per pollution incident and an $8.0 million aggregate policy limit related specifically to closed RCRA units at the Coffeyville refinery and the Phillipsburg terminal. Each of these policies contains substantial exclusions; as such, we cannot guarantee that we will have coverage for all or any particular liabilities.

Financial Assurance. We were required in the Consent Decree to establish $15 million in financial assurance to cover the projected cleanup costs posed by the Coffeyville and Phillipsburg facilities in the event our company ceased to operate as a going concern. In accordance with the Consent Decree, this financial assurance is currently provided by a bond posted by Original Predecessor, Farmland. We will be required to replace the financial assurance currently provided by Farmland. If the financial assurance is not replaced by March 3, 2007, we must reimburse Farmland through eight equal quarterly payments beginning in April 2007. At this point, it is not clear what the amount of financial assurance will be when replaced. Although it may be significant, it is unlikely to be more than $15 million. The form of this financial assurance that will be required by EPA (cash, letter of credit, financial test, etc.) has not been determined.

Environmental Remediation

Under the Comprehensive Environmental Response, Compensation and Liability Act, or CERCLA, RCRA, and related state laws, certain persons may be liable for the release or threatened release of hazardous substances. These persons include the current owner or operator of property where a release or threatened release occurred, any persons who owned or operated the property when the release occurred, and any persons who disposed of, or arranged for the disposal of, hazardous substances at a contaminated property. Liability under CERCLA is strict, retroactive and joint and several, so that any responsible party may be held liable for the entire cost of investigating and remediating the release of hazardous substances. The liability of a party is determined by the cost of investigation and remediation, the portion of the hazardous substance(s) the party contributed, the number of solvent potentially responsible parties, and other factors.

As is the case with all companies engaged in similar industries, we face potential exposure from future claims and lawsuits involving environmental matters. These matters include soil and water contamination, personal injury and property damage allegedly caused by hazardous substances which we, or potentially Farmland, manufactured, handled, used, stored, transported, spilled, released or disposed of. We cannot assure you that we will not become involved in future proceedings related to our release of hazardous or extremely hazardous substances or that, if we were held responsible for damages in any existing or future proceedings, such costs would be covered by insurance or would not be material.

Safety and Health Matters

We operate a comprehensive safety program, involving active participation of employees at all levels of the organization. We measure our success in this area primarily through the use of injury frequency rates administered by the Occupational Safety and Health Administration, or OSHA. In 2005, our oil refinery experienced a 45% reduction in injury frequency rates and our nitrogen fertilizer plant experienced a 59% reduction in such rate as compared to the average of previous years. The recordable injury rate reflects the number of recordable incidents (injuries as defined by OSHA) per 200,000 hours worked, and for the year ended December 31, 2005, we had a recordable injury rate of 2.66 in our petroleum business and 2.98 in our nitrogen fertilizer business. Despite our efforts to achieve excellence in our safety and health performance, we cannot assure you that there will not be accidents resulting in injuries or even fatalities. We have implemented a new incident investigation program that is intended to improve the safety for our employees by identifying the root cause of accidents and potential accidents and by correcting conditions that could cause or contribute to accidents or injuries. We routinely audit our programs and consider improvements in our management systems.

Process Safety Management. We maintain a Process Safety Management program. This program is designed to address all facets associated with OSHA guidelines for developing and maintaining a Process Safety Management program. We will continue to audit our programs and consider improvements in our management systems.

We have evaluated and continue to implement improvements at our refinery's process units, underground process piping and emergency isolation valves for control of process flows. We currently estimate the costs for implementing any recommended improvements to be between $7 and $9 million over a period of four years. These improvements, if warranted, would be intended to reduce the risk of releases, spills, discharges, leaks, accidents, fires or other events and minimize the potential effects thereof. We are currently completing the addition of a new $25 million refinery flare system that will replace atmospheric sumps in our refinery. We are also assessing the potential impacts on building occupancy caused by the location and design of our refinery and fertilizer plant control rooms and operator shelters. We expect the costs to upgrade or relocate these areas to be between $3 and $5 million over two to five years. The current plan would consolidate the refinery control boards and equipment into a central control building that would also house operations and technical personnel and would lead to improved communication and efficiency for operation of the refinery.

Emergency Planning and Response. We have an emergency response plan that describes the organization, responsibilities and plans for responding to emergencies in the facilities. This plan is communicated to local regulatory and community groups. We have on-site warning siren systems and personal radios. We will continue to audit our programs and consider improvements in our management systems and equipment.

Community Advisory Panel (CAP). We developed and continue to support ongoing discussions with the community to share information about our operations and future plans. Our CAP includes wide representation of residents, business owners and local elected representatives for the city and county.

Employees

As of September 30, 2006, we had a total of 582 employees, of which 408 were employed in our petroleum business and 109 were employed by our nitrogen fertilizer business. The remaining 65 employees were employed at our offices in Sugar Land, Texas and Kansas City, Kansas.

We entered into collective bargaining agreements which cover approximately 39% of our employees with the Metal Trades Union and the United Steelworkers of America, which expire in March 2009. We believe that our relationship with our employees is excellent.

Properties

Our executive offices are located at 2277 Plaza Drive in Sugar Land, Texas. We lease approximately 22,000 square feet at that location. Rent under the lease is currently approximately $470,000 annually, plus operating expenses, increasing to approximately $500,000 in 2009. The lease expires in 2011. The following table contains certain information regarding our other principal properties:

Location	Acres	Own/Lease	Use
Coffeyville, KS	440	Own	Oil refinery, nitrogen plant and office buildings
Phillipsburg, KS	200	Own	Terminal facility
Montgomery County, KS (Coffeyville Station)	20	Own	Crude oil storage
Montgomery County, KS (Broome Station)	20	Own	Crude oil storage
Bartlesville, OK	25	Own	Truck storage and office buildings
Winfield, KS	5	Own	Truck storage
Cushing, OK	65	Own	Crude oil storage
	additional 120 acres pending		
Cowley County, Kansas (Hooser Station)	80	Own	Crude oil storage
Holdrege, NE	7	Own	Crude oil storage
Stockton, KS	6	Own	Crude oil storage
Kansas City, KS	19,000 (square feet)	Lease	Office space

Rent under our lease for the Kansas City office space is approximately $195,000 annually, plus a portion of operating expenses and taxes, increasing to approximately $215,000 in 2007 and $222,000 in 2008. The lease expires in 2009. We expect that our current owned and leased facilities will be sufficient for our needs over the next twelve months.

Legal Proceedings

We are, and will continue to be, subject to litigation from time to time in the ordinary course of our business, including matters such as those described above under "— Environmental Matters." We are not party to any pending legal proceedings that we believe will have a material impact on our business, and there are no existing legal proceedings where we believe that the reasonably possible loss or range of loss is material.

MANAGEMENT

Executive Officers and Directors

Prior to this offering, our business was operated by Coffeyville Acquisition LLC and its subsidiaries. In connection with the offering, Coffeyville Acquisition LLC formed a wholly owned subsidiary, CVR Energy, Inc., which will own all of Coffeyville Acquisition LLC's subsidiaries and which will conduct our business through its subsidiaries following this offering. The following table sets forth the names, positions and ages (as of September 30, 2006) of each person who has been an executive officer or director of Coffeyville Acquisition LLC and who will be an executive officer or director of CVR Energy, Inc. upon completion of this offering.

Name	Age	Position
John J. Lipinski	55	Chief Executive Officer, President and Director
Stanley A. Riemann	55	Chief Operating Officer
James T. Rens	40	Chief Financial Officer
Edmund S. Gross	55	Vice President, General Counsel and Secretary
Robert W. Haugen	48	Executive Vice President Refining Operations
Wyatt E. Jernigan	54	Executive Vice President Crude Oil Acquisition and Petroleum Marketing
Kevan A. Vick	52	Executive Vice President, General Manager Nitrogen Fertilizer
Christopher G. Swanberg	48	Vice President, Environmental, Health and Safety
Wesley Clark	60	Director
Scott Lebovitz	31	Director
George E. Matelich	50	Director
Stanley de J. Osborne	36	Director
Kenneth A. Pontarelli	36	Director
Mark Tomkins	51	Director

John J. Lipinski has served as our chief executive officer and president and a member of our board of directors since September 2006 and as chief executive officer and president and a director of Coffeyville Acquisition LLC since June 24, 2005. Mr. Lipinski has more than 34 years experience in the petroleum refining and nitrogen fertilizer industries. He began his career with Texaco Inc. In 1985, Mr. Lipinski joined The Coastal Corporation eventually serving as Vice President of Refining with overall responsibility for Coastal Corporation's refining and petrochemical operations. Upon the merger of Coastal with El Paso Corporation in 2001, Mr. Lipinski was promoted to Executive Vice President of Refining and Chemicals, where he was responsible for all refining, petrochemical, nitrogen based chemical processing, and lubricant operations, as well as the corporate engineering and construction group. Mr. Lipinski left El Paso in 2002 and became an independent management consultant. In 2004, he became a Managing Director and Partner of Prudentia Energy, an advisory and management firm. Mr. Lipinski graduated from Stevens Institute of Technology with a Bachelor of Engineering (Chemical) and received a Juris Doctor degree from Rutgers University School of Law.

Stanley A. Riemann has served as chief operating officer of our company and its predecessors since March 3, 2004. Prior to joining our company in March 2004, Mr. Riemann held various positions associated with the Crop Production and Petroleum Energy Division of Farmland Industries, Inc. over 29 years, including, most recently, Executive Vice President of Farmland Industries and President of Farmland's Energy and Crop Nutrient Division. In this capacity, he was directly responsible for managing the petroleum refining operation and all domestic fertilizer operations, which included the Trinidad and Tobago nitrogen fertilizer operations. His leadership also extended to managing Farmland's interests in SF Phosphates in Rock Springs, Wyoming and Farmland Hydro, L.P., a phosphate production operation in Florida, and managing all company-wide transportation assets and services. On May 31, 2002, Farmland Industries, Inc. filed for Chapter 11 bankruptcy protection. Mr. Riemann served as a board member and board chairman on several industry organizations including Phosphate Potash Institute, Florida Phosphate Council, and International Fertilizer Association. He currently serves on the Board of

The Fertilizer Institute. Mr. Riemann received a bachelor of science from the University of Nebraska and an MBA from Rockhurst University.

James T. Rens has served as chief financial officer of our company and its predecessors since March 3, 2004. Before joining our company, Mr. Rens was a consultant to the Original Predecessor's majority shareholder from November 2003 to March 2004, assistant controller at Koch Nitrogen Company from June 2003, which was when Koch acquired the majority of Farmland's nitrogen fertilizer business, to November 2003 and Director of Finance of Farmland's Crop Production and Petroleum Divisions from January 2002 to June 2003. From May 1999 to January 2002, Mr. Rens was Controller and chief financial officer of Farmland Hydro L.P. Mr. Rens has spent 15 years in various accounting and financial positions associated with the fertilizer and energy industry. Mr. Rens received a Bachelor of Science degree in accounting from Central Missouri State University.

Edmund S. Gross has served as general counsel of our company and its predecessors since July 2004. Prior to joining Coffeyville Resources, Mr. Gross was Of Counsel at Stinson Morrison Hecker LLP in Kansas City, Missouri from 2002 to 2004, was Senior Corporate Counsel with Farmland Industries, Inc. from 1987 to 2002 and was an associate and later a partner at Weeks,Thomas & Lysaught, a law firm in Kansas City, Kansas, from 1980 to 1987. Mr. Gross received a Bachelor of Arts degree in history from Tulane University, a Juris Doctor from the University of Kansas and an MBA from the University of Kansas.

Robert W. Haugen joined our business on June 24, 2005 and has served as executive vice president, refining, engineering and construction at our company since September 2006 and at Coffeyville Acquisition LLC since April 2006. Mr. Haugen brings 25 years of experience in the refining, petrochemical and nitrogen fertilizer business to our company. Prior to joining us, Mr. Haugen was a Managing Director and Partner of Prudentia Energy, an advisory and management firm focused on mid-stream/downstream energy sectors, from January 2004 to June 2005. On leave from Prudentia, he served as the Senior Oil Consultant to the Iraqi Reconstruction Management Office for the U.S. Department of State. Prior to joining Prudentia Energy, Mr. Haugen served in numerous engineering, operations, marketing and management positions at the Howell Corporation and at the Coastal Corporation. Upon the merger of Coastal and El Paso in 2001, Mr. Haugen was named Vice President and General Manager for the Coastal Corpus Christi Refinery, and later held the positions of Vice President of Chemicals and Vice President of Engineering and Construction. Mr. Haugen received a B.S. in Chemical Engineering from the University of Texas.

Wyatt E. Jernigan has served as executive vice president of crude oil acquisition and petroleum marketing at our company since September 2006 and at Coffeyville Acquisition LLC since June 24, 2005. Mr. Jernigan has 30 years of experience in the areas of crude oil and petroleum products related to trading, marketing, logistics and business development. Most recently, Mr. Jernigan was Managing Director with Prudentia Energy, an advisory and management firm focused on mid-stream/downstream energy sectors, from January 2004 to June 2005. Most of his career was spent with Coastal Corporation and El Paso, where he held several positions in crude oil supply, petroleum marketing and asset development, both domestic and international. Following the merger between Coastal Corporation and El Paso in 2001, Mr. Jernigan assumed the role of Managing Director for Petroleum Markets Originations. Mr. Jernigan attended Virginia Wesleyan College, majoring in Sociology, and has training in petroleum fundamentals from the University of Texas.

Kevan A. Vick has served as executive vice president and general manager of Coffeyville Resources Nitrogen Fertilizers Manufacturing at our company since September 2006 and at Coffeyville Resources LLC since March 3, 2004. He has served on the board of directors of Farmland MissChem Limited in Trinidad and SF Phosphates. He has nearly 30 years of experience in the Farmland organization and is one of the most highly respected executives in the nitrogen fertilizer industry, known for both his technical expertise and his in-depth knowledge of the commercial marketplace. Prior to joining Coffeyville Resources LLC, he was general manager of nitrogen manufacturing at Farmland from January 2001 to February 2004. Mr. Vick received a bachelor of science in chemical engineering from the University of Kansas and is a licensed professional engineer in Kansas, Oklahoma, and Iowa.

Christopher G. Swanberg has served as vice president environmental, health and safety at our company since September 2006 and at Coffeyville Resources LLC since June 24, 2005. He has served in numerous management positions in the petroleum refining industry such as Manager, Environmental Affairs for the refining and marketing division of Atlantic Richfield Company (ARCO), and Manager, Regulatory and Legislative Affairs for Lyondell-Citgo Refining. Mr. Swanberg's experience includes technical and management assignments in project, facility and corporate staff positions in all environmental, safety and health areas. Prior to joining Coffeyville Resources, he was Vice President of Sage Environmental Consulting, an environmental consulting firm focused on petroleum refining and petrochemicals, from September 2002 to June 2005 and Senior HSE Advisor of Pilko & Associates, LP from September 2000 to September 2002. Mr. Swanberg received a B.S. in Environmental Engineering Technology from Western Kentucky University and an MBA from the University of Tulsa.

Wesley Clark has been a member of our board of directors since September 2006 and a member of the board of directors of Coffeyville Acquisition LLC since September 20, 2005. Since March 2003 he has been the Chairman and Chief Executive Officer of Wesley K. Clark & Associates, a business services and development firm based in Little Rock, Arkansas. Mr. Clark also serves as senior advisor to GS Capital Partners V Fund, L.P. From March 2001 to February 2003 he was a Managing Director of the Stephens Group Inc. From July 2000 to March 2001 he was a consultant for Stephens Group Inc. Prior to that time, Mr. Clark served as the Supreme Allied Commander of NATO and Commander-in-Chief for the United States European Command and as the Director of the Pentagon's Strategic Plans and Policy operation. Mr. Clark retired from the United States Army as a four-star general in July 2000 after 38 years in the military and received many decorations and honors during his military career. Mr. Clark is a graduate of the United States Military Academy and studied as a Rhodes Scholar at the Magdalen College at the University of Oxford. Mr. Clark is a director of Argyle Security Acquisition Corp.

Scott Lebovitz has been a member of our board of directors since September 2006 and a member of the board of directors of Coffeyville Acquisition LLC since June 24, 2005. Mr. Lebovitz is a Vice President in the Merchant Banking Division of Goldman, Sachs & Co. Mr. Lebovitz joined Goldman Sachs in 1997. He is a director of Village Voice Media Holdings, LLC. He received his B.S. in Commerce from the University of Virginia.

George E. Matelich has been a member of our board of directors since September 2006 and a member of the board of directors of Coffeyville Acquisition LLC since June 24, 2005. Mr. Matelich has been a Managing Director of Kelso & Company since 1990. Mr. Matelich has been affiliated with Kelso since 1985. Mr. Matelich is a Certified Public Accountant and holds a Certificate in Management Consulting. Mr. Matelich received an M.B.A. (Finance and Business Policy) from the Stanford Graduate School of Business. He is a director of Global Geophysical Services, Inc. and Waste Services, Inc. Mr. Matelich is also a Trustee of the University of Puget Sound.

Stanley de J. Osborne has been a member of our board of directors since September 2006 and a member of the board of directors of Coffeyville Acquisition LLC since June 24, 2005. Mr. Osborne has been a Vice President of Kelso & Company since 2004. Mr. Osborne has been affiliated with Kelso since 1998. Prior to joining Kelso, Mr. Osborne was an Associate at Summit Partners. Previously, Mr. Osborne was an Associate in the Private Equity Group and an Analyst in the Financial Institutions Group at J.P. Morgan & Co. He received a B.A. in Government from Dartmouth College. Mr. Osborne is a director of Custom Building Products, Inc. and Traxys S.A.

Kenneth A. Pontarelli has been a member of our board of directors since September 2006 and a member of the board of directors of Coffeyville Acquisition LLC since June 24, 2005. Mr. Pontarelli is a managing director in the Merchant Banking Division of Goldman, Sachs & Co. Mr. Pontarelli joined Goldman, Sachs & Co. in 1992 and became a managing director in 2004. He is a director of Cobalt International Energy, L.P., an oil and gas exploration and development company, Horizon Wind Energy LLC, a developer, owner and operator of wind power projects, and NextMedia Group, Inc., a privately owned radio broadcasting and outdoor advertising company. He received a B.A. from Syracuse University and an M.B.A. from Harvard Business School.

Mark Tomkins has been a member of our board of directors since January 2007. Mr. Tomkins has served as the senior financial officer at several large companies during the past ten years. He was Senior Vice President and Chief Financial Officer of Innovene, a petroleum refining and chemical polymers business and a subsidiary of British Petroleum, from May 2005 to January 2006, when Innovene was sold to a strategic buyer. From January 2001 to May 2005 he was Senior Vice President and Chief Financial Officer of Vulcan Materials Company, a construction materials and chemicals company, with responsibility for finance, treasury, tax, internal audit, investor relations, strategic planning and information technology. From August 1998 to January 2001 Mr. Tomkins was Senior Vice President and Chief Financial Officer of Chemtura (formerly GreatLakes Chemical Corporation), a specialty chemicals company. From July 1996 to August 1998 he worked at Honeywell Corporation as Vice President of Finance and Business Development for its polymers division and as Vice President of Finance and Business Development for its electronic materials division. From November 1990 to July 1996 Mr. Tomkins worked at Monsanto Company in various financial and accounting positions, including Chief Financial Officer of the growth enterprises division from January 1995 to July 1996. Prior to joining Monsanto he worked at Cobra Corporation and as an auditor in private practice. Mr. Tomkins received a B.S. degree in business, with majors in Finance and Management, from Eastern Illinois University and an MBA from Eastern Illinois University.

Board of Directors

Our board of directors consists of seven members. The current directors are included above. Our directors are elected annually to serve until the next annual meeting of stockholders or until their successors are duly elected and qualified.

Prior to the completion of this offering, our board will have an audit committee, a compensation committee and a nominating and corporate governance committee. Our board of directors has determined that we are a “controlled company” under the rules of , and, as a result, will qualify for, and may rely on, exemptions from certain corporate governance requirements of the .

Audit Committee. Our audit committee will be comprised of Messrs. Mark Tomkins, , and . Mr. Tomkins will be chairman of the audit committee. The audit committee’s responsibilities will be to review the accounting and auditing principles and procedures of our company with a view to providing for the safeguard of our assets and the reliability of our financial records by assisting the board of directors in monitoring our financial reporting process, accounting functions and internal controls; to oversee the qualifications, independence, appointment, retention, compensation and performance of our independent registered public accounting firm; to recommend to the board of directors the engagement of our independent accountants; to review with the independent accountants the plans and results of the auditing engagement; and to oversee “whistle-blowing” procedures and certain other compliance matters.

Compensation Committee. Our compensation committee will be comprised of Messrs. George E. Matelich, Kenneth Pontarelli and John J. Lipinski. The principal responsibilities of the compensation committee will be to establish policies and periodically determine matters involving executive compensation, recommend changes in employee benefit programs, grant or recommend the grant of stock options and stock awards and provide counsel regarding key personnel selection. See “Executive Compensation — Compensation Discussion and Analysis.”

Nominating and Corporate Governance Committee. Our nominating and corporate governance committee will be comprised of Messrs. , , and . The principal duties of the nominating and corporate governance committee will be to recommend to the board of directors proposed nominees for election to the board of directors by the stockholders at annual meetings and to develop and make recommendations to the board of directors regarding corporate governance matters and practices.

Executive Compensation

Compensation Discussion and Analysis

Overview

To date, the compensation committee of the board of directors of Successor has overseen companywide compensation practices and specifically reviewed, developed and administered executive compensation programs. Messrs. George E. Matelich, Kenneth Pontarelli and John J. Lipinski were appointed as members of this committee. Prior to the completion of this offering, our board of directors will establish a compensation committee comprised of Messrs. George E. Matelich, Kenneth Pontarelli and John J. Lipinski, which will (except where otherwise noted) generally take over the duties of the compensation committee of the board of directors of Successor. For purposes of the Compensation Discussion and Analysis, the “board of directors” and the ‘‘compensation committee” refer to the board of directors of the Successor and the compensation committee thereof. We do not expect our overall compensation philosophy to materially change as a result of the establishment of the new compensation committee.

The executive compensation philosophy of the compensation committee is threefold:

- To align the executive officers’ interest with that of the shareholders and stakeholders, which provides long-term economic benefits to the shareholders;
- To provide competitive financial incentives in the form of salary, bonuses, and benefits with the goal of retaining and attracting talented and highly motivated executive officers; and
- To maintain a compensation program whereby the executive officers, through exceptional performance and equity ownership, will have the opportunity to realize economic rewards commensurate with appropriate gains of other equity holders and stake holders.

The compensation committee reviews and makes recommendations to the board of directors regarding our overall compensation strategy and policies. The compensation committee (1) develops, approves and oversees policies relating to compensation of our chief executive officer and other executive officers, (2) discharges the board’s responsibility relating to the establishment, amendment, modification, or termination of the Coffeyville Resources, LLC Phantom Unit Appreciation Plan (the “Phantom Unit Plan”), health and welfare plans, incentive plans, defined contribution plan (401(k) plan), and any other benefit plan, program or arrangement which we sponsor or maintain and (3) discharges the responsibilities of the override unit committee of the board of directors.

Specifically, the compensation committee reviews and makes recommendations to the board of directors regarding annual and long-term performance goals and objectives for the chief executive officer and our other senior executives; reviews and makes recommendations to the board of directors regarding the annual salary, bonus and other incentives and benefits, direct and indirect, of the chief executive officer and our senior executives; reviews and authorizes the company to enter into employment, severance or other compensation agreements with the chief executive officer and other senior executives; administers the executive incentive plan, including the Phantom Unit Plan; establishes and periodically reviews perquisites and fringe benefits policies; reviews annually the implementation of our company-wide incentive bonus program known as the Variable Compensation Plan (which is referred to as the Income Sharing Plan beginning in 2007) and contributions to our 401(k) plan; and performs such duties and responsibilities as may be assigned by the board of directors to the compensation committee under the terms of any executive compensation plan, incentive compensation plan or equity-based plan and as may be assigned to the compensation committee with respect to the issuance and management of the override units in Coffeyville Acquisition LLC.

The compensation committee has regularly scheduled meetings concurrent with the board of directors meetings and additionally meets at other times as needed throughout the year. Frequently issues are discussed via teleconferencing. The chief executive officer, while a member of the compensation committee, does not participate in the determination of his own compensation. However, he actively provides guidance and recommendations to the committee regarding the amount and form of the compensation of the other executive officers and key employees.

Compensation paid to executive officers is closely aligned with our performance on both a short-term and long-term basis. Compensation is structured competitively in order to attract, motivate and retain executive officers and key employees and is considered crucial to our long-term success and the long-term enhancement of shareholder value. Compensation is structured to ensure that the executive officers' objectives and rewards are directly correlated to our long-term objectives and the executive officers' interests are aligned with those of shareholders. To this end, the compensation committee believes that the most critical component of compensation is equity compensation.

The following discusses in detail the foundation underlying and the drivers of our executive compensation philosophy, and also how the related decisions are made. Qualitative information related to the most important factors utilized in the analysis of these decisions is described.

Elements of Compensation

The three primary components of the compensation program are salary, an annual cash incentive bonus, and equity awards. Executive officers are also provided with benefits that are generally available to our salaried employees.

While these three components are related, we view them as separate and analyze them as such. The compensation committee believes that equity compensation is the primary motivator in attracting and retaining executive officers. Salary and cash incentive bonuses are viewed as secondary; however, the compensation committee views a competitive level of salary and cash incentive bonus as critical to retaining talented individuals.

Base Salary

We fix the base salary of each of our executive officers at a level we believe enables us to hire, motivate, and retain individuals in a competitive environment and to reward satisfactory individual and company performance. Management, through the chief executive officer, provides the compensation committee with information gathered through a detailed annual review of executive compensation programs of other publicly and privately held companies in our industry, which are similar to us in size and operations (among other factors), in order to create a baseline of the salaries paid by companies in our industry.

Each of the named executive officers has an employment agreement which sets forth his base salary. Salaries are reviewed annually by the compensation committee with periodic informal reviews throughout the year. Adjustments, if any, are usually made on January 1st of the year immediately following the review. The compensation committee most recently reviewed the level of cash salary and bonus for each of the executive officers in November 2006 and noted certain changes of responsibilities and promotions. Both individual performance and peer group practices were considered. It determined that no material changes needed to be made at that time to the base salary levels of our executive officers unless they either had a promotion or a significant change of duties. The compensation committee accordingly decided to adjust the salary of Mr. Haugen as Mr. Haugen's overall responsibilities increased (although his title did not formally change) in 2006. Mr. Haugen took over all refinery operations and continued to maintain his other responsibilities including executive management of engineering and construction during 2006. Mr. Haugen's base salary beginning in 2007 was adjusted to $275,000.

Annual Bonus

The ratio of salary to bonus is a function of industry practice, as well as the compensation committee's desire to put a significant portion of our executive officers' compensation package at risk. Accordingly, our program provides for greater bonus potential as the authority and responsibility of a position increases. The chief executive officer has the greatest percentage of his compensation at risk as a bonus. Following the chief executive officer, the other named executive officers have less bonus potential but retain significant bonus risk. Bonuses may be paid in an amount equal to the target percentage, less than the target percentage or greater than the target percentage based on current year performance as determined by the compensation committee. The performance determination takes into account operational performance, financial performance, factors affecting the business and the individual's personal performance. Due to the nature of the business, financial performance alone may not dictate or be a fair indicator of the performance of the executive officers. Conversely, financial performance may exceed all expectations, but it could be due to outside forces in the industry rather than true performance by an executive that exceeds expectations. In order to take this mismatch into consideration and to assess the executive officers' performance on their own merits, the compensation committee makes an assessment of the executive officer's performance separate from the actual financial performance of the company. While targets are set and reviewed for the company's results, the overall assessment is not performed in a vacuum.

Annual cash incentive bonuses for our executive officers are established as part of their respective individual employment agreements. Each of these employment agreements provides that the executive will receive an annual cash performance bonus determined in the discretion of the board of directors of Successor, with a target bonus amount specified as a percentage of salary for that executive officer based on individualized performance goals and company performance goals. These criteria are established by the compensation committee of Successor and approved by the full board of directors of Successor on an annual basis, and include specific objectives relating to the achievement of operational and financial goals.

The compensation committee has reviewed the individualized performance and company performance criteria as compared to actual performance for the executive officers for the year ended December 31, 2006. The compensation committee decided that the cash incentive bonuses earned by the executive officers for the year ended December 31, 2006 should equal their full target percentages, and such bonuses were paid out during the first week of February 2007. Many initiatives, such as better utilization of our crude gathering system, improvements in crude purchasing and added emphasis on safety enhancements, and other efficiency improvements, by the named executive officers drove the value of the business significantly. The intent was that discretionary bonuses would be awarded upon separate review of accomplishments. The compensation committee provided certain discretionary bonuses in December 2006 to the named executive officers separate and apart from the incentive bonuses. It was the decision of the compensation committee that bonuses would be paid to partially bridge the difference between the base salaries and the industry average.

As discussed above, in November 2006, the compensation committee determined that the future target percentage for the performance-based annual cash bonus for executive officers needed to be increased due to their review of other comparable companies. Due to the increase in future targeted percentages of the incentive bonuses, the discretionary bonus that was awarded in December 2006 will no longer be available going forward for the named executive officers. During 2006, bonuses accounted for over 73% of total salary and bonus for the chief executive officer. The bonuses paid to executive officers going forward will be paid in the year in which the services are rendered.

Beginning in 2007, the named executive officers will no longer participate in our Company-wide Variable Compensation Plan (renamed the Income Sharing Plan in 2007). The compensation committee believes their targeted percentages for bonuses beginning in 2007 and going forward are adequate and will be monitored and maintained through their employment agreements; therefore, they are no longer eligible to participate in the company wide bonus plan (Income Sharing Plan) going forward.

Equity

We use equity incentives to reward long-term performance. The issuance of equity to executive officers is intended to generate significant future value for each executive officer if the company's performance is outstanding and the value of the company's equity increases for all shareholders. The compensation committee believes that this also promotes long-term retention of the executive. The equity incentives were negotiated to a large degree at the time of the acquisition in June 2005 in order to bring the executive officers' compensation package in line with similarly situated companies.

The greatest share of total compensation to the chief executive officer and other named executive officers (as well as selected senior executives and key employees) is in the form of equity: common units in Coffeyville Acquisition LLC, stock of the underlying subsidiaries, override units within Coffeyville Acquisition LLC or Phantom Units at Coffeyville Resources, LLC. The total number of such awards is detailed in this registration statement and was approved by the compensation committee. All currently available override units and phantom units have been awarded. The Coffeyville Acquisition LLC Limited Liability Company Agreement provides the methodology for payouts for this equity based compensation. The Phantom Unit Appreciation Plan works in correlation with the methodology established by the Coffeyville Acquisition LLC Limited Liability Company Agreement for payouts. Each named executive officer contributed personal capital to Coffeyville Acquisition LLC and owns a number of units proportionate to his contribution. All issuances of override units and phantom units made through December 31, 2006 were made at what the board of directors determined to be the fair market value of the common units and override units on the respective grant dates. For a description of these plans, please see "— Executives' Interests in Coffeyville Acquisition LLC" and "— Coffeyville Resources, LLC Phantom Unit Appreciation Plan," below.

Additional phantom units were also awarded to certain named executive officers in December of 2006 pursuant to the Phantom Unit Plan. The Phantom Unit Plan had an unallocated pool of units that were not initially issued. It was the intent that this unallocated pool would remain until a triggering event occurred. The triggering event for the issuance of these units was the filing of a registration statement. The filing of the registration statement precipitated the action of the compensation committee to review and determine the allocation of the additional units from the Phantom Unit Plan for issuance. Additionally, there was a pool of override units that had not been issued. It was also the intent, that upon a filing of a registration statement, the unallocated override units in the pool would be issued. The Compensation Committee approved the issuance of all remaining override units in the pool available be issued to John J. Lipinski on December 28, 2006. The compensation committee made its decision and recommendation to the board of directors to grant Mr. Lipinski these additional units based on a number of accomplishments achieved by him over the past 18 months. Mr. Lipinski has been and will continue to be instrumental in positioning the company to become more competitive and to increase the capacity of the refinery operations through his negotiating and obtaining favorable crude oil pricing, as well as in helping to gain access to capital in order to expand overall operations of both segments of the business. The increased value and growth of the business is directly attributable to the actions and leadership that Mr. Lipinski has provided for the overall executive management group. Specific achievements include:

- Continued operational improvement of an asset that had been in bankruptcy less than 3 years ago
- Start-up operations of refined fuels offsite rack marketing
- Expansion of the crude gathering system

- Continual innovative and technical improvements to improve operational efficiency and cost
- Implementation and initiation of the refinery expansion project

Additionally, due to the significant contributions of Mr. Lipinski as reflected above, the compensation committee awarded him for his services shares in Coffeyville Refining & Marketing, Inc. and shares in Coffeyville Fertilizers Nitrogen, Inc. The shares were issued to compensate him for his exceptional performance related to the operations of the business. Upon going effective, we expect that these shares will be exchanged for shares of common stock in CVR.

We also plan to establish a stock incentive plan in connection with the initial public offering. No awards have been established at this time for the chief executive officer or other named executive officers. In keeping with the compensation committee's stated philosophy, such awards will be intended to help achieve the compensation goals necessary to run our business.

Other Forms of Compensation

Each of our executive officers has a provision in his employment agreement providing for certain severance benefits in the event of termination without cause. These severance provisions are described in the "Employment Agreements" section below. The severance arrangements were all negotiated with the original employment agreements between the executive officer and the company. There are no change of control arrangements, but the compensation committee believed that there needed to be some form of compensation upon certain events of termination of services as is customary for similar companies.

Compensation Policies and Philosophy

Ours is a commodity business with high volatility and risk where earnings are not only influenced by margins, but also by unique, innovative and aggressive actions and business practices on the part of the executive team. The compensation committee routinely reviews financial and operational performance compared to our business plan, positive and negative industry factors, and the response of the senior management team in dealing with and maximizing operational and financial performance in the face of otherwise negative situations. Due to the nature of our business, performance of an individual or the business as a whole may be outstanding; however, our financial performance may not depict this same level of achievement. The financial performance of the company is not necessarily reflective of individual operational performance. These are some of the factors used in setting executive compensation. Specific performance levels or benchmarks are not necessarily used to establish compensation; however, the compensation committee takes into account all factors to make a subjective determination of related compensation packages for the executive officers.

The compensation committee has not adopted any formal or informal policies or guidelines for allocating compensation between long-term and current compensation, between cash and non-cash compensation, or among different forms of compensation other than its belief that the most crucial component is equity compensation. The decision is strictly made on a subjective and individual basis considering all relevant facts.

For compensation decisions, including decisions regarding the grant of equity compensation relating to executive officers (other than our Chief Executive Officer and Chief Operating Officer), the compensation committee typically considers the recommendations of our Chief Executive Officer.

In recommending compensation levels and practices, our management reviews peer group compensation practices based on publicly available data. The analysis is done in-house in its entirety and is reviewed by executive officers who are not members of the compensation committee. The analysis is based on public information available through proxy statements and similar sources. Because the analysis is almost always performed based on prior year public information, it may often be somewhat outdated. We have not historically and at this time do not intend to hire or rely on independent consultants to analyze or prepare formal surveys for us. We do receive certain unsolicited executive compensation surveys; however, our use of these is limited as we believe we need to determine our baseline based on practices of other companies in our industry.

After this registration statement is declared effective, Section 162(m) of the Internal Revenue Code will limit the deductibility of compensation in excess of $1 million paid out to our executive officers unless specific and detailed criteria are satisfied. We believe that it is in our best interest to deduct compensation paid to our executive officers. We will consider the anticipated tax treatment to the company and our executive officers in the review and determination of the compensation payments and incentives. No assurance, however, can be given that the compensation will be fully deductible under Section 162(m).

Following the completion of this offering, we will continue to reward executive officers through programs that enhance and emphasize performance-based incentives. We will continue our strategy to identify rewards that promote the objective of enhancing shareholder value. Executive compensation will continue to be structured to ensure that there is a balance between financial performance and shareholder returns as well as an appropriate balance between short-term and long-term performance.

Summary Compensation Table

The following table sets forth certain information with respect to compensation for the year ended December 31, 2006 earned by our chief executive officer, our chief financial officer and our three other most highly compensated executive officers as of December 31, 2006. In this prospectus, we refer to these individuals as our named executive officers.

Name and Principal Position	Year	Salary ($)	Bonus ($) (1)	Stock Awards ($)	Non-Equity Incentive Plan Compensation ($) (1)(4)	All Other Compensation ($)	Total ($) (10)
John J. Lipinski Chief Executive Officer	2006	650,000	1,331,790	(3)	487,500	1,010,523(5)	3,479,813
Stanley A. Riemann Chief Operating Officer	2006	350,000	772,917(2)	—	210,000	292,490(6)	1,625,407
James T. Rens Chief Financial Officer	2006	250,000	205,000	—	130,000	154,255(7)	739,255
Robert W. Haugen Executive Vice President, Refining Operations	2006	225,000	205,000	—	117,000	154,410(8)	701,410
Wyatt E. Jernigan Executive Vice President Crude Oil Acquisition and Petroleum Marketing	2006	225,000	140,000	—	117,000	155,681(9)	637,681

(1) Bonuses are reported for the year in which they were earned, though they may have been paid the following year.

(2) Includes a retention bonus in the amount of $122,917.

(3) The dollar amount recognized for financial statement reporting purposes for the fiscal year ended December 31, 2006 with respect to shares of common stock of each of Coffeyville Refining and Marketing, Inc. and Coffeyville Nitrogen Fertilizer, Inc. granted to Mr. Lipinski effective December 28, 2006 cannot be determined at this time. We expect to complete a valuation in connection with the preparation of our 2006 audited financial statements, and this amount will be included in the next amendment to this Form S-1/A. The amount will reflect the dollar amount recognized for financial statement reporting purposes for the fiscal year ended December 31, 2006 in accordance with FAS 123(R), and assumptions used in the calculation of this amount will

be included in a footnote to the Company's audited financial statements for the year ended December 31, 2006.

(4) Reflects cash awards to the named individuals in respect of 2006 performance pursuant to our Variable Compensation Plan.

(5) Includes (a) a Company contribution under our 401(k) plan in 2006, (b) the premiums paid by us on behalf of the executive officer with respect to our executive life insurance program in 2006, (c) forgiveness of a note that Mr. Lipinski owed to Coffeyville Acquisition LLC in the amount of $350,000, (d) forgiveness of accrued interest related to the forgiven note in the amount of $17,989 and (e) the value of profit interests in Coffeyville Acquisition LLC granted in 2005 in the amount of $630,059, which amount is discussed in more detail in footnote 6, below. In addition, Mr. Lipinski will receive (f) a cash payment in respect of taxes payable on his December 28, 2006 grant of subsidiary stock, although the amount of this payment cannot be determined until the valuation in connection with the preparation of our 2006 audited financial statements is completed. The amount of the cash payment will be included in the next amendment to this Form S-1/A. Mr. Lipinski also received (g) profit interests in Coffeyville Acquisition LLC that were granted in the period ending December 31, 2006 (the value of the profit interests will be determined by a third-party valuation using binomial modeling based on company projections of undiscounted future cash flows), more fully described below under "— *Executives' Interests in Coffeyville Acquisition LLC*," and (h) Phantom Points granted during the period ending December 31, 2006 (the value of the Phantom Points will be determined by a third-party valuation using binomial modeling based on company projections of undiscounted future cash flows), more fully described below under " — *Coffeyville Resources, LLC Phantom Unit Appreciation Plan*." The value of the profit interests granted in 2006 and the Phantom Points cannot be determined at this time. We expect to complete a valuation in connection with the preparation of our 2006 audited financial statements, and these amounts will be included in the next amendment to this Form S-1/A. The amounts will reflect the dollar amount recognized for financial statement reporting purposes for the fiscal year ended December 31, 2006 in accordance with FAS 123(R), and assumptions used in the calculations will be included in our audited financial statements for the year ended December 31, 2006.

(6) Includes (a) a Company contribution under our 401(k) plan in 2006, (b) the premiums paid by us on behalf of the executive officer with respect to our executive life insurance program in 2006 and (c) the value of profit interests in Coffeyville Acquisition LLC granted in 2005 in the amount of $279,670, as more fully described below under "— *Executives' Interests in Coffeyville Acquisition LLC*." This amount represents the dollar amount recognized for financial statement reporting purposes for the fiscal year ended December 31, 2006 in accordance with FAS 123(R). Assumptions used in the calculations will be included in our audited financial statements for the year ended December 31, 2006. This column will also include Phantom Points granted to Mr. Riemann during the period ending December 31, 2006, as more fully described below under " — *Coffeyville Resources, LLC Phantom Unit Appreciation Plan*." The value of the Phantom Points cannot be determined at this time. We expect to complete a valuation in connection with the preparation of our 2006 audited financial statements, and these amounts will be included in the next amendment to this Form S-1/A for each of our named executive officers. The value of the Phantom Points will reflect the dollar amount recognized for financial statement reporting purposes for the fiscal year ended December 31, 2006 in accordance with FAS 123(R), and assumptions used in the calculations will be included in our audited financial statements for the year ended December 31, 2006.

(7) Includes (a) a Company contribution under our 401(k) plan in 2006, (b) the premiums paid by us on behalf of the executive officer with respect to our executive life insurance program in 2006 and (c) the value of profit interests in Coffeyville Acquisition LLC granted in 2005 in the amount of $143,571, which amount is discussed in more detail in footnote 6, above. This column will also

include Phantom Points granted to Mr. Rens during the period ending December 31, 2006, which amount is discussed in more detail in footnote 6, above.

(8) Includes (a) a company contribution under our 401(k) plan in 2006, (b) the premiums paid by us on behalf of the executive officer with respect to our executive life insurance program in 2006 and (c) the value of profit interests in Coffeyville Acquisition LLC granted in 2005 in the amount of $143,571, which amount is discussed in more detail in footnote 6, above. This column will also include Phantom Points granted to Mr. Haugen during the period ending December 31, 2006, which amount is discussed in more detail in footnote 6, above.

(9) Includes (a) a company contribution under our 401(k) plan in 2006, (b) the premiums paid by us on behalf of the executive officer with respect to our executive life insurance program in 2006 and (c) the value of profit interests in Coffeyville Acquisition LLC granted in 2005 in the amount of $143,571, which amount is discussed in more detail in footnote 6, above. This column will also include Phantom Points granted to Mr. Jernigan during the period ending December 31, 2006, which amount is discussed in more detail in footnote 6, above.

(10) An updated total compensation amount will be included in the next amendment to this Form S-1/A.

Grants of Plan-Based Awards

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards *Target ($)*	All other Stock Awards: Number of Shares of Stock or Units (#)	Grant Date Fair Value of Stock and Option Awards ($)
John J. Lipinski	December 2006	1,625,000		
	December 28, 2006		(1)	(1)
Stanley A. Riemann	December 2006	700,000		
James T. Rens	December 2006	300,000		
Robert W. Haugen	December 2006	330,000		
Wyatt E. Jernigan	December 2006	225,000		

(1) Mr. Lipinski received a grant of shares of common stock of each of Coffeyville Refining and Marketing, Inc. and Coffeyville Nitrogen Fertilizer, Inc. effective December 28, 2006. The number of shares and the grant date fair value cannot be determined at this time. We expect to complete a valuation in connection with the preparation of our 2006 audited financial statements, and these amounts will be included in the next amendment to this Form S-1/A.

Employment Agreements and Other Arrangements

Employment Agreements

John J. Lipinski. On July 12, 2005, Coffeyville Resources, LLC entered into an employment agreement with Mr. Lipinski, as Chief Executive Officer. The agreement has a rolling term of three years so that at the end of each month it automatically renews for one additional month, unless otherwise terminated by Coffeyville Resources, LLC or Mr. Lipinski. Mr. Lipinski receives an annual base salary of $650,000. Mr. Lipinski is eligible to receive a performance-based annual cash bonus with a target payment equal to 75% (250% effective January 1, 2007) of his annual base salary to be based upon individual and/or company performance criteria as established by the board of directors of Coffeyville Resources, LLC for each fiscal year. For years prior to 2007, in addition to his annual bonus, Mr. Lipinski was eligible to participate in any special bonus program that the board of directors of Coffeyville Resources, LLC implemented to reward senior management for extraordinary performance on terms and conditions established by such board.

Mr. Lipinski's agreement provides for certain severance payments that may be due following the termination of his employment. These benefits are described below under "Potential Payments Upon Termination or Change-in-Control."

Stanley A. Riemann, James T. Rens, Robert W. Haugen and Wyatt E. Jernigan. On July 12, 2005, Coffeyville Resources, LLC entered into employment agreements with each of Mr. Riemann, as Chief Operating Officer; Mr. Rens, as Chief Financial Officer; Mr. Haugen, as Executive Vice President — Engineering and Construction; and Mr. Jernigan, as Executive Vice President — Crude Oil Acquisition and Petroleum Marketing. The agreements have a term of three years and expire on June 24, 2008, unless otherwise terminated earlier by the parties. The agreements provide for an annual base salary of $350,000 for Mr. Riemann, $250,000 for Mr. Rens, $225,000 for Mr. Haugen ($275,000 effective January 1, 2007) and $225,000 for Mr. Jernigan. Each executive officer is eligible to receive a performance-based annual cash bonus with a target payment equal to 52% of his annual base salary (60% for Mr. Riemann) to be based upon individual and/or company performance criteria as established by the board of directors of Coffeyville Resources, LLC for each fiscal year. Effective January 1, 2007, the target annual bonus percentages are as follows: Mr. Reimann (200%), Mr. Rens (120%), Mr. Haugen (120%) and Mr. Jernigan (100%). For years prior to 2007, in addition to their annual bonuses, the executives were eligible to participate in any special bonus program that the board of directors of Coffeyville Resources, LLC implemented to reward senior management for extraordinary performance on terms and conditions established by the board of directors of Coffeyville Resources, LLC. Mr. Riemann's agreement provides that he will receive retention bonuses of approximately $245,833 in the aggregate during the years 2006 and 2007.

These agreements provide for certain severance payments that may be due following the termination of the executive officers' employment. These benefits are described below under "Potential Payments Upon Termination or Change-in-Control."

Stock Incentive Plan

We intend to adopt a stock incentive plan under which certain of our executive officers, directors and employees may be granted options or other equity-based compensation in respect of our common stock. The stock incentive plan will be designed to enable us to attract, retain and motivate our executive officers and employees and to further align their interests with those of our stockholders by providing for, or increasing, their ownership interests in us.

Executives' Interests in Coffeyville Acquisition LLC

The following is a summary of the material terms of the Coffeyville Acquisition LLC Second Amended and Restated Limited Liability Company Agreement, or the LLC Agreement, as they relate to the limited liability company interests granted to our named executive officers pursuant to the LLC Agreement as of December 31, 2006.

General

The LLC Agreement provides for two classes of interests in Coffeyville Acquisition LLC: common units and override units (which consist of either operating units or value units) (common units and override units are collectively referred to as "units"). The common units provide for voting rights and have rights with respect to profits and losses of, and distributions from, Coffeyville Acquisition LLC. Such voting rights cease, however, if the executive officer holding common units ceases to provide services to Coffeyville Acquisition LLC or one of its subsidiaries. The common units were issued to our named executive officers in the following amounts (as subsequently adjusted) in exchange for capital contributions in the following amounts: Mr. Lipinski (capital contribution of $650,000 in exchange for 57,446 units), Mr. Riemann (capital contribution of $400,000 in exchange for 35,352 units), Mr. Rens (capital contribution of $250,000 in exchange for 22,095 units), Mr. Haugen (capital contribution of $100,000 in exchange for 8,838 units) and Mr. Jernigan (capital contribution of

$100,000 in exchange for 8,838 units). These named executive officers were also granted override units, which consist of operating units and value units, in the following amounts: Mr. Lipinski (an initial grant of 315,818 operating units and 631,637 value units and a December 2006 grant of 72,492 operating units and 144,966 value units), Mr. Riemann (140,185 operating units and 280,371 value units), Mr. Rens (71,965 operating units and 143,931 value units), Mr. Haugen (71,965 operating units and 143,931 value units) and Mr. Jernigan (71,965 operating units and 143,931 value units). Override units have no voting rights attached to them, but have rights with respect to profits and losses of, and distributions from, Coffeyville Acquisition LLC. Our named executive officers were not required to make any capital contribution with respect to the override units; override units were issued only to certain members of management who own common units and who agreed to provide services to Coffeyville Acquisition LLC.

In addition, common units were issued to the following executive officers in the following amounts (as subsequently adjusted) in exchange for the following capital contributions: Mr. Kevan Vick (capital contribution of $250,000 in exchange for 22,095 units), Mr. Edmund Gross (capital contribution of $30,000 in exchange for 2,651 units) and Mr. Chris Swanberg (capital contribution of $25,000 in exchange for 2,209 units) Mr. Vick was also granted 71,965 operating units and 143,931 value units.

If all of the shares of Common Stock of our Company held by Coffeyville Acquisition LLC were sold at our initial public offering price and cash was distributed to members pursuant to the LLC Agreement, our named executive officers would receive a cash payment in respect of their override units in the following approximate amounts: Mr. Lipinski ($), Mr. Riemann ($), Mr. Rens ($), Mr. Haugen ($), and Mr. Jernigan ($).

Forfeiture of Override Units Upon Termination of Employment

If the executive officer ceases to provide services to Coffeyville Acquisition LLC or a subsidiary due to a termination for “cause” (as such term is defined in the LLC Agreement), the executive officer will forfeit all of his override units. If the executive officer ceases to provide services for any reason other than cause before the fifth anniversary of the date of grant of his operating units, and provided that an event that is an “Exit Event” (as such term is defined in the LLC Agreement) has not yet occurred and there is no definitive agreement in effect regarding a transaction that would constitute an Exit Event, then (a) unless the termination was due to the executive officer’s death or “disability” (as that term is defined in the LLC Agreement), in which case a different vesting schedule will apply based on when the death or disability occurs, all value units will be forfeited and (b) a percentage of the operating units will be forfeited according to the following schedule: if terminated before the second anniversary of the date of grant, 100% of operating units are forfeited; if terminated on or after the second anniversary of the date of grant, but before the third anniversary of the date of grant, 75% of operating units are forfeited; if terminated on or after the third anniversary of the date of grant, but before the fourth anniversary of the date of grant, 50% of operating units are forfeited; and if terminated on or after the fourth anniversary of the date of grant, but before the fifth anniversary of the date of grant, 25% of his operating units are forfeited.

Adjustments to Capital Accounts; Distributions

Each of the executive officers has a capital account under which his balance is increased or decreased, as applicable, to reflect his allocable share of net income and gross income of Coffeyville Acquisition LLC, the capital that the executive officer contributed, distributions paid to such executive officer and his allocable share of net loss and items of gross deduction.

Value units owned by the executive officers do not participate in distributions under the LLC Agreement until the “Current Value” is at least two times the “Initial Price” (as these terms are defined in the LLC Agreement), with full participation occurring when the Current Value is four times the Initial Price and pro rata distributions when the Current Value is between two and four times the Initial Price.

Coffeyville Acquisition LLC may make distributions to its members to the extent that the cash available to it is in excess of the business's reasonably anticipated needs. Distributions are generally made to members' capital accounts in proportion to the number of units each member holds. Distributions in respect of override units (both operating units and value units), however, will be reduced until the total reductions in proposed distributions in respect of the override units equals the Benchmark Amount (i.e., $11.31 for override units granted on July 25, 2005 and $ for Mr. Lipinski's later grant). The board of directors of Coffeyville Acquisition LLC will determine the "Benchmark Amount" with respect to each override unit at the time of its grant. There is also a catch-up provision with respect to any value unit that was not previously entitled to participate in a distribution because the Current Value was not at least four times the Initial Price.

Put and Call Rights

The executive officers have put rights with respect to their common units, so that following their termination of employment, they have the right to sell all (but not less than all) of their common units to Coffeyville Acquisition LLC at their "Fair Market Value" (as that term is defined in the LLC Agreement) if they were terminated without "cause," or as a result of death, "disability" or resignation with "good reason" (each as defined in the LLC Agreement) or due to "retirement" (as that term is defined in the LLC Agreement). Coffeyville Acquisition LLC has call rights with respect to the executive officers' common units, so that following the executive officers' termination of employment, Coffeyville Acquisition LLC has the right to purchase the common units at their Fair Market Value if the executive was terminated without cause, or as a result of the executive's death, disability or resignation with good reason or due to retirement. The call price will be the lesser of the common unit's Fair Market Value or Carrying Value (which means the capital contribution, if any, made by the executive officer in respect of such interest less the amount of distributions made in respect of such interest) if the executive is terminated for cause or he resigns without good reason. For any other termination of employment, the call price will be at the fair Market Value or Carrying Value of such common units, in the sole discretion of Coffeyville Acquisition LLC's board of directors. No put or call rights apply to override units following the executive officer's termination of employment unless Coffeyville Acquisition LLC's board of directors (or the compensation committee thereof) determines in its discretion that put and call rights will apply.

Other Provisions Relating to Units

The executive officers are subject to transfer restrictions on their units, although they may make certain transfers of their units for estate planning purposes. The LLC Agreement also provides for certain tag-along and drag-along rights with respect to members' units.

Coffeyville Resources, LLC Phantom Unit Appreciation Plan

The following is a summary of the material terms of the Coffeyville Resources, LLC Phantom Unit Appreciation Plan (the "Phantom Unit Plan") as they relate to our named executive officers.

General

The Phantom Unit Plan provides for two classes of interests: Phantom Service Points and Phantom Performance Points (collectively, the "Phantom Points"). Holders of the Phantom Service Points and Phantom Performance Points have the opportunity to receive a cash payment when distributions are made pursuant to the LLC Agreement in respect of operating units and value units, respectively. The Phantom Points represent a contractual right to receive a payment when payment is made in respect of certain profit interests in Coffeyville Acquisition LLC. Phantom Points have been granted to our named executive officers in the following amounts: Mr. Lipinski (1,368,571 Phantom Service Points and 1,368,571 Phantom Performance Points, which represents 13.7% of the total Phantom Points awarded), Mr. Riemann (596,133 Phantom Service Points and 596,133 Phantom Performance Points, which represents 6.0% of the total Phantom Points awarded), Mr. Rens (495,238

Phantom Service Points and 495,238 Phantom Performance Points, which represents 5.0% of the total Phantom Points awarded), Mr. Haugen (495,238 Phantom Service Points and 495,238 Phantom Performance Points, which represents 5.0% of the total Phantom Points awarded) and Mr. Jernigan (148,571 Phantom Service Points and 148,571 Phantom Performance Points, which represents 1.5% of the total Phantom Points awarded). If all of the shares of common stock of our company held by Coffeyville Acquisition LLC were sold at our initial public offering price and cash was distributed to members pursuant to the LLC Agreement, our named executive officers would receive a cash payment in respect of their Phantom Points in the following amounts: Mr. Lipinski ($), Mr. Riemann ($), Mr. Rens ($), Mr. Haugen ($) and Mr. Jernigan ($).

Phantom Point Payments

Payments in respect of Phantom Service Points will be made within 30 days from the date distributions are made pursuant to the LLC Agreement in respect of operating units. Cash payments in respect of Phantom Performance Points will be made within 30 days from the date distributions are made pursuant to the LLC Agreement in respect of value units (i.e., not until the “Current Value” is at least two times the “Initial Price” (as such terms are defined in the LLC Agreement), with full participation occurring when the Current Value is four times the Initial Price and pro rata distributions when the Current Value is between two and four times the Initial Price). There is also a catch-up provision with respect to Phantom Performance Points for which no cash payment was made because no distribution pursuant to the LLC Agreement was made with respect to value units.

Other Provisions Relating to the Phantom Points

If a participant’s employment is terminated prior to an “Exit Event” (as such term is defined in the LLC Agreement), all of his Phantom Units are forfeited. Phantom Units are generally non-transferable (except by will or the laws of descent and distribution). If payment to a participant in respect of his Phantom Points would result in the application of the excise tax imposed under Section 4999 of the Internal Revenue Code of 1986, as amended, then the payment will be “cutback” so that it will no longer be subject to the excise tax.

Option Exercises and Stock Vested

	Stock Awards	
Name	**Number of Shares Acquired on Vesting (#)**	**Value Realized on Vesting ($)**
John J. Lipinski	(1)	(1)

(1) Mr. Lipinski received a grant of shares of common stock of each of Coffeyville Refining and Marketing, Inc. and Coffeyville Nitrogen Fertilizer, Inc. effective December 28, 2006, which are fully vested as of the date of grant. The number of shares and the dollar value realized on these fully vested shares on the date of grant cannot be determined at this time. We expect to complete a valuation in connection with the preparation of our 2006 audited financial statements, and this information will be included in the next amendment to this Form S-1/A.

Change-in-Control and Termination Payments

Severance Benefits Provided Pursuant to Employment Agreements

Under the terms of their respective employment agreements, the named executive officers may be entitled to severance and other benefits following the termination of their employment. These benefits are summarized below. The amounts of potential post-employment payments assume that the triggering event took place on December 31, 2006.

If Mr. Lipinski's employment is terminated either by Coffeyville Resources, LLC without cause and other than for disability or by Mr. Lipinski for good reason (as these terms are defined in Mr. Lipinski's employment agreement), then Mr. Lipinski is entitled to receive as severance (a) salary continuation for 36 months and (b) the continuation of medical benefits for thirty-six months at active-employee rates or until such time as Mr. Lipinski becomes eligible for medical benefits from a subsequent employer. The estimated total amounts of these payments are set forth in the table below. As a condition to receiving the salary continuation and continuation of medical benefits, Mr. Lipinski must (a) execute, deliver and not revoke a general release of claims and (b) abide by restrictive covenants as detailed below. If Mr. Lipinski's employment is terminated as a result of his disability, then in addition to any payments to be made to Mr. Lipinski under disability plan(s), Mr. Lipinski is entitled to supplemental disability payments equal to, in the aggregate, Mr. Lipinski's base salary as in effect immediately before his disability (the estimated total amount of this payment is set forth in the table below). Such supplemental disability payments will be made in installments for a period of 36 months from the date of disability. If Mr. Lipinski's employment is terminated at any time by reason of his death, then Mr. Lipinski's beneficiary (or his estate) will be paid the base salary Mr. Lipinski would have received had he remained employed through the remaining term of his contract. Notwithstanding the foregoing, Coffeyville Resources, LLC may, at its option, purchase insurance to cover the obligations with respect to either Mr. Lipinski's supplemental disability payments or the payments due to Mr. Lipinski's beneficiary or estate by reason of his death. Mr. Lipinski will be required to cooperate in obtaining such insurance. If any payments or distributions due to Mr. Lipinski would be subject to the excise tax imposed under Section 4999 of the Internal Revenue Code of 1986, as amended, then such payments or distributions will be "cutback" so that they will no longer be subject to the excise tax.

The agreement requires Mr. Lipinski to abide by a perpetual restrictive covenant relating to non-disclosure. The agreement also includes covenants relating to non-solicitation and non-competition during Mr. Lipinski's employment and, following termination of employment, for as long as he is receiving severance or supplemental disability payments or one year if he is receiving none.

If the employment of Mr. Riemann, Mr. Rens, Mr. Haugen or Mr. Jernigan is terminated either by Coffeyville Resources, LLC without cause and other than for disability or by the executive officer for good reason (as such terms are defined in the respective employment agreements), then the executive officer is entitled to receive as severance (a) salary continuation for 12 months (18 months for Mr. Riemann) and (b) the continuation of medical benefits for 12 months (18 months for Mr. Riemann) at active-employee rates or until such time as the executive officer becomes eligible for medical benefits from a subsequent employer. The amount of these payments is set forth in the table below. As a condition to receiving the salary, the executives must (a) execute, deliver and not revoke a general release of claims and (b) abide by restrictive covenants as detailed below. The agreements provide that if any payments or distributions due to an executive officer would be subject to the excise tax imposed under Section 4999 of the Internal Revenue Code, as amended, then such payments or distributions will be "cutback" so that they will no longer be subject to the excise tax.

The agreements require each of the executive officers to abide by a perpetual restrictive covenant relating to non-disclosure. The agreements also include covenants relating to non-solicitation and non-competition during their employment and, following termination of employment, for one year (for Mr. Riemann, the applicable period is during his employment and, following termination of employment, for as long as he is receiving severance, or one year if he is receiving none).

Below is a table setting forth the estimated aggregate amount of the payments discussed above assuming a December 31, 2006 termination date (and, where applicable, no offset due to eligibility to receive medical benefits from a subsequent employer). The table assumes that the executive officers' termination was by Coffeyville Resources, LLC without cause or by the executive officers for good reason, and in the case of Mr. Lipinski also provides information assuming his termination was due to his disability.

Name	Total Severance Payments		Estimated Dollar Value of Medical Benefits	
John J. Lipinski (severance if terminated without cause or resigns for good reason)	$	1,950,000	$	20,307
John J. Lipinski (supplemental disability payments if terminated due to disability)	$	650,000		—
Stanley A. Riemann	$	525,000	$	10,154
James T. Rens	$	250,000	$	9,713
Robert W. Haugen	$	225,000	$	9,713
Wyatt E. Jernigan	$	225,000	$	3,154

Director Compensation

Name	Fees Earned or Paid in Cash		All Other Compensation		Total(2)	
Wesley Clark	$	40,000		(1)	$	40,000
Scott Lebovitz, George E. Matelich, Stanley de J. Osborne and Kenneth A. Pontarelli	$	0	$	0	$	0

(1) Mr. Clark was awarded 244,038 Phantom Service Points and 244,038 Phantom Performance Points under Coffeyville Resources, LLC's Phantom Unit Plan in September 2005. Collectively, Mr. Clark's Phantom Points represent 2.44% of the total Phantom Points awarded. The value of the interest was $71,234 on the grant date. In accordance with SFAS 123(R), we apply a fair-value-based measurement method in accounting for share-based issuance of the phantom points. An independent third-party valuation is performed at the end of each reporting period using a binomial model based on company projections of undiscounted future cash flows. The Phantom Points are more fully described above under "— *Coffeyville Resources, LLC Phantom Unit Appreciation Plan*." The value of the Phantom Points cannot be determined at this time. We expect to complete a valuation in connection with the preparation of our 2006 audited financial statements, and this amount will be included in the next amendment to this Form S-1/A. The amount will reflect the dollar amount recognized for financial statement reporting purposes for the fiscal year ended December 31, 2006 in accordance with FAS 123(R), and assumptions used in the calculation will be included in our audited financial statements for the year ended December 31, 2006.

(2) An updated total compensation column will be included in the next amendment to this Form S-1/A.

Non-employee directors who do not work principally for entities affiliated with us were entitled to receive an annual retainer of $40,000 in 2006. Beginning in 2007, this annual retainer will increase to $60,000. In addition, all directors are reimbursed for travel expenses and other out-of-pocket costs incurred in connection with their attendance at meetings. Effective January 1, 2007, Mark Tomkins joined our board of directors. Mr. Tomkins was elected as the chairman of the audit committee and in that role he will receive an additional annual retainer of $15,000. Messrs. Lebovitz, Matelich, Osborne and Pontarelli received no compensation in respect of their service as directors in 2006.

Compensation Committee Interlocks and Insider Participation

Mr. Lipinski, our chief executive officer, served on the compensation committee of Coffeyville Acquisition LLC during 2005 and 2006. Otherwise, no interlocking relationship exists between our board of directors or compensation committee and the board of directors or compensation committee of any other company.

PRINCIPAL AND SELLING STOCKHOLDERS

The following table presents information regarding beneficial ownership of our common stock as of September 30, 2006, and as adjusted to reflect the sale of common stock in this offering by:

- each of our directors;
- each of our named executive officers;
- each stockholder known by us to beneficially hold five percent or more of our common stock;
- each selling stockholder who beneficially owns less than five percent of our common stock; and
- all of our executive officers and directors as a group.

Beneficial ownership is determined under the rules of the SEC and generally includes voting or investment power with respect to securities. Unless indicated below, to our knowledge, the persons and entities named in the table have sole voting and sole investment power with respect to all shares beneficially owned, subject to community property laws where applicable. Shares of common stock subject to options that are currently exercisable or exercisable within 60 days of September 30, 2006 are deemed to be outstanding and to be beneficially owned by the person holding the options for the purpose of computing the percentage ownership of that person but are not treated as outstanding for the purpose of computing the percentage ownership of any other person. Except as otherwise indicated, the business address for each of our beneficial owners is c/o CVR Energy, Inc., 2277 Plaza Drive, Suite 500, Sugar Land, Texas 77479.

Prior to this offering, Coffeyville Acquisition LLC owned 100% of our outstanding common stock. Following the closing of this offering, Coffeyville Acquisition LLC will own shares of our common stock, or approximately % of our outstanding common stock, and the Goldman Sachs Funds and the Kelso Funds, along with certain members of management, will beneficially own their interests in our common stock set forth below through their ownership of Coffeyville Acquisition LLC. The information in the table below reflects the number of shares of our common stock that correspond to each named holder's economic interest in common units in Coffeyville Acquisition LLC and does not reflect any economic interest in operating override units and value override units in Coffeyville Acquisition LLC.

Name and Address	Shares Beneficially Owned Prior to this Offering		Shares Beneficially Owned After this Offering: Assuming the Underwriters' Option Is Not Exercised(1)		Shares Beneficially Owned After this Offering: Assuming the Underwriters' Option Is Exercised(1)	
	Number	Percent	Number	Percent	Number	Percent
Coffeyville Acquisition LLC(2)(3)(4)						
The Goldman Sachs Group, Inc.(2) 85 Broad Street New York, New York 10004						
Kelso Investment Associates VII, L.P.						
KEP VI, LLC(3) 320 Park Avenue, 24th Floor New York, New York 10022						
John J. Lipinski						
Stanley A. Riemann						
James T. Rens						
Edmund S. Gross						
Robert W. Haugen						
Wyatt E. Jernigan						
Kevan A. Vick						
Christopher G. Swanberg						
Wesley Clark						
Scott Lebovitz						
George E. Matelich(3)						
Stanley de J. Osborne						
Kenneth A. Pontarelli						
Mark Tomkins						
All directors and executive officers, as a group (13 persons)						

(1) The underwriters have an option to purchase up to an additional shares from the selling stockholder in this offering. If the underwriters exercise this option, shares would be sold to the underwriters by Coffeyville Acquisition LLC and Coffeyville Acquisition LLC would distribute the proceeds to its members.

(2) The Goldman Sachs Group, Inc., and certain affiliates, including Goldman, Sachs & Co., may be deemed to directly or indirectly own in the aggregate shares of common stock which are owned directly or indirectly by investment partnerships, which we refer to as the Goldman Sachs Funds, of which affiliates of The Goldman Sachs Group, Inc. and Goldman, Sachs & Co. are the general partner, managing limited partner or the managing partner. Goldman, Sachs & Co. is the investment manager for certain of the Goldman Sachs Funds. Goldman, Sachs & Co. is a direct and indirect, wholly owned subsidiary of The Goldman Sachs Group, Inc. The Goldman Sachs Group, Inc., Goldman, Sachs & Co. and the Goldman Sachs Funds share voting power and investment power with certain of their respective affiliates. Shares beneficially owned by the Goldman Sachs Funds consist of: (1) shares of common stock owned by GS Capital

Partners V Fund, L.P., (2) shares of common stock owned by GS Capital Partners V Offshore Fund, L.P., (3) shares of common stock owned by GS Capital Partners V Institutional, L.P., and (4) shares of common stock owned by GS Capital Partners V GmbH & Co. KG. Ken Pontarelli is a managing director of Goldman, Sachs & Co. Mr. Pontarelli, The Goldman Sachs Group, Inc. and Goldman, Sachs & Co. each disclaims beneficial ownership of the shares of common stock owned directly or indirectly by the Goldman Sachs Funds, except to the extent of their pecuniary interest therein, if any. If the underwriters exercise their option to purchase additional shares in full, (1) shares of common stock will be sold in respect of member units owned by GS Capital Partners V Fund, L.P., (2) shares of common stock will be sold in respect of member units owned by GS Capital Partners V Offshore Fund, L.P., (3) shares of common stock will be sold in respect of member units owned by GS Capital Partners V Institutional, L.P. and (4) shares of common stock will be sold in respect of member units owned by GS Capital Partners V GmbH & Co. KG.

(3) With respect to the total number of shares of common stock beneficially owned prior to this offering, the share amount includes (1) shares of common stock owned by Kelso Investment Associates VII, L.P., a Delaware limited partnership, or KIA VII, and (2) shares of common stock owned by KEP VI, LLC, a Delaware limited liability company, or KEP VI. KIA VII and KEP VI, due to their common control, could be deemed to beneficially own each of the other's shares but each disclaims such beneficial ownership. Shares and percentages indicated represent the upper limit of the expected ownership of our equity securities by these persons and entities. Messrs. Nickell, Wall, Matelich, Goldberg, Wahrhaftig, Bynum, Berney, Loverro and Connors may be deemed to share beneficial ownership of shares of common stock owned of record, by virtue of their status as managing members of KEP VI and of Kelso GP VII, LLC, a Delaware limited liability company, the principal business of which is serving as the general partner of Kelso GP VII, L.P., a Delaware limited partnership, the principal business of which is serving as the general partner of KIA VII. Each of Messrs. Nickell, Wall, Matelich, Goldberg, Wahrhaftig, Bynum, Berney, Loverro and Connors share investment and voting power with respect to the ownership interests owned by KIA VII and KEP VI but disclaim beneficial ownership of such interests. If the underwriters exercise their option to purchase additional shares in full, (i) shares of common stock will be sold in respect of member units owned by KIA VII and (ii) shares of common stock will be sold in respect of member units owned by KEP VI.

(4) The board of directors of Coffeyville Acquisition LLC, which consists of the same members as our board of directors, has the power to dispose of the securities of Coffeyville Acquisition LLC.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Transactions with the Goldman Sachs Funds and the Kelso Funds

GS Capital Partners V Fund, L.P. and related entities, or the Goldman Sachs Funds, and Kelso Investment Associates VII, L.P. and related entity, the Kelso Funds, are the majority owners of Coffeyville Acquisition LLC.

Investments in Coffeyville Acquisition LLC

On June 24, 2005, pursuant to a stock purchase agreement dated May 15, 2005, between Coffeyville Group Holdings, LLC and Coffeyville Acquisition LLC, Coffeyville Acquisition LLC acquired all of the subsidiaries of Coffeyville Group Holdings, LLC. The Goldman Sachs Funds made capital contributions of $112,817,500 to Coffeyville Acquisition LLC and the Kelso Funds made capital contributions of $110,817,500 to Coffeyville Acquisition LLC in connection with the acquisition. The total proceeds received by Pegasus Partners II, L.P. and the other unit holders of Coffeyville Group Holdings, LLC, including then current management, in connection with the Subsequent Acquisition was $526,185,017, after repayment of Immediate Predecessor's credit facility.

Coffeyville Acquisition LLC paid companies related to the Goldman Sachs Funds and the Kelso Funds each equal amounts totaling $6.0 million for the transaction fees related to the Subsequent Acquisition, as well as an additional $0.7 million paid to the Goldman Sachs Funds for reimbursed expenses related to the Subsequent Acquisition.

On July 25, 2005, the following executive officers and directors made the following capital contributions to Coffeyville Acquisition LLC: John J. Lipinski, $650,000; Stanley A. Riemann, $400,000; James T. Rens, $250,000; Kevan A. Vick, $250,000; Robert W. Haugen, $100,000; Wyatt E. Jernigan, $100,000; Chris Swanberg, $25,000. On September 12, 2005, Edmund Gross made a $30,000 capital contribution to Coffeyville Acquisition LLC. On September 20, 2005, Wesley Clark made a $250,000 capital contribution to Coffeyville Acquisition LLC. All but two of the executive officers received common units, operating units and value units of Coffeyville Acquisition LLC and the director received common units of Coffeyville Acquisition LLC.

On September 14, 2005, the Goldman Sachs Funds and the Kelso Funds each invested an additional $5.0 million in Coffeyville Acquisition LLC. On May 23, 2006, the Goldman Sachs Funds and the Kelso Funds each invested an additional $10.0 million in Coffeyville Acquisition LLC. In each case they received additional common units of Coffeyville Acquisition LLC.

On December 28, 2006, Coffeyville Acquisition LLC granted John J. Lipinski 217,458 override units, of which 72,492 were operating units and 144,966 were value units.

On December 28, 2006, the directors of Coffeyville Acquisition LLC approved a cash dividend of $244,710,000 to companies related to the Goldman Sachs Funds and the Kelso Funds and $3,360,393 to certain members of our management, including John J. Lipinski ($914,844), Stanley A. Riemann ($548,070), James T. Rens ($321,180), Keith D. Osborn ($321,180), Robert W. Haugen ($164,680) and Wyatt E. Jernigan ($164,680), as well as Wesley Clark ($241,205).

J. Aron & Company

Coffeyville Acquisition LLC entered into commodity derivative contracts in the form of three swap agreements for the period from July 1, 2005 through June 30, 2010 with J. Aron, a subsidiary of The Goldman Sachs Group, Inc. The swap agreements were originally entered into by Coffeyville Acquisition LLC on June 16, 2005 in conjunction with the acquisition of Immediate Predecessor and were required under the terms of our long-term debt agreements. The swap agreements were executed at the prevailing market rate at the time of execution and management believes the swap agreements provide an economic hedge on future transactions. These agreements were assigned to Coffeyville Resources, LLC on June 24, 2005. The economically hedged volumes total approximately

70% of their forecasted production from July 2005 through June 2009 and approximately 17% from July 2009 through June 2010. These positions resulted in unrealized losses of approximately $235.9 million at December 31, 2005 and unrealized gains of approximately $80.3 million for the nine months ended September 30, 2006. See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Cash Flow Swap."

Effective December 30, 2005, Coffeyville Acquisition LLC entered into a crude oil supply agreement with J. Aron. Other than locally produced crude we gather ourselves, we purchase crude oil from third parties using a credit intermediation agreement. The terms of this agreement provide that we will obtain all of the crude oil for our refinery, other than the crude we obtain through our own gathering system, through J. Aron. Once we identify cargos of crude oil and pricing terms that meet our requirements, we notify J. Aron and J. Aron then provides credit, transportation and other logistical services to us for a fee. This agreement significantly reduces the investment that we are required to maintain in petroleum inventories relative to our competitors and reduces the time we are exposed to market fluctuations before the inventory is priced to a customer. The current credit intermediation agreement with J. Aron expires on December 31, 2007. At that time we may renegotiate the agreement with J. Aron, seek a similar arrangement with another party, or choose to obtain our crude supply directly without the use of an intermediary.

Coffeyville Acquisition LLC also entered into certain crude oil, heating oil, and gasoline option agreements with J. Aron as of May 16, 2005. These agreements expired unexercised on June 16, 2005 and resulted in an expense of $25,000,000 reported in the accompanying consolidated statements of operations as gain (loss) on derivatives for the 233 days ended December 31, 2005.

Consulting and Advisory Agreements

Under the terms of separate consulting and advisory agreements, dated June 24, 2005, between Coffeyville Acquisition LLC and each of Goldman, Sachs & Co. and Kelso & Company, L.P., Coffeyville Acquisition LLC was required to pay an advisory fee of $1,000,000 per year, payable quarterly in advance, to each of Goldman Sachs and Kelso for consulting and advisory services provided by Goldman Sachs and Kelso. The advisory agreements provide that Coffeyville Acquisition LLC will indemnify Goldman Sachs and Kelso and their respective affiliates, designees, officers, directors, partners, employees, agents and control persons (as such term is used in the Securities Act and the rules and regulations thereunder), to the extent lawful, against claims, losses and expenses as incurred in connection with the services rendered to Coffeyville Acquisition LLC under the consulting and advisory agreements or arising out of any such person being a controlling person of Coffeyville Acquisition LLC. The agreements also provide that Coffeyville Acquisition LLC will reimburse expenses incurred by Goldman Sachs and Kelso in connection with their investment in Coffeyville Acquisition and with respect to services provided to Coffeyville Acquisition LLC pursuant to the consulting and advisory agreements. The consulting and advisory agreements also provide for the payment of certain fees, as may be determined by mutual agreement, payable by Coffeyville Acquisition LLC to Goldman Sachs and Kelso in connection with transaction services and for the reimbursement of expenses incurred in connection with such services. Payments relating to the consulting and advisory agreements include $1,310,416 which was expensed in selling, general, and administrative expenses for the 233 days ended December 31, 2005. In addition, $1,046,575 was included in other current liabilities and approximately $78,671 was included in accounts payable at December 31, 2005.

On , 2007, Coffeyville Acquisition LLC entered into termination agreements with Goldman Sachs and Kelso under which Coffeyville Acquisition LLC agreed to pay each of Goldman Sachs and Kelso a one-time fee of $5 million payable upon the consummation of this offering. Pursuant to the terms of the termination letter, in return for the $5 million fee, the annual advisory fee and any obligations with respect to certain other fees will terminate. In addition, pursuant to the termination letter, the obligations of Goldman Sachs and Kelso with respect to consulting and other services will terminate after Goldman Sachs or Kelso no longer have beneficial ownership of our common stock in excess of % of our outstanding common stock. Coffeyville Acquisition LLC's obligations with respect to the indemnification of Goldman Sachs and Kelso and reimbursement of expenses will survive the termination of the obligations of the parties described above.

Credit Facilities

Goldman Sachs Credit Partners L.P., an affiliate of Goldman, Sachs & Co., or Goldman Sachs, is one of the lenders under the Credit Facility. Goldman Sachs Credit Partners is a joint lead arranger and bookrunner under the Credit Facility. Goldman Sachs Credit Partners was also a leader, sole lead arranger, sole bookrunner and syndication agent under our first lien credit agreement and a lender and joint lead arranger, joint bookrunner and syndication agent under our second lien credit agreement. The first lien credit agreement and second lien credit agreement were entered into in connection with the financing of the Subsequent Acquisition and, at that time, Successor paid this Goldman Sachs affiliate a $22.1 million fee included in deferred financing costs. For the 233 days ended December 31, 2005, Successor made interest payments to this Goldman Sachs affiliate of $1.8 million recorded in interest expense and paid letter of credit fees of approximately $155,000 which were recorded in selling, general, and administrative expenses. See “Description of Our Indebtedness and the Cash Flow Swap.”

Transactions with John J. Lipinski

On June 30, 2005, Coffeyville Acquisition LLC loaned $500,000 to John J. Lipinski, CEO of Successor. This loan accrued interest at the rate of 7% per year. The loan was made in conjunction with Mr. Lipinski’s purchase of 50,000 common units of Coffeyville Acquisition LLC. Mr. Lipinski repaid $150,000 of principal and paid $17,643.84 in interest on January 13, 2006. The balance as of June 30, 2006 was $350,000. The loan, together with accrued and unpaid interest of $17,989, was forgiven in full in September 2006.

On December 28, 2006, Coffeyville Acquisition LLC granted John J. Lipinski 217,458 override units, of which 72,492 were operating units and 144,966 were value units.

On December 28, 2006, the directors of Coffeyville Nitrogen Fertilizer, Inc. approved the issuance of shares of common stock of Coffeyville Nitrogen Fertilizer, par value $.01 per share, to John J. Lipinski in exchange for $10.00 pursuant to a Subscription Agreement. Mr. Lipinski also entered into a Stockholders Agreement with Coffeyville Nitrogen Fertilizer and Coffeyville Acquisition LLC at the same time he entered into the Subscription Agreement. Pursuant to the Stockholders Agreement, Mr. Lipinski may not transfer any shares of common stock in Coffeyville Nitrogen Fertilizer except in certain specified circumstances. Coffeyville Nitrogen Fertilizer also has certain buyback and repurchase rights for all of Mr. Lipinski’s shares if Mr. Lipinski is terminated. Coffeyville Acquisition LLC has the right to exchange all shares of common stock in Coffeyville Nitrogen Fertilizer held by Mr. Lipinski for such number of common units of Coffeyville Acquisition LLC or equity interests of a wholly-owned subsidiary of Coffeyville Acquisition LLC, in each case having a fair market value equal to the fair market value of the common stock in Coffeyville Nitrogen Fertilizer held by Mr. Lipinski.

On December 28, 2006, the directors of Coffeyville Refining & Marketing, Inc. approved the issuance of shares of common stock of Coffeyville Refining & Marketing, par value $.01 per share, to John J. Lipinski in exchange for $10.00 pursuant to a Subscription Agreement. Mr. Lipinski also entered into a Stockholders Agreement with Coffeyville Refining & Marketing and Coffeyville Acquisition LLC at the same time he entered into the Subscription Agreement. Pursuant to the Stockholders Agreement, Mr. Lipinski may not transfer any shares of common stock in Coffeyville Refining & Marketing except in certain specified circumstances. Coffeyville Refining & Marketing also has certain buyback and repurchase rights for all of Mr. Lipinski’s shares if Mr. Lipinski is terminated. Coffeyville Acquisition LLC has the right to exchange all shares of common stock in Coffeyville Refining & Marketing held by Mr. Lipinski for such number of common units of Coffeyville Acquisition LLC or equity interests of a wholly-owned subsidiary of Coffeyville Acquisition LLC, in each case having a fair market value equal to the fair market value of the common stock in Coffeyville Refining & Marketing held by Mr. Lipinski.

Coffeyville Acquisition LLC Operating Agreement

The Goldman Sachs Funds, the Kelso Funds, and John J. Lipinski, Stanley A. Riemann, James T. Rens, Edmund Gross, Robert W. Haugen, Wyatt E. Jernigan, Kevan A. Vick, Christopher Swanberg, Wesley Clark, Magnetite Asset Investors III L.L.C. and other members of management beneficially own capital stock in our company through Coffeyville Acquisition LLC. The LLC Agreement includes (1) restrictions on the ability of members to transfer their interests in Coffeyville Acquisition LLC, (2) a right of first offer in the event of proposed sales by the Goldman Sachs Funds and/or the Kelso Funds, and (3) tag along and drag along rights in connection with transfers by the Goldman Sachs Funds and/or the Kelso Funds.

The LLC Agreement provides that the business and affairs of Coffeyville Acquisition LLC is managed by a board of directors. The number of directors of Coffeyville Acquisition LLC is established by mutual consent of the Goldman Sachs Funds and the Kelso Funds. The LLC Agreement provides that the board of Coffeyville Acquisition LLC shall consist of at least five members, including Mr. Lipinski, two directors designated by the Goldman Sachs Funds and two directors designated by the Kelso Funds. The board currently has six members. Of the current directors, Messrs. Lebovitz and Pontarelli were appointed by the Goldman Sachs Funds and Messrs. Matelich and Osborne were appointed by the Kelso Funds.

The Goldman Sachs Funds and the Kelso Funds each have the right to designate two directors to the board of Coffeyville Acquisition LLC so long as that party holds common units that represent both at least 20% of the common units then held by all members and at least 50% of the common units held by such party on June 24, 2005. The Goldman Sachs Funds and the Kelso Funds each have the right to designate one director for so long as such party continues to hold common units that represent at least 5% of the common units then held by all members. In addition, for so long as John Lipinski is President and Chief Executive Officer, he will be appointed to the board of Coffeyville Acquisition LLC. To the extent that the Goldman Funds or the Kelso Funds have no director designation rights, that party will have the right to designate a board observer to attend board meetings.

Most significant decisions involving Coffeyville Acquisition LLC and (prior to an initial public offering) its subsidiaries require the approval of the Goldman Sachs Funds or at least one Goldman Sachs Funds appointed director (for so long as the Goldman Sachs Funds have the right to appoint two directors) and the Kelso Funds or at least one Kelso Funds appointed director (for so long as the Kelso Funds have the right to appoint two directors).

The LLC Agreement provides that in the event that the Goldman Sachs Funds and the Kelso Funds elect to complete an initial public offering through a subsidiary of Coffeyville Acquisition LLC, (1) Coffeyville Acquisition LLC will not vote any shares in favor of any action without the prior written consent of the Goldman Sachs Funds or at least one Goldman Sachs Funds appointed director (for so long as the Goldman Sachs Funds have the right to appoint two directors) and the Kelso Funds or at least one Kelso Funds appointed director (for so long as the Kelso Funds have the right to appoint two directors), (2) the transfer restrictions, right of first offer, tag along rights and drag along rights contained in the LLC Agreement will cease to apply, and (3) Coffeyville Acquisition LLC will enter into a registration rights agreement with the initial public offering issuer.

For a summary of the material terms of the LLC Agreement as they relate to the limited liability interests granted to our executive officers, see “Management — Employment Agreements and Change-in-Control Arrangements — Executives’ Interests in Coffeyville Acquisition LLC.”

Registration Rights Agreement

We intend to enter into a registration rights agreement immediately prior to the completion of this offering with Coffeyville Acquisition LLC pursuant to which we may be required to register the sale of our shares held by Coffeyville Acquisition LLC and permitted transferees. Under the registration rights agreement, the Goldman Sachs Funds and the Kelso Funds will have the right to request that we register the sale of shares held by Coffeyville Acquisition LLC on their behalf and may require us to make available shelf registration statements permitting sales of shares into the market from time to time over an extended period. In addition, the members of Coffeyville Acquisition LLC (including members of management) will have the ability to exercise certain piggyback registration rights if we elect to register any of our equity securities. The registration rights agreement is also expected to include provisions dealing with holdback agreements, indemnification and contribution, and allocation of expenses. Immediately after this offering, all of our shares held by Coffeyville Acquisition LLC will be entitled to these registration rights.

Transactions with Pegasus Partners II, L.P.

Pegasus Partners II, L.P., or Pegasus, was a majority owner of Coffeyville Group Holdings, LLC (Immediate Predecessor) during the period March 3, 2004 through June 24, 2005. On March 3, 2004, Coffeyville Group Holdings, LLC, through its wholly owned subsidiary, Coffeyville Resources, LLC, acquired the assets of the former Farmland petroleum division and one facility within Farmland's nitrogen fertilizer manufacturing and marketing division through a bankruptcy court auction process for approximately $107 million and the assumption of approximately $23 million of liabilities.

On March 3, 2004, Coffeyville Group Holdings, LLC entered into a management services agreement with Pegasus Capital Advisors, L.P., pursuant to which Pegasus Capital Advisors, L.P. provided Coffeyville Group Holdings, LLC with managerial and advisory services. In consideration for these services, Coffeyville Group Holdings, LLC agreed to pay Pegasus Capital Advisors, L.P. an annual fee of up to $1.0 million plus reimbursement for any out-of-pocket expenses. During the year ended December 31, 2004, Immediate Predecessor paid an aggregate of approximately $545,000 to Pegasus Capital Advisors, L.P. in fees under this agreement. $1,000,000 was expensed to selling, general, and administrative expenses for the 174 days ended June 23, 2005. In addition, Immediate Predecessor paid approximately $455,000 in legal fees on behalf of Pegasus Capital Advisors, L.P. in lieu of the remaining amount owed under the management fee. This management services agreement terminated at the time of the Subsequent Acquisition in June 2005.

Coffeyville Group Holdings, LLC paid Pegasus Capital Advisors, L.P. a $4.0 million transaction fee upon closing of the acquisition on March 3, 2004. The transaction fee related to a $2.5 million merger and acquisition fee and a $1.5 million in deferred financing costs. In addition, in conjunction with the refinancing of our senior secured credit facility on May 10, 2004, Coffeyville Group Holdings, LLC paid an additional $1.25 million fee to Pegasus Capital Advisors, L.P. as a deferred financing cost.

On March 3, 2004, Coffeyville Group Holdings, LLC entered into Executive Purchase and Vesting Agreements with the then executive officers listed below providing for the sale by Immediate Predecessor to them of the number of our common units to the right of each executive officer's name at a purchase price of approximately $0.0056 per unit. Pursuant to the terms of these agreements, as amended, each executive officer's common units were to vest at a rate of 16.66% every six months with the first 16.66% vesting on November 10, 2004. In connection with their purchase of the common units pursuant to the Executive Purchase and Vesting Agreements, each of the executive officers at that time issued promissory notes in the amounts indicated below. These notes were paid in full on May 10, 2004.

Executive Officer	Number of Common Units	Amount of Promissory Note
Philip L. Rinaldi	3,717,647	$ 21,000
Abraham H. Kaplan	2,230,589	$ 12,600
George W. Dorsey	2,230,589	$ 12,600
Stanley A. Riemann	1,301,176	$ 7,350
James T. Rens	371,764	$ 2,100
Keith D. Osborn	650,588	$ 3,675
Kevan A. Vick	650,588	$ 3,675

On May 10, 2004, Mr. Rinaldi entered into another Executive Purchase and Vesting Agreement under the same terms as described above providing for the purchase of an additional 500,000 common units of Coffeyville Group Holdings, LLC for an aggregate purchase price of $2,850.

On May 10, 2004, Coffeyville Group Holdings, LLC refinanced its existing long-term debt with a $150 million term loan and used the proceeds of the borrowings to repay the outstanding borrowings under Coffeyville Group Holdings, LLC's previous credit facility. The borrowings were also used to distribute a $99,987,509 dividend, which included a preference payment of $63,200,000 plus a yield of $1,802,956 to the preferred unit holders and a $63,000 payment to the common unit holders for undistributed capital per the LLC agreement. The remaining $34,921,553 was distributed to the preferred and common unit holders pro rata according to their ownership percentages, as determined by the aggregate of the common and preferred units.

On October 8, 2004, Coffeyville Group Holdings, LLC entered into a joint venture with The Leiber Group, Inc., a company whose majority stockholder was Pegasus Partners II, L.P., the principal stockholder of Immediate Predecessor. In connection with the joint venture, Coffeyville Group Holdings, LLC contributed approximately 68.7% of its membership interests in Coffeyville Resources, LLC to CL JV Holdings, LLC, a Delaware limited liability company, or CL JV Holdings, and The Leiber Group, Inc. contributed the Judith Leiber business to CL JV Holdings. At the time of the Subsequent Acquisition, in June 2005, the joint venture was effectively terminated.

On January 13, 2005, Immediate Predecessor's board of directors authorized the following bonus payments to the following then executive officers, at that time, in recognition of the importance of retaining their services:

Executive Officer	Bonus Amount
Philip L. Rinaldi	$1,000,000
Abraham H. Kaplan	$ 600,000
George W. Dorsey	$ 300,000
Stanley A. Riemann	$ 700,000
James T. Rens	$ 150,000
Keith D. Osborn	$ 150,000
Kevan A. Vick	$ 150,000
Edmund S. Gross	$ 200,000

During 2004 and 2005, Immediate Predecessor shared office space with Pegasus in New York, New York for which we paid Pegasus $10,000 per month.

On June 23, 2005, immediately prior to the Subsequent Acquisition, Coffeyville Group Holdings, LLC used available cash balances to distribute a $52,211,493 dividend to its preferred and common unit holders pro rata according to their ownership percentages, as determined by the aggregate of the common and preferred units.

Future Transactions

We believe that each of the transactions described above that is to remain in effect following the completion of this offering is on terms no less favorable to us than could have been obtained from unaffiliated third parties. Concurrently with this offering, our board of directors will adopt policies and procedures for the review, approval and ratification of related party transactions.

DESCRIPTION OF OUR INDEBTEDNESS AND THE CASH FLOW SWAP

Second Amended and Restated Credit and Guaranty Agreement

On December 28, 2006, Coffeyville Resources, LLC, as the borrower, and Coffeyville Refining & Marketing, Inc., Coffeyville Nitrogen Fertilizers, Inc., Coffeyville Crude Transportation, Inc., Coffeyville Pipeline, Inc., Coffeyville Terminal, Inc., CL JV Holdings, LLC, which we refer to collectively as Holdings, and certain of their subsidiaries as guarantors entered into a Second Amended and Restated Credit and Guaranty Agreement with Goldman Sachs Credit Partners L.P. and Credit Suisse Securities (USA) LLC, as Joint Lead Arrangers and Joint Bookrunners, Credit Suisse, as Administrative Agent, Collateral Agent, Funded LC Issuing Bank and Revolving Issuing Bank, Deutsche Bank Trust Company Americas, as Syndication Agent, and ABN Amro Bank N.V., as Documentation Agent.

The following summary of the material terms of the Credit Facility is only a general description and is not complete and, as such, is subject to and is qualified in its entirety by reference to the provisions of the Credit Facility.

The Credit Facility provides financing of up to $1.075 billion, consisting of $775 million of tranche D term loans, a $150 million revolving credit facility, and a funded letter of credit facility of $150 million issued in support of the Cash Flow Swap.

The revolving loan facility of $150.0 million provides for direct cash borrowings for general corporate purposes on a short-term basis. Letters of credit issued under the revolving loan facility are subject to a $75.0 million sub-limit. The revolving loan commitment expires on December 28, 2012. We have an option to extend this maturity upon written notice to our lenders; however, the revolving loan maturity cannot be extended beyond the final maturity of the term loans, which is December 28, 2013.

The $150.0 million funded letter of credit facility provides credit support for our obligations under the Cash Flow Swap. The funded letter of credit facility is fully cash collateralized by the funding by the lenders of cash into the credit linked deposit account. This account is held by the funded letter of credit issuing bank. Contingent upon the requirements of the Cash Flow Swap, we have the ability to reduce the funded letter of credit at any time upon written notice to the lenders. The funded letter of credit facility expires on December 28, 2010.

Coffeyville Resources, LLC initially entered into a first lien credit facility and a second lien credit facility on June 24, 2005 in connection with the acquisition of all of the subsidiaries of Coffeyville Group Holdings, LLC by the Goldman Sachs Funds and the Kelso Funds. The first lien credit facility consisted of $223.3 million of term loans, $50 million of delayed draw term loans, a $100 million revolving loan facility and a funded letter of credit facility of $150 million, and the second lien credit facility included a $275 million term loan. The first lien credit facility was subsequently amended and restated on June 29, 2006 on substantially the same terms as the original agreement, as amended. The primary reason for the June 2006 amendment and restatement was to reduce the applicable margin spreads for borrowings on the first lien term loans and the funded letter of credit facility and to make the capital expenditure covenant less restrictive. On December 28, 2006, Coffeyville Resources, LLC repaid all indebtedness then outstanding under the first lien credit facility and second lien credit facility and entered into the Credit Facility.

Interest Rate and Fees.

The First Lien Credit Facility. The tranche D term loans bear interest at either (a) the greater of the prime rate and the Federal funds effective rate plus 0.5%, plus in either case 2.00% or, at the borrower's option, (b) LIBOR plus 3.00% (with step-downs to the prime rate/federal funds effective rate plus 1.50% and LIBOR plus 2.50%, respectively, upon achievement of certain rating conditions). The revolving loan facility borrowings bear interest at either (a) the greater of the prime rate and the Federal funds effective rate plus 0.5%, plus in either case 2.00% or, at the borrower's option, (b) LIBOR plus 3.00% (with step-downs to the prime rate/federal funds effective rate plus 1.50% and LIBOR plus 2.50%, respectively, upon achievement of certain rating conditions). Letters of credit issued under the $75.0 million sub-limit available under the revolving loan facility are subject to a fee equal to the applicable margin on revolving LIBOR loans owing to all revolving lenders and a fronting fee of 0.25% per annum owing to the issuing lender. Funded letters of credit are subject to a fee equal to the applicable margin on term LIBOR loans owing to all funded letter of credit lenders and a fronting fee of 0.125% per annum owing to the issuing lender. The borrower is also obligated to pay a fee of 0.10% to the administrative agent on a quarterly basis based on the average balance of funded letters of credit outstanding during the calculation period, for the maintenance of a credit linked deposit account backstopping funded letters of credit. In addition to the fees stated above, the Credit Facility requires the borrower to pay 0.50% in commitment fees on the unused portion of the revolving loan facility. The interest rate on the term loans under the Credit Facility on December 31, 2006 was 8.36%.

Prepayments. The Credit Facility requires the borrower to prepay outstanding loans, subject to certain exceptions, with:

- 100% of the net asset sale proceeds received by Holdings or any of its subsidiaries from specified asset sales and net insurance/condemnation proceeds, if the borrower does not reinvest those proceeds in assets to be used in its business or to make other certain permitted investments within 12 months or if, within 12 months of receipt, the borrower does not contract to reinvest those proceeds in assets to be used in its business or to make other certain permitted investments within 18 months of receipt, each subject to certain limitations;
- 100% of the cash proceeds from the incurrence of specified debt obligations by Holdings or any of its subsidiaries;
- 75% of “consolidated excess cash flow” less 100% of voluntary prepayments made during the fiscal year; provided that with respect to any fiscal year commencing with fiscal 2008 this percentage will be reduced to 50% if the total leverage ratio at the end of such fiscal year is less than 1.50:1.00 and 25% if the total leverage ratio as of the end of such fiscal year is less than 1.00:1.00; and
- 100% of the cash proceeds received by Parent, Holdings or any subsidiary of Holdings from any initial public offering or secondary registered offering of equity interests, until the aggregate amount of such proceeds is equal to $280 million.

Mandatory prepayments will be applied first to the term loan, second to the swing line loans, third to the revolving loans, fourth to outstanding reimbursement obligations with respect to revolving letters of credit and funded letters of credit, and fifth to cash collateralize revolving letters of credit and funded letters of credit.

Voluntary prepayments of loans under the Credit Facility are permitted, in whole or in part, at the borrower’s option, without premium or penalty.

Amortization. The tranche D term loans are repayable in quarterly installments in a principal amount equal to the principal amount of the tranche D term loans outstanding on the quarterly installment date multiplied by 0.25% for each quarterly installment made prior to April 1, 2013 and 23.5% for each quarterly installment made during the period commencing on April 1, 2013 through maturity on December 28, 2013.

Collateral and Guarantors. All obligations under the Credit Facility are guaranteed by Coffeyville Refining & Marketing, Inc., Coffeyville Nitrogen Fertilizers, Inc., Coffeyville Crude Transportation, Inc. Coffeyville Terminal, Inc., CL JV Holdings, LLC and their domestic subsidiaries. Indebtedness under the Credit Facility is secured by a first priority security interest in substantially all of Coffeyville Resources, LLC’s assets, including a pledge of all of the capital stock of its domestic subsidiaries and 65% of all the capital stock of each of its foreign subsidiaries on a first lien priority basis.

Certain Covenants and Events of Default. The Credit Facility contains customary covenants. These agreements, among other things, restrict, subject to certain exceptions, the ability of Coffeyville Resources, LLC and its subsidiaries to incur additional indebtedness, create liens on assets, make restricted junior payments, enter into agreements that restrict subsidiary distributions, make investments, loans or advances, engage in mergers, acquisitions or sales of assets, dispose of subsidiary interests, enter into sale and leaseback transactions, engage in certain transactions with affiliates and shareholders, change the business conducted by the credit parties, and enter into hedging agreements. The Credit Facility provides that Coffeyville Resources, LLC may not enter into commodity agreements if, after giving effect thereto, the exposure under all such commodity agreements exceeds 75% of Actual Production (the borrower's estimated future production of refined products based on the actual production for the three prior months) or for a term of longer than six years from December 28, 2006. In addition, the borrower may not enter into material amendments related to any material rights under the Cash Flow Swap or the management agreements with the Goldman Sachs Funds and the Kelso Funds, without the prior written approval of the lenders.

The Credit Facility requires the borrower to maintain a minimum interest coverage ratio and a maximum total leverage ratio. These financial covenants are set forth in the table below:

Fiscal quarter ending	Minimum interest coverage ratio	Maximum leverage ratio
March 31, 2007	2.25:1.00	4.75:1.00
June 30, 2007	2.50:1.00	4.50:1.00
September 30, 2007	2.75:1.00	4.25:1.00
December 31, 2007	2.75:1.00	4.00:1.00
March 31, 2008	3.25:1.00	3.25:1.00
June 30, 2008	3.25:1.00	3.00:1.00
September 30, 2008	3.25:1.00	2.75:1.00
December 31, 2008	3.25:1.00	2.50:1.00
March 31, 2009 and thereafter	3.75:1.00	2.25:1.00 to 12/31/09, 2.00:1.00 thereafter

In addition, the Credit Facility also requires the borrower to maintain a maximum capital expenditures limitation of $225 million in 2007 (plus the difference between $260 million and the amount spent on capital expenditures in 2006), $100 million in 2008, $80 million in 2009, $80 million in 2010, and $50 million in 2011 and thereafter. If the actual amount of capital expenditures made in any fiscal year is less than the amount permitted to be made in such fiscal year, the amount of such difference may be carried forward and used to make capital expenditures in succeeding fiscal years. The capital expenditures limitation will not apply to any fiscal year commencing with fiscal 2009 if the borrower consummates an initial public offering and obtains a total leverage ratio of less than or equal to 1.25:1.00 for any quarter commencing with the quarter ended December 31, 2008. We believe that the limitations on our capital expenditures imposed by the Credit Facility should allow us to meet our current capital expenditure needs. However if future events require us or make it beneficial for us to make capital expenditures beyond those currently planned we would need to obtain consent from the lenders under our Credit Facility.

The Credit Facility also contains customary events of default. The events of default include the failure to pay interest and principal when due, including fees and any other amounts owed under the Credit Facility, a breach of certain covenants under the Credit Facility, a breach of any representation or warranty contained in the Credit Facility, any default under any of the documents entered into in connection with the Credit Facility, the failure to pay principal or interest or any other amount payable under other debt arrangements in an aggregate amount of at least $20 million, a breach or default with respect to material terms under other debt arrangements in an aggregate amount of at least $20 million which results in the debt becoming payable or declared due and payable before its stated maturity, a breach or default under the Cash Flow Swap that would permit the holder or holders to terminate the Cash Flow Swap, events of bankruptcy, judgments and attachments exceeding $20 million, events relating to employee benefit plans resulting in liability in excess of $20 million, the guarantees, collateral documents or the Credit Facility failing to be in full force and effect or being declared null and void, any guarantor repudiating its obligations, the failure of the collateral agent under the Credit Facility to have a lien on any material portion of the collateral, and any party under the Credit Facility (other than the agent or lenders under the Credit Facility) contesting the validity or enforceability of the Credit Facility.

The Credit Facility also contains an event of default upon the occurrence of a change of control. Under the Credit Facility, a “change of control” means (1) (x) prior to an initial public offering, the Goldman Sachs Funds and the Kelso Funds cease to beneficially own and control at least 35% on a fully diluted basis of the economic interest in the capital stock of Parent (Coffeyville Acquisition LLC or CVR Energy or any entity that owns all of the capital stock of Holdings) and (y) after a registered initial public offering of the capital stock of Parent, the Goldman Sachs Funds and the Kelso Funds cease to beneficially own and control, directly or indirectly, on a fully diluted basis at least 35% of the economic and voting interests in the capital stock of Parent, (2) any person or group other than the Goldman Sachs Funds and/or the Kelso Funds (a) acquires beneficial ownership of 35% or more on a fully diluted basis of the voting and/or economic interest in the capital stock of Parent and the percentage voting and/or economic interest acquired exceeds the percentage owned by the Goldman Sachs Funds and the Kelso Funds or (b) shall have obtained the power to elect a majority of the board of Parent, (3) Parent shall cease to own and control, directly or indirectly, 100% on a fully diluted basis of the capital stock of the borrower, (4) Holdings ceases to beneficially own and control all of the capital stock of the borrower or (5) the majority of the seats on the board of Parent cease to be occupied by continuing directors approved by the then-existing directors.

Other. The Credit Facility is subject to an intercreditor agreement among the lenders and the provider of the Cash Flow Swap, which relates to, among other things, priority of liens, payments and proceeds of sale of collateral.

Cash Flow Swap

In connection with the Subsequent Acquisition and as required under our existing credit facilities, Coffeyville Acquisition LLC entered into a crack spread hedging transaction with J. Aron. The agreements underlying the transaction were subsequently assigned from Coffeyville Acquisition LLC to Coffeyville Resources, LLC on June 24, 2005. See “Certain Relationships and Related Party Transactions.” The derivative transaction was entered into for the purpose of managing our exposure to the price fluctuations in crude oil, heating oil and gasoline markets.

The fixed prices for each product in each calendar quarter are specified in the applicable swap confirmation. The floating price for

- crude oil for each quarter equals the average of the closing settlement price(s) on NYMEX for the Nearby Light Crude Futures Contract that is “first nearby” as of any determination date during that calendar quarter quoted in U.S. dollars per barrel;
- unleaded gasoline for each quarter equals the average of the closing settlement prices on NYMEX for the Unleaded Gasoline Futures Contract that is “first nearby” for any determination period to and including the determination period ending December 31, 2006 and the average of the closing settlement prices on NYMEX for Reformulated Gasoline Blendstock for Oxygen Blending Futures Contract that is “first nearby” for each determination period thereafter quoted in U.S. dollars per gallon; and
- heating oil for each quarter equals the average of the closing settlement prices on NYMEX for the Heating Oil Futures Contract that is “first nearby” as of any determination date during such calendar quarter quoted in U.S. dollars per gallon.

The hedge transaction is governed by the standard form 1992 International Swap and Derivatives Association, Inc., or ISDA Master Agreement, which includes a schedule to the ISDA Master Agreement setting forth certain specific transaction terms.

Coffeyville Resources, LLC's obligations under the hedge transaction are:

- guaranteed by Coffeyville Refining & Marketing, Inc., Coffeyville Nitrogen Fertilizers, Inc., Coffeyville Crude Transportation, Inc. Coffeyville Terminal, Inc., CL JV Holdings, LLC and their domestic subsidiaries;
- secured by a $150 million funded letter of credit issued under the Credit Facility in favor of J. Aron; and
- to the extent J. Aron's exposure under the derivative transaction exceeds $150 million, secured by the same collateral that secures our Credit Facility.

In addition, J. Aron is an additional named insured and loss payee under certain insurance policies of Coffeyville Resources, LLC.

The obligations of J. Aron under the derivative transaction are guaranteed by The Goldman Sachs Group, Inc.

The derivative transactions terminate on June 30, 2010. Prior to the termination date, neither party has a right to terminate the derivative transaction unless one of the events of default or termination events under the ISDA Master Agreement has occurred. In addition to standard events of default and termination events described in the ISDA Master Agreement, the schedule to the ISDA Master Agreement provides for the termination of the derivative transaction if:

- Coffeyville Resources, LLC's obligations under the derivative transaction cease to be secured as described above equally and ratably with the security interest granted under the Credit Facility;
- Coffeyville Resources, LLC's obligations under the derivative transaction cease to be guaranteed by Coffeyville Refining & Marketing, Inc., Coffeyville Nitrogen Fertilizers, Inc., Coffeyville Crude Transportation, Inc. Coffeyville Terminal, Inc., CL JV Holdings, LLC and their domestic subsidiaries; or
- Coffeyville Resources, LLC fails to maintain a $150 million funded letter of credit in favor of J. Aron.

If a termination event occurs, the derivative transaction will be cash-settled on the termination date designated by a party entitled to such designation under the ISDA Master Agreement (to the extent of the amounts owed to either party on the termination date, without netting of payments) and no further payments or deliveries under the derivative transaction will be required.

Intercreditor matters among J. Aron and the lenders under the Credit Facility are governed by the Intercreditor Agreement. J. Aron's security interest in the collateral is pari passu with the security interest in the collateral granted under the Credit Facility. In addition, pursuant to the Intercreditor Agreement, J. Aron is entitled to vote together as a class with the lenders under the Credit Facility with respect to (1) any remedies proposed to be taken by the holders of the secured obligations with respect to the collateral, (2) any matters related to a breach, waiver or modification of the covenants in the Credit Facility that restrict the granting of liens, the incurrence of indebtedness, and the ability of Coffeyville Resources, LLC to enter into derivative transactions for more than 75% of Coffeyville Resources, LLC's actual production (based on the three month period preceding the trade date of the relevant derivative) of refined products or for a term longer than six years, (3) the maintenance of insurance, and (4) any matters relating to the collateral. For any of the foregoing matters, J. Aron is entitled to vote with the lenders under the Credit Facility as a single class to the extent of the greater of (x) its exposure under the derivative transaction, less the amount secured by the letter of credit and (y) $75 million.

DESCRIPTION OF CAPITAL STOCK

Immediately following the completion of this offering, our authorized capital stock will consist of shares of common stock, par value $0.01 per share, and shares of preferred stock, par value $0.01 per share, the rights and preferences of which may be established from time to time by our board of directors. Upon the completion of this offering, there will be outstanding shares of common stock and no outstanding shares of preferred stock. The following description of our capital stock does not purport to be complete and is subject to and qualified by our certificate of incorporation and bylaws, which are included as exhibits to the registration statement of which this prospectus forms a part, and by the provisions of applicable Delaware law.

Common Stock

Holders of our common stock are entitled to one vote for each share on all matters voted upon by our stockholders, including the election of directors, and do not have cumulative voting rights. Subject to the rights of holders of any then outstanding shares of our preferred stock, our common stockholders are entitled to any dividends that may be declared by our board of directors. Holders of our common stock are entitled to share ratably in our net assets upon our dissolution or liquidation after payment or provision for all liabilities and any preferential liquidation rights of our preferred stock then outstanding. Holders of our common stock have no preemptive rights to purchase shares of our stock. The shares of our common stock are not subject to any redemption provisions and are not convertible into any other shares of our capital stock. All outstanding shares of our common stock are, and the shares of common stock to be issued in this offering will be, upon payment therefor, fully paid and nonassessable. The rights, preferences and privileges of holders of our common stock will be subject to those of the holders of any shares of our preferred stock we may issue in the future.

Preferred Stock

Our board of directors may, from time to time, authorize the issuance of one or more classes or series of preferred stock without stockholder approval. Subject to the provisions of our certificate of incorporation and limitations prescribed by law, our board of directors is authorized to adopt resolutions to issue shares, establish the number of shares, change the number of shares constituting any series, and provide or change the voting powers, designations, preferences and relative rights, qualifications, limitations or restrictions on shares of our preferred stock, including dividend rights, terms of redemption, conversion rights and liquidation preferences, in each case without any action or vote by our stockholders. We have no current intention to issue any shares of preferred stock.

One of the effects of undesignated preferred stock may be to enable our board of directors to discourage an attempt to obtain control of our company by means of a tender offer, proxy contest, merger or otherwise. The issuance of preferred stock may adversely affect the rights of our common stockholders by, among other things:

- restricting dividends on the common stock;
- diluting the voting power of the common stock;
- impairing the liquidation rights of the common stock; or
- delaying or preventing a change in control without further action by the stockholders.

Limitation of Liability of Officers and Directors

Our certificate of incorporation limits the liability of directors to the fullest extent permitted by Delaware law. The effect of these provisions is to eliminate the rights of our company and our stockholders, through stockholders' derivative suits on behalf of our company, to recover monetary damages against a director for breach of fiduciary duty as a director, including breaches resulting from grossly negligent behavior. However, our directors will be personally liable to us and our stockholders for monetary damages if they acted in bad faith, knowingly or intentionally violated the law, authorized illegal dividends or redemptions or derived an improper benefit from their actions as directors. In addition, our amended and restated certificate of incorporation and bylaws provide that we will indemnify our directors and officers to the fullest extent permitted by Delaware law. We may enter into indemnification agreements with our current directors and executive officers prior to the completion of this offering. We also maintain directors and officers insurance.

Delaware Anti-Takeover Law

We are subject to Section 203 of the Delaware General Corporation Law which regulates corporate acquisitions. This law provides that specified persons who, together with affiliates and associates, own, or within three years did own, 15% or more of the outstanding voting stock of a corporation may not engage in business combinations with the corporation for a period of three years after the date on which the person became an interested stockholder. The law defines the term “business combination” to include mergers, asset sales and other transactions in which the interested stockholder receives or could receive a financial benefit on other than a pro rata basis with other stockholders. This provision has an anti-takeover effect with respect to transactions not approved in advance by our board of directors, including discouraging takeover attempts that might result in a premium over the market price for the shares of our common stock. With the approval of our stockholders, we could amend our certificate of incorporation in the future to avoid the restrictions imposed by this anti-takeover law.

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is .

SHARES ELIGIBLE FOR FUTURE SALE

Upon the completion of this offering, we will have outstanding shares of common stock. The shares sold in this offering plus any additional shares sold by the selling stockholder upon exercise of the underwriters' option and any shares sold in any directed share program established by us prior to this offering will be freely tradable without restriction under the Securities Act, unless purchased by our "affiliates" as that term is defined in Rule 144 under the Securities Act. In general, affiliates include executive officers, directors and our largest stockholders. Shares of common stock purchased by affiliates will remain subject to the resale limitations of Rule 144.

The remaining shares outstanding prior to this offering are restricted securities within the meaning of Rule 144. Restricted securities may be sold in the public market only if registered or if they qualify for an exemption from registration under Rules 144, 144(k) or Rule 701 promulgated under the Securities Act, which are summarized below.

The executive officers, directors and selling stockholder will enter into lock-up agreements in connection with this offering, generally providing that they will not offer, sell, contract to sell, or grant any option to purchase or otherwise dispose of our common stock or any securities exercisable for or convertible into our common stock owned by it for a period of 180 days after the date of this prospectus without the prior written consent of .

Despite possible earlier eligibility for sale under the provisions of Rules 144, 144(k) and 701 under the Securities Act, any shares subject to a lock-up agreement will not be salable until the lock-up agreement expires or is waived by . Taking into account the lock-up agreement, and assuming does not release Coffeyville Acquisition LLC from its lock-up agreement, shares held by our affiliates will be eligible for future sale in accordance with the requirements of Rule 144.

In general, under Rule 144 as currently in effect, after the expiration of lock-up agreements, a person who has beneficially owned restricted securities for at least one year would be entitled to sell within any three month period a number of shares that does not exceed the greater of the following:

- one percent of the number of shares of common stock then outstanding, which will equal approximately shares immediately after this offering; or
- the average weekly trading volume of the common stock during the four calendar weeks preceding the sale.

Sales under Rule 144 are also subject to requirements with respect to manner-of-sale requirements, notice requirements and the availability of current public information about us. Under Rule 144(k), a person who is not deemed to have been our affiliate at any time during the three months preceding a sale, and who has beneficially owned the shares proposed to be sold for at least two years, is entitled to sell his or her shares without complying with the manner-of-sale, public information, volume limitation, or notice provisions of Rule 144.

UNITED STATES TAX CONSEQUENCES TO NON-UNITED STATES HOLDERS

The following is a summary of the material United States federal income and estate tax consequences of the acquisition, ownership and disposition of our common stock by a non-U.S. holder. As used in this summary, the term “non-U.S. holder” means a beneficial owner of our common stock that is not, for United States federal income tax purposes:

- an individual who is a citizen or resident of the United States or a former citizen or resident of the United States subject to taxation as an expatriate;
- a corporation created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- a partnership;
- an estate whose income is includible in gross income for U.S. federal income tax purposes regardless of its source; or
- a trust, if (1) a United States court is able to exercise primary supervision over the trust’s administration and one or more “United States persons” (within the meaning of the U.S. Internal Revenue Code of 1986, as amended, or the Code) has the authority to control all of the trust’s substantial decisions, or (2) the trust has a valid election in effect under applicable U.S. Treasury regulations to be treated as a “United States person.”

An individual may be treated as a resident of the United States in any calendar year for United States federal income tax purposes, instead of a nonresident, by, among other ways, being present in the United States on at least 31 days in that calendar year and for an aggregate of at least 183 days during a three-year period ending in the current calendar year. For purposes of this calculation, an individual would count all of the days present in the current year, one-third of the days present in the immediately preceding year and one-sixth of the days present in the second preceding year. Residents are taxed for U.S. federal income purposes as if they were U.S. citizens.

If an entity or arrangement treated as a partnership or other type of pass-through entity for U.S. federal income tax purposes owns our common stock, the tax treatment of a partner or beneficial owner of such entity may depend upon the status of the partner or beneficial owner and the activities of the partnership or entity and by certain determinations made at the partner or beneficial owner level. Partners and beneficial owners in such entities that own our common stock should consult their own tax advisors as to the particular U.S. federal income and estate tax consequences applicable to them.

This summary does not discuss all of the aspects of U.S. federal income and estate taxation that may be relevant to a non-U.S. holder in light of the non-U.S. holder’s particular investment or other circumstances. In particular, this summary only addresses a non-U.S. holder that holds our common stock as a capital asset (generally, investment property) and does not address:

- special U.S. federal income tax rules that may apply to particular non-U.S. holders, such as financial institutions, insurance companies, tax-exempt organizations, and dealers and traders in securities or currencies;
- non-U.S. holders holding our common stock as part of a conversion, constructive sale, wash sale or other integrated transaction or a hedge, straddle or synthetic security;
- any U.S. state and local or non-U.S. or other tax consequences; and
- the U.S. federal income or estate tax consequences for the beneficial owners of a non-U.S. holder.

This summary is based on provisions of the Code, applicable United States Treasury regulations and administrative and judicial interpretations, all as in effect or in existence on the date of this prospectus. Subsequent developments in United States federal income or estate tax law, including changes in law or differing interpretations, which may be applied retroactively, could have a material effect on the U.S. federal income and estate tax consequences of purchasing, owning and disposing of our common stock as set forth in this summary. **Each non-U.S. holder should consult a tax advisor regarding the U.S. federal, state, local and non-U.S. income and other tax consequences of acquiring, holding and disposing of our common stock.**

Dividends

We do not anticipate making cash distributions on our common stock in the foreseeable future. See "Dividend Policy." In the event, however, that we make cash distributions on our common stock, such distributions will constitute dividends for United States federal income tax purposes to the extent paid out of current or accumulated earnings and profits of the Company. To the extent such distributions exceed the Company's earnings and profits, they will be treated first as a return of the shareholder's basis in their common stock to the extent thereof, and then as gain from the sale of a capital asset. If we make a distribution that is treated as a dividend and is not effectively connected with a non-U.S. holder's conduct of a trade or business in the United States, we will have to withhold a U.S. federal withholding tax at a rate of 30%, or a lower rate under an applicable income tax treaty, from the gross amount of the dividends paid to such non-U.S. holder. Non-U.S. holders should consult their own tax advisors regarding their entitlement to benefits under a relevant income tax treaty.

In order to claim the benefit of an applicable income tax treaty, a non-U.S. holder will be required to provide a properly executed U.S. Internal Revenue Service Form W-8BEN (or other applicable form) in accordance with the applicable certification and disclosure requirements. Special rules apply to partnerships and other pass-through entities and these certification and disclosure requirements also may apply to beneficial owners of partnerships and other pass-through entities that hold our common stock. A non-U.S. holder that is eligible for a reduced rate of U.S. federal withholding tax under an income tax treaty may obtain a refund or credit of any excess amounts withheld by filing an appropriate claim for a refund with the U.S. Internal Revenue Service. Non-U.S. holders should consult their own tax advisors regarding their entitlement to benefits under a relevant income tax treaty and the manner of claiming the benefits.

Dividends that are effectively connected with a non-U.S. holder's conduct of a trade or business in the United States and, if required by an applicable income tax treaty, are attributable to a permanent establishment maintained by the non-U.S. holder in the United States, will be taxed on a net income basis at the regular graduated rates and in the manner applicable to United States persons. In that case, we will not have to withhold U.S. federal withholding tax if the non-U.S. holder provides a properly executed U.S. Internal Revenue Service Form W-8ECI (or other applicable form) in accordance with the applicable certification and disclosure requirements. In addition, a "branch profits tax" may be imposed at a 30% rate, or a lower rate under an applicable income tax treaty, on dividends received by a foreign corporation that are effectively connected with the conduct of a trade or business in the United States.

Gain on disposition of our common stock

A non-U.S. holder generally will not be taxed on any gain recognized on a disposition of our common stock unless:

- the gain is effectively connected with the non-U.S. holder's conduct of a trade or business in the United States and, if required by an applicable income tax treaty, is attributable to a permanent establishment maintained by the non-U.S. holder in the United States; in these cases, the gain will be taxed on a net income basis at the regular graduated rates and in the manner applicable to U.S. persons (unless an applicable income tax treaty provides otherwise) and, if the non-U.S. holder is a foreign corporation, the "branch profits tax" described above may also apply;

- the non-U.S. holder is an individual who holds our common stock as a capital asset, is present in the United States for more than 182 days in the taxable year of the disposition and meets other requirements (in which case, except as otherwise provided by an applicable income tax treaty, the gain, which may be offset by U.S. source capital losses, generally will be subject to a flat 30% U.S. federal income tax, even though the non-U.S. holder is not considered a resident alien under the Code); or
- we are or have been a "U.S. real property holding corporation" for U.S. federal income tax purposes at any time during the shorter of the five-year period ending on the date of disposition or the period that the non-U.S. holder held our common stock.

Generally, a corporation is a "U.S. real property holding corporation" if the fair market value of its "U.S. real property interests" equals or exceeds 50% of the sum of the fair market value of its worldwide real property interests plus its other assets used or held for use in a trade or business. We believe that we are not currently, and we do not anticipate becoming in the future, a U.S. real property holding corporation. However, because this determination is made from time to time and is dependent upon a number of factors, some of which are beyond our control, including the value of our assets, there can be no assurance that we will not become a U.S. real property holding corporation.

However, even if we are or have been a U.S. real property holding corporation, a non-U.S. holder which did not beneficially own, actually or constructively, more than 5% of the total fair market value of our common stock at any time during the shorter of the five-year period ending on the date of disposition or the period that our common stock was held by the non-U.S. holder (a "non-5% holder") and which is not otherwise taxed under any other circumstances described above, generally will not be taxed on any gain realized on the disposition of our common stock if, at any time during the calendar year of the disposition, our common stock was regularly traded on an established securities market within the meaning of the applicable United States Treasury regulations.

We have applied to have our common stock listed on the . Although not free from doubt, our common stock should be considered to be regularly traded on an established securities market for any calendar quarter during which it is regularly quoted by brokers or dealers that hold themselves out to buy or sell our common stock at the quoted price. If our common stock were not considered to be regularly traded on an established securities market at any time during the applicable calendar year, then a non-5% holder would be taxed for U.S. federal income tax purposes on any gain realized on the disposition of our common stock on a net income basis as if the gain were effectively connected with the conduct of a U.S. trade or business by the non-5% holder during the taxable year and, in such case, the person acquiring our common stock from a non-5% holder generally would have to withhold 10% of the amount of the proceeds of the disposition. Such withholding may be reduced or eliminated pursuant to a withholding certificate issued by the U.S. Internal Revenue Service in accordance with applicable U.S. Treasury regulations. We urge all non-U.S. holders to consult their own tax advisors regarding the application of these rules to them.

Federal estate tax

Our common stock that is owned or treated as owned by an individual who is not a U.S. citizen or resident of the United States (as specially defined for U.S. federal estate tax purposes) at the time of death will be included in the individual's gross estate for U.S. federal estate tax purposes, unless an applicable estate tax or other treaty provides otherwise and, therefore, may be subject to U.S. federal estate tax.

Information reporting and backup withholding tax

Dividends paid to a non-U.S. holder may be subject to U.S. information reporting and backup withholding. A non-U.S. holder will be exempt from backup withholding if the non-U.S. holder provides a properly executed U.S. Internal Revenue Service Form W-8BEN or otherwise meets documentary evidence requirements for establishing its status as a non-U.S. holder or otherwise establishes an exemption.

The gross proceeds from the disposition of our common stock may be subject to U.S. information reporting and backup withholding. If a non-U.S. holder sells our common stock outside the United States through a non-U.S. office of a non-U.S. broker and the sales proceeds are paid to the non-U.S. holder outside the United States, then the U.S. backup withholding and information reporting requirements generally will not apply to that payment. However, United States information reporting, but not U.S. backup withholding, will apply to a payment of sales proceeds, even if that payment is made outside the United States, if a non-U.S. holder sells our common stock through a non-U.S. office of a broker that:

- is a United States person;
- derives 50% or more of its gross income in specific periods from the conduct of a trade or business in the United States;
- is a “controlled foreign corporation” for U.S. federal income tax purposes; or
- is a foreign partnership, if at any time during its tax year:
  - one or more of its partners are United States persons who in the aggregate hold more than 50% of the income or capital interests in the partnership; or
  - the foreign partnership is engaged in a U.S. trade or business,

unless the broker has documentary evidence in its files that the non-U.S. holder is not a United States person and certain other conditions are met or the non-U.S. holder otherwise establishes an exemption.

If a non-U.S. holder receives payments of the proceeds of a sale of our common stock to or through a United States office of a broker, the payment is subject to both U.S. backup withholding and information reporting unless the non-U.S. holder provides a properly executed U.S. Internal Revenue Service Form W-8BEN certifying that the non-U.S. Holder is not a “United States person” or the non-U.S. holder otherwise establishes an exemption.

A non-U.S. holder generally may obtain a refund of any amounts withheld under the backup withholding rules that exceed the non-U.S. holder’s U.S. federal income tax liability by filing a refund claim with the U.S. Internal Revenue Service.

UNDERWRITING

The Company, the selling stockholder and the underwriters to be subsequently identified will enter into an underwriting agreement with respect to the shares being offered. Subject to certain conditions, each underwriter has severally agreed to purchase the number of shares indicated in the following table. are the representatives of the underwriters.

Underwriters	Number of Shares
Total	

The underwriters are committed to take and pay for all of the shares being offered, if any are taken, other than the shares covered by the option described below unless and until this option is exercised. We expect that the underwriting agreement will provide that the obligations of the underwriters to take and pay for the shares are subject to a number of conditions, including, among others, the accuracy of the Company's representations and warranties in the underwriting agreement, completion of the Transactions, listing of the shares, receipt of specified letters from counsel and the Company's independent registered public accounting firm, and receipt of specified officers' certificates.

To the extent that the underwriters sell more than shares, the underwriters have an option to buy up to an additional shares from the selling stockholder to cover such sales. They may exercise that option for 30 days. If any shares are purchased pursuant to this option, the underwriters will severally purchase shares in approximately the same proportion as set forth in the table above.

The following table shows the per share and total underwriting discounts and commissions to be paid to the underwriters by the Company and the selling stockholder. These amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase additional shares of common stock.

Paid by the Company

	No Exercise	Full Exercise
Per Share		
Total		

Paid by the selling stockholder

	No Exercise	Full Exercise
Per Share		
Total		

Shares sold by the underwriters to the public will initially be offered at the initial public offering price set forth on the cover of this prospectus. Any shares sold by the underwriters to securities dealers may be sold at a discount of up to $ per share from the initial public offering price. If all of the shares are not sold at the initial public offering price, the representatives may change the offering price and the other selling terms.

The Company, its executive officers, directors and the selling stockholder have agreed with the underwriters, subject to exceptions, not to dispose of or hedge any of the shares of common stock or securities convertible into or exchangeable for shares of common stock during the period from the date of this prospectus continuing through the date 180 days after the date of this prospectus, except with the prior written consent of the representatives. This agreement does not apply to any existing employee benefit plans or shares issued in connection with acquisitions or business transactions. See "Shares Eligible for Future Sale" for a discussion of specified transfer restrictions.

The 180-day restricted period described in the preceding paragraph will be automatically extended if: (1) during the last 17 days of the 180-day restricted period the Company issues an earnings release or announces material news or a material event; or (2) prior to the expiration of the 180-day restricted period, the Company announces that it will release earnings results during the

15-day period following the last day of the 180-day period, in which case the restrictions described in the preceding paragraph will continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the announcement of the material news or material event.

We do not anticipate that the underwriters will have any intention to release shares or other securities subject to the lock-up agreements. Any determination to release any shares subject to the lock-up agreements would be based on a number of factors at the time of any such determination; such factors may include the market price of the common stock, the liquidity of the trading market for the common stock, general market conditions, the number of shares proposed to be sold, and the timing, purpose and terms of the proposed sale.

At the Company's request, have reserved for sale, at the initial public offering price, up to % of the shares offered hereby sold to certain directors, officers, employees and persons having relationships with the Company. The number of shares of common stock available for sale to the general public will be reduced to the extent such persons purchase such reserved shares. Any reserved shares which are not so purchased will be offered by the underwriters to the general public on the same terms as the other shares offered hereby.

Prior to this offering, there has been no public market for the common stock. The initial public offering price will be negotiated among the Company, the selling stockholder and the representatives. The factors to be considered in determining the initial public offering price of the shares include:

- the history and prospects for our industry;
- our historical performance, including our net sales, net income, margins and certain other financial information;
- estimates of our business potential and earnings prospects;
- an assessment of our management;
- investor demand for our shares of common stock;
- market valuations of companies that we and the representatives believe to be comparable; and
- prevailing securities markets at the time of this offering.

An application has been made to list the shares of common stock on the under the symbol " ".

In connection with this offering, the underwriters may purchase and sell shares of the common stock in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater number of shares than they are required to purchase in this offering. "Covered" short sales are sales made in an amount not greater than the underwriters' option to purchase additional shares from the selling stockholder in this offering. The underwriters may close out any covered short position by either exercising their option to purchase additional shares or purchasing shares in the open market. In determining the source of shares to close out the covered short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase additional shares pursuant to the option granted to them. "Naked" short sales are any sales in excess of that option. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the shares of common stock in the open market after pricing that could adversely affect investors who purchase in this offering. Stabilizing transactions consist of various bids for or purchases of shares of common stock made by the underwriters in the open market prior to the completion of this offering.

The underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased shares sold by or for the account of that underwriter in stabilizing or short covering transactions.

Purchases to cover a short position and stabilizing transactions may have the effect of preventing or retarding a decline in the market price of the shares of common stock and, together with the imposition of the penalty bid, may stabilize, maintain or otherwise affect the market price of the shares of common stock. As a result, the price of the shares of common stock may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued at any time. These transactions may be effected on the NYSE, in the over-the-counter market or otherwise.

Each of the underwriters has represented and agreed that:

(a) it has not made or will not make an offer of shares to the public in the United Kingdom within the meaning of section 102B of the Financial Services and Markets Act 2000, as amended, or FSMA, except to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities or otherwise in circumstances which do not require the publication by us of a prospectus pursuant to the Prospectus Rules of the Financial Services Authority, or FSA;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) to persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or in circumstances in which section 21 of the FSMA does not apply to us; and

(c) it has complied with, and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the shares in, from or otherwise involving the United Kingdom.

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member State”), each underwriter has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “Relevant Implementation Date”) it has not made and will not make an offer of shares to the public in that Relevant Member State prior to the publication of a prospectus in relation to the shares which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of shares to the public in that Relevant Member State at any time:

(a) to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;

(b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or

(c) in any other circumstances which do not require the publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of shares to the public” in relation to any shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the shares to be offered so as to enable an investor to decide to purchase or subscribe the shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression Prospectus Directive means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

The shares may not be offered or sold by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong), and no advertisement, invitation or document relating to the shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (1) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore, or the SFA, (2) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (3) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the shares are subscribed or purchased under Section 275 by a relevant person which is: (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the shares under Section 275 except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA; (2) where no consideration is given for the transfer; or (3) by operation of law.

The securities have not been and will not be registered under the Securities and Exchange Law of Japan (the "Securities and Exchange Law") and each underwriter has agreed that it will not offer or sell any securities, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Securities and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

The underwriters do not expect sales to discretionary accounts to exceed five percent of the total number of shares offered.

The Company estimates that its share of the total expenses of this offering, excluding underwriting discounts and commissions, will be approximately $.

The Company and the selling stockholder have agreed to indemnify the several underwriters against specified liabilities, including liabilities under the Securities Act.

LEGAL MATTERS

The validity of the shares of common stock offered by this prospectus will be passed upon for our company by Fried, Frank, Harris, Shriver & Jacobson LLP, New York, New York. Debevoise & Plimpton LLP, New York, New York is acting as counsel to the underwriters. Debevoise & Plimpton LLP has in the past provided, and continues to provide, legal services to Kelso & Company, including relating to Coffeyville Acquisition LLC.

EXPERTS

The consolidated financial statements of CVR Energy, Inc. and subsidiaries, which collectively refer to the consolidated financial statements for the year ended December 31, 2003 and for the 62 day period ended March 2, 2004 for the former Farmland Petroleum Division and one facility within Farmland's eight-plant Nitrogen Fertilizer Manufacturing and Marketing Division (collectively, Original Predecessor), the consolidated financial statements as of December 31, 2004 and for the 304-day period ended December 31, 2004 and for the 174-day period ended June 23, 2005 for Coffeyville Group Holdings, LLC and subsidiaries, excluding Leiber Holdings LLC, as discussed in note 1 to the consolidated financial statements, which we refer to as Immediate Predecessor, and the consolidated financial statements as of December 31, 2005 and for the 233 day period ended December 31, 2005 for Coffeyville Acquisition LLC and subsidiaries, which we refer to as Successor, have been included herein (and in the registration statement) in reliance upon the report of KPMG LLP, independent registered public accounting firm, appearing elsewhere herein, and upon the authority of said firm as experts in accounting and auditing.

The audit report covering the consolidated financial statements of CVR Energy, Inc. and subsidiaries noted above contains an explanatory paragraph that states that as discussed in note 1 to the consolidated financial statements, effective March 3, 2004, Immediate Predecessor acquired the net assets of Original Predecessor in a business combination accounted for as a purchase, and effective June 24, 2005, Successor acquired the net assets of Immediate Predecessor in a business combination accounted for as a purchase. As a result of these acquisitions, the consolidated financial statements for the periods after the acquisitions are presented on a different cost basis than that for the periods before the acquisitions and, therefore, are not comparable. Furthermore, the audit report covering the consolidated financial statements of Coffeyville Acquisition LLC noted above contains an emphasis paragraph that states, as discussed in note 2 to the consolidated financial statements, Farmland allocated certain general corporate expenses and interest expense to Original Predecessor for the year ended December 31, 2003, and for the 62 day period ended March 2, 2004. The allocation of these costs is not necessarily indicative of the costs that would have been incurred if Original Predecessor had operated as a stand-alone entity.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act with respect to the common stock. This prospectus does not contain all of the information set forth in the registration statement and the exhibits and schedules to the registration statement. For further information with respect to us and our common stock, we refer you to the registration statement and the exhibits and schedules filed as a part of the registration statement. Statements contained in this prospectus concerning the contents of any contract or any other document are not necessarily complete. If a contract or document has been filed as an exhibit to the registration statement, we refer you to the copy of the contract or document that has been filed as an exhibit and reference thereto is qualified in all respects by the terms of the filed exhibit. The registration statement, including exhibits and schedules, may be inspected without charge at the Public Reference Room of the SEC at 100 F Street, N.E., Washington, D.C. 20549, and copies of all or any part of it may be obtained from that office after payment of fees prescribed by the SEC. Information on the operation of the Public Reference Room may be obtained by calling the SEC at 1-800-SEC-0330. The SEC maintains a web site that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC at http://www.sec.gov.

GLOSSARY OF SELECTED TERMS

The following are definitions of certain industry terms used in this prospectus.

2-1-1 crack spread	The approximate gross margin resulting from processing two barrels of crude oil to produce one barrel of gasoline and one barrel of diesel fuel.
Barrel	Common unit of measure in the oil industry which equates to 42 gallons.
Blendstocks	Various compounds that are combined with gasoline or diesel from the crude oil refining process to make finished gasoline and diesel fuel; these may include natural gasoline, FCC unit gasoline, ethanol, reformate or butane, among others.
bpd	Abbreviation for barrels per day.
Btu	British thermal units: a measure of energy. One Btu of heat is required to raise the temperature of one pound of water one degree Fahrenheit.
Bulk sales	Volume sales through third party pipelines, in contrast to tanker truck quantity sales.
Bulk spot basis	Prompt bulk sales (as compared to outer month sales).
By-products	Products that result from extracting high value products such as gasoline and diesel fuel from crude oil; these include black oil, sulfur, propane, pet coke and other products.
Capacity	Capacity is defined as the throughput a process unit is capable of sustaining, either on a calendar or stream day basis. The throughput may be expressed in terms of maximum sustainable, nameplate or economic capacity. The maximum sustainable or nameplate capacities may not be the most economical. The economic capacity is the throughput that generally provides the greatest economic benefit based on considerations such as feedstock costs, product values and downstream unit constraints.
Catalyst	A substance that alters, accelerates, or instigates chemical changes, but is neither produced, consumed nor altered in the process.
Coffeyville supply area	Refers to the states of Kansas, Oklahoma, Missouri, Nebraska and Iowa.
Coker unit	A refinery unit that utilizes the lowest value component of crude oil remaining after all higher value products are removed, further breaks down the component into more valuable products and converts the rest into pet coke.
Corn belt	The primary corn producing region of the United States, which includes Illinois, Indiana, Iowa, Minnesota, Missouri, Nebraska, Ohio and Wisconsin.
Crack spread	A simplified calculation that measures the difference between the price for light products and crude oil. For example, 2-1-1 crack spread is often referenced and represents the

	approximate gross margin resulting from processing two barrels of crude oil to produce one barrel of gasoline and one barrel of diesel fuel.
Crude slate	The mix of different crude types (qualities) being charged to a crude unit.
Crude slate optimization	The process of determining the most economic crude oils to be refined based upon the prevailing product values, crude prices, crude oil yields and refinery process unit operating unit constraints to maximize profit.
Crude unit	The initial refinery unit to process crude oil by separating the crude oil according to boiling point under high heat to recover various hydrocarbon fractions.
Delayed coker	A refinery unit that processes heavy feedstock using high temperature and produces lighter products and petroleum coke.
Distillates	Primarily diesel fuel, kerosene and jet fuel.
Ethanol	A clear, colorless, flammable oxygenated hydrocarbon. Ethanol is typically produced chemically from ethylene, or biologically from fermentation of various sugars from carbohydrates found in agricultural crops and cellulosic residues from crops or wood. It is used in the United States as a gasoline octane enhancer and oxygenate.
Farm belt	Refers to the states of Illinois, Indiana, Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, Ohio, Oklahoma, South Dakota, Texas and Wisconsin.
Feedstocks	Petroleum products, such as crude oil and natural gas liquids, that are processed and blended into refined products.
Fluid catalytic cracking unit	Converts gas oil from the crude unit or coker unit into liquefied petroleum gas, distillates and gasoline blendstocks by applying heat in the presence of a catalyst.
Fluxant	Material added to coke to aid in the removal of coke metal impurities from the gasifier. The material consists of a mixture of fly ash and sand.
Heavy crude oil	A relatively inexpensive crude oil characterized by high relative density and viscosity. Heavy crude oils require greater levels of processing to produce high value products such as gasoline and diesel fuel.
Independent refiner	A refiner that does not have crude oil exploration or production operations. An independent refiner purchases the crude oil used as feedstock in its refinery operations from third parties.
Light crude oil	A relatively expensive crude oil characterized by low relative density and viscosity. Light crude oils require lower levels of processing to produce high value products such as gasoline and diesel fuel.

Liquefied petroleum gas	Light hydrocarbon material gaseous at atmospheric temperature and pressure, held in the liquid state by pressure to facilitate storage, transport and handling.
Magellan Midstream Partners L.P.	A publicly traded company whose business is the transportation, storage and distribution of refined petroleum products.
Maya	A heavy, sour crude oil from Mexico characterized by an API gravity of approximately 22.0 and a sulfur content of approximately 3.3 weight percent.
Modified Solomon complexity	Standard industry measure of a refinery's ability to process less expensive feedstock, such as heavier and high-sulfur content crude oils, into value-added products. The weighted average of the Solomon complexity factors for each operating unit multiplied by the throughput of each refinery unit, divided by the crude capacity of the refinery.
MTBE	Methyl Tertiary Butyl Ether, an ether produced from the reaction of isobutylene and methanol specifically for use as a gasoline blendstock. The EPA required MTBE or other oxygenates to be blended into reformulated gasoline.
Naphtha	The major constituent of gasoline fractionated from crude oil during the refining process, which is later processed in the reformer unit to increase octane.
Netbacks	Refers to the unit price of fertilizer, in dollars per ton, offered on a delivered basis and excludes shipment costs. Also referred to as plant gate price.
PADD I	East Coast Petroleum Area for Defense District which includes Connecticut, Delaware, District of Columbia, Florida, Georgia, Maine, Massachusetts, Maryland, New Hampshire, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, South Carolina, Vermont, Virginia and West Virginia.
PADD II	Midwest Petroleum Area for Defense District which includes Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, Oklahoma, South Dakota, Tennessee, and Wisconsin.
PADD III	Gulf Coast Petroleum Area for Defense District which includes Alabama, Arkansas, Louisiana, Mississippi, New Mexico, and Texas.
PADD IV	Rocky Mountains Petroleum Area for Defense District which includes Colorado, Idaho, Montana, Utah, and Wyoming.
PADD V	West Coast Petroleum Area for Defense District which includes Alaska, Arizona, California, Hawaii, Nevada, Oregon, and Washington.
Pet coke	A coal-like substance that is produced during the refining process.

Rack sales	Sales which are made into tanker truck (versus bulk pipeline batcher) via either a proprietary or third terminal facility designed for truck loading.
Recordable incident	An injury, as defined by OSHA. All work-related deaths and illnesses, and those work-related injuries which result in loss of consciousness, restriction of work or motion, transfer to another job, or require medical treatment beyond first aid.
Recordable injury rate	The number of recordable injuries per 200,000 hours rate worked.
Refined products	Petroleum products, such as gasoline, diesel fuel and jet fuel, that are produced by a refinery.
Refining margin	A measurement calculated as the difference between net sales and cost of products sold (exclusive of depreciation and amortization).
Reformer unit	A refinery unit that processes naphtha and converts it to high-octane gasoline by using a platinum/rhenium catalyst. Also known as a platformer.
Reformulated gasoline	The composition and properties of which meet the requirements of the reformulated gasoline regulations.
Slag	A glasslike substance removed from the gasifier containing the metal impurities originally present in the coke.
Slurry	A byproduct of the fluid catalytic cracking process that is sold for further processing or blending with fuel oil.
Sour crude oil	A crude oil that is relatively high in sulfur content, requiring additional processing to remove the sulfur. Sour crude oil is typically less expensive than sweet crude oil.
Spot market	A market in which commodities are bought and sold for cash and delivered immediately.
Sweet crude oil	A crude oil that is relatively low in sulfur content, requiring less processing to remove the sulfur. Sweet crude oil is typically more expensive than sour crude oil.
Syngas	A mixture of gases (largely carbon monoxide and hydrogen) that results from heating coal in the presence of steam.
Throughput	The volume processed through a unit or a refinery.
Ton	One ton is equal to 2,000 pounds.
Turnaround	A periodically required standard procedure to refurbish and maintain a refinery that involves the shutdown and inspection of major processing units and occurs every three to four years.
UAN	UAN is a solution of urea and ammonium nitrate in water used as a fertilizer.
Utilization	Ratio of total refinery throughput to the rated capacity of the refinery.

Vacuum unit	Secondary refinery unit to process crude oil by separating product from the crude unit according to boiling point under high heat and low pressure to recover various hydrocarbons.
Wheat belt	The primary wheat producing region of the United States, which includes Oklahoma, Kansas, North Dakota, South Dakota and Texas.
WTI	West Texas Intermediate crude oil, a light, sweet crude oil, characterized by an API gravity between 38 and 40 and a sulfur content of approximately 0.3 weight percent that is used as a benchmark for other crude oils.
WTS	West Texas Sour crude oil, a relatively light, sour crude oil characterized by an API gravity of 32-33 degrees and a sulfur content of approximately 2 weight percent.
Yield	The percentage of refined products that is produced from crude and other feedstocks.

CVR Energy, Inc. and Subsidiaries

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

When the transaction referred to in note 1 of the notes to consolidated financial statements has been consummated, we will be in a position to render the following report:

/s/ KPMG LLP

Report of Independent Registered Public Accounting Firm

The Board of Directors
CVR Energy, Inc.:

We have audited the accompanying consolidated balance sheets of CVR Energy, Inc. (the Company), which collectively refers to the consolidated balance sheet as of December 31, 2004 of Coffeyville Group Holdings, LLC and subsidiaries, excluding Leiber Holdings, LLC, as discussed in note 1 to the consolidated financial statements (Immediate Predecessor), and the consolidated balance sheet as of December 31, 2005 of Coffeyville Acquisition LLC and subsidiaries (the Successor) and the related consolidated statements of operations, equity, and cash flows for the former Farmland Industries, Inc. (Farmland) Petroleum Division and one facility within Farmland's eight-plant Nitrogen Fertilizer Manufacturing and Marketing Division (collectively, Original Predecessor) for the year ended December 31, 2003 and for the 62-day period ended March 2, 2004 and for the Immediate Predecessor for the 304-day period ended December 31, 2004 and for the 174-day period ended June 23, 2005 and for the Successor for the 233-day period ended December 31, 2005. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the Standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audits provide a reasonable basis for our opinion.

As discussed in note 2 to the consolidated financial statements, Farmland allocated certain general corporate expense and interest expense to the Original Predecessor for the year ended December 31, 2003 and for the 62-day period ended March 2, 2004. The allocation of these costs is not necessarily indicative of the costs that would have been incurred if the Predecessor had operated as a stand-alone entity.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Immediate Predecessor as of December 31, 2004 and the Successor as of December 31, 2005 and the results of the Original Predecessor's operations and cash flows for the year ended December 31, 2003 and for the 62-day period ended March 2, 2004 and the results of the Immediate Predecessor's operations and cash flows for the 304-day period ended December 31, 2004 and for the 174-day period ended June 23, 2005 and the results of the Successor's operations and cash flows for the 233-day period ended December 31, 2005 in conformity with U.S. generally accepted accounting principles.

As discussed in note 1 to the consolidated financial statements, effective March 3, 2004, the Immediate Predecessor acquired the net assets of the Original Predecessor in a business combination accounted for as a purchase, and effective June 24, 2005, the Successor acquired the net assets of the Immediate Predecessor in a business combination accounted for as a purchase. As a result of these acquisitions, the consolidated financial statements for the periods after the acquisitions are presented on a different cost basis than that for the periods before the acquisitions and, therefore, are not comparable.

Kansas City, Missouri
April 24, 2006
except as to note 1, which is as of , 2007

CVR Energy, Inc. and Subsidiaries

CONSOLIDATED BALANCE SHEETS

	Coffeyville Group Holdings, LLC Immediate Predecessor December 31, 2004	Coffeyville Acquisition LLC Successor December 31, 2005
ASSETS		
Current assets:		
Cash and cash equivalents	$ 52,651,952	$ 64,703,524
Accounts receivable, net of allowance for doubtful accounts of $190,468 and $275,188, respectively	23,383,818	71,560,052
Inventories	80,422,506	154,275,818
Prepaid expenses and other current assets	7,844,264	14,709,309
Deferred income taxes	264,246	31,059,748
Total current assets	164,566,786	336,308,451
Property, plant, and equipment, net of accumulated depreciation	50,005,847	772,512,884
Intangible assets	79,824	1,008,547
Goodwill	—	83,774,885
Deferred financing costs	7,206,653	19,524,839
Other long-term assets	6,946,793	8,418,297
Deferred income taxes	351,434	—
Total assets	$ 229,157,337	$ 1,221,547,903
LIABILITIES AND EQUITY		
Current liabilities:		
Current portion of long-term debt	$ 1,500,000	$ 2,235,973
Revolving debt	56,510	—
Accounts payable	31,059,282	87,914,833
Personnel accruals	6,591,495	10,796,896
Accrued taxes other than income taxes	2,652,948	4,841,234
Accrued income taxes	1,301,160	4,939,614
Payable to swap counterparty	—	96,688,956
Deferred revenue	11,119,905	12,029,987
Other current liabilities	3,723,057	8,831,937
Total current liabilities	58,004,357	228,279,430
Long-term liabilities:		
Long-term debt, less current portion	147,375,000	497,201,527
Accrued environmental liabilities	9,100,937	7,009,388
Deferred income taxes	—	209,523,747
Payable to swap counterparty	—	160,033,333
Other long-term liabilities	592,881	—
Total long-term liabilities	157,068,818	873,767,995
Management voting common units subject to redemption, 227,500 units issued and outstanding	—	4,172,350
Less: note receivable from management unitholder	—	(500,000)
Total management voting common units subject to redemption, net	—	3,672,350
Members' equity:		
Voting preferred units, 63,200,000 units issued and outstanding	10,485,160	—
Non-voting common units, 11,652,941 units issued and outstanding	7,584,993	—
Unearned compensation	(3,985,991)	—
Voting common units, 23,588,500 units issued and outstanding	—	114,830,560
Management nonvoting override units, 2,758,895 units issued and outstanding	—	997,568
Total members' equity	14,084,162	115,828,128
Commitments and contingencies		
Total liabilities and equity	$ 229,157,337	$ 1,221,547,903

See accompanying notes to consolidated financial statements.

CVR Energy, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF OPERATIONS

	Farmland Industries, Inc. Original Predecessor		Coffeyville Group Holdings, LLC Immediate Predecessor		Coffeyville Acquisition LLC Successor
	Year Ended December 31, 2003	62 Days Ended March 2, 2004	304 Days Ended December 31, 2004	174 Days Ended June 23, 2005	233 Days Ended December 31, 2005
Net sales	$ 1,262,196,894	$ 261,086,529	$ 1,479,893,189	$ 980,706,261	$ 1,454,259,542
Operating costs and expenses:					
Cost of product sold (exclusive of depreciation and amortization)	1,061,902,866	221,449,177	1,244,207,423	768,067,178	1,168,137,217
Direct operating expenses (exclusive of depreciation and amortization)	133,116,530	23,353,462	116,984,384	80,913,862	85,313,202
Selling, general and administrative expenses (exclusive of depreciation and amortization)	23,617,264	4,649,145	16,284,084	18,341,522	18,320,030
Depreciation and amortization	3,313,526	432,003	2,445,961	1,128,005	23,954,031
Reorganization expenses:					
Impairment of property, plant and equipment	9,638,626	—	—	—	—
Rejection of executory contracts	1,250,000	—	—	—	—
Total operating costs and expenses	1,232,838,812	249,883,787	1,379,921,852	868,450,567	1,295,724,480
Operating income	29,358,082	11,202,742	99,971,337	112,255,694	158,535,062
Other income (expense):					
Interest expense	(1,281,513)	—	(10,058,450)	(7,801,821)	(25,007,159)
Interest income	—	—	169,652	511,687	972,264
Gain (loss) on derivatives	303,742	—	546,604	(7,664,725)	(316,062,111)
Loss on extinguishment of debt	—	—	(7,166,110)	(8,093,754)	—
Other income (expense)	(458,514)	9,345	52,659	(762,616)	(563,190)
Total other income (expense)	(1,436,285)	9,345	(16,455,645)	(23,811,229)	(340,660,196)
Income (loss) before provision for income taxes	27,921,797	11,212,087	83,515,692	88,444,465	(182,125,134)
Income tax expense (benefit)	—	—	33,805,480	36,047,516	(62,968,044)
Net income (loss)	$ 27,921,797	$ 11,212,087	$ 49,710,212	$ 52,396,949	$ (119,157,090)
Unaudited Pro Forma Information (Note 1)					
Basic and diluted earnings per common share					$ —
Basic and diluted weighted average common shares outstanding					—

See accompanying notes to consolidated financial statements.

Table of Contents

CVR Energy, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF EQUITY

	Divisional Equity	Voting Preferred	Nonvoting Common	Unearned Compensation	Total
Original Predecessor					
For the year ended December 31, 2003 and the 62 days ended March 2, 2004					
Balance, January 1, 2003	$ 49,773,605	$ —	$ —	$ —	$ 49,773,605
Net income	27,921,797	—	—	—	27,921,797
Net distribution to Farmland Industries, Inc.	(19,503,913)	—	—	—	(19,503,913)
Balance, December 31, 2003	58,191,489	—	—	—	58,191,489
Net income	11,212,087	—	—	—	11,212,087
Net distribution to Farmland Industries, Inc.	(53,216,357)	—	—	—	(53,216,357)
Balance, March 2, 2004	$ 16,187,219	$ —	$ —	$ —	$ 16,187,219
Immediate Predecessor					
For the 304 days ended December 31, 2004 and the 174 days ended June 23, 2005					
Members' Equity, March 3, 2004	$ —	$ —	$ —	$ —	$ —
Issuance of 63,200,000 preferred units for cash	—	63,200,000	—	—	63,200,000
Issuance of 11,152,941 common units to management for recourse promissory notes and unearned compensation	—	—	3,100,000	(3,037,000)	63,000
Issuance of 500,000 common units to management for recourse promissory notes and unearned compensation	—	—	2,047,450	(2,044,600)	2,850
Recognition of earned compensation expense related to common units	—	—	—	1,095,609	1,095,609
Dividends on preferred units ($1.50 per unit)	—	(94,686,276)	—	—	(94,686,276)
Dividends to management on common units ($0.48 per unit)	—	—	(5,301,233)	—	(5,301,233)
Net income	—	41,971,436	7,738,776	—	49,710,212
Members' Equity, December 31, 2004	—	10,485,160	7,584,993	(3,985,991)	14,084,162
Recognition of earned compensation expense related to common units	—	—	—	3,985,991	3,985,991
Contributed capital	—	728,724	—	—	728,724
Dividends on preferred units ($0.70 per unit)	—	(44,083,323)	—	—	(44,083,323)
Dividends to management on common units ($0.70 per unit)	—	—	(8,128,170)	—	(8,128,170)
Net income	—	44,239,908	8,157,041	—	52,396,949
Members' Equity, June 23, 2005	$ —	$ 11,370,469	$ 7,613,864	$ —	$ 18,984,333

CVR Energy, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF EQUITY — (Continued)

	Management Voting Common Units Subject to Redemption	Note Receivable from Management Unit Holder	Total
Successor			
For the 233 days ended December 31, 2005			
Balance at May 13, 2005	$ —	$ —	$ —
Issuance of 177,500 common units for cash	1,775,000	—	1,775,000
Issuance of 50,000 common units for note receivable	500,000	(500,000)	—
Adjustment to fair value for management common units	3,035,586	—	3,035,586
Net loss allocated to management common units	(1,138,236)	—	(1,138,236)
Balance at December 31, 2005	$ 4,172,350	$ (500,000)	$ 3,672,350

	Voting Common Units	Management Nonvoting Override Operating Units	Management Nonvoting Override Value Units	Total
For the 233 days ended December 31, 2005				
Balance at May 13, 2005	$ —	$ —	$ —	$ —
Issuance of 23,588,500 common units for cash	235,885,000	—	—	235,885,000
Issuance of 919,630 nonvested operating override units	—	—	—	—
Issuance of 1,839,265 nonvested value override units	—	—	—	—
Recognition of share-based compensation expense related to override units	—	602,381	395,187	997,568
Adjustment to fair value for management common units	(3,035,586)	—	—	(3,035,586)
Net loss allocated to common units	(118,018,854)	—	—	(118,018,854)
Balance at December 31, 2005	$ 114,830,560	$ 602,381	$ 395,187	$ 115,828,128

See accompanying notes to consolidated financial statements.

CVR Energy, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Farmland Industries, Inc. Original Predecessor		Coffeyville Group Holdings, LLC Immediate Predecessor		Coffeyville Acquisition LLC Successor
	Year Ended December 31, 2003	62 Days Ended March 2, 2004	304 Days Ended December 31, 2004	174 Days Ended June 23, 2005	233 Days Ended December 31, 2005
Cash flows from operating activities:					
Net income (loss)	$ 27,921,797	$ 11,212,087	$ 49,710,212	$ 52,396,949	$ (119,157,090)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:					
Depreciation and amortization	3,313,526	432,003	2,445,961	1,128,005	23,954,031
Provision for doubtful accounts	—	—	190,468	(190,468)	275,189
Amortization of deferred financing costs	—	—	1,332,890	812,166	1,751,041
Loss on extinguishment of debt	—	—	7,166,110	8,093,754	—
Reorganization expenses — impairment of property, plant, and equipment	9,638,626	—	—	—	—
Share-based compensation	—	—	1,095,609	3,985,991	997,568
Changes in assets and liabilities, net of effect of acquisition:					
Accounts receivable	(25,301,358)	19,635,303	(23,571,436)	(11,334,177)	(34,506,244)
Inventories	10,371,108	(6,399,677)	20,068,625	(59,045,550)	1,895,473
Prepaid expenses and other current assets	(23,806,340)	25,716,107	(6,758,666)	(937,543)	(6,491,633)
Other long-term assets	(90,733)	715,132	(5,379,727)	3,036,659	(4,651,733)
Accounts payable	8,347,575	(6,759,702)	31,059,282	16,124,794	40,655,763
Accrued income taxes	—	—	1,301,160	4,503,574	(136,398)
Deferred revenue	1,545,894	8,319,913	1,209,008	(9,073,050)	9,983,132
Other current liabilities	419,415	364,555	12,967,500	1,254,196	10,499,712
Payable to swap counterparty	—	—	—	—	256,722,289
Accrued environmental liabilities	7,958,165	(20,057)	(1,746,043)	(1,553,184)	(538,365)
Other long-term liabilities	—	—	(689,372)	(297,105)	(295,776)
Deferred income taxes	—	—	(615,680)	3,803,937	(98,424,817)
Net cash provided by operating activities	20,317,675	53,215,664	89,785,901	12,708,948	82,532,142
Cash flows from investing activities:					
Cash paid for acquisition of Original Predecessor	—	—	(116,599,329)	—	—
Cash paid for acquisition of Immediate Predecessor, net of cash acquired	—	—	—	—	(685,125,669)
Capital expenditures	(813,762)	—	(14,160,280)	(12,256,793)	(45,172,134)
Net cash used in investing activities	(813,762)	—	(130,759,609)	(12,256,793)	(730,297,803)
Cash flows from financing activities:					
Revolving debt payments	—	—	(57,686,789)	(343,449)	(69,286,016)
Revolving debt borrowings	—	—	57,743,299	492,308	69,286,016
Proceeds from issuance of long-term debt	—	—	171,900,000	—	500,000,000
Principal payments on long-term debt	—	—	(23,025,000)	(375,000)	(562,500)
Repayment of capital lease obligation	—	—	(1,176,424)	—	—
Net divisional equity distribution	(19,503,913)	(53,216,357)	—	—	—
Payment of deferred financing costs	—	—	(16,309,917)	—	(24,628,315)
Prepayment penalty on extinguishment of debt	—	—	(1,095,000)	—	—
Issuance of members' equity	—	—	63,263,000	—	237,660,000
Distribution of members' equity	—	—	(99,987,509)	(52,211,493)	—
Net cash provided by (used in) financing activities	(19,503,913)	(53,216,357)	93,625,660	(52,437,634)	712,469,185
Net increase (decrease) in cash and cash equivalents	—	(693)	52,651,952	(51,985,479)	64,703,524
Cash and cash equivalents, beginning of period	2,250	2,250	—	52,651,952	—
Cash and cash equivalents, end of period	$ 2,250	$ 1,557	$ 52,651,952	$ 666,473	$ 64,703,524
Supplemental disclosures					
Cash paid for income taxes	$ —	$ —	$ 33,820,000	$ 27,040,000	$ 35,593,172
Cash paid for interest	$ —	$ —	$ 8,570,069	$ 7,287,351	$ 23,578,178
Non-cash financing activities:					
Contributed capital through Leiber tax savings	$ —	$ —	$ —	$ 728,724	$ —

See accompanying notes to consolidated financial statements.

CVR Energy, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) Organization and Nature of Business and the Acquisitions

General

CVR Energy, Inc. (CVR) was incorporated in Delaware in September 2006. CVR has assumed that concurrent with this offering, a newly formed direct subsidiary of CVR's will merge with Coffeyville Refining & Marketing, Inc. (CRM) and a separate newly formed direct subsidiary of CVR's will merge with Coffeyville Nitrogen Fertilizers, Inc. (CNF) which will make CRM and CNF directly owned subsidiaries of CVR.

Earnings per share is calculated on a pro forma basis, based on an assumed number of shares outstanding at the time of the initial public offering with respect to the existing shares. Pro forma earnings per share assumes that in conjunction with the initial public offering, the two direct wholly owned subsidiaries of Successor will merge with two of CVR's direct wholly owned subsidiaries, CVR will effect a -for- stock split prior to completion of this offering, and CVR will issue shares of common stock in this offering. No effect has been given to any shares that might be issued in this offering pursuant to the exercise by the underwriters of their option.

Successor is a Delaware limited liability company formed May 13, 2005. Successor, acting through wholly-owned subsidiaries, is an independent petroleum refiner and marketer in the mid-continental United States and a producer and marketer of upgraded nitrogen fertilizer products in North America.

On June 24, 2005, Successor acquired all of the outstanding stock of Coffeyville Refining & Marketing, Inc. (CRM); Coffeyville Nitrogen Fertilizer, Inc. (CNF); Coffeyville Crude Transportation, Inc. (CCT); Coffeyville Pipeline, Inc. (CP); and Coffeyville Terminal, Inc. (CT) (collectively, CRIncs) from Coffeyville Group Holdings, LLC (Immediate Predecessor) (the Subsequent Acquisition). As a result of this transaction, CRIncs ownership increased to 100% of CL JV Holdings, LLC (CLJV), a Delaware limited liability company formed on September 27, 2004. CRIncs directly and indirectly, through CLJV, collectively own 100% of Coffeyville Resources, LLC (CRLLC) and its wholly owned subsidiaries, Coffeyville Resources Refining & Marketing, LLC (CRRM); Coffeyville Resources Nitrogen Fertilizers, LLC (CRNF); Coffeyville Resources Crude Transportation, LLC (CRCT); Coffeyville Resources Pipeline, LLC (CRP); and Coffeyville Resources Terminal, LLC (CRT).

Successor had no financial statement activity during the period from May 13, 2005 to June 24, 2005, with the exception of certain crude oil, heating oil, and gasoline option agreements entered into with a related party (see notes 14 and 15) as of May 16, 2005. These agreements expired unexercised on June 16, 2005 and resulted in an expense of $25,000,000 reported in the accompanying consolidated statements of operations as gain (loss) on derivatives for the 233 days ended December 31, 2005.

Immediate Predecessor was a Delaware limited liability company formed in October 2003. There was no financial statement activity until March 3, 2004, when Immediate Predecessor, acting through wholly owned subsidiaries, acquired the assets of the former Farmland Industries, Inc. (Farmland) Petroleum Division and one facility located in Coffeyville, Kansas within Farmland's eight-plant Nitrogen Fertilizer Manufacturing and Marketing Division (collectively, Original Predecessor) (the Initial Acquisition). As of March 3, 2004, Immediate Predecessor owned 100% of CRIncs, and CRIncs owned 100% of CRLLC and its wholly owned subsidiaries, CRRM, CRNF, CRCT, CRP, and CRT. Farmland was a farm supply cooperative and a processing and marketing cooperative. Original Predecessor operated as a division of Farmland (Petroleum), and as a plant within a division of Farmland (Nitrogen Fertilizer). The accompanying Original Predecessor financial statements principally reflect the refining, crude oil gathering, and petroleum distribution operations of Farmland and the only coke gasification plant of Farmland's nitrogen fertilizer operations.

Since the assets and liabilities of Successor and Immediate Predecessor (collectively, CVR) were each presented on a new basis of accounting, the financial information for Successor, Immediate Predecessor, and Original Predecessor (collectively, the Entities) is not comparable.

On October 8, 2004, Immediate Predecessor, acting through its wholly owned subsidiaries, CRM and CNF, contributed 68.7% of its membership in CRLLC to CLJV, in exchange for a controlling interest in CLJV. Concurrently, The Leiber Group, Inc., a company whose majority stockholder is Pegasus Partners II, L.P., the Immediate Predecessor's principal stockholder, contributed to CLJV its interest in the Judith Leiber business, which is a designer handbag business, in exchange for a minority interest in CLJV. The Judith Leiber business is owned through Leiber Holdings, LLC (LH), a Delaware limited liability company wholly owned by CLJV. Based on the relative values of the properties at the time of contribution to CLJV, CRM and CNF collectively, were entitled to 80.5% of CLJV's net profits and net losses. Under the terms of CRLLC's credit agreement, CRLLC was permitted to make tax distributions to its members, including CLJV, in amounts equal to the tax liability that would be incurred by CRLLC if its net income were subject to corporate-level income tax. From the tax distributions CLJV received from CRLLC as of December 31, 2004 and June 23, 2005, CLJV contributed $1,600,000 and $4,050,000, respectively, to LH which is presented as tax expense in the respective periods in the accompanying consolidated statements of operations for the reasons discussed below.

On June 23, 2005, as part of the stock purchase agreement, LH completed a merger with Leiber Merger, LLC, a wholly owned subsidiary of The Leiber Group, Inc. As a result of the merger, the surviving entity was LH. Under the terms of the agreement, CLJV forfeited all of its ownership in LH to The Leiber Group, Inc in exchange for LH's interest in CLJV. The result of this transaction was to effectively redistribute the contributed businesses back to The Leiber Group, Inc.

The operations of LH and its subsidiaries (collectively, Leiber) have not been included in the accompanying consolidated financial statements of the Immediate Predecessor because Leiber's operations were unrelated to, and are not part of, the ongoing operations of CVR. CLJV's management was not the same as the Immediate Predecessor's, the Successor's, or CVR's there were no intercompany transactions between CLJV and the Immediate Predecessor, the Successor, or CVR aside from the contributions, and the Immediate Predecessor only participated in the joint venture for a short period of time. CLJV's contributions to LH of $1,600,000 and $4,050,000 have been reflected as a reduction to accrued income taxes in the accompanying consolidated balance sheets to appropriately reflect the accrued income tax obligations of Immediate Predecessor as of December 31, 2004 and June 23, 2005, respectively. The tax benefits received from LH, as a result of losses incurred by LH, have been reflected as capital contributions in the accompanying consolidated financial statements of the Immediate Predecessor.

Farmland Industries, Inc.'s Bankruptcy Proceedings and the Initial Acquisition

On May 31, 2002 (the Petition Date), Farmland Industries, Inc. and four of its subsidiaries, Farmland Foods, Inc.; Farmland Pipeline Company, Inc.; Farmland Transportation, Inc.; and SFA, Inc. (collectively, the Debtors or Farmland), filed voluntary petitions for protection under Chapter 11 of the United States Bankruptcy Code (the Bankruptcy Code) in the United States Bankruptcy Court, Western District of Missouri (the Court). Petroleum and Nitrogen Fertilizer were divisions of Farmland; therefore, their assets and liabilities were included in the bankruptcy filings. Farmland continued to manage the business as debtor-in-possession but could not engage in transactions outside the ordinary course of business without the approval of the Court.

As a result of the filing on May 31, 2002 of petitions under Chapter 11 of the Bankruptcy Code by the Debtors, the accompanying Original Predecessor's financial statements have been prepared in accordance with AICPA Statement of Position (SOP) 90-7, *Financial Reporting by Entities in Reorganization Under the Bankruptcy Code*, and in accordance with accounting principles generally accepted in the United States of America applicable to a going concern, which, unless otherwise noted, assume the realization of assets and the payment of liabilities in the ordinary course of business.

As debtors-in-possession, the Debtors, subject to any required Court approval, may elect to assume or reject real estate leases, employment contracts, personal property leases, service contracts, and other unexpired executory pre-petition contracts. Damages related to rejected contracts are a pre-petition claim. The Petroleum Segment had no material accruals for any damages as of December 31, 2003. The Nitrogen Fertilizer Segment rejected an operating and maintenance agreement with a vendor resulting in an accrual of approximately $1,250,000 as of December 31, 2003 which was charged to reorganization expenses in the year ending December 31, 2003.

Pursuant to the provisions of the Bankruptcy Code, on November 27, 2002 the Debtors filed with the Court a Plan of Reorganization under which the Debtors' liabilities and equity interests would be restructured. Subsequently, on July 31, 2003, the Debtors filed with the Court an Amended Plan of Reorganization (the Amended Plan). The Amended Plan as filed in effect contemplated that the Debtors would continue in existence solely for the purpose of liquidating any remaining assets of the estate, including the Petroleum and Nitrogen Fertilizer segments. In accordance with the Amended Plan, on October 10, 2003, the Court entered an order approving the auction and bid procedures for the sale of the Petroleum Division and Coffeyville nitrogen fertilizer plant to subsidiaries of Immediate Predecessor. Through an auction process conducted by the Court, the assets of Original Predecessor were sold on March 3, 2004, to Immediate Predecessor for $106,727,365, including the assumption of $23,216,554 of liabilities. Immediate Predecessor also paid transaction costs of $9,871,964, which consisted of legal, accounting, and advisory fees of $7,371,964 paid to various parties and a finder's fee of $2,500,000 paid to Pegasus Capital Advisors, L.P. (see note 15). Immediate Predecessor's primary reason for the purchase was the belief that long-term fundamentals for the refining industry were strengthening and the capital requirement was within its desired investment range. The cost of the Initial Acquisition was financed through long-term borrowings of approximately $60.7 million and the issuance of preferred units of approximately $63.2 million. The allocation of the purchase price at March 3, 2004, the date of the Initial Acquisition, was as follows:

Assets acquired		
Inventories	$	100,491,131
Prepaid expenses and other current assets		1,085,598
Property, plant, and equipment		38,239,154
Total assets acquired	$	139,815,883
Liabilities assumed		
Deferred revenue	$	9,910,897
Capital lease obligations		1,176,424
Accrued environmental liabilities		10,846,980
Other long-term liabilities		1,282,253
Total liabilities assumed	$	23,216,554
Cash paid for acquisition of Original Predecessor	$	116,599,329

The Subsequent Acquisition

On May 15, 2005, Successor and Immediate Predecessor entered into an agreement whereby Successor acquired 100% of the outstanding stock of CRIncs with an effective date of June 24, 2005 for

$673,273,440, including the assumption of $353,084,637 of liabilities. Successor also paid transaction costs of $12,518,702, which consisted of legal, accounting, and advisory fees of $5,782,740 paid to various parties, and transaction fees of $6,000,000 and $735,962 in expenses related to the acquisition paid to institutional investors (see note 15). Successor's primary reason for the purchase was the belief that long-term fundamentals for the refining industry were strengthening and the capital requirement was within its desired investment range. The cost of the Subsequent Acquisition was financed through long-term borrowings of approximately $500 million, short-term borrowings of approximately $12.6 million, and the issuance of common units for approximately $227.7 million. The allocation of the purchase price at June 24, 2005, the date of the Subsequent Acquisition, is as follows:

Assets acquired		
Cash	$	666,473
Accounts receivable		37,328,997
Inventories		156,171,291
Prepaid expenses and other current assets		4,865,241
Intangibles, contractual agreements		1,322,000
Goodwill		83,774,885
Other long-term assets		3,837,647
Property, plant, and equipment		750,910,245
Total assets acquired	$	1,038,876,779
Liabilities assumed		
Accounts payable	$	47,259,070
Other current liabilities		16,017,210
Current income taxes		5,076,012
Deferred income taxes		276,888,816
Other long-term liabilities		7,843,529
Total liabilities assumed	$	353,084,637
Cash paid for acquisition of Immediate Predecessor	$	685,792,142

Pro forma revenue would be unchanged for the periods presented. Unaudited pro forma net income (loss) as if the Subsequent Acquisition and related debt refinancing had occurred as of the beginning of each period presented compared to historical net income (loss) presented below is as follows (in thousands):

	Immediate Predecessor 174 Days Ended June 23, 2005	Successor 233 Days Ended December 31, 2005	Pro Forma Year Ended December 31, 2005
Net Income (loss)	$52,397	($119,157)	($82,898)

	Original Predecessor 62 Days Ended March 2, 2004	Immediate Predecessor 304 Days Ended December 31, 2004	Pro Forma Year Ended December 31, 2004
Net Income	$11,212	$49,710	$20,730

(2) Basis of Presentation

The accompanying Original Predecessor financial statements reflect an allocation of certain general corporate expenses of Farmland, including general and corporate insurance, corporate retirement and benefits, human resources and payroll department salaries, facility costs, information services, and information systems support. Those costs allocated to the Original Predecessor were $12,709,178 and $3,802,996 for the year ended December 31, 2003 and the 62-day period ended March 2, 2004, respectively, and are included in selling, general, and administrative expenses. These allocations were based on a variety of factors dependent on the nature of the costs, including fixed asset levels, administrative headcount, and production headcount. The Petroleum Division and Coffeyville nitrogen plant represented a continually increasing percentage of Farmland's business as a result of Farmland's restructuring efforts, which by December 2003 included the disposition of nearly all Farmland's operating assets with the exception of the Petroleum Division and Coffeyville nitrogen plant. As a result, the Petroleum Division and Coffeyville nitrogen plant were allocated a higher percentage of corporate cost in the 62 day period ending on March 2, 2004 than in 2003. The costs of these services are not necessarily indicative of the costs that would have been incurred if Original Predecessor had operated as a stand-alone entity. Reorganization expenses for legal and professional fees incurred by Farmland in connection with the bankruptcy proceedings were not allocated to the Original Predecessor. In addition, umbrella property insurance premiums were allocated across Farmland's divisions based on recoverable values. Property insurance costs allocated to the Original Predecessor were $2,060,532 and $357,324 for the year ended December 31, 2003 and the 62-day period ended March 2, 2004, respectively, and are included in cost of goods sold. All interest expense on secured borrowings was allocated based on identifiable net assets of each of Farmland's divisions. Under bankruptcy law, payment of interest on Farmland's unsecured debt was stayed beginning on the Petition Date. Accordingly, Farmland did not allocate any interest on its unsecured borrowings to the Original Predecessor for the 62 days ended March 2, 2004. Management believes all allocations described above were made on a reasonable basis.

Farmland used a centralized approach to cash management and the financing of its operations. As a result, amounts owed to or by Farmland are reflected as a component of divisional equity on the accompanying consolidated statements of equity. Farmland's divisional equity represents the net investment Farmland had in the reporting entity.

(3) Summary of Significant Accounting Policies

Principles of Consolidation

The accompanying CVR consolidated financial statements include the accounts of CVR Energy, Inc. and its subsidiaries, all of which are wholly-owned. All significant intercompany balances and transactions have been eliminated in consolidation.

Cash and Cash Equivalents

For purposes of the consolidated statements of cash flows, CVR considers all highly liquid debt instruments with original maturities of three months or less to be cash equivalents. CVR had restricted cash held for debt repayment of $3,500,000 and $0 at December 31, 2004 and 2005, respectively; restricted cash was reflected in other long-term assets on the consolidated balance sheet since the restriction was for the term of the debt (see note 10).

Accounts Receivable

CVR grants credit to its customers. Credit is extended based on an evaluation of a customer's financial condition; generally, collateral is not required. Accounts receivable are due on negotiated terms and are stated at amounts due from customers, net of an allowance for doubtful accounts. Accounts outstanding longer than their contractual payment terms are considered past due. CVR determines its allowance for doubtful accounts by considering a number of factors, including the length of time trade accounts are past due, the customer's ability to pay its obligations to CVR, and the condition of the general economy and the industry as a whole. CVR writes off accounts receivable when they become uncollectible, and payments subsequently received on such receivables are credited to the allowance for doubtful accounts. At December 31, 2004, three customers individually represented greater than 10% and collectively represented 38% of the accounts receivable balance. The largest concentration of credit for any one customer at December 31, 2004 was 15% of the total accounts receivable balance. At December 31, 2005, two customers individually represented greater than 10% and collectively represented 41% of the total accounts receivable balance. The largest concentration of credit for any one customer at December 31, 2005 was 28% of the accounts receivable balance.

Inventories

Inventories consist primarily of crude oil, blending stock and components, work in progress, fertilizer products, and refined fuels and by-products. Inventories are valued at the lower of moving-average cost, which approximates the first-in, first-out (FIFO) method, or market for fertilizer products and at the lower of FIFO cost or market for refined fuels and by-products for all periods presented. Refinery unfinished and finished products inventory values were determined using the ability-to-bare process, whereby raw materials and production costs are allocated to work-in-process and finished products based on their relative fair values. Other inventories, including other raw materials, spare parts, and supplies, are valued at the lower of average cost, which approximates FIFO, or market. The cost of inventories includes inbound freight costs.

In connection with the initial distribution of the accompanying Original Predecessor financial statements for purposes of effecting a business combination, the Original Predecessor changed its method of accounting for inventories from the last-in, first-out (LIFO) method to the FIFO method. Management believes the FIFO method is preferable in the circumstances because the FIFO method is considered to represent a better matching of costs with related revenues under current volatile market conditions. Accordingly, crude oil, blending stock and components, work in progress, and refined fuels and by-products are valued at the lower of FIFO cost or market for all years presented.

Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consist of prepayments for crude oil deliveries to the refinery for which title had not transferred, non-trade accounts receivables, current portions of prepaid insurance and deferred financing costs, and other general current assets.

Property, Plant, and Equipment

Additions to property, plant and equipment, including capitalized interest and certain costs allocable to construction and property purchases, are recorded at cost. Capitalized interest is added to any capital project over $1,000,000 in cost which is expected to take more than six months to complete. Depreciation is computed using principally the straight-line method over the estimated useful lives of the assets. The useful lives are as follows:

Asset	Range of useful lives, in years
Improvements to land	15 to 20
Buildings	20 to 30
Machinery and equipment	5 to 30
Automotive equipment	5
Furniture and fixtures	3 to 5

Goodwill and Intangible Assets

Goodwill represents the excess of the cost of an acquired entity over the fair value of the assets acquired less liabilities assumed. Intangible assets are assets that lack physical substance (excluding financial assets). Goodwill acquired in a business *combination* and intangible assets with indefinite useful lives are not amortized, and intangible assets with finite useful lives are amortized. Goodwill and intangible assets not subject to amortization are tested for impairment annually or more frequently if events or changes in circumstances indicate the asset might be impaired. CVR uses November 1 of each year as its annual valuation date for the impairment test. The annual review of impairment is performed by comparing the carrying value of the applicable reporting unit to its estimated fair value, using a combination of the discounted cash flow analysis and market approach. Our reporting units are defined as operating segments due to each operating segment containing only one component. As such all goodwill impairment testing is done at each operating segment.

Deferred Financing costs

Deferred financing costs are *amortized* using the effective-interest method over the life of the loan.

Planned Major Maintenance Costs

The direct-expense method of accounting is used for planned major maintenance activities. Maintenance costs are recognized as expense when *maintenance* services are performed. During the 304-day period ended December 31, 2004, the Coffeyville nitrogen plant completed a major scheduled turnaround. Costs of approximately $1,800,000 associated with the turnaround are included in cost of goods sold for that period. The Coffeyville nitrogen plant is scheduled for the next turnaround in 2006. The Coffeyville refinery last completed a major scheduled turnaround in 2002 and is scheduled for the next turnaround in 2007.

Cost Classifications

Cost of products sold include cost of crude oil, other feedstocks, blendstocks, pet coke expense and freight and distribution expenses. Cost of products sold excludes depreciation and amortization of $1,061,217, $149,806, $320,441, $0 and $0 during the 233-day period ended December 31, 2005, the 174-day period ended June 23, 2005, 304-day period ended December 31, 2004, the 62-day period ended March 2, 2004 and the year ended December 31, 2003.

Direct operating expense include direct costs of labor, maintenance and services, energy and utility costs, environmental compliance costs as well as chemicals and catalysts and other direct operating expenses. Direct operating expense excludes depreciation and amortization of $22,706,227, $906,718, $1,857,211, $432,003 and $3,313,596 during the 233-day period ended December 31, 2005, the 174-day period ended June 23, 2005, 304-day period ended December 31, 2004, the 62-day period ended March 2, 2004 and the year ended December 31, 2003.

Selling, general and administrative expenses consist primarily of legal expenses, treasury, accounting, marketing, human resources and maintaining the corporate offices in Texas and Kansas. Selling, general and administrative expenses excludes depreciation and amortization of $186,587, $71,481, $268,309, $0 and $0 during the 233-day period ended December 31, 2005, the 174-day period ended June 23, 2005, 304-day period ended December 31, 2004, the 62-day period ended March 2, 2004 and the year ended December 31, 2003.

Income Taxes

Original Predecessor was not a separate legal entity, and its operating results were included with the operating results of Farmland and its subsidiaries in filing consolidated federal and state income tax returns. As a cooperative, Farmland was subject to income taxes on all income not distributed to patrons as qualified patronage refunds, and Farmland did not allocate *income* taxes to its divisions. As a result, the accompanying Original Predecessor financial statements do not reflect any provision for income taxes.

Income taxes for CVR are accounted for under the asset-and-liability method. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing *assets* and liabilities and their respective tax bases. Deferred amounts are measured using enacted tax rates expected to apply to taxable income in the year those temporary differences are expected to be recovered or settled.

Impairment of Long-Lived Assets

CVR accounts for long-lived assets in accordance with Statement of Financial Accounting Standards No. 144 (SFAS 144), *Accounting for the Impairment or Disposal of Long-Lived Assets.* In accordance with SFAS 144, CVR reviews long-lived assets (excluding goodwill, intangible assets with indefinite lives, and deferred tax assets) for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future net cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated undiscounted future net cash flows, an impairment charge is recognized for the amount by which the carrying amount of the assets exceeds their fair value. Assets to be disposed of are reported at the lower of their carrying value or fair value less cost to sell.

In its Plan of Reorganization, Farmland stated, among other things, its intent to dispose of its petroleum and nitrogen assets. Despite this stated intent, these assets were not classified as held for sale under SFAS 144 because, ultimately, any disposition required approval of the Court and the Court did not ultimately approve such disposition until March 3, 2004. Since Farmland determined that it was more likely than not that its petroleum and nitrogen fertilizer assets would be disposed of, those assets were tested for impairment in 2002 pursuant to SFAS 144, using projected undiscounted net cash flows based on Farmland's best assumptions regarding the use and eventual disposition of those assets, primarily from indications of value received from potential bidders through the bankruptcy sales process. Based on the tests, assumptions and determinations as of the impairment testing date, the assets were determined to be impaired. Farmland's best estimate at December 31, 2002 was that the carrying value of these assets exceeded the fair value expected to be received on disposition of these assets by $375,068,359. Accordingly, an impairment charge was recognized for such amount in 2002. The ultimate proceeds from disposition of these assets resulted from a bidding and auction process conducted in the bankruptcy proceedings. In 2003, as a result of receiving a stalking horse bid from Coffeyville Resources, LLC in the bankruptcy court's sales process, Farmland revised its estimate for the amount to be generated from the disposition of these assets, and an additional impairment charge of $9,638,626 was taken. No impairment charges were recognized for the years ended December 31, 2004 or 2005.

Revenue Recognition

Sales are recognized when the product is delivered and all significant obligations of CVR have been satisfied. Deferred revenue represents customer prepayments under contracts to guarantee a price and supply of nitrogen fertilizer in quantities expected to be delivered in the next 12 months in the normal course of business.

Shipping Costs

Pass-through finished goods delivery costs reimbursed by customers are reported in net sales, while an offsetting expense is included in cost of goods sold.

Derivative Instruments and Fair Value of Financial Instruments

CVR uses futures contracts, options, and forward swap contracts primarily to reduce the exposure to changes in crude oil prices, finished goods product prices and interest rates and to provide economic hedges of inventory positions. These derivative instruments have not been designated as hedges for accounting purposes. Accordingly, these instruments are recorded in the consolidated balance sheets at fair value, and each period's gain or loss is recorded as a component of other income (expense) in accordance with Statement of Financial Accounting Standards No. 133, *Accounting for Derivative Instruments and Hedging Activities.*

Financial instruments consisting of cash and cash equivalents, accounts receivable, and accounts payable are carried at cost, which approximates fair value, as a result of the short-term nature of the instruments. The carrying value of long-term and revolving debt approximates fair value as a result of the floating interest rates assigned to those financial instruments.

Share-Based Compensation

CVR accounts for share-based compensation in accordance with Statement of Financial Accounting Standards (SFAS) No. 123(R), *Share-Based Payments.* In accordance with SFAS 123(R), CVR applies a fair-value-based measurement method in accounting for share-based compensation.

Environmental Matters

Liabilities related to future remediation costs of past environmental contamination of properties are recognized when the related costs are considered probable and can be reasonably estimated. Estimates of these costs are based upon currently available facts, existing technology, site-specific costs, and currently enacted laws and regulations. In reporting environmental liabilities, no offset is made for potential recoveries. All liabilities are monitored and adjusted as new facts or changes in law or technology occur. Environmental expenditures are capitalized when such costs provide future economic benefits.

Use of Estimates

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Recently Adopted Accounting Standards

In November 2004, the FASB issued Statement of Financial Accounting Standards No. 151 (SFAS 151), *Inventory Costs*, which clarifies the accounting for abnormal amounts of idle facility expense, freight, handling costs, and wasted material, and requires that those items be recognized as current-period charges. SFAS 151 also requires that allocation of fixed production overhead to the cost of conversion be based on the normal capacity of the production facilities. SFAS 151 is effective for fiscal years beginning after June 15, 2005 and is not expected to have a material effect on Successor's financial position or results of operations.

In December 2004, the FASB issued Statement of Accounting Standards No. 153 (SFAS 153), *Exchanges of Nonmonetary Assets,* which addresses the measurement of exchanges of nonmonetary assets. SFAS 153 eliminates the exception from fair value measurement for nonmonetary exchanges of similar productive assets, which was previously provided by APB Opinion No. 29, *Accounting for Nonmonetary Transactions*, and replaces it with an exception for exchanges which do not have commercial substance. SFAS 153 specifies that a nonmonetary exchange has commercial substance if the future cash flows of the entity are expected to change significantly as a result of the exchange. SFAS 153 is effective for nonmonetary asset exchanges occurring in fiscal periods beginning after June 15, 2005. The adoption of SFAS 153 is not expected to have a material effect on CVR's financial position or results of operations.

In December 2004, the FASB issued SFAS 123(R), *Share-Based Payments.* SFAS 123(R) revises SFAS 123 and supersedes APB 25. SFAS 123(R) requires that compensation costs relating to share-based payment transactions be recognized in a company's financial statements. SFAS 123(R) applies to transactions in which an entity exchanges its equity instruments for goods or services and also may apply to liabilities an entity incurs for goods or services that are based on the fair value of those equity instruments. Under SFAS 123(R), CVR is required to apply a fair-value-based measurement method in accounting for share-based payment transactions with employees. SFAS 123(R) is effective for periods beginning after December 15, 2005; however, Successor elected early adoption of SFAS 123(R) for the 233-day period ended December 31, 2005. The effect of the adoption of this standard is described in note 4.

In March 2005, the FASB issued FASB Interpretation No 47 (FIN 47) *Accounting for Conditional Asset Retirement Obligations.* FIN 47 requires conditional asset retirement obligations to be recognized if a legal obligation exists to perform asset retirement activities and a reasonable estimate of the fair value of the obligation can be made. FIN 47 also provides guidance as to when an entity would have sufficient information to reasonably estimate the fair value of an asset retirement obligation. FIN 47 became effective for the period ending December 31, 2005. A net asset retirement obligation of $636,000 was included in other current liabilities on the consolidated balance sheet.

(4) Members' Equity

Immediate Predecessor issued 63,200,000 voting preferred units at $1 par value for cash to finance the Initial Acquisition, as described in note 1. The preferred units were the only voting units of Immediate Predecessor and, prior to May 10, 2004, had preferential rights to distributions. The preferred units only had voting preferences and preferences related to the distributions. The preference required that the holders of preferred units were to be distributed $63,200,000, plus a preferred yield equal to 15% per annum compounded monthly, before any distributions could be made to holders of common units. Of the 63,200,000 of voting preferred units issued, all 55,500,000 preferred units issued and outstanding were issued to related parties. Pegasus Partners II, L.P., which held 52,500,000 preferred units, is an affiliate of Pegasus Capital Advisors, L.P. with whom the Immediate Predecessor entered into a management services agreement. The remaining 3,000,000 of preferred units were issued to management members who had employment agreements with subsidiaries of the Immediate Predecessor.

Concurrent with the issuance of the preferred units, management of Immediate Predecessor was issued 11,152,941 nonvoting restricted common units for recourse promissory notes aggregating $63,000. Based on the estimated relative fair value of the restricted common units on March 3, 2004, $3,100,000 was allocated to the common units. Accordingly, unearned compensation of $3,037,000 was recognized as a contra-equity balance in the accompanying consolidated balance sheet. The holders of these common units were not vested at the date of issuance. Prior to May 10, 2004, distribution rights were subordinated to the preferred unit holders, as described above. On May 10, 2004, the promissory notes were repaid with cash and an additional 500,000 nonvoting restricted common units were issued to an officer of Immediate Predecessor for a recourse promissory note of $2,850. Based on the estimated fair value of the units on May 10, 2004, unearned compensation of $2,044,600 was recognized as a contra-equity balance in the accompanying consolidated balance sheet. Concurrent with the Subsequent Acquisition at June 23, 2005, as described in note 1, all of the restricted common units were fully vested. Immediate Predecessor recognized $1,095,609 and $3,985,991 in compensation expense for the 304-day period ended December 31, 2004 and the 174-day period ended June 23, 2005, respectively, related to earned compensation.

On May 10, 2004, Immediate Predecessor refinanced its existing long term-debt with a $150 million term loan and used the proceeds of the borrowings to repay the outstanding borrowings under Immediate Predecessor's previous credit facility. The borrowings were also used to distribute a $99,987,509 dividend, which included the preference payment of $63,200,000 plus the yield of $1,802,956 to the preferred unit holders and a $63,000 payment to the common unit holders for undistributed capital per the LLC agreement. The remaining $34,921,553 was distributed to the preferred and common unit holders pro rata according to their ownership percentages, as determined by the aggregate of the common and preferred units.

On June 23, 2005, immediately prior to the Subsequent Acquisition (see note 1), the Immediate Predecessor used available cash balances to distribute a $52,211,493 dividend to the preferred and common unit holders pro rata according to their ownership percentages, as determined by the aggregate of the common and preferred units.

Successor issued 22,766,000 voting common units at $10 par value for cash to finance the Subsequent Acquisition, as described in note 1. An additional 50,000 voting common units at $10 par value were issued to a member of management for an unsecured recourse promissory note that bears interest at 7% and requires annual principal and interest payments through December 2009. As required by the term loan agreements to fund certain capital projects, on September 14, 2005 an additional $10,000,000 was received in return for 1,000,000 voting common units at $10 par value (Delayed Draw Capital). Common units held by management contain put rights held by management and call rights held by Successor exercisable at fair value in the event the management member becomes inactive. Accordingly, in accordance with EITF Topic No. D-98, "Classification and Measurement of Redeemable Securities," common units held by management were initially recorded at fair value at the date of issuance and have been classified in temporary equity as Management Voting Common Units Subject to Redemption (Capital Subject to Redemption) in the accompanying consolidated balance sheets. At December 31, 2005, management held 227,500 of the 23,816,000 voting common units.

The put rights with respect to management's common units, provide that following their termination of employment, they have the right to sell all (but not less than all) of their common units to Coffeyville Acquisition LLC at their "Fair Market Value" (as that term is defined in the LLC Agreement) if they were terminated without "Cause," or as a result of death, "Disability" or resignation with "Good Reason" (each as defined in the LLC Agreement) or due to "Retirement" (as that term is defined in the LLC Agreement). Coffeyville Acquisition LLC has call rights with respect to the executives' common units, so that following the executives' termination of employment, Coffeyville Acquisition LLC has the right to purchase the common units at their Fair Market Value if the executive was terminated without Cause, or as a result of the executive's death, Disability or resignation with Good Reason or due to Retirement. The call price will be the lesser of the common unit's Fair Market Value or Carrying Value (which means the capital contribution, if any, made by the executive in respect of such interest less the amount of distributions made in respect of such interest) if the executive is terminated for Cause or he resigns without Good Reason. For any other termination of employment, the call price will be at the Fair Market Value or Carrying Value of such common units, in the sole discretion of Coffeyville Acquisition LLC's board of directors. No put or call rights apply to override units following the executive's termination of employment unless Coffeyville Acquisition LLC's board of directors (or the compensation committee thereof) determines in its discretion that put and call rights will apply.

CVR accounts for changes in redemption value of management common units in the period the changes occur and adjusts the carrying value of the Capital Subject to Redemption to equal the redemption value at the end of each reporting period with an equal and offsetting adjustment to Members' Equity. None of the Capital Subject to Redemption was redeemable at December 31, 2005.

At December 31, 2005, the Capital Subject to Redemption was revalued through an independent appraisal process, and the value was determined to be $18.34 per unit. Accordingly, the carrying value of the Capital Subject to Redemption increased by $3,035,586 for the 233-day period ended December 31, 2005 with an equal and offsetting decrease to Members' Equity.

Concurrent with the Subsequent Acquisition, Successor issued nonvoting override units to certain management members who hold common units. There were no required capital contributions for the override units.

919,630 Override Operating Units at a Benchmark Value of $10 per Unit

In accordance with SFAS 123(R), using the Monte Carlo method of valuation, the estimated fair value of the override operating units on June 24, 2005 was $3,604,950. Pursuant to the forfeiture schedule described below, the Company is recognizing compensation expense over the service period for each separate portion of the award for which the forfeiture restriction lapsed as if the award was, in-substance, multiple awards. Compensation expense in the 233-day period ended December 31, 2005 was $602,381. Significant assumptions used in the valuation were as follows:

•	Estimated forfeiture rate	None
•	Explicit service period	Based on forfeiture schedule below
•	Grant-date fair value — controlling basis	$5.16 per share
•	Marketability and minority interest discounts	$1.24 per share (24% discount)
•	Volatility	37%

Override operating units participate in distributions in proportion to the number of total common, non-forfeited override operating and participating override value units issued. Distributions to override operating units will be reduced until the total cumulative reductions are equal to the benchmark value.

Override operating units are forfeited upon termination of employment for cause. In the event of all other terminations of employment, the override operating units are initially subject to forfeiture with the number of units subject to forfeiture reducing as follows:

Minimum Period Held	Forfeiture Percentage
2 years	75%
3 years	50%
4 years	25%
5 years	0%

On the tenth anniversary of the issuance of override operating units, such units shall convert into an equivalent number of override value units.

1,839,265 Override Value Units at a Benchmark Value of $10 per Unit

In accordance with SFAS 123(R), using the Monte Carlo method of valuation, the estimated fair value of the override value units on June 24, 2005 was $4,064,776. For the override value units, CVR is recognizing compensation expense ratably over the implied service period of 6 years. Compensation expense in the 233-day period ended December 31, 2005 was $395,187. Significant assumptions used in the valuation were as follows:

•	Estimated forfeiture rate	None
•	Derived service period	6 years
•	Grant-date fair value — controlling basis	$2.91 per share
•	Marketability and minority interest discounts	$0.70 per share (24% discount)
•	Volatility	37%

Value units fully participate in cash distributions when the amount of such cash distributions to certain investors (Current Common Value) is equal to four times the original contributed capital of such investors (including the Delayed Draw Capital required to be contributed pursuant to the long term credit agreements). If the Current Common Value is less than two times the original contributed capital of such investors at the time of a distribution, none of the override value units participate. In the event the Current Common Value is greater than two times the original contributed capital of such investors but less than four times, the number of participating override value units is the product of 1) the number of issued override value units and 2) the fraction, the numerator of which is the Current Common Value minus two times original contributed capital, and the denominator of which is two times the original contributed capital. Distributions to participating override value units will be reduced until the total cumulative reductions are equal to the benchmark value. On the tenth anniversary of any override value unit (including any override value unit issued on the conversion of an override operating unit) the “two times” threshold referenced above will become “10 times” and the “four times” threshold referenced above will become “12 times”. Unless the compensation committee of the board of directors takes an action to prevent forfeiture, override value units are forfeited upon termination of employment for any reason except that in the event of termination of employment by reason of death or disability, all override value units are initially subject to forfeiture with the number of units subject to forfeiture reducing as follows:

Minimum Period Held	Subject to Forfeiture Percentage
2 years	75%
3 years	50%
4 years	25%
5 years	0%

Successor, through a wholly-owned subsidiary, has a Phantom Unit Appreciation Plan whereby directors, employees, and service providers may be awarded phantom points at the discretion of the board of directors or the compensation committee. Holders of service phantom points have rights to receive distributions when holders of override operating units receive distributions. Holders of performance phantom points have rights to receive distributions when holders of override value units receive distributions. There are no other rights or guarantees, and the plan expires on July 25, 2015, or at the discretion of the compensation committee of the board of directors. The total combined interest of the Phantom Unit Plan and the override units (combined Profits Interest) cannot exceed 15% of the notional and aggregate equity interests of the Successor. As of December 31, 2005, the issued Profits Interest represented 11.73% of combined common unit interest and Profits Interest of the Company. The Profits Interest was comprised of 10.22% and 1.51% of override interest and phantom interest, respectively. Subject to the valuation, vesting and forfeiture provisions consistent with other profit interests described previously, $95,019 is included in personnel accruals as of December 31, 2005 and as compensation expense for the 233-day period ending December 31, 2005 related to the Phantom Unit Plan.

(5) Inventories

Inventories consisted of the following (in thousands):

	Immediate Predecessor December 31, 2004	Successor December 31, 2005
Finished goods	$ 24,704	$ 58,513
Raw materials and catalysts	26,136	47,437
In-process inventories	14,059	33,397
Parts and supplies	15,524	14,929
	$ 80,423	$ 154,276

(6) Property, Plant, and Equipment

A summary of costs for property, plant, and equipment is as follows (in thousands):

	Immediate Predecessor December 31, 2004	Successor December 31, 2005
Land and improvements	$ 1,061	$ 9,346
Buildings	768	10,306
Machinery and equipment	39,617	715,381
Automotive equipment	660	3,396
Furniture and fixtures	1,372	271
Construction in progress	8,738	57,382
	52,216	796,082
Accumulated depreciation	2,210	23,569
	$ 50,006	$ 772,513

Construction in progress of $2,067,869 and $26,977,642 as of December 31, 2004 and 2005, respectively, related to capital improvements for compliance with EPA regulations intended to limit amounts of sulfur in diesel and gasoline.

Capitalized interest recognized as a reduction in interest expense for the 174-day period ended June 23, 2005 and the 233-day period ended December 31, 2005, totaled approximately $297,694 and $831,264, respectively.

(7) Goodwill and Intangible Assets

In connection with the Subsequent Acquisition described in note 1, Successor recorded goodwill of $83,774,885. Successor completed its annual test for impairment of goodwill as of November 1, 2005. Based on the results of the test, no impairment of goodwill was recorded as of December 31, 2005. The annual review of impairment is performed by comparing the carrying value of the applicable reporting unit to its estimated fair value using a combination of the discounted cash flow analysis and market approach. Our reporting units are defined as operating segments due to each operating segment containing only one component. As such all goodwill impairment testing is done at each operating segment.

Contractual agreements with a fair market value of $1,322,000 were acquired in the Subsequent Acquisition described in note 1. The intangible value of these agreements is amortized over the life of the agreements through June 2025. Accumulated amortization was $313,453 at December 31, 2005. Amortization expense for the 233-days ended December 31, 2005 of $202,303 was reported as cost of goods sold and $111,150 was reported as selling, general, and administrative expenses.

CVR Energy, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Estimated amortization of the contractual agreements is as follows (in thousands):

Year Ending December 31,		Contractual Agreements
2006	$	370
2007		165
2008		64
2009		33
2010		33
Thereafter		344
		1,009

(8) Deferred Financing Costs

Deferred financing costs of $6,300,727 were paid in the Initial Acquisition described in note 1. Additional deferred financing costs of $10,009,193 were paid with the debt refinancing on May 10, 2004, as described in notes 4 and 10. The unamortized deferred financing costs of $6,071,110 related to the Initial Acquisition financing were written off when the related debt was extinguished and refinanced with the existing credit facility and these costs were included in loss on extinguishment of debt for the 304 days ended December 31, 2004. A prepayment penalty of $1,095,000 on the previous credit facility was also paid and expensed and included in loss on extinguishment of debt for the 304 days ended December 31, 2004. The unamortized deferred financing costs of $8,093,754 related to the May 10, 2004 refinancing were written off when the related debt was extinguished upon the Subsequent Acquisition described in note 1 and these costs were included in loss on extinguishment of debt for the 174 days ended June 23, 2005. For the 304 days ended December 31, 2004 and for the 174 days ended June 23, 2005, amortization of deferred financing costs reported as interest expense was $1,332,890 and $812,166, respectively, using the effective-interest amortization method.

Deferred financing costs of $24,628,315 were paid in the Subsequent Acquisition, and will be amortized through June 2013. For the 233 days ended December 31, 2005, amortization of deferred financing costs reported as interest expense totaled $1,751,041 using the effective-interest amortization method.

Deferred financing costs consisted of the following (in thousands):

	Immediate Predecessor		Successor	
	December 31, 2004		December 31, 2005	
Deferred financing costs	$	10,009	$	24,628
Less accumulated amortization		1,103		1,751
Unamortized deferred financing costs		8,906		22,877
Less current portion		1,699		3,352
	$	7,207	$	19,525

Estimated amortization of deferred financing costs is as follows (in thousands):

Year Ending December 31,	Deferred Financing
2006	$ 3,352
2007	3,337
2008	3,332
2009	3,308
2010	3,293
Thereafter	6,255
	$ 22,877

(9) Other Long-Term Assets

Other long-term assets consisted of the following (in thousands):

	Immediate Predecessor December 31, 2004	Successor December 31, 2005
Restricted cash held for debt repayment	$ 3,500	$ —
Prepaid insurance charges	3,047	2,447
Non-current receivables	—	4,889
Other assets	400	1,082
	$ 6,947	$ 8,418

Non-current receivables consist of unsettled mark-to-market gains on derivatives relating to the interest rate swap agreements described in notes 14 & 15.

CVR has prepaid two environmental insurance policies. One policy covers environmental site protection, and the other is a cost cap remediation policy for costs to be incurred beyond the next twelve months. See note 13 for a further description of the environmental commitments and contingencies.

Estimated amortization of prepaid insurance is as follows (in thousands):

Year Ending December 31,	Prepaid Insurance
2006	$ 1,062
2007	394
2008	333
2009	333
2010	333
Thereafter	1,054
	3,509
Less current portion	(1,062)
Total long-term	$ 2,447

(10) Long-Term Debt

At March 3, 2004, Immediate Predecessor entered into an agreement with a financial institution for a term loan of $21,900,000 with an interest rate based on the greater of the Index Rate (the greater of prime or the federal funds rate plus 50 basis points per annum) plus 4.5% or 9% and a $100,000,000 revolving credit facility with interest at the borrower's election of either the Index Rate plus 3% or the LIBOR rate plus 3.5%. Amounts totaling $21,900,000 of the term loan borrowings and $38,821,970 of the revolving credit facility were used to finance the Initial Acquisition on March 3, 2004 as described in note 1. Outstanding borrowings on May 10, 2004 were repaid in connection with the refinancing described below.

Effective May 10, 2004, Immediate Predecessor entered into a term loan of $150,000,000 and a $75,000,000 revolving loan facility with a syndicate of banks, financial institutions, and institutional lenders. Both loans were secured by substantially all of the Immediate Predecessor's real and personal property, including receivables, contract rights, general intangibles, inventories, equipment, and financial assets. There were outstanding borrowings of $148,875,000 and $56,510 at December 31, 2004, respectively. Outstanding borrowings on June 23, 2005 were repaid in connection with the Subsequent Acquisition as described in note 1.

Effective June 24, 2005, Successor entered into a first lien credit facility and a guaranty agreement with two banks and one related party institutional lender (see note 15). The credit facility is in an aggregate amount not to exceed $525,000,000, consisting of $225,000,000 Tranche B Term Loans; $50,000,000 of Delayed Draw Term Loans available for the first 18 months of the agreement and subject to accelerated payment terms; a $100,000,000 Revolving Loan Facility; and a Funded Letters of Credit Facility (Funded Facility) of $150,000,000. The credit facility is secured by substantially all of Successor's assets. At December 31, 2005, $224,437,500 of Tranche B Term Loans was outstanding, and there was no outstanding balance on the Revolving Loan Facility or the Delayed Draw Term Loans. At December 31, 2005, Successor had $150,000,000 in Funded Letters of Credit outstanding to secure payment obligations under derivative financial instruments (see note 14).

The Term Loans and Revolving Loan Facility provide CVR the option of a 3-month LIBOR rate plus 2.5% per annum (rounded up to the next whole multiple of 1/16 of 1%) or an Index Rate (to be based on the current prime rate plus 1.5%). Interest is paid quarterly when using the Index Rate and at the expiration of the LIBOR term selected when using the LIBOR rate; interest varies with the Index Rate or LIBOR rate in effect at the time of the borrowing. The interest rate on December 31, 2005 was 7.06%. The annual fee for the Funded Facility is 2.725% of outstanding Funded Letters of Credit.

Effective June 24, 2005, Successor entered into a second lien $275,000,000 term loan and guaranty agreement with a bank and a related party institutional lender (see note 15) with the entire amount outstanding at December 31, 2005. CVR has the option of a 3-month LIBOR rate plus 6.75% per annum (rounded up to the next whole multiple of 1/16 of 1%) or an Index Rate (to be based on the current prime rate plus 5.75%). The interest rate on December 31, 2005 was 11.31%. The loan is secured by a second lien on substantially all of CVR's assets.

CVR Energy, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The loan and security agreements contain customary restrictive covenants applicable to CVR, including limitations on the level of additional indebtedness, commodity agreements, capital expenditures, payment of dividends, creation of liens, and sale of assets. These covenants also require CVR to maintain specified financial ratios as follows:

	First Lien Credit Facility		Second Lien Credit Facility
Fiscal Quarter Ending	Minimum Interest Coverage Ratio	Maximum Leverage Ratio	Maximum Leverage Ratio
March 31, 2006	2.25:1.00	5.00:1.00	5.25:1.00
June 30, 2006	2.25:1.00	5.00:1.00	5.25:1.00
September 30, 2006	2.25:1.00	5.00:1.00	5.25:1.00
December 31, 2006	2.25:1.00	5.00:1.00	5.25:1.00
March 31, 2007	2.25:1.00	4.75:1.00	5.00:1.00
June 30, 2007	2.50:1.00	4.50:1.00	4.75:1.00
September 30, 2007	2.75:1.00	4.25:1.00	4.75:1.00
December 31, 2007	3.00:1.00	3.50:1.00	4.00:1.00
March 31, 2008	3.25:1.00	3.50:1.00	4.00:1.00
June 30, 2008	3.25:1.00	3.25:1.00	3.75:1.00
September 30, 2008	3.25:1.00	3.00:1.00	3.50:1.00
December 31, 2008	3.25:1.00	2.75:1.00	3.25:1.00
March 31, 2009 and thereafter	3.50:1.00	2.50:1.00	3.00:1.00

Failure to comply with the various restrictive and affirmative covenants of the loan agreements could negatively affect CVR's ability to incur additional indebtedness and/or pay required distributions. Successor is required to measure its compliance with these financial ratios and covenants quarterly and was in compliance with all covenants and reporting requirements under the terms of the agreement at December 31, 2005. As required by the debt agreements, CVR has entered into interest rate swap agreements (as described in note 14) that are required to be held for a minimum of four years.

Long-term debt consisted of the following at December 31, 2005:

First lien Tranche B term loans; principal payments of .25% of the principal balance due quarterly commencing October 2005, increasing to 23.5% of the principal balance due quarterly commencing October 2011, with a final payment of the aggregate remaining unpaid principal balance due July 2012	$	224,437,500
Second lien term loan, due in full June 2013		275,000,000
		499,437,500
Less current portion		2,235,973
	$	497,201,527

Future maturities of long-term debt are as follows:

Year Ending December 31,		Amount
2006	$	2,235,973
2007		2,213,697
2008		2,191,642
2009		2,169,808
2010		2,148,191
Thereafter		488,478,189
	$	499,437,500

At December 31, 2005, Successor had $3.2 million in letters of credit outstanding to collateralize its environmental obligations and state motor fuels tax obligations. The letters of credit expire in July and August 2006. At December 31, 2005, Successor had a $22.6 million letter of credit outstanding to secure the purchase of crude oil. The letter of credit expired January 2006. These letters of credit were outstanding against the Revolving Loan Facility. The fee for the revolving letters of credit is 2.75%.

(11) Benefit Plans

CVR sponsors two defined-contribution 401(k) plans (the Plans) for all employees. Participants in the Plans may elect to contribute up to 50% of their annual salaries, and up to 100% of their annual income sharing. CVR matches up to 75% of the first 6% of the participant's contribution for the nonunion plan and 50% of the first 6% of the participant's contribution for the union plan. Both plans are administered by CVR and contributions for the union plan are determined in accordance with provisions of negotiated labor contracts. Participants in both Plans are immediately vested in their individual contributions. Both Plans have a three year vesting schedule for CVR's matching funds and contain a provision to count service with any predecessor organization. Successor's contributions under the Plans were $647,054, $661,922, and $446,753 for the 304 days ended December 31, 2004, the 174 days ended June 23, 2005, and the 233 days ended December 31, 2005, respectively.

Coffeyville Acquisition LLC sponsors share-based compensation plans that participate in profit distributions, as described in note 4.

CVR Energy, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

(12) Income Taxes

Income tax expense (benefit) is summarized below (in thousands):

	Immediate Predecessor		Successor
	304 Days Ended December 31, 2004	174 Days Ended June 23, 2005	229 Days Ended December 31, 2005
Current — Federal	$ 27,902	$ 26,145	$ 29,000
State	6,519	6,099	6,457
	34,421	32,244	35,457
Deferred — Federal	(499)	3,083	(80,500)
State	(117)	721	(17,925)
	(616)	3,804	(98,425)
Total income taxes	$ 33,805	$ 36,048	$ (62,968)

Income tax expense differed from the expected income tax (computed by applying the federal income tax rate of 35% to income before income taxes) as follows (in thousands):

	Immediate Predecessor		Successor
	304 Days Ended December 31, 2004	174 Days Ended June 23, 2005	229 Days Ended December 31, 2005
Computed expected taxes	$ 29,230	$ 30,956	$ (63,744)
Loss on unexercised option agreements with no tax benefit to Successor	—	—	8,750
State taxes, net of federal benefit	4,162	4,433	(7,454)
Manufacturing deduction	—	(825)	(897)
Other, net	413	1,484	377
Total income tax expense	$ 33,805	$ 36,048	$ (62,968)

As more fully described in note 14, the loss on unexercised option agreements of $25,000,000 occurred at Coffeyville Acquisition LLC, and the tax deduction related to the loss was passed through to the partners of Coffeyville Acquisition LLC.

The provision for income taxes for the year ended December 31, 2005 reflects an estimated benefit from a provision of the American Jobs Creation Act of 2004 (“the Act”). The Act created the new Internal Revenue Code section 199 which provides an income tax benefit to domestic manufacturers. The Company recognized an income tax benefit related to this manufacturing deduction of $825,011 and $896,890 for the 174 days ended June 23, 2005 and the 233 days ended December 31, 2005, respectively.

CVR Energy, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The income tax effect of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are summarized below (in thousands):

	Immediate Predecessor December 31, 2004	Successor December 31, 2005
Deferred tax assets:		
Allowance for doubtful accounts	$ 74	$ 109
Personnel accruals	342	483
Inventories	215	560
Environmental obligations	166	—
Electricity contract	229	—
Unrealized derivative losses	—	91,226
Deferred tax assets	1,026	92,378
Deferred tax liabilities:		
Unrealized derivative gains	326	—
Property, plant, and equipment	84	269,462
Environmental obligations	—	1,238
Other	—	142
Deferred tax liabilities	410	270,842
Net deferred tax assets (liabilities)	$ 616	$ (178,464)

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based upon the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are deductible, management believes it is more likely than not that CVR will realize the benefits of these deductible differences. Therefore, Successor has not recorded any valuation allowances against deferred tax assets as of December 31, 2004 or 2005.

CVR Energy, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

(13) Commitments and Contingent Liabilities

The minimum required payments for CVR's lease agreements and unconditional purchase obligations are as follows:

Year Ending December 31,	Operating Leases	Unconditional Purchase Obligations
2006	$ 3,654,956	$ 22,462,157
2007	3,445,287	22,840,325
2008	3,354,004	18,716,401
2009	2,595,539	18,685,325
2010	1,259,805	16,293,845
Thereafter	644,669	153,877,335
	$ 14,954,260	$ 252,875,388

CVR leases various equipment and real properties under long-term operating leases. For the year ended December 31, 2003, the 62-day period ended March 2, 2004, the 304-day period ended December 31, 2004, the 174-day period ended June 23, 2005, and the 233-day period ended December 31, 2005, lease expense totaled approximately $2,985,022, $518,918, $2,531,823, $1,754,564, and $1,737,373, respectively. The lease agreements have various remaining terms. Some agreements are renewable, at CVR's option, for additional periods. It is expected, in the ordinary course of business, that leases will be renewed or replaced as they expire.

CVR licenses a gasification process from a third party associated with gasifier equipment used in the Nitrogen Fertilizer segment. The royalty fees for this license are incurred as the equipment is used and are subject to a cap which is expected to be paid in full by June 2007 at an estimated total cost of $5.5 million. Royalty fee expense reflected in cost of goods sold for the 304-day period ended December 31, 2004, the 174-day period ended June 23, 2005, and the 233-day period ended December 31, 2005 was $1,403,304, $1,042,286, and $914,878, respectively.

Coffeyville Resources Nitrogen Fertilizers LLC (CRNF) has an agreement with the City of Coffeyville pursuant to which it must make a series of future payments for electrical generation transmission and city margin. As of December 31, 2005, the remaining obligations of CRNF totaled $31.8 million through December 31, 2019. Total minimum committed contractual payments under the agreement will be $5.7 million for each of the fiscal years 2006 and 2007 and $1.7 million per year for each subsequent year. Successor is contractually liable for payments to Farmland, as part of deferred purchase consideration related to the electricity contract with the City of Coffeyville. As of December 31, 2005, approximately $750,000 remains to be paid in equal monthly installments of approximately $83,000 each through September 2006.

Coffeyville Resources Refining and Marketing, LLC (CRRM) has a Pipeline Construction, Operation and Transportation Commitment Agreement with Plains Pipeline, L.P. (Plains Pipeline) pursuant to which Plains Pipeline constructed a crude oil pipeline from Cushing, Oklahoma to Caney, Kansas. The term of the agreement is 20 years from when the pipeline became operational on March 1, 2005. Pursuant to the agreement, CRRM must transport approximately 80,000 barrels per day of its crude oil requirements for the Coffeyville refinery at a fixed charge per barrel for the first five years of the agreement. For the final fifteen years of the agreement, CRRM must transport all of its non-gathered crude oil up to the capacity of the Plains Pipeline. The rate is subject to a Federal Energy Regulatory Commission (FERC) tariff and is subject to change on an annual basis per the agreement. Lease expense associated with this agreement and included in cost of goods sold for the

174-day period ended June 23, 2005 and the 233-day period ended December 31, 2005 totaled approximately $2,603,066 and $4,372,115, respectively.

During 1997, Farmland (subsequently assigned to CRRM) entered into an Agreement of Capacity Lease and Operating Agreement with Williams Pipe Line Company (subsequently assigned to Magellan Pipe Line Company (Magellan)) pursuant to which CRRM leases pipeline capacity in certain pipelines between Coffeyville, Kansas and Caney, Kansas and between Coffeyville, Kansas and Independence, Kansas. Pursuant to this agreement, CRRM is obligated to pay a fixed monthly charge to Magellan for annual leased capacity of 6,300,000 barrels until the scheduled expiration of the agreement on April 30, 2007. Lease expense associated with this agreement and included in cost of goods sold for the 174-day period ended June 23, 2005 and the 233-day period ended December 31, 2005 totaled approximately $232,500 and $193,750, respectively.

During 2005, CRRM amended a Pipeline Capacity Lease Agreement with Mid-America Pipeline Company (MAPL) pursuant to which CRRM leases pipeline capacity in an outbound MAPL-operated pipeline between Coffeyville, Kansas and El Dorado, Kansas for the transportation of natural gas liquids (NGLs) and refined petroleum products. Pursuant to this agreement, CRRM is obligated to make fixed monthly lease payments. The agreement also obligates CRRM to reimburse MAPL a portion of certain permitted costs associated with obligations imposed by certain governmental laws. Lease expense associated with this agreement, included in cost of goods sold for the 174-day period ended June 23, 2005 and the 233-day period ended December 31, 2005, totaled approximately $156,271, and $208,316, respectively. The lease expires September 30, 2011.

During 2005, CRRM entered into a Pipeage Contract with MAPL pursuant to which CRRM agreed to ship a minimum quantity of NGLs on an inbound pipeline operated by MAPL between Conway, Kansas and Coffeyville, Kansas. Pursuant to the contract, CRRM is obligated to ship 2,000,000 barrels (Minimum Commitment) of NGLs per year at a fixed rate per barrel through the expiration of the contract on September 30, 2011. All barrels above the Minimum Commitment are at a different fixed rate per barrel. The rates are subject to a tariff approved by the Kansas Corporation Commission (KCC) and are subject to change throughout the term of this contract as ordered by the KCC. Lease expense associated with this contract agreement and included in cost of goods sold for the 233-day period ended December 31, 2005 totaled approximately $172,525.

During 2004, CRRM entered into a Pipeline Capacity Lease Agreement with ONEOK Field Services (OFS) and Frontier El Dorado Refining Company (Frontier) pursuant to which CRRM leases capacity in pipelines operated by OFS between Conway, Kansas and El Dorado, Kansas. Prior to the completion of a planned expansion project specified in the agreement, CRRM will be obligated to pay a fixed monthly charge which will increase after the expansion is complete. The lease expires September 30, 2011. It is estimated the pipeline will be operational in the second quarter of 2006.

During 2004, CRRM entered into a Transportation Services Agreement with CCPS Transportation, LLC (CCPS) pursuant to which CCPS reconfigured an existing pipeline (Spearhead Pipeline) to transport Canadian sourced crude oil to Cushing, Oklahoma. The term of the agreement is 10 years from the time the pipeline becomes operational, which occurred March 1, 2006. Pursuant to the agreement and pursuant to options for increased capacity which CRRM has exercised, CRRM is obligated to pay an incentive tariff, which is a fixed rate per barrel for a minimum of 10,000 barrels per day.

During 2004, CRRM entered into a Terminalling Agreement with Plains Marketing, LP (Plains) whereby CRRM has the exclusive storage rights for working storage, blending, and terminalling services at several Plains tanks in Cushing, Oklahoma. Pursuant to the agreement, CRRM is obligated to pay a minimum throughput volume commitment of 29,200,000 barrels per year. This rate is subject to change annually based on changes in the Consumer Price Index (CPI-U) and the Producer Price Index (PPI-NG). Expenses associated with this agreement, included in cost of goods sold for the 174-day period ended June 23, 2005 and the 233-day period ended December 31, 2005, totaled approximately $811,815 and $1,251,087, respectively. The agreement expires December 31, 2009.

During 2005 CRNF entered into a on-site product supply agreement with the BOC Group, Inc. Pursuant to the agreement, which expires in 2020, CRNF pays approximately $300,000 per month for the supply of oxygen and nitrogen to the fertilizer operation.

Effective December 31, 2005, a crude oil Supply agreement with Supplier A expired and was replaced by a new crude oil supply agreement with Supplier B (see note 17). Supplier A has initiated discussions with CRRM concerning alleged certain crude oil losses and other charges which Supplier A claims were eligible to be passed through to CRRM under the terms of the expired agreement. Supplier A has not filed a formal claim and CRRM does not believe based on current information that the losses and other charges can be passed through to CRRM. Accordingly, a liability has not been recognized for these losses and other charges as of December 31, 2005.

From time to time, CVR is involved in various lawsuits arising in the normal course of business, including matters such as those described below under, “Environmental, Health, and Safety Matters,” and those described above. Liabilities related to such litigation are recognized when the related costs are probable and can be reasonably estimated. Management believes the company has accrued for losses for which it may ultimately be responsible. It is possible management’s estimates of the outcomes will change within the next year due to uncertainties inherent in litigation and settlement negotiations. In the opinion of management, the ultimate resolution of any other litigation matters is not expected to have a material adverse effect on the accompanying consolidated financial statements.

Environmental, Health, and Safety (EHS) Matters

CVR is subject to various stringent federal, state, and local EHS rules and regulations. Liabilities related to EHS matters are recognized when the related costs are probable and can be reasonably estimated. Estimates of these costs are based upon currently available facts, existing technology, site-specific costs, and currently enacted laws and regulations. In reporting EHS liabilities, no offset is made for potential recoveries. Such liabilities include estimates of CVR’s share of costs attributable to potentially responsible parties which are insolvent or otherwise unable to pay. All liabilities are monitored and adjusted regularly as new facts emerge or changes in law or technology occur.

CVR owns and/or operates manufacturing and ancillary operations at various locations directly related to petroleum refining and distribution and nitrogen fertilizer manufacturing. Therefore, CVR has exposure to potential EHS liabilities related to past and present EHS conditions at some of these locations.

Through an Administrative Order issued to Original Predecessor under the Resource Conservation and Recovery Act, as amended (RCRA), CVR is a potential party responsible for conducting corrective actions at its Coffeyville, Kansas and Phillipsburg, Kansas facilities. In 2005, Coffeyville Resources Nitrogen Fertilizers, LLC agreed to participate in the State of Kansas Voluntary Cleanup and Property Redevelopment Program (VCPRP) to address a reported release of urea ammonium nitrate (UAN) at the Coffeyville UAN loading rack. As of December 31, 2004 and 2005, environmental accruals of $10,310,600 and $8,220,338, respectively, were reflected in the consolidated balance sheets for probable and estimated costs for remediation of environmental contamination under the RCRA Administrative Order and the VCPRP, including amounts totaling

$1,209,663 and $1,211,000, respectively, included in other current liabilities. The Immediate Predecessor and Successor accruals were determined based on an estimate of payment costs through 2033, which scope of remediation was arranged with the Environmental Protection Agency (the EPA) and are discounted at the appropriate risk free rates at December 31, 2004 and 2005, respectively. The accruals include estimated closure and post-closure costs of $1,975,100 and $1,812,000 for two landfills at December 31, 2004 and 2005, respectively. The estimated future payments for these required obligations are as follows (in thousands):

Year Ending December 31,	Amount
2006	$ 1,211
2007	1,712
2008	616
2009	508
2010	473
Thereafter	6,798
Undiscounted total	11,318
Less amounts representing interest at 4.51%	3,098
Accrued environmental liabilities at December 31, 2005	$ 8,220

CVR has purchased insurance (see note 9) to cover costs above accrued amounts related to this contaminated property. Management periodically reviews and, as appropriate, revises its environmental accruals. Based on current information and regulatory requirements, management believes that the accruals established for environmental expenditures are adequate.

The EPA has issued regulations intended to limit amounts of sulfur in diesel and gasoline. The EPA has granted Original Predecessor's petition for a technical hardship waiver with respect to the date for compliance in meeting the sulfur-lowering standards. Immediate Predecessor and Successor spent approximately $2 million in 2004 and $27 million in 2005 and, based on information currently available, CVR anticipates spending approximately $83 million in 2006, $2 million in 2007, and $6 million in 2008 to comply with the low-sulfur rules. The entire amounts are expected to be capitalized.

Environmental expenditures are capitalized when such expenditures are expected to result in future economic benefits. For the year ended December 31, 2003, the 62-day period ended March 2, 2004, the 304-day period ended December 31, 2004, the 174-day period ended June 23, 2005, and the 233-day period ended December 31, 2005, capital expenditures were approximately $334,235, $0, $2,563,295, $6,065,713, and $20,165,483, respectively, and were incurred to improve the environmental compliance and efficiency of the operations.

CVR believes it is in substantial compliance with existing EHS rules and regulations. There can be no assurance that the EHS matters described above or other EHS matters which may develop in the future will not have a material adverse effect on the business, financial condition, or results of operations.

(14) Derivative Financial Instruments

CVR is subject to price fluctuations caused by supply conditions, weather, economic conditions, and other factors and to interest rate fluctuations. To manage price risk on crude oil and other inventories and to fix margins on certain future production, the Entities may enter into various derivative transactions. In addition, the Successor, as further described below, entered into certain commodity derivate contracts and an interest rate swap as required by the long-term debt agreements.

For purposes of these financial statements, CVR has adopted Statement of Financial Accounting Standards No. 133, *Accounting for Derivative Instruments and Hedging Activities*, (SFAS 133). SFAS 133 imposes extensive record-keeping requirements in order to designate a derivative financial instrument as a hedge. CVR holds derivative instruments, such as exchange-traded crude oil futures, certain over-the-counter forward swap agreements, and interest rate swap agreements, which it believes provide an economic hedge on future transactions, but such instruments are not designated as hedges. Gains or losses related to the change in fair value and periodic settlements of these derivative instruments are classified as gain (loss) on derivatives.

At December 31, 2005, Successor's Petroleum Segment held commodity derivative contracts (swap agreements) for the period from July 1, 2005 to June 30, 2010 with a related party (see note 15). The swap agreements were originally executed on June 16, 2005 in conjunction with the Subsequent Acquisition of the Immediate Predecessor and required under the terms of the long-term debt agreements. The notional quantities on the date of execution were 100,911,000 barrels of crude oil; 2,348,802,750 gallons of unleaded gasoline and 1,889,459,250 gallons of heating oil. The swap agreements were executed at the prevailing market rate at the time of execution and Management believes the swap agreements provide an economic hedge on future transactions. At December 31, 2005 the notional open amounts under the swap agreements were 88,951,000 barrels of crude oil; 2,097,642,750 gallons of unleaded gasoline and 1,638,229,250 gallons of heating oil. At December 31, 2005, these positions resulted in unrealized losses of $235,851,568 using a valuation method that utilizes quoted market prices and assumptions for the estimated forward yield curves of the related commodities in periods when quoted market prices are unavailable. During the 233 days ended December 31, 2005, the Petroleum Segment recorded $59,300,670 in realized losses on these swap agreements.

Successor entered certain crude oil, heating oil, and gasoline option agreements with a related party (see notes 1 and 15) as of May 16, 2005. These agreements expired unexercised on June 16, 2005 and resulted in an expense of $25,000,000 reported in the accompanying consolidated statements of operations as gain (loss) on derivatives for the 233 days ended December 31, 2005.

CVR has recorded margin account balances in cash and cash equivalents of $8,373,417 and $1,540,952 at December 31, 2004 and 2005, respectively. The Petroleum Segment also recorded mark-to-market net gains (losses), exclusive of the swap agreements described above and the interest rate swaps described in the following paragraph, in gain (loss) on derivatives of $303,742, $0 , $546,604, $(7,664,725), and $(3,565,153), for the year ended December 31, 2003, the 62-day period ended March 2, 2004, the 304-day period ended December 31, 2004, the 174-day period ended June 23, 2005, and the 233-day period ended December 31, 2005, respectively. All of the activity related to the commodity derivative contracts is reported in the Petroleum Segment.

At December 31, 2005, Successor held derivative contracts known as interest rate swap agreements that converted Successor's floating-rate bank debt (see note 10) into 3.835% fixed-rate debt on a notional amount of $375,000,000. Half of the agreements are held with a related party (as described in note 15), and the other half are held with a financial institution that is a lender under CVR's long-term debt agreements. The swap agreements carry the following terms:

Period Covered	Notional Amount	Fixed Interest Rate
June 30, 2005 to June 30, 2006	$375 million	3.835%
June 30, 2006 to June 30, 2007	325 million	4.038%
June 30, 2007 to March 31, 2008	325 million	4.195%
March 31, 2008 to March 31, 2009	250 million	4.195%
March 31, 2009 to March 31, 2010	180 million	4.195%
March 31, 2010 to June 30, 2010	110 million	4.195%

CVR pays the fixed rates listed above and receives a floating rate based on three-month LIBOR rates, with payments calculated on the notional amounts listed above. The notional amounts do not represent actual amounts exchanged by the parties but instead represent the amounts on which the contracts are based. The swap is settled quarterly and marked to market at each reporting date, and all unrealized gains and losses are currently recognized in income. Transactions related to the interest rate swap agreements were not allocated to the Petroleum or Nitrogen Fertilizer segments. Mark-to-market net gains on derivatives and quarterly settlements were $7,655,280 for the 233-day period ended December 31, 2005.

(15) Related Party Transactions

Pegasus Partners II, L.P. (Pegasus) was a majority owner of Immediate Predecessor.

On March 3, 2004, Immediate Predecessor entered into a management services agreement with an affiliate company of Pegasus, Pegasus Capital Advisors, L.P. (Affiliate) pursuant to which Affiliate provided Immediate Predecessor with managerial and advisory services. Amounts totaling approximately $545,000 and $1,000,000 relating to the agreement were expensed in selling, general, and administrative expenses for the 304 days ended December 31, 2004 and for the 174 days ended June 23, 2005, respectively. Immediate Predecessor expensed approximately $455,000 in selling, general and administrative expenses for legal fees paid on behalf of Affiliate in lieu of the remaining amounts owed under the management services agreement for the 304 days ended December 31, 2004.

Immediate Predecessor paid Affiliate a $4.0 million transaction fee upon closing of the Initial Acquisition referred to in note 1. The transaction fee relates to a $2.5 million finder's fee included in the cost of the Initial Acquisition and $1.5 million in deferred financing costs. The deferred financing cost was subsequently written off in May 2004 as part of the refinancing. In conjunction with the debt refinancing on May 10, 2004, a $1.25 million fee was paid to Affiliate as a deferred financing cost and was subsequently written-off immediately prior to the Subsequent Acquisition.

GS Capital Partners V Fund, L.P. and related entities (GS or Goldman Sachs Funds) and Kelso Investment Associates VII, L.P. and related entity (Kelso or Kelso Funds) are majority owners of Successor.

Successor paid companies related to GS and Kelso each equal amounts totaling $6.0 million for transaction fees related to the Subsequent Acquisition, as well as an additional $0.7 million paid to GS for reimbursed expenses related to the Subsequent Acquisition. These expenditures were included in the cost of the Subsequent Acquisition referred to in note 1.

An affiliate of GS is one of the lenders in conjunction with the financing of the Subsequent Acquisition. Successor paid this affiliate of GS a $22.1 million fee included in deferred financing costs. For the 233 days ended December 31, 2005, Successor made interest payments of $1.8 million recorded in interest expense and paid letter of credit fees of approximately $155,000 recorded in selling, general, and administrative expenses, to this affiliate of GS.

On June 24, 2005, Successor entered into a management services agreement with GS and Kelso pursuant to which GS and Kelso provide Successor with managerial and advisory services. In consideration for these services, an annual fee of $1.0 million each is paid to GS and Kelso, plus reimbursement for any out-of-pocket expenses. The agreement has a term ending on the date GS and Kelso cease to own any interests in Successor. Relating to the agreement, $1,310,416 was expensed in selling, general, and administrative expenses for the 233 days ended December 31, 2005. In addition, $1,046,575 was included in other current liabilities and approximately $78,671 was included in accounts payable at December 31, 2005.

Successor entered into certain crude oil, heating oil, and gasoline swap agreements with a subsidiary of GS. The original swap agreements were entered into on May 16, 2005 and were terminated on June 16, 2005, resulting in a $25 million loss on termination of swap agreements for the 233 days ended December 31, 2005. Additional swap agreements with this subsidiary of GS were entered into on June 16, 2005, with an expiration date of June 30, 2010 (as described in note 14). Amounts totaling $297,010,762 were expensed related to these swap agreements for the 233 days ended December 31, 2005 and are reflected in loss on derivatives. In addition, the consolidated balance sheet at December 31, 2005 includes liabilities of $96,688,956 included in current payable to swap counterparty and $160,033,333 included in long-term payable to swap counterparty.

On June 30, 2005, Successor entered into three interest-rate swap agreements with the same subsidiary of GS (as described in note 14). Amounts totaling $3,826,342 of income were recognized related to these swap agreements for the 233 days ended December 31, 2005 and are reflected in gain (loss) on derivatives. In addition, the consolidated balance sheet at December 31, 2005 includes $1,441,697 in prepaid expenses and other current assets and $2,441,216 in other long-term assets related to the same agreements.

Effective December 30, 2005, Successor entered into a crude oil supply agreement with a subsidiary of GS (Supplier). This agreement replaces a similar contract held with an independent party (see note 17). Both parties will negotiate the cost of each barrel of crude oil to be purchased from a third party. Successor will pay Supplier a fixed supply service fee per barrel over the negotiated cost of each barrel of crude purchased. The cost is adjusted further using a spread adjustment calculation based on the time period the crude oil is estimated to be delivered to the refinery, other market conditions, and other factors deemed appropriate. The monthly spread quantity for any delivery month at any time shall not exceed approximately 3.1 million barrels. The initial term of the agreement is to December 31, 2006 and it continues for one additional year unless either party terminates it effective December 31, 2006. $1,290,731 was recorded on the consolidated balance sheet at December 31, 2005 in prepaid expenses and other current assets for prepayment of crude oil.

(16) Business Segments

CVR measures segment profit as operating income for Petroleum and Nitrogen Fertilizer, CVR's two reporting segments, based on the definitions provided in Statement of Financial Accounting Standards No. 131, *Disclosures About Segments of an Enterprise and Related Information.*

Petroleum

Principal products of the Petroleum Segment are refined fuels, propane, and petroleum refining by-products including coke. CVR uses the coke in the manufacture of nitrogen fertilizer at the adjacent nitrogen fertilizer plant. For CVR, a $15-per-ton transfer price is used to record intercompany sales on the part of the Petroleum Segment and corresponding intercompany cost of goods sold for the Nitrogen Fertilizer Segment. The intercompany transactions are eliminated in the Other Segment. For Original Predecessor, the coke was transferred from the Petroleum Segment to the Nitrogen Fertilizer Segment at zero value such that no sales revenue on the part of the Petroleum Segment or corresponding cost of goods sold for the Nitrogen Fertilizer Segment was recorded. Because Original Predecessor did not record these transfers in its segment results and the information to restate these segment results in Original Predecessor periods is not available, financial results from those periods have not been restated. As a result, the results of operations for Original Predecessor periods are not comparable with those of Immediate Predecessor or Successor periods.

Nitrogen Fertilizer

The principal product of the Nitrogen Fertilizer Segment is nitrogen fertilizer. Nitrogen fertilizer sales increased throughout the periods presented as the on stream factor improved.

Other Segment

The Other Segment reflects intercompany eliminations, cash and cash equivalents, all debt related activities, income tax activities and other corporate activities that are not allocated to the operating segments.

	Original Predecessor		Immediate Predecessor		Successor
	Year Ended December 31, 2003	62-Day Period Ended March 2, 2004	304-Day Period Ended December 31, 2004	174-Day Period Ended June 23, 2005	233-Day Period Ended December 31, 2005
Net sales					
Petroleum	$ 1,161,287,249	$ 241,640,365	$ 1,390,768,126	$ 903,802,983	$ 1,363,390,142
Nitrogen Fertilizer	100,909,645	19,446,164	93,422,503	79,347,843	93,651,855
Other	—	—	(4,297,440)	(2,444,565)	(2,782,455)
Total	$ 1,262,196,894	$ 261,086,529	$ 1,479,893,189	$ 980,706,261	$ 1,454,259,542
Cost of product sold (exclusive of depreciation and amortization)					
Petroleum	$ 1,040,032,230	$ 217,375,945	$ 1,228,074,299	$ 761,719,405	$ 1,156,208,301
Nitrogen Fertilizer	21,870,636	4,073,232	20,433,642	9,125,852	14,503,824
Other	—	—	(4,300,518)	(2,778,079)	(2,574,908)
Total	$ 1,061,902,866	$ 221,449,177	$ 1,244,207,423	$ 768,067,178	$ 1,168,137,217

CVR Energy, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

	Original Predecessor		Immediate Predecessor		Successor
	Year Ended December 31, 2003	62-Day Period Ended March 2, 2004	304-Day Period Ended December 31, 2004	174-Day Period Ended June 23, 2005	233-Day Period Ended December 31, 2005
Direct operating expenses (exclusive of depreciation and amortization)					
Petroleum	$ 80,104,220	$ 14,925,611	$ 73,231,607	$ 52,611,148	$ 56,159,473
Nitrogen Fertilizer	53,012,310	8,427,851	43,752,777	28,302,714	29,153,729
Other	—	—	—	—	—
Total	$ 133,116,530	$ 23,353,462	$ 116,984,384	$ 80,913,862	$ 85,313,202
Depreciation and amortization					
Petroleum	$ 2,094,627	$ 271,284	$ 1,522,464	$ 770,728	$ 15,566,987
Nitrogen Fertilizer	1,218,899	160,719	855,289	316,446	8,360,911
Other	—	—	68,208	40,831	26,133
Total	$ 3,313,526	$ 432,003	$ 2,445,961	$ 1,128,005	$ 23,954,031
Operating income (loss)					
Petroleum	$ 21,544,374	$ 7,687,745	$ 77,094,034	$ 76,654,428	$ 123,044,854
Nitrogen Fertilizer	7,813,708	3,514,997	22,874,227	35,267,752	35,731,056
Other	—	—	3,076	333,514	(240,848)
Total	$ 29,358,082	$ 11,202,742	$ 99,971,337	$ 112,255,694	$ 158,535,062
Capital expenditures					
Petroleum	$ 489,083	$ —	$ 11,267,244	$ 10,790,042	$ 42,107,751
Nitrogen fertilizer	324,679	—	2,697,852	1,434,921	2,017,385
Other	—	—	195,184	31,830	1,046,998
Total	$ 813,762	$ —	$ 14,160,280	$ 12,256,793	$ 45,172,134
Reorganization expenses —					
Impairment of property, plant, and equipment					
Petroleum	$ 3,950,519	$ —	$ —	$ —	$ —
Nitrogen fertilizer	5,688,107	—	—	—	—
Other	—	—	—	—	—
Total	$ 9,638,626	$ —	$ —	$ —	$ —
Total assets					
Petroleum			$ 145,861,715		$ 664,870,240
Nitrogen Fertilizer			83,561,149		425,333,621
Other			(265,527)		131,344,042
Total			$ 229,157,337		$ 1,221,547,903
Goodwill					
Petroleum			$ —		$ 42,806,422
Nitrogen Fertilizer			—		40,968,463
Other			—		—
Total			$ —		$ 83,774,885

(17) Major Customers and Suppliers

Sales to major customers were as follows:

	Original Predecessor		Immediate Predecessor		Successor
	Year Ended December 31, 2003	62-Day Period Ended March 2, 2004	304-Day Period Ended December 31, 2004	174-Day Period Ended June 23, 2005	233-Day Period Ended December 31, 2005
Petroleum					
Customer A	89%	10%	18%	17%	16%
Customer B	3%	25%	10%	5%	6%
Customer C	1%	18%	17%	17%	15%
Customer D	—	—	8%	14%	17%
Customer E	1%	9%	15%	11%	11%
	94%	62%	68%	64%	65%
Nitrogen Fertilizer					
Customer F	66%	48%	24%	16%	10%
Customer G	0%	0%	5%	9%	10%
	66%	48%	29%	25%	20%

The Petroleum Segment maintains long-term contracts with one supplier for the purchase of its crude oil. The agreement with Supplier A expired in December 2005, at which time Successor entered into a similar arrangement with Supplier B, a related party (as described in note 15). Purchases contracted as a percentage of the total cost of goods sold for each of the periods were as follows:

	Original Predecessor		Immediate Predecessor		Successor
	Year Ended December 31, 2003	62-Day Period Ended March 2, 2004	304-Day Period Ended December 31, 2004	174-Day Period Ended June 23, 2005	233-Day Period Ended December 31, 2005
Supplier A	28%	32%	68%	77%	69%

The Nitrogen Fertilizer Segment maintains long-term contracts with one supplier. Purchases from this supplier as a percentage of the total cost of goods sold were as follows:

	Original Predecessor		Immediate Predecessor		Successor
	Year Ended December 31, 2003	62-Day Period Ended March 2, 2004	304-Day Period Ended December 31, 2004	174-Day Period Ended June 23, 2005	233-Day Period Ended December 31, 2005
Supplier	1%	2%	3%	3%	3%

CVR Energy, Inc. and Subsidiaries

CONDENSED CONSOLIDATED BALANCE SHEET

	Successor December 31, 2005	Successor September 30, 2006 (unaudited)	Pro Forma Successor September 30, 2006 (unaudited) (Note 3)
ASSETS			
Current assets:			
Cash and cash equivalents	$ 64,703,524	$ 38,085,502	$ —
Accounts receivable, net of allowance for doubtful accounts of $275,188 and $277,852, respectively	71,560,052	48,407,925	
Inventories	154,275,818	214,058,461	
Income tax receivable	—	11,786,287	
Prepaid expenses and other current assets	14,709,309	31,104,515	
Deferred income taxes	31,059,748	17,271,108	
Total current assets	336,308,451	360,713,798	—
Property, plant, and equipment, net of accumulated depreciation	772,512,884	928,152,935	
Intangible assets	1,008,547	730,979	
Goodwill	83,774,885	83,774,885	
Deferred financing costs	19,524,839	17,027,193	
Other long-term assets	8,418,297	7,253,308	
Total assets	$ 1,221,547,903	$ 1,397,653,098	$ —
LIABILITIES AND EQUITY			
Current liabilities:			
Current portion of long-term debt	$ 2,235,973	$ 2,219,245	$ —
Accounts payable	87,914,833	107,729,484	
Personnel accruals	10,796,896	9,891,357	
Accrued taxes other than income taxes	4,841,234	2,331,067	
Accrued income taxes	4,939,614	—	
Payable to swap counterparty	96,688,956	54,633,859	
Deferred revenue	12,029,987	5,365,673	
Other current liabilities	8,831,937	5,176,125	
Total current liabilities	228,279,430	187,346,810	—
Long-term liabilities:			
Long-term debt, less current portion	497,201,527	525,539,179	
Accrued environmental liabilities	7,009,388	5,628,547	
Deferred income taxes	209,523,747	253,338,137	
Payable to swap counterparty	160,033,333	113,630,301	
Total long-term liabilities	873,767,995	898,136,164	—
Management voting common units subject to redemption, 227,500 units issued and outstanding	4,172,350	9,020,375	
Less: note receivable from management unitholder	(500,000)	—	
Total management voting common units subject to redemption, net	3,672,350	9,020,375	—
Members' equity:			
Voting common units, 25,588,500 units issued and outstanding	114,830,560	300,778,557	
Management nonvoting override units, 2,758,895 units outstanding	997,568	2,371,192	
Total members' equity	115,828,128	303,149,749	—
PRO FORMA STOCKHOLDERS' EQUITY			
Stockholders' equity:			
Common stock, $0.01 par value, shares authorized; shares issued and outstanding			
Additional paid-in capital			
Retained earnings			
Total pro forma stockholders' equity			
Commitments and contingencies			
Total liabilities and equity	$ 1,221,547,903	$ 1,397,653,098	$ —

See accompanying notes to condensed consolidated financial statements.

CVR Energy, Inc. and Subsidiaries

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Immediate Predecessor	Successor	
	174 Days Ended June 23, 2005	141 Days Ended September 30, 2005 (unaudited)	Nine Months Ended September 30, 2006 (unaudited)
Net sales	$ 980,706,261	$ 776,628,260	$ 2,329,152,871
Operating costs and expenses:			
Cost of product sold (exclusive of depreciation and amortization)	768,067,178	624,862,774	1,848,076,557
Direct operating expenses (exclusive of depreciation and amortization)	80,913,862	36,674,930	144,461,227
Selling, general and administrative expenses (exclusive of depreciation and amortization)	18,341,522	7,415,773	32,796,414
Depreciation and amortization	1,128,005	11,924,349	36,809,644
Total operating costs and expenses	868,450,567	680,877,826	2,062,143,842
Operating income	112,255,694	95,750,434	267,009,029
Other income (expense):			
Interest expense	(7,801,821)	(12,236,014)	(33,016,684)
Interest income	511,687	181,341	2,773,949
Gain (loss) on derivatives	(7,664,725)	(487,045,767)	44,746,853
Loss on extinguishment of debt	(8,093,754)	—	—
Other income (expense), net	(762,616)	10,341	310,704
Total other income (expense)	(23,811,229)	(499,090,099)	14,814,822
Income (loss) before provision for income taxes	88,444,465	(403,339,665)	281,823,851
Income tax expense (benefit)	36,047,516	(150,773,609)	111,027,829
Net income (loss)	$ 52,396,949	$ (252,566,056)	$ 170,796,022
Unaudited Pro Forma Information (Note 3)			
Basic and diluted earnings per common share			$ —
Basic and diluted weighted average common shares outstanding			—

See accompanying notes to condensed consolidated financial statements.

CVR Energy, Inc. and Subsidiaries

CONDENSED CONSOLIDATED STATEMENTS OF EQUITY (unaudited)

	Management Voting Common Units Subject to Redemption		Note Receivable from Management Unit Holder	Total
	Units	Dollars		Dollars
For the nine months ended September 30, 2006				
Balance at December 31, 2005	227,500	$ 4,172,350	$ (500,000)	$ 3,672,350
Payment of note receivable		—	150,000	150,000
Forgiveness of note receivable			350,000	350,000
Adjustment to fair value for management common units		3,342,908	—	3,342,908
Net income allocated to management common units		1,505,117	—	1,505,117
Balance at September 30, 2006	227,500	$ 9,020,375	$ —	$ 9,020,375

	Voting Common Units		Management Nonvoting Override Operating Units		Management Nonvoting Override Value Units		Total
	Units	Dollars	Units	Dollars	Units	Dollars	Dollars
For the nine months ended September 30, 2006							
Balance at December 31, 2005	23,588,500	$ 114,830,560	919,630	$ 602,381	1,839,265	$ 395,187	$ 115,828,128
Issuance of 2,000,000 common units for cash	2,000,000	20,000,000		—		—	20,000,000
Recognition of share-based compensation expense related to override units		—		865,527		508,097	1,373,624
Adjustment to fair value for management common units		(3,342,908)		—		—	(3,342,908)
Net income allocated to common units		169,290,905	—	—		—	169,290,905
Balance at September 30, 2006	25,588,500	$ 300,778,557	919,630	$ 1,467,908	1,839,265	$ 903,284	$ 303,149,749

See accompanying notes to condensed consolidated financial statements.

CVR Energy, Inc. and Subsidiaries

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Immediate Predecessor	Successor	
	174 Days Ended June 23, 2005	141 Days Ended September 30, 2005 (unaudited)	Nine Months Ended September 30, 2006 (unaudited)
Cash flows from operating activities:			
Net income (loss)	$ 52,396,949	$ (252,566,056)	$ 170,796,022
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	1,128,005	11,924,349	36,809,644
Provision for doubtful accounts	(190,468)	285,514	2,664
Amortization of deferred financing costs	812,166	896,640	2,508,847
Loss on extinguishment of debt	8,093,754	—	—
Loss on disposition of fixed assets	—	—	1,188,360
Forgiveness of note receivable	—	—	350,000
Share-based compensation	3,985,991	536,523	1,373,624
Changes in assets and liabilities, net of effect of acquisition:			
Accounts receivable	(11,334,177)	(13,024,860)	23,149,463
Inventories	(59,045,550)	15,046,799	(59,782,643)
Prepaid expenses and other current assets	(937,543)	(3,105,606)	(16,537,977)
Other long-term assets	3,036,659	(3,729,006)	1,081,470
Accounts payable	16,124,794	2,544,442	(380,356)
Accrued income taxes	4,503,574	4,088,672	(16,725,901)
Deferred revenue	(9,073,050)	5,066,510	(6,664,314)
Other current liabilities	1,254,196	5,298,237	(7,071,516)
Payable to swap counterparty	—	466,661,429	(88,458,131)
Accrued environmental liabilities	(1,553,184)	(791,259)	(1,380,841)
Other long-term liabilities	(297,105)	(216,335)	—
Deferred income taxes	3,803,937	(175,605,857)	57,603,030
Net cash provided by operating activities	12,708,948	63,310,136	97,861,445
Cash flows from investing activities:			
Cash paid for acquisition of Immediate Predecessor, net of cash acquired	—	(685,125,669)	—
Capital expenditures	(12,256,793)	(12,056,423)	(172,950,391)
Net cash used in investing activities	(12,256,793)	(697,182,092)	(172,950,391)
Cash flows from financing activities:			
Revolving debt payments	(343,449)	(69,286,016)	—
Revolving debt borrowings	492,308	69,286,016	—
Proceeds from issuance of long-term debt	—	500,000,000	30,000,000
Principal payments on long-term debt	(375,000)	—	(1,679,076)
Payment of deferred financing costs	—	(24,436,970)	—
Issuance of members' equity	—	237,660,000	20,000,000
Payment of note receivable	—	—	150,000
Distribution of members' equity	(52,211,493)	—	—
Net cash provided by (used in) financing activities	(52,437,634)	713,223,030	48,470,924
Net increase (decrease) in cash and cash equivalents	(51,985,479)	79,351,074	(26,618,022)
Cash and cash equivalents, beginning of period	52,651,952	—	64,703,524
Cash and cash equivalents, end of period	$ 666,473	$ 79,351,074	$ 38,085,502
Supplemental disclosures			
Cash paid for income taxes	$ 27,040,000	$ 20,743,577	$ 70,150,700
Cash paid for interest	$ 7,287,351	$ 10,993,563	$ 38,229,085
Non-cash investing and financing activities:			
Accrual of construction in progress additions	$ —	$ —	$ 20,195,007
Contributed capital through Leiber tax savings	$ 728,724	$ —	$ —

See accompanying notes to condensed consolidated financial statements.

CVR Energy, Inc. and Subsidiaries

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

(1) Basis of Presentation

The accompanying unaudited condensed consolidated financial statements were prepared in accordance with U.S. generally accepted accounting principles (GAAP) and in accordance with the rules and regulations of the Securities and Exchange Commission. The consolidated financial statements include the accounts of CVR Energy, Inc. and its subsidiaries (CVR or the Company). All significant intercompany accounts and transactions have been eliminated in consolidation. Certain information and footnotes required for the complete financial statements under U.S. generally accepted accounting principles have not been included pursuant to such rules and regulations. These unaudited condensed consolidated financial statements should be read in conjunction with the December 31, 2005 audited financial statements and notes thereto of CVR.

In the opinion of the Company's management, the accompanying unaudited condensed consolidated financial statements reflect all adjustments (consisting only of normal recurring adjustments) that are necessary to fairly present the financial position as of December 31, 2005 and September 30, 2006, and the results of operations and cash flows for the 174 days ended June 23, 2005, the 141 days ended September 30, 2005 and the nine months ended September 30, 2006.

Results of operations and cash flows for the interim periods presented are not necessarily indicative of the results that will be realized for the year ending December 31, 2006 or any other interim period. The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affected the reported amounts of assets, liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

(2) Organization and Nature of Business and the Acquisitions

General

CVR Energy, Inc. (CVR) was incorporated in Delaware in September 2006. CVR has assumed that concurrent with this offering, a newly formed direct subsidiary of CVR's will merge with Coffeyville Refining & Marketing, Inc. (CRM) and a separate newly formed direct subsidiary of CVR's will merge with Coffeyville Nitrogen Fertilizers, Inc. (CNF) which will make CRM and CNF direct wholly owned subsidiaries of CVR.

Successor is a Delaware limited liability company formed May 13, 2005. Successor, acting through wholly-owned subsidiaries, is an independent petroleum refiner and marketer in the mid-continental United States and a producer and marketer of upgraded nitrogen fertilizer products in North America.

On June 24, 2005, Coffeyville Acquisition LLC and subsidiaries (Successor) acquired all of the outstanding stock of Coffeyville Refining & Marketing, Inc. (CRM); Coffeyville Nitrogen Fertilizers, Inc. (CNF); Coffeyville Crude Transportation, Inc. (CCT); Coffeyville Pipeline, Inc. (CP); and Coffeyville Terminal, Inc. (CT) (collectively, CRIncs) from Coffeyville Group Holdings, LLC (Immediate Predecessor) (the Subsequent Acquisition). Immediate Predecessor was a Delaware limited liability company formed in October 2003. As a result of this transaction, CRIncs ownership increased to 100% of CL JV Holdings, LLC (CLJV), a Delaware limited liability company formed on September 27, 2004. CRIncs directly and indirectly, through CLJV, collectively own 100% of Coffeyville Resources, LLC (CRLLC) and its wholly owned subsidiaries, Coffeyville Resources Refining & Marketing, LLC (CRRM); Coffeyville Resources Nitrogen Fertilizers, LLC (CRNF); Coffeyville Resources Crude Transportation, LLC (CRCT); Coffeyville Resources Pipeline, LLC (CRP); and Coffeyville Resources Terminal, LLC (CRT).

CVR Energy, Inc. and Subsidiaries

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited) — (Continued)

Successor had no financial statement activity during the period from May 13, 2005 to June 24, 2005, with the exception of certain crude oil, heating oil, and gasoline option agreements entered into with a related party (see notes 7 and 8) as of May 16, 2005. These agreements expired unexercised on June 16, 2005 and resulted in an expense of $25,000,000 reported in the accompanying condensed consolidated statements of operations as loss on derivatives for the 141 days ended September 30, 2005.

Since the assets and liabilities of Successor are each presented on a different cost basis than that for the period before the acquisition, the financial information for Successor and Immediate Predecessor are not comparable.

The Subsequent Acquisition

On May 15, 2005, Successor and Immediate Predecessor entered into an agreement whereby Successor acquired 100% of the outstanding stock of CRIncs with an effective date of June 24, 2005 for $673,273,440, including the assumption of $353,084,637 of liabilities. Successor also paid transaction costs of $12,518,702, which consisted of legal, accounting, and advisory fees of $5,782,740 paid to various parties, and transaction fees of $6,000,000 and $735,962 in expenses related to the acquisition paid to institutional investors (see note 8). Successor's primary reason for the purchase was the belief that long-term fundamentals for the refining industry were strengthening and the capital requirement was within its desired investment range. The cost of the Subsequent Acquisition was financed through long-term borrowings of approximately $500 million, short-term borrowings of approximately $12.6 million, and the issuance of common units for approximately $227.7 million. The allocation of the purchase price at June 24, 2005, the date of the Subsequent Acquisition, is as follows:

Assets acquired		
Cash	$	666,473
Accounts receivable		37,328,997
Inventories		156,171,291
Prepaid expenses and other current assets		4,865,241
Intangibles, contractual agreements		1,322,000
Goodwill		83,774,885
Other long-term assets		3,837,647
Property, plant, and equipment		750,910,245
Total assets acquired	$	1,038,876,779
Liabilities assumed		
Accounts payable	$	47,259,070
Other current liabilities		16,017,210
Current income taxes		5,076,012
Deferred income taxes		276,888,816
Other long-term liabilities		7,843,529
Total liabilities assumed	$	353,084,637
Cash paid for acquisition of Immediate Predecessor	$	685,792,142

Pro forma revenue would be unchanged for the periods presented. Unaudited pro forma net income (loss) as if the Subsequent Acquisition and subsequent debt refinancing had occurred on January 1, 2005 compared to historical net income presented below is as follows (in thousands):

	Immediate Predecessor 174 Days Ended June 23, 2005	Successor 141 Days Ended September 30, 2005	Pro Forma Nine Months Ended September 30, 2005
Net Income (loss)	$52,397	($252,566)	($216,657)

(3) Unaudited Pro Forma Information

Earnings per share is calculated on a pro forma basis, based on an assumed number of shares outstanding at the time of the initial public offering with respect to the existing shares. Pro forma earnings per share assumes that in conjunction with the initial public offering, the two direct wholly owned subsidiaries of Successor will merge with two of CVR's direct wholly owned subsidiaries, CVR will effect a -for- stock split prior to the completion of this offering, and CVR will issue shares of common stock in this offering. No effect has been given to any shares that might be issued in this offering pursuant to the exercise by the underwriters of their opinion. The pro forma balance sheet assumes the transactions noted above occurred on September 30, 2006.

(4) Members' Equity

CVR accounts for changes in the redemption value of the management voting common units in the period the changes occur and adjusts the carrying value of the Capital Subject to Redemption to equal the redemption value at the end of each reporting period with an equal and offsetting adjustment to Members' Equity. None of the Capital Subject to Redemption was redeemable at December 31, 2005 or September 30, 2006.

At September 30, 2006, Capital Subject to Redemption was revalued through an independent appraisal process, and the value was determined to be $39.65 per unit. The appraisal utilized a discounted cash flows (DCF) method, a variation of the income approach, and the guideline company method, a variation of the market approach, to determine the fair value. The guideline company method utilized a weighting of market multiples from publicly-traded petroleum refiners and fertilizer manufacturers that are comparable to the Company. The recognition of the value of $39.65 per unit increased the carrying value of the Capital Subject to Redemption by $3,342,908 for the nine months ended September 30, 2006 with an equal and offsetting decrease to Members' Equity. This increase was the result of higher forward market price assumptions, which were consistent with what was observed in the market during the period, in the refining business resulting in increased free cash flow projections utilized in the DCF method. The market multiples for the public-traded comparable companies also increased significantly from December 31, 2005, resulting in increased value of the units.

Concurrent with the Subsequent Acquisition, Successor issued nonvoting override units to certain management members who hold common units. There were no required capital contributions for the override units.

919,630 override operating units at a benchmark value of $10 per unit

In accordance with SFAS 123(R), using the Monte Carlo method of valuation, the estimated fair value of the override operating units on June 24, 2005 was $3,604,950. Pursuant to the forfeiture schedule described below, the Company is recognizing compensation expense over the service period for each separate portion of the award for which the forfeiture restriction lapsed as if the award was, in-substance, multiple awards. Compensation expense for the 174-day period ended June 23, 2005, the 141-day period ended September 30, 2005 and nine months ending September 30, 2006 were $0, $310,702 and $865,527, respectively. Significant assumptions used in the valuation were as follows:

• Estimated forfeiture rate	None
• Explicit service period	Based on forfeiture schedule below
• Grant-date fair value — controlling basis	$5.16 per share
• Marketability and minority interest discounts	$1.24 per share (24% discount)
• Volatility	37%

Override operating units participate in distributions in proportion to the number of total common, non-forfeited override operating and participating override value units issued. Distributions to override operating units will be reduced until the total cumulative reductions are equal to the benchmark value. Override operating units are forfeited upon termination of employment for cause. In the event of all other terminations of employment, the override operating units are initially subject to forfeiture with the number of units subject to forfeiture reducing as follows:

Minimum Period Held	Forfeiture Percentage
2 years	75%
3 years	50%
4 years	25%
5 years	0%

On the tenth anniversary of the issuance of override operating units, such units shall convert into an equivalent number of override value units.

1,839,265 override value units at a benchmark value of $10 per unit

In accordance with SFAS 123(R), using the Monte Carlo method of valuation, the estimated fair value of the override value units on June 24, 2005 was $4,064,776. For the override value units, CVR is recognizing compensation expense ratably over the implied service period of 6 years. Compensation expense for the 174-day period ended June 23, 2005, the 141-day period ended September 30, 2005 and nine months ended September 30, 2006 were $0, $225,821 and $508,907, respectively. Significant assumptions used in the valuation were as follows:

• Estimated forfeiture rate	None
• Derived service period	6 years
• Grant-date fair value — controlling basis	$2.91 per share
• Marketability and minority interest discounts	$0.70 per share (24% discount)
• Volatility	37%

Value units fully participate in cash distributions when the amount of such cash distributions to certain investors (Current Common Value) is equal to four times the original contributed capital of such investors (including the Delayed Draw Capital required to be contributed pursuant to the long term credit agreements). If the Current Common Value is less than two times the original contributed capital of such investors at the time of a distribution, none of the override value units participate. In the event the Current Common Value is greater than two times the original contributed capital of such investors but less than four times, the number of participating override value units is the product of 1) the number of issued override value units and 2) the fraction, the numerator of which is the Current Common Value minus two times original contributed capital, and the denominator of which is two times the original contributed capital. Distributions to participating override value units will be reduced until the total cumulative reductions are equal to the benchmark value. On the tenth anniversary of any override value unit (including any override value unit issued on the conversion of an override operating unit) the “two times” threshold referenced above will become “10 times” and the “four times” threshold referenced above will become “12 times”. Unless the compensation committee of the board of directors takes an action to prevent forfeiture, override value units are forfeited upon termination of employment for any reason except that in the event of termination of employment by reason of death or disability, all override value units are initially subject to forfeiture with the number of units subject to forfeiture reducing as follows:

Minimum Period Held	Subject to Forfeiture Percentage
2 years	75%
3 years	50%
4 years	25%
5 years	0%

Successor, through a wholly-owned subsidiary, has a Phantom Unit Appreciation Plan whereby directors, employees, and service providers may be awarded phantom points at the discretion of the board of directors or the compensation committee. Holders of service phantom points have rights to receive distributions when holders of override operating units receive distributions. Holders of performance phantom points have rights to receive distributions when holders of override value units receive distributions. There are no other rights or guarantees, and the plan expires on July 25, 2015, or at the discretion of the compensation committee of the board of directors. The total combined interest of the Phantom Unit Plan and the override units (combined Profits Interest) cannot exceed 15% of the notional and aggregate equity interests of the Company. As of September 30, 2006, the issued Profits Interest represented 11.55% of combined common unit interest and Profits Interest of the Company. The Profits Interest was comprised of 9.46% and 2.09% of override interest and phantom interest, respectively. In accordance with SFAS 123(R), using the Binomial Option Pricing Model as a method of valuation through an independent valuation process, the service phantom interest was valued at $6.53 per point and the performance phantom interest was valued at $5.10 per point. We have recorded $995,515 in personnel accruals as of September 30, 2006. Compensation expense for the 174-day period ended June 23, 2005, the 141-day period ended September 30, 2005 and nine month period ended September 30, 2006 related to the Phantom Unit Plan was $0, $51,104 and $900,496, respectively.

(5) Inventories

Inventories consist primarily of crude oil, blending stock and components, work in progress, fertilizer products, and refined fuels and by-products. Inventories are valued at the lower of moving-average cost, which approximates the first-in, first-out (FIFO) method, or market for fertilizer products and at the lower of FIFO cost or market for refined fuels and by-products for all periods presented.

CVR Energy, Inc. and Subsidiaries

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited) — (Continued)

Refinery unfinished and finished products inventory values were determined using the ability-to-bare process, whereby raw materials and production costs are allocated to work-in-process and finished products based on their relative fair values. Other inventories, including other raw materials, spare parts, and supplies, are valued at the lower of average cost, which approximates FIFO, or market. The cost of inventories includes inbound freight costs.

Inventories consisted of the following (in thousands):

	Successor	
	December 31, 2005	September 30, 2006
		(Unaudited)
Finished goods	$ 58,513	$ 63,042
Raw materials and catalysts	47,437	70,398
In-process inventories	33,397	56,610
Parts and supplies	14,929	24,008
	$ 154,276	$ 214,058

(6) Cost Classifications

Cost of products sold include cost of crude oil, other feedstocks, blendstocks, pet coke expense, and freight and distribution expenses. Cost of products sold excludes depreciation and amortization of $1,553,030, $507,465 and $149,806, during the nine months ended September 30, 2006, 141 days ended September 30, 2005 and 174 days ended June 23, 2005.

Direct operating expense include direct costs of labor, maintenance and services, energy and utility costs, environmental compliance costs as well as chemicals and catalysts and other direct operating expenses. Direct operating expense excludes depreciation and amortization of $34,528,780, $11,322,588 and $906,718 during the nine months ended September 30, 2006, 141 days ended September 30, 2005 and 174 days ended June 23, 2005.

Selling, general and administrative expenses consist primarily of legal expenses, treasury, accounting, marketing, human resources and maintaining the corporate offices in Texas and Kansas. Selling, general and administrative expenses excludes depreciation and amortization of $727,834, $94,296 and $71,481 during the nine months ended September 30, 2006, 141 days ended September 30, 2005 and 174 days ended June 23, 2005.

(7) Commitments and Contingent Liabilities

The minimum required payments for Successor's lease agreements and unconditional purchase obligations are as follows:

	Operating Leases	Unconditional Purchase Obligations
Three months ending December 31, 2006	$ 869,068	$ 6,616,246
Year ending December 31, 2007	3,751,500	24,811,345
Year ending December 31, 2008	3,645,218	20,566,369
Year ending December 31, 2009	2,899,193	20,533,845
Year ending December 31, 2010	1,596,818	18,142,365
Year ending December 31, 2011	857,494	16,272,447
Thereafter	108,063	145,315,392
	$ 13,727,354	$ 252,258,009

CVR leases various equipment and real properties under long-term operating leases. For the 174-day period ended June 23, 2005, the 141-day period ended September 30, 2005, and the nine month period ended September 30, 2006, lease expense totaled approximately $1,754,564, $840,815, and $2,823,689, respectively. The lease agreements have various remaining terms. Some agreements are renewable, at CVR's option, for additional periods. It is expected, in the ordinary course of business, that leases will be renewed or replaced as they expire.

From time to time, CVR is involved in various lawsuits arising in the normal course of business, including matters such as those described below under, "Environmental, Health, and Safety Matters". Liabilities related to such litigation are recognized when the related costs are probable and can be reasonably estimated. Management believes the company has accrued for losses for which it may ultimately be responsible. It is possible management's estimates of the outcomes will change within the next year due to uncertainties inherent in litigation and settlement negotiations. In the opinion of management, the ultimate resolution of any other litigation matters is not expected to have a material adverse effect on the accompanying consolidated financial statements.

Environmental, Health, and Safety (EHS) Matters

CVR is subject to various stringent federal, state, and local EHS rules and regulations. Liabilities related to EHS matters are recognized when the related costs are probable and can be reasonably estimated. Estimates of these costs are based upon currently available facts, existing technology, site-specific costs, and currently enacted laws and regulations. In reporting EHS liabilities, no offset is made for potential recoveries. Such liabilities include estimates of the Company's share of costs attributable to potentially responsible parties which are insolvent or otherwise unable to pay. All liabilities are monitored and adjusted regularly as new facts emerge or changes in law or technology occur.

CVR owns and/or operates manufacturing and ancillary operations at various locations directly related to petroleum refining and distribution and nitrogen fertilizer manufacturing. Therefore, CVR has exposure to potential EHS liabilities related to past and present EHS conditions at some of these locations.

Through an Administrative Order issued to Original Predecessor under the Resource Conservation and Recovery Act, as amended (RCRA), CVR is a potential party responsible for conducting corrective actions at its Coffeyville, Kansas and Phillipsburg, Kansas facilities. In 2005, Coffeyville Resources

Nitrogen Fertilizers, LLC agreed to participate in the State of Kansas Voluntary Cleanup and Property Redevelopment Program (VCPRP) to address a reported release of urea ammonium nitrate (UAN) at the Coffeyville UAN loading rack. As of December 31, 2005 and September 30, 2006, environmental accruals of $8,220,338 and $7,447,138, respectively, were reflected in the consolidated balance sheets for probable and estimated costs for remediation of environmental contamination under the RCRA Administrative Order and the VCPRP, including amounts totaling $1,211,000 and $1,818,591, respectively, included in other current liabilities. The Immediate Predecessor and Successor accruals were determined based on an estimate of payment costs through 2033, which scope of remediation was arranged with the Environmental Protection Agency (the EPA) and are discounted at the appropriate risk free rates at December 31, 2005 and September 30, 2006, respectively. The accruals include estimated closure and post-closure costs of $1,812,000 and $1,732,000 for two landfills at December 31, 2005 and September 30, 2006, respectively. The estimated future payments for these required obligations are as follows (in thousands):

	Amount
Three months ending December 31, 2006	$ 347
Year ending December 31, 2007	1,737
Year ending December 31, 2008	904
Year ending December 31, 2009	493
Year ending December 31, 2010	341
Year ending December 31, 2011	341
Thereafter	6,001
Undiscounted total	10,164
Less amounts representing interest at 4.72%	2,717
Accrued environmental liabilities at September 30, 2006	$ 7,447

Management periodically reviews and, as appropriate, revises its environmental accruals. Based on current information and regulatory requirements, management believes that the accruals established for environmental expenditures are adequate.

The EPA has issued regulations intended to limit amounts of sulfur in diesel and gasoline. The EPA has granted the Company a petition for a technical hardship waiver with respect to the date for compliance in meeting the sulfur-lowering standards. CVR has spent approximately $2 million in 2004, $27 million in 2005, $68 million in the first nine months of 2006 and, based on information currently available, anticipates spending approximately $28 million in the last three months of 2006, $1 million in 2007, and $25 million between 2008 and 2010 to comply with the low-sulfur rules. The entire amounts are expected to be capitalized.

Environmental expenditures are capitalized when such expenditures are expected to result in future economic benefits. For the 174-day period ended June 23, 2005, the 141-day period ended September 30, 2005, and the nine month period ended September 30, 2006, capital expenditures were approximately $6,065,713, $6,639,891 and $75,217,059, respectively, and were incurred to improve the environmental compliance and efficiency of the operations.

CVR believes it is in substantial compliance with existing EHS rules and regulations. There can be no assurance that the EHS matters described above or other EHS matters which may develop in the future will not have a material adverse effect on the business, financial condition, or results of operations.

(8) Derivative Financial Instruments

CVR is subject to price fluctuations caused by supply conditions, weather, economic conditions, and other factors and to interest rate fluctuations. To manage price risk on crude oil and other inventories and to fix margins on certain future production, CVR may enter into various derivative transactions. In addition, the Successor, as further described below, entered into certain commodity derivate contracts and an interest rate swap as required by the long-term debt agreements.

CVR has adopted Statement of Financial Accounting Standards No. 133, *Accounting for Derivative Instruments and Hedging Activities*, (SFAS 133). SFAS 133 imposes extensive record-keeping requirements in order to designate a derivative financial instrument as a hedge. CVR holds derivative instruments, such as exchange-traded crude oil futures, certain over-the-counter forward swap agreements, and interest rate swap agreements, which it believes provide an economic hedge on future transactions, but such instruments are not designated as hedges. Gains or losses related to the change in fair value and periodic settlements of these derivative instruments are classified as gain (loss) on derivatives.

At September 30, 2006, Successor's Petroleum Segment held commodity derivative contracts (swap agreements) for the period from July 1, 2005 to June 30, 2010 with a related party (see note 8). The swap agreements were originally executed on June 16, 2005 in conjunction with the Subsequent Acquisition of the Immediate Predecessor and required under the terms of the long-term debt agreements. The notional quantities on the date of execution were 100,911,000 barrels of crude oil; 1,889,459,250 gallons of heating oil and 2,348,802,750 gallons of unleaded gasoline. The swap agreements were executed at the prevailing market rate at the time of execution and Management believes the swap agreements provide an economic hedge on future transactions. At September 30, 2006 the notional open amounts under the swap agreements were 71,206,000 barrels of crude oil; 1,495,326,000 gallons of heating oil and 1,495,326,000 gallons of unleaded gasoline. These positions resulted in unrealized gains (losses) for the 174-day period ended June 23, 2005, the 141-day period ended September 30, 2005 and the nine months ended September 30, 2006 of $0, $(427,061,117) and $80,322,487 using a valuation method that utilizes quoted market prices and assumptions for the estimated forward yield curves of the related commodities in periods when quoted market prices are unavailable. The Petroleum Segment recorded $0, $38,137,450 and $46,147,786 in realized losses on these swap agreements for the 174-day period ended June 23, 2005, the 141-day period ended September 30, 2005 and the nine months ended September 30, 2006.

Successor entered certain crude oil, heating oil, and gasoline option agreements with a related party (see notes 1 and 8) as of May 16, 2005. These agreements expired unexercised on June 16, 2005 and resulted in an expense of $25,000,000 reported in the accompanying consolidated statements of operations as gain (loss) on derivatives for the 141 days ended September 30, 2005.

CVR has recorded margin account balances in cash and cash equivalents of $1,540,952 and $8,353,933 at December 31, 2005 and September 30, 2006, respectively. The Petroleum Segment also recorded mark-to-market net gains (losses), exclusive of the swap agreements described above and the interest rate swaps described in the following paragraph, in gain (loss) on derivatives of $(7,664,725), $(2,275,848), and $7,676,963, for 174-day period ended June 23, 2005, the 141-day period ended September 30, 2005, and the nine month period ended September 30, 2006, respectively. All of the activity related to the commodity derivative contracts is reported in the Petroleum Segment.

At September 30, 2006, Successor held derivative contracts known as interest rate swap agreements that converted Successor's floating-rate bank debt into 4.038% fixed-rate debt on a notional amount of $375,000,000. Half of the agreements are held with a related party (as described in note 8), and the other half are held with a financial institution that is a lender under the Successor's long-term debt agreements. The swap agreements carry the following terms:

Period Covered	Notional Amount	Fixed Interest Rate
September 30, 2006 to March 31, 2007	375 million	4.038%
March 31, 2007 to June 30, 2007	325 million	4.038%
June 30, 2007 to March 31, 2008	325 million	4.195%
March 31, 2008 to March 31, 2009	250 million	4.195%
March 31, 2009 to March 31, 2010	180 million	4.195%
March 31, 2010 to June 30, 2010	110 million	4.195%

Successor pays the fixed rates listed above and receives a floating rate based on three-month LIBOR rates, with payments calculated on the notional amounts listed above. The notional amounts do not represent actual amounts exchanged by the parties but instead represent the amounts on which the contracts are based. The swap is settled quarterly and marked to market at each reporting date, and all unrealized gains and losses are currently recognized in income. Transactions related to the interest rate swap agreements were not allocated to the Petroleum or Nitrogen Fertilizer segments. Mark-to-market net gains on derivatives and quarterly settlements were $5,428,648 and $2,895,189 for the 141-day period ended September 30, 2005 and the nine month period ended September 30, 2006.

(9) Related Party Transactions

GS Capital Partners V Fund, L.P. and related entities (GS) and Kelso Investment Associates VII, L.P. and related entity (Kelso) are majority owners of Successor.

On June 24, 2005, Successor entered into a management services agreement with GS and Kelso pursuant to which GS and Kelso provide Successor with managerial and advisory services. In consideration for these services, an annual fee of $1.0 million each is paid to GS and Kelso, plus reimbursement for any out-of-pocket expenses. The agreement has a term ending on the date GS and Kelso cease to own any interests in Successor. Relating to the agreement, $542,465 and $1,566,890 was expensed in selling, general, and administrative expenses for the 141 days ended September 30, 2005 and the nine month period ended September 30, 2006, respectively. In addition, $1,046,575 was included in other current liabilities and approximately $78,671 was included in accounts payable at December 31, 2005. $504,110 was included in prepaid expenses and other current assets at September 30, 2006.

Successor entered into certain crude oil, heating oil, and gasoline swap agreements with a subsidiary of GS. The original swap agreements were entered into on May 16, 2005 and were terminated on June 16, 2005, resulting in a $25 million loss on termination of swap agreements for the 233 days ended December 31, 2005. Additional swap agreements with this subsidiary of GS were entered into on June 16, 2005, with an expiration date of June 30, 2010 (as described in note 7). Amounts totaling $(467,885,141) and $34,174,701 were recognized related to these swap agreements for the 141 days ended September 30, 2005 and the nine month period ended September 30, 2006, respectively, and are reflected in gain (loss) on derivatives. In addition, the consolidated balance sheet at December 31, 2005 and September 30, 2006 includes liabilities of $96,688,956 and $54,633,859 included in current payable to swap counterparty and $160,033,333 and $113,630,301 included in long-term payable to swap counterparty. During the 141 days ended September 30, 2005 and nine month period ended September 30, 2006, losses of $38,137,050 and $46,147,786 were realized on these swap agreements.

Effective December 30, 2005, Successor entered into a crude oil supply agreement with a subsidiary of GS (Supplier). This agreement replaces a similar contract held with an independent party (see note 10). Both parties will negotiate the cost of each barrel of crude oil to be purchased from a third party. Successor will pay Supplier a fixed supply service fee per barrel over the negotiated cost of each barrel of crude purchased. The cost is adjusted further using a spread adjustment calculation based on the time period the crude oil is estimated to be delivered to the refinery, other market conditions, and other factors deemed appropriate. The monthly spread quantity for any delivery month at any time shall not exceed approximately 3.1 million barrels. The initial term of the agreement is to December 31, 2006. $1,290,731 and $2,185,000 were recorded on the consolidated balance sheet at December 31, 2005 and September 30, 2006, respectively, in prepaid expenses and other current assets for prepayment of crude oil. Approximately $28,564,336 and $6,312,928 were recorded in Inventory and Accounts Payable at September 30, 2006. Expenses associated with this agreement, included in cost of goods sold for the nine month period ended September 30, 2006 totaled approximately $1,230,270,562.

The Company had a note receivable with an executive member of management. During the period ended September 30, 2006, the board of directors approved to forgive the note receivable and related accrued interest receivable. The balance of the note receivable forgiven was $350,000. Accrued interest receivable forgiven was approximately $17,989. The total amount was charged to compensation expense.

(10) Business Segments

CVR measures segment profit as operating income for Petroleum and Nitrogen Fertilizer, CVR's two reporting segments, based on the definitions provided in Statement of Financial Accounting Standards No. 131, *Disclosures About Segments of an Enterprise and Related Information*.

Petroleum

Principal products of the Petroleum Segment are refined fuels, propane, and petroleum refining by-products including coke. CVR uses the coke in the manufacture of nitrogen fertilizer at the adjacent nitrogen fertilizer plant. For CVR, a $15-per-ton transfer price is used to record intercompany sales on the part of the Petroleum Segment and corresponding intercompany cost of goods sold for the Nitrogen Fertilizer Segment. The intercompany transactions are eliminated in the Other Segment.

Nitrogen Fertilizer

The principal products of the Nitrogen Fertilizer Segment are anhydrous ammonia and urea ammonia nitrate solution (UAN).

Other Segment

The Other Segment reflects intercompany eliminations, cash and cash equivalents, all debt related activities, income tax activities and other corporate activities that are not allocated to the operating segments.

CVR Energy, Inc. and Subsidiaries

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited) — (Continued)

	Immediate Predecessor	Successor	
	174-Day Period Ended June 23, 2005	141-Day Period Ended September 30, 2005 (unaudited)	Nine Months Ended September 30, 2006 (unaudited)
Net sales			
Petroleum	$ 903,802,983	$ 731,565,974	$ 2,204,959,676
Nitrogen Fertilizer	79,347,843	46,590,621	128,155,190
Other	(2,444,565)	(1,528,335)	(3,961,995)
Total	$ 980,706,261	$ 776,628,260	$ 2,329,152,871
Cost of product sold (exclusive of depreciation and amortization)			
Petroleum	$ 761,719,405	$ 617,186,711	$ 1,828,052,007
Nitrogen Fertilizer	9,125,852	9,172,463	23,829,421
Other	(2,778,079)	(1,496,400)	(3,804,871)
Total	$ 768,067,178	$ 624,862,774	$ 1,848,076,557
Direct operating expenses (exclusive of depreciation and amortization)			
Petroleum	$ 52,611,148	$ 22,525,113	$ 97,254,100
Nitrogen Fertilizer	28,302,714	14,149,817	47,207,127
Other	—	—	—
Total	$ 80,913,862	$ 36,674,930	$ 144,461,227
Depreciation and amortization			
Petroleum	$ 770,728	$ 7,735,006	$ 23,561,843
Nitrogen Fertilizer	316,446	4,176,123	12,714,478
Other	40,831	13,220	533,323
Total	$ 1,128,005	$ 11,924,349	$ 36,809,644
Operating income (loss)			
Petroleum	$ 76,654,428	$ 79,081,672	$ 233,522,252
Nitrogen Fertilizer	35,267,752	16,729,633	34,058,010
Other	333,514	(60,871)	(571,233)
Total	$ 112,255,694	$ 95,750,434	$ 267,009,029

CVR Energy, Inc. and Subsidiaries

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited) — (Continued)

	Immediate Predecessor	Successor	
	174-Day Period Ended June 23, 2005	141-Day Period Ended September 30, 2005 (unaudited)	Nine Months Ended September 30, 2006 (unaudited)
Capital expenditures			
Petroleum	$ 10,790,042	$ 10,920,718	$ 157,606,403
Nitrogen fertilizer	1,434,921	947,991	12,710,765
Other	31,830	187,714	2,633,223
Total	$ 12,256,793	$ 12,056,423	$ 172,950,391
Total assets			
Petroleum			$ 865,356,278
Nitrogen Fertilizer			421,830,249
Other			110,466,571
Total			$ 1,397,653,098
Goodwill			
Petroleum			$ 42,806,422
Nitrogen Fertilizer			40,968,463
Other			—
Total			$ 83,774,885

CVR Energy, Inc. and Subsidiaries

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited) — (Continued)

(11) Major Customers and Suppliers

Sales to major customers were as follows:

	Immediate Predecessor	Successor	
	174-Day Period Ended June 23, 2005	141-Day Period Ended September 30, 2005	Nine Months Ended September 30, 2006
Petroleum			
Customer A	17%	18%	2%
Customer B	17%	18%	16%
Customer C	14%	14%	11%
Customer D	11%	11%	10%
	59%	61%	39%
Nitrogen Fertilizer			
Customer E	16%	5%	6%
Customer F	9%	11%	4%
	25%	16%	10%

The Petroleum Segment maintains long-term contracts with one supplier for the purchase of its crude oil. The agreement with Supplier A expired in December 2005, at which time Successor entered into a similar arrangement with Supplier B, a related party (as described in note 8). Purchases contracted as a percentage of the total cost of goods sold for each of the periods were as follows:

	Immediate Predecessor	Successor	
	174-Day Period Ended September 23, 2005	141-Day Period Ended September 30, 2005	Nine Months Ended September 30, 2006
Supplier A	77%	70%	0%
Supplier B	—	—	67%
	77%	70%	67%

(12) Subsequent Events

On November 30, 2006, an amendment to the Second Amended and Restated Limited Liability Company Agreement of Coffeyville Acquisition LLC was approved with a pro rata reduction among all holders of common units in order to effect a total reduction of the number of outstanding Common Units. This amendment reduced the number of outstanding Common Units by 11.62%. Additionally, the benchmark amount with respect to each override unit was adjusted to $11.31.

On December 1, 2006, Successor entered into an Amendment Agreement (Amendment) to a Crude Oil Supply Agreement (Supply Agreement) with a subsidiary of GS (Supplier). The Amendment provides for an extension of the terms of the original Supply Agreement, as discussed in more detail in Note 8, which was originally effective December 30, 2005 with an initial term to December 31, 2006 and to continue one additional year unless either party terminated it. Successor and Supplier agreed to extend the term of the Supply Agreement for an additional 12 month period, January 1, 2007 through December 31, 2007 and in connection with the extension amended certain terms and conditions of the Supply Agreement.

Effective December 11, 2006, the compensation and override units committee of the Board of Directors approved the issuance of additional Phantom service points and Phantom performance points to members of management of the Company.

Effective December 28, 2006, the compensation and override units committee of the Board of Directors approved the issuance of the additional remaining unallocated override units to Mr. John J. Lipinski. After giving effect for the additional units, the total issued profits interest represented 15.0% of the combined common unit interest and profits interest of the Company. The profits interest was comprised of 11.1% and 3.9% of override units and phantom interest, respectfully.

On December 28, 2006, the Board of Directors approved a cash distribution of $250,000,000 to its common unit holders.

The Board of Directors of two subsidiaries of the Company, Coffeyville Refining and Marketing, Inc. and Coffeyville Nitrogen Fertilizer, Inc. approved the issuance of shares of stock of each company to Mr. John J. Lipinski on December 28, 2006 in exchange for $10.00 to each company. The shares were fully vested as of the date of grant.

On December 28, 2006, a subsidiary of the Company, Coffeyville Resources, LLC, entered into a Credit Facility which provides financing of up to $1.075 billion. The Credit Facility consists of $775 million of tranche D term loans, a $150 million revolving credit facility, and a funded letter of credit facility of $150 million issued in support of the Cash Flow Swap. The Credit Facility is guaranteed by all of the Company's subsidiaries and is secured by substantially all of their assets including the equity of the Company's subsidiaries on a first lien priority basis. The Credit Facility refinanced the Company's then existing first lien credit facility and second lien credit facility, which were initially entered into on June 24, 2005 in conjunction with the Subsequent Acquisition. The Company expects that deferred financing costs related to the original credit facility will be written off in the 4th Quarter of 2006 in accordance with EITF Issue 96-19, *Debtor's Accounting for a Modification or Exchange of Debt Instruments*.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this prospectus. You must not rely on any unauthorized information or representations. This prospectus is an offer to sell only the shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus is current only as of its date.

TABLE OF CONTENTS

Through and including , 2007 (the 25th day after the date of this prospectus), all dealers that effect transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

Shares

CVR Energy, Inc.

Common Stock

PROSPECTUS

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. ***Other Expenses of Issuance and Distribution.***

The following table sets forth the costs and expenses to be paid by the Registrant in connection with the sale of the shares of common stock being registered hereby. All amounts are estimates except for the SEC registration fee, the NASD filing fee and the listing fee.

SEC registration fee	$	32,100.00
NASD filing fee		30,500.00
listing fee		
Accounting fees and expenses		
Legal fees and expenses		
Printing and engraving expenses		
Blue Sky qualification fees and expenses		
Transfer agent and registrar fees and expenses		
Miscellaneous expenses		
Total	$	

Item 14. ***Indemnification of Directors and Officers.***

Section 145 of the Delaware General Corporation Law authorizes a court to award, or a corporation's board of directors to grant, indemnity to directors and officers in terms sufficiently broad to permit such indemnification under certain circumstances for liabilities (including reimbursement for expenses incurred) arising under the Securities Act of 1933, as amended (the "Securities Act").

As permitted by the Delaware General Corporation Law, the Registrant's Certificate of Incorporation includes a provision that eliminates the personal liability of its directors for monetary damages for breach of fiduciary duty as a director, except for liability:

- for any breach of the director's duty of loyalty to the Registrant or its stockholders;
- for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;
- under section 174 of the Delaware General Corporation Law regarding unlawful dividends and stock purchases; or
- for any transaction for which the director derived an improper personal benefit.

As permitted by the Delaware General Corporation Law, the Registrant's Bylaws provide that:

- the Registrant is required to indemnify its directors and officers to the fullest extent permitted by the Delaware General Corporation Law, subject to very limited exceptions;
- the Registrant may indemnify its other employees and agents to the fullest extent permitted by the Delaware General Corporation Law, subject to very limited exceptions;
- the Registrant is required to advance expenses, as incurred, to its directors and officers in connection with a legal proceeding to the fullest extent permitted by the Delaware General Corporation Law, subject to very limited exceptions;
- the Registrant may advance expenses, as incurred, to its employees and agents in connection with a legal proceeding; and
- the rights conferred in the Bylaws are not exclusive.

The Registrant may enter into Indemnity Agreements with each of its current directors and officers to give these directors and officers additional contractual assurances regarding the scope of the indemnification set forth in the Registrant's Certificate of Incorporation and to provide additional procedural protections. At present, there is no pending litigation or proceeding involving a director, officer or employee of the Registrant regarding which indemnification is sought, nor is the Registrant aware of any threatened litigation that may result in claims for indemnification.

The indemnification provisions in the Registrant's Certificate of Incorporation and Bylaws and any Indemnity Agreements entered into between the Registrant and each of its directors and officers may be sufficiently broad to permit indemnification of the Registrant's directors and officers for liabilities arising under the Securities Act.

CVR Energy, Inc. and its subsidiaries are covered by liability insurance policies which indemnify their directors and officers against loss arising from claims by reason of their legal liability for acts as such directors, officers or trustees, subject to limitations and conditions as set forth in the policies.

The underwriting agreement to be entered into among the company, the selling stockholder and the underwriters will contain indemnification and contribution provisions.

Item 15. ***Recent Sales of Unregistered Securities.***

We issued shares of common stock to Coffeyville Acquisition LLC in September 2006. The issuance was exempt from registration in accordance with Section 4(2) of the Securities Act of 1933.

Item 16. ***Exhibits and Financial Statement Schedules.***

(a) The following exhibits are filed herewith:

Number	Exhibit Title
1.1*	Form of Underwriting Agreement.
3.1*	Certificate of Incorporation of CVR Energy, Inc.
3.2*	Bylaws of CVR Energy, Inc.
4.1*	Specimen Common Stock Certificate.
5.1*	Form of opinion of Fried, Frank, Harris, Shriver & Jacobson LLP.
10.1	Second Amended and Restated Credit and Guaranty Agreement, dated as of December 28, 2006, among Coffeyville Resources, LLC and the other parties thereto.
10.2	Amended and Restated First Lien Pledge and Security Agreement, dated as of December 28, 2006 among Coffeyville Resources, LLC, CL JV Holdings, LLC, Coffeyville Pipeline, Inc., Coffeyville Refining and Marketing, Inc., Coffeyville Nitrogen Fertilizers, Inc., Coffeyville Crude Transportation, Inc., Coffeyville Terminal, Inc., Coffeyville Resources Pipeline, LLC, Coffeyville Resources Refining & Marketing, LLC, Coffeyville Resources Nitrogen Fertilizers, LLC, Coffeyville Resources Crude Transportation, LLC and Coffeyville Resources Terminal, LLC, as grantors, and Credit Suisse, Cayman Islands Branch, as collateral agent.
10.3*	Coffeyville Resources, LLC Phantom Unit Appreciation Plan.
10.4†**	License Agreement For Use of the Texaco Gasification Process, Texaco Hydrogen Generation Process, and Texaco Gasification Power Systems, dated as of May 30, 1997 by and between Texaco Development Corporation and Farmland Industries, Inc., as amended.
10.5†**	Swap agreements with J. Aron & Company.
10.6†**	Amended and Restated On-Site Product Supply Agreement dated as of June 1, 2005, between The BOC Group, Inc. and Coffeyville Resources Nitrogen Fertilizers, LLC.
10.7**	Employment Agreement amended as of December 13, 2006, by and between Coffeyville Resources, LLC and John J. Lipinski.
10.8**	Employment Agreement amended as of December 13, 2006, by and between Coffeyville Resources, LLC and Stanley A. Riemann.

Number	Exhibit Title
10.9**	Employment Agreement amended as of December 13, 2006, by and between Coffeyville Resources, LLC and Kevan A. Vick.
10.10**	Employment Agreement amended as of December 13, 2006, by and between Coffeyville Resources, LLC and Wyatt E. Jernigan.
10.11**	Employment Agreement amended as of December 13, 2006, by and between Coffeyville Resources, LLC and James T. Rens.
10.12**	Separation and Consulting Agreement dated as of November 21, 2005, by and between Coffeyville Resources, LLC and Philip L. Rinaldi.
10.13†**	Crude Oil Supply Agreement, dated as of December 23, 2005, as amended, between J. Aron & Company and Coffeyville Resources Refining and Marketing, LLC.
10.13.1†**	Amendment Agreement dated as of December 1, 2006 between J. Aron & Company and Coffeyville Resources Refining and Marketing, LLC.
10.14†**	Pipeline Construction, Operation and Transportation Commitment Agreement, dated February 11, 2004, as amended, between Plains Pipeline, L.P. and Coffeyville Resources Refining & Marketing, LLC.
10.15**	Electric Services Agreement dated January 13, 2004, between Coffeyville Resources Nitrogen Fertilizers, LLC and the City of Coffeyville, Kansas.
10.16	Employment Agreement dated as of July 12, 2005, by and between Coffeyville Resources, LLC and Robert W. Haugen.
10.17*	Stockholders Agreement of Coffeyville Nitrogen Fertilizer, Inc., dated as of , by and among Coffeyville Nitrogen Fertilizer, Inc., Coffeyville Acquisition LLC and John J. Lipinski.
10.18*	Stockholders Agreement of Coffeyville Refining & Marketing, Inc., dated as of , by and among Coffeyville Refining & Marketing, Inc., Coffeyville Acquisition LLC and John J. Lipinski.
10.19*	Subscription Agreement, dated as of , between Coffeyville Nitrogen Fertilizer, Inc. and John J. Lipinski.
10.20*	Subscription Agreement, dated as of , between Coffeyville Refining & Marketing, Inc. and John J. Lipinski.
10.21	Recapitalization Agreement, dated as of September 25, 2006, by and among Coffeyville Acquisition LLC, Coffeyville Refining & Marketing, Inc., Coffeyville Nitrogen Fertilizers, Inc. and CVR Energy, Inc.
21.1*	List of Subsidiaries of CVR Energy, Inc.
23.1	Consent of KPMG LLP.
23.2*	Consent of Fried, Frank, Harris, Shriver & Jacobson LLP (included in Exhibit 5.1).
23.3	Consent of Blue, Johnson & Associates.
24.1**	Power of Attorney.
24.2	Power of Attorney of Mark Tomkins.

* To be filed by amendment.

** Previously filed.

† Certain portions of this exhibit have been omitted and separately filed with the Securities and Exchange Commission pursuant to a request for confidential treatment.

(b) None.

Item 17. ***Undertakings.***

The undersigned Registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the provisions described in Item 14 above, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned Registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this Registration Statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this Registration Statement as of the time it was declared effective; and

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at the time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized in Sugar Land, State of Texas, on this 12th day of February, 2007.

CVR ENERGY, INC.

By: /s/ JOHN J. LIPINSKI
John J. Lipinski
Chief Executive Officer and President

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ JOHN J. LIPINSKI John J. Lipinski	Chief Executive Officer, President and Director (principal executive officer)	February 12, 2007
* James T. Rens	Chief Financial Officer (Principal Financial and Accounting Officer)	February 12, 2007
* Wesley Clark	Director	February 12, 2007
* Scott Lebovitz	Director	February 12, 2007
* George E. Matelich	Director	February 12, 2007
* Stanley de J. Osborne	Director	February 12, 2007
* Kenneth A. Pontarelli	Director	February 12, 2007
/s/ MARK TOMKINS Mark Tomkins	Director	February 12, 2007

* By: /s/ JOHN J. LIPINSKI

John J. Lipinski,
As Attorney-in-Fact

EXHIBIT INDEX

Number	Exhibit Title
1.1*	Form of Underwriting Agreement.
3.1*	Certificate of Incorporation of CVR Energy, Inc.
3.2*	Bylaws of CVR Energy, Inc.
4.1*	Specimen Common Stock Certificate.
5.1*	Form of opinion of Fried, Frank, Harris, Shriver & Jacobson LLP.
10.1	Second Amended and Restated Credit and Guaranty Agreement, dated as of December 28, 2006, among Coffeyville Resources, LLC and the other parties thereto.
10.2	Amended and Restated First Lien Pledge and Security Agreement, dated as of December 28, 2006, among Coffeyville Resources, LLC, CL JV Holdings, LLC, Coffeyville Pipeline, Inc., Coffeyville Refining and Marketing, Inc., Coffeyville Nitrogen Fertilizers, Inc., Coffeyville Crude Transportation, Inc., Coffeyville Terminal, Inc., Coffeyville Resources Pipeline, LLC, Coffeyville Resources Refining & Marketing, LLC, Coffeyville Resources Nitrogen Fertilizers, LLC, Coffeyville Resources Crude Transportation, LLC and Coffeyville Resources Terminal, LLC, as grantors, and Credit Suisse, as collateral agent.
10.3*	Coffeyville Resources, LLC Phantom Unit Appreciation Plan.
10.4†**	License Agreement For Use of the Texaco Gasification Process, Texaco Hydrogen Generation Process, and Texaco Gasification Power Systems, dated as of May 30, 1997 by and between Texaco Development Corporation and Farmland Industries, Inc., as amended.
10.5†**	Swap agreements with J. Aron & Company.
10.6†**	Amended and Restated On-Site Product Supply Agreement dated as of June 1, 2005, between The BOC Group, Inc. and Coffeyville Resources Nitrogen Fertilizers, LLC.
10.7**	Employment Agreement amended as of December 13, 2006, by and between Coffeyville Resources, LLC and John J. Lipinski.
10.8**	Employment Agreement amended as of December 13, 2006, by and between Coffeyville Resources, LLC and Stanley A. Riemann.
10.9**	Employment Agreement amended as of December 13, 2006, by and between Coffeyville Resources, LLC and Kevan A. Vick.
10.10**	Employment Agreement amended as of December 13, 2006, by and between Coffeyville Resources, LLC and Wyatt E. Jernigan.
10.11**	Employment Agreement amended as of December 13, 2006, by and between Coffeyville Resources, LLC and James T. Rens.
10.12**	Separation and Consulting Agreement dated as of November 21, 2005, by and between Coffeyville Resources, LLC and Philip L. Rinaldi.
10.13†**	Crude Oil Supply Agreement, dated as of December 23, 2005, as amended, between J. Aron & Company and Coffeyville Resources Refining and Marketing, LLC.
10.13.1†**	Amendment Agreement dated as of December 1, 2006 between J. Aron & Company and Coffeyville Resources Refining & Marketing, LLC.
10.14†**	Pipeline Construction, Operation and Transportation Commitment Agreement, dated February 11, 2004, as amended, between Plains Pipeline, L.P. and Coffeyville Resources Refining & Marketing, LLC.
10.15**	Electric Services Agreement dated January 13, 2004, between Coffeyville Resources Nitrogen Fertilizers, LLC and the City of Coffeyville, Kansas.
10.16	Employment Agreement dated as of July 12, 2005, by and between Coffeyville Resources, LLC and Robert W. Haugen.

Number	Exhibit Title
10.17*	Stockholders Agreement of Coffeyville Nitrogen Fertilizer, Inc., dated as of , by and among Coffeyville Nitrogen Fertilizer, Inc., Coffeyville Acquisition LLC and John J. Lipinski.
10.18*	Stockholders Agreement of Coffeyville Refining & Marketing, Inc., dated as of , by and among Coffeyville Refining & Marketing, Inc., Coffeyville Acquisition LLC and John J. Lipinski.
10.19*	Subscription Agreement, dated as of , by Coffeyville Nitrogen Fertilizer, Inc. and John J. Lipinski.
10.20*	Subscription Agreement, dated as of , by Coffeyville Refining & Marketing, Inc. and John J. Lipinski.
10.21	Recapitalization Agreement, dated as of September 25, 2006, by and among Coffeyville Acquisition LLC, Coffeyville Refining & Marketing, Inc., Coffeyville Nitrogen Fertilizers, Inc. and CVR Energy, Inc.
21.1*	List of Subsidiaries of CVR Energy, Inc.
23.1	Consent of KPMG LLP.
23.2*	Consent of Fried, Frank, Harris, Shriver & Jacobson LLP (included in Exhibit 5.1).
23.3	Consent of Blue, Johnson & Associates.
24.1**	Power of Attorney.
24.2	Power of Attorney of Mark Tomkins.

* To be filed by amendment.

** Previously filed.

† Certain portions of this exhibit have been omitted and separately filed with the Securities and Exchange Commission pursuant to a request for confidential treatment.

Exhibit 10.1

SECOND AMENDED AND RESTATED
CREDIT AND GUARANTY AGREEMENT

dated as of December 28, 2006

among

COFFEYVILLE RESOURCES, LLC,

COFFEYVILLE PIPELINE, INC.,
COFFEYVILLE REFINING & MARKETING, INC.,
COFFEYVILLE NITROGEN FERTILIZERS, INC.,
COFFEYVILLE CRUDE TRANSPORTATION, INC.,
COFFEYVILLE TERMINAL, INC.,
CL JV HOLDINGS, LLC,
as Holdings,

CERTAIN SUBSIDIARIES OF HOLDINGS,
as Guarantors,

VARIOUS LENDERS,

GOLDMAN SACHS CREDIT PARTNERS L.P.,

and

CREDIT SUISSE SECURITIES (USA) LLC,
as Joint Lead Arrangers and Joint Bookrunners,

CREDIT SUISSE,
as Administrative Agent, Collateral Agent,
Funded LC Issuing Bank and Revolving Issuing Bank

DEUTSCHE BANK TRUST COMPANY AMERICAS,
as Syndication Agent

and

ABN AMRO BANK N.V.,
as Documentation Agent

$1,075,000,000 Senior Secured First Priority Credit Facilities

---

TABLE OF CONTENTS

APPENDICES:	A-1	Tranche D Term Loan Commitments
	A-2	Funded Letter of Credit Commitments
	A-3	Revolving Commitments
	B	Notice Addresses
SCHEDULES:	3.1 (i)	Closing Date Mortgaged Properties
	3.1 (k)	Environmental Reports
	4.1	Jurisdictions of Organization and Qualification
	4.2	Capital Stock and Ownership
	4.11	Adverse Proceedings
	4.13	Real Estate Assets
	4.14	Environmental Matters
	4.16	Material Contracts
	6.1	Certain Indebtedness
	6.2	Certain Liens
	6.7	Certain Investments
	6.12	Certain Affiliate Transactions
EXHIBITS:	A-1	Funding Notice
	A-2	Conversion/Continuation Notice
	A-3	Issuance Notice
	B-1	Tranche D Term Loan Note
	B-2	Revolving Loan Note
	B-3	Swing Line Note
	C	Compliance Certificate
	D	Opinions of Counsel
	E	Assignment Agreement
	F	Certificate Re Non-bank Status
	G-1	Effective Date Certificate
	G-2	Solvency Certificate
	H	Counterpart Agreement
	I	Pledge and Security Agreement
	J	Mortgage

SECOND AMENDED AND RESTATED CREDIT AND GUARANTY AGREEMENT

This **SECOND AMENDED AND RESTATED CREDIT AND GUARANTY AGREEMENT**, dated as of December 28, 2006 is entered into by and among **COFFEYVILLE RESOURCES, LLC**, a Delaware limited liability company (**"Company"**), **COFFEYVILLE PIPELINE, INC.**, a Delaware corporation (**"Pipeline"**), **COFFEYVILLE REFINING & MARKETING, INC.**, a Delaware corporation (**"Refining"**), **COFFEYVILLE NITROGEN FERTILIZERS, INC.**, a Delaware corporation (**"Fertilizers"**), **COFFEYVILLE CRUDE TRANSPORTATION, INC.**, a Delaware corporation (**"Transportation"**), **COFFEYVILLE TERMINAL, INC.**, a Delaware corporation (**"Terminal"**), **CL JV HOLDINGS, LLC**, a Delaware limited liability company (**"CL JV"** and together with Pipeline, Refining, Fertilizers, Transportation and Terminal, collectively, **"Holdings"**) and **CERTAIN SUBSIDIARIES OF HOLDINGS**, as Guarantors, the Lenders party hereto from time to time, **GOLDMAN SACHS CREDIT PARTNERS L.P.** (**"GSCP"**) and **CREDIT SUISSE SECURITIES (USA) LLC**, as Joint Lead Arrangers and Joint Bookrunners (in such capacity, collectively, the **"Arrangers"**), **CREDIT SUISSE**, as Administrative Agent (together with its permitted successors in such capacity, **"Administrative Agent"**), as Collateral Agent (together with its permitted successors in such capacity, **"Collateral Agent"**), as Funded LC Issuing Bank and as Revolving Issuing Bank, **DEUTSCHE BANK TRUST COMPANY AMERICAS** (**"Deutsche Bank"**), as Syndication Agent (in such capacity, the **"Syndication Agent"**) and **ABN AMRO BANK N.V.** (**"ABN"**), as Documentation Agent (in such capacity, the **"Documentation Agent"**).

RECITALS:

WHEREAS, capitalized terms used in these Recitals shall have the respective meanings set forth for such terms in Section 1.1 hereof;

WHEREAS, Company, Holdings, certain Subsidiaries of Company as Guarantors, GSCP, as sole lead arranger, sole bookrunner and syndication agent, and the agents and lenders party thereto from time to time entered into that certain **AMENDED AND RESTATED FIRST LIEN CREDIT AND GUARANTY AGREEMENT**, dated as of June 29, 2006 (the **"Existing Credit Agreement"**);

WHEREAS, On the Effective Date, (a) the Existing Credit Agreement will be amended and restated in the form hereof and (b) all loans and credit linked deposits will be repaid and/or terminated in their entirety under the Existing Credit Agreement;

WHEREAS, Company has requested the Lenders to extend credit hereunder in the form of (a) Tranche D Term Loans to be established on the Effective Date in an aggregate principal amount of $775,000,000, (b) Credit-Linked Deposits to be established on the Effective Date in an aggregate principal amount of $150,000,000 and (c) Revolving Loans, Revolving Letters of Credit and Swingline Loans to be established, made or issued at any time and from time to time on or after the Effective Date and prior to the Revolving Commitment Termination Date in an aggregate principal and face amount at any time outstanding not to exceed $150,000,000 (subject to the limitations set forth herein);

WHEREAS, the proceeds of the Tranche D Term Loans, Credit-Linked Deposits and Revolving Loans established or made, as the case may be, on the Effective Date will be used to (a) repay the Existing Tranche C Term Loans made under the Existing Credit Agreement, (b) to repay the Existing Revolving Loans and terminate the existing Revolving Commitments, (c) repay all amounts due or outstanding under the and the Second Lien Credit Agreement, (d) establish the new Credit Linked Deposits funded hereunder, (e) pay fees and expenses incurred in connection therewith, (f) pay dividend to its existing shareholders in the amount of $250,000,000 and (g) to make certain other changes as more fully set forth herein, each of which to become effective on the Effective Date.

WHEREAS, the Lenders are willing to extend such credit and the Issuing Bank is willing to issue Letters of Credit on the terms and subject to the conditions set forth herein;

WHEREAS, Company has agreed to secure all of its Obligations by granting or reaffirming its grant, as applicable, to Collateral Agent, for the benefit of Secured Parties, a First Priority Lien on substantially all of its assets, including a pledge of all of the Capital Stock of each of its Domestic Subsidiaries and 65% of all the Capital Stock of each of its Foreign Subsidiaries;

WHEREAS, Guarantors have agreed to guarantee the obligations of Company hereunder and to secure their respective Obligations by granting or reaffirming its grant, as applicable, to Collateral Agent, for the benefit of Secured Parties, a First Priority Lien on substantially all of their respective assets, including a pledge of all of the Capital Stock of each of their respective Domestic Subsidiaries (including Company) and 65% of all the Capital Stock of each of their respective Foreign Subsidiaries;

WHEREAS, it is the intent of the parties hereto that this Agreement not constitute a novation of the obligations and liabilities of the parties under the Existing Credit Agreement and that this Agreement amend and restate in its entirety the Existing Credit Agreement and re-evidence the Obligations outstanding on the Effective Date as contemplated hereby;

WHEREAS, it is the intent of Credit Parties to confirm that all Obligations of the Credit Parties under the other Credit Documents, as amended hereby, shall continue in full force and effect and that, from and after the Effective Date, all references to the “Credit Agreement” contained therein shall be deemed to refer to this Agreement; and

NOW, THEREFORE, in consideration of the premises and the agreements, provisions and covenants herein contained, the parties hereto agree that this Agreement shall, upon satisfaction of the conditions set forth in Section 3.1, be amended and restated to read in its entirety as follows:

SECTION 1. DEFINITIONS AND INTERPRETATION

1.1. Definitions. The following terms used herein, including in the preamble, recitals, exhibits and schedules hereto, shall have the following meanings:

“2006 Carryover” means the difference between $260,000,000 and the amount spent by the Company or any of its Subsidiaries on Capital Expenditures during Fiscal Year 2006.

“AcquisitionCo” Coffeyville Acquisition LLC, a Delaware limited liability company.

“Actual Production” means, as of any date of determination, Company’s and the Guarantors’ estimated future production of refined products based on the actual production of refined products for the three month period immediately preceding such date of determination.

“Adjusted Eurodollar Rate” means, with respect to any Eurodollar Rate Loan for any Interest Period, an interest rate per annum equal to the product of (a) LIBOR in effect for such Interest Period and (b) Statutory Reserves.

“Administrative Agent” as defined in the preamble hereto.

“Adverse Proceeding” means any action, suit, proceeding (whether administrative, judicial or otherwise), governmental investigation or arbitration (whether or not purportedly on behalf of any of Holdings or any of their respective Subsidiaries) at law or in equity, or before or by any Governmental Authority, domestic or foreign, whether pending or, to the knowledge of any of Holdings or any of their respective Subsidiaries, threatened against or affecting any of Holdings or any of their respective Subsidiaries or any property of any of Holdings or any of their Subsidiaries.

“Affected Lender” as defined in Section 2.18(b).

“Affected Loans” as defined in Section 2.18(b).

“Affiliate” means, as applied to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with, that Person. For the purposes of this definition, “control” (including, with correlative meanings, the terms “controlling”, “controlled by” and “under common control with”), as applied to any Person, means the possession, directly or indirectly, of the power (i) to vote 10% or more of the Securities having ordinary voting power for the election of directors of such Person or (ii) to direct or cause the direction of the management and policies of that Person, whether through the ownership of voting securities or by contract or otherwise; provided, however, that GSCP shall not be considered an affiliate of Holdings.

“Agent” means each of Syndication Agent, Documentation Agent, Administrative Agent and Collateral Agent.

“Aggregate Amounts Due” as defined in Section 2.17.

“Aggregate Payments” as defined in Section 7.2.

“Agreement” means (i) in respect of the period prior to the Effective Date, the Existing Credit Agreement and (ii) in respect of any period on or after the Effective Date, this

Second Amended and Restated Credit and Guaranty Agreement, dated as of December 28, 2006, as it may be further amended, supplemented or otherwise modified from time to time.

"Applicable Margin" means (a) (i) with respect to Revolving Loans that are Eurodollar Rate Loans, (A) from the Effective Date until the Company has achieved a change in the Revolving Credit Status, 3.00% *per annum* and (B) thereafter, a percentage *per annum* based on the Revolving Credit Status in effect from time to time as set forth below

Revolving Credit Status	Applicable Margin for Revolving Loans
Revolving Credit Level I Status	3.25%
Revolving Credit Level II Status	3.00%
Revolving Credit Level III Status	2.75%
Revolving Credit Level IV Status	2.50%

; and (ii) with respect to Term Loans that are Eurodollar Rate Loans and Funded Letters of Credit, (A) from the Effective Date until the Company has achieved a change in the Term Loan Status, 3.00% *per annum* and (B) thereafter, a percentage *per annum* based on the Term Loan Status in effect from time to time as set forth below

Term Loan Status	Applicable Margin for Term Loans and Funded Letters of Credit
Term Loan Level I Status	3.25%
Term Loan Level II Status	3.00%
Term Loan Level III Status	2.75%
Term Loan Level IV Status	2.50%

; and (b) with respect to Swing Line Loans, Revolving Loans and Term Loans that are Base Rate Loans, an amount equal to (i) the Applicable Margin for Eurodollar Rate Loans as set forth in clause (a) above minus (ii) 1.00% *per annum*. Within one Business Day of receipt of a change in Revolving Credit Status or Term Loan Status, as applicable, Administrative Agent shall notify each Lender of the Applicable Margin in effect from such date. At any time, and for so long as, an Event of Default shall have occurred and be continuing, the Applicable Margin shall be determined as if Revolving Credit Level I Status and Term Loan Level I Status were in effect.

No reduction in the Applicable Margin hereunder shall be effected for so long as any Event of Default has occurred and is continuing.

"Applicable Reserve Requirement" means, at any time, for any Eurodollar Rate Loan or a Credit Linked Deposit, the maximum rate, expressed as a decimal, at which reserves (including, without limitation, any basic marginal, special, supplemental, emergency or other reserves) are required to be maintained with respect thereto against "Eurocurrency liabilities" (as such term is defined in Regulation D) under regulations issued from time to time by the Board of Governors of the Federal Reserve System or other applicable banking regulator. Without limiting the effect of the foregoing, the Applicable Reserve Requirement shall reflect any other reserves required to be maintained by such member banks with respect to (i) any category of liabilities which includes deposits by reference to which the applicable Adjusted Eurodollar Rate or any other interest rate of a Loan is to be determined, or (ii) any category of extensions of credit or other assets which include Eurodollar Rate Loans. A Eurodollar Rate Loan or a Credit Linked Deposit shall be deemed to constitute Eurocurrency liabilities. The rate of interest on Eurodollar Rate Loans or a Credit Linked Deposit shall be adjusted automatically on and as of the first day of the relevant Interest Period following the effective date of any change in the Applicable Reserve Requirement.

"Arrangers" as defined in the preamble hereto.

"Asset Sale" means a sale, lease or sub-lease (as lessor or sublessor), sale and leaseback, assignment, conveyance, transfer or other disposition to, or any exchange of property with, any Person (other than Holdings, Company or any Guarantor Subsidiary), in one transaction or a series of transactions, of all or any part of any of Holdings' or any of their respective Subsidiaries' businesses, assets or properties of any kind, whether real, personal, or mixed and whether tangible or intangible, whether now owned or hereafter acquired, including, without limitation, the Capital Stock of any of Company's Subsidiaries, other than (i) inventory or other assets sold, leased or subleased, assigned, conveyed, transferred or disposed (including bulk sales or leases) in the ordinary course of business (excluding any such sales by operations or divisions discontinued or to be discontinued), (ii) the sale, assignment, conveyance, transfer, disposition or other transfer of accounts receivable (only in connection with the compromise thereof) in the ordinary course of business and disposals or replacements of damaged, worn-out or obsolete assets or assets no longer useful in the business, (iii) any sale or disposition deemed to occur in connection with creating, granting or exercising remedies, including foreclosure, in respect of any Liens permitted pursuant to Section 6.2, (iv) any transfer of property or assets or issuance of Capital Stock that constitutes a Restricted Junior Payment permitted by Section 6.5 or Investment permitted to be made by Section 6.7, (v) the sale or other disposition of cash or Cash Equivalents in the ordinary course of business, (vi) the termination in the ordinary course of business of any Hedging Agreement (excluding the Swap Agreement) permitted to be entered into hereunder and otherwise permitted to be terminated hereunder and (vii) sales of other assets for aggregate consideration of less than $2,000,000 in the aggregate during any Fiscal Year.

"Assignment Agreement" means an Assignment and Assumption Agreement substantially in the form of Exhibit E, with such amendments or modifications as may be approved by Administrative Agent.

"Assignment Effective Date" as defined in Section 10.6(b).

"Authorized Officer" means, as applied to any Person, any individual holding the position of chairman of the board (if an officer), chief executive officer, president or one of its vice presidents (or the equivalent thereof), and such Person's chief financial officer or treasurer.

"Available Amount" means, on any date (the **"Reference Date"**), an amount equal at such time to (a) the sum of, without duplication, (i) at any time after the Term Loan Repayment Amount is at least $100,000,000 (which amounts may include amounts received from an IPO) and there are no outstanding New Term Loans, (x) the cumulative amount of Consolidated Excess Cash Flow for all Fiscal Years completed after the Effective Date and prior to the Reference Date, but excluding Fiscal Year 2006, minus (y) the portion of such Consolidated Excess Cash Flow that has been applied, or will be required to be applied, to the prepayment of Loans in accordance with Section 2.14(d) after the Effective Date and on or prior to the Reference Date and (ii) the amount of any capital contributions (other than capital contributions made pursuant to Section 6.8(e)) in cash to Holdings directly or indirectly from Parent after the Effective Date and on or prior to the Reference Date, including contributions with the proceeds from any issuance of equity securities by Holdings, but excluding proceeds of an IPO used to prepay the Loans pursuant to Section 2.14, minus (b) the aggregate amount of Investments, Capital Expenditures and Permitted Acquisitions made by Holdings or any of its Subsidiaries after the Effective Date and on or prior to the Reference Date from the Available Amount as of such Reference Date pursuant to Sections 6.7(p), 6.8(c) and 6.9(g) minus (c) the aggregate amount of payments made after the Effective Date and on or prior to the Reference Date from the Available Amount as of such Reference Date pursuant to Section 6.5(a)(vii), 6.5(a)(viii) and 6.5(c).

"Bankruptcy Code" means Title 11 of the United States Code entitled "Bankruptcy," as now and hereafter in effect, or any successor statute.

"Base Rate" means, for any day, a base rate calculated as a fluctuating rate per annum as shall be in effect from time to time, equal to the greatest of:

(a) the Prime Rate in effect on such day;

(b) the Federal Funds Effective Rate on such day plus 1/2 of 1%; and

As used in this definition, the term "Prime Rate" means the rate of interest per annum announced from time to time by the Administrative Agent as its prime rate in effect at its principal office in New York City. If for any reason the Administrative Agent shall have determined (which determination shall be conclusive absent manifest error) that it is unable to ascertain the Federal Funds Effective Rate, for any reason, including the inability or failure of the Administrative Agent to obtain sufficient quotation in accordance with the terms hereof, the Base Rate shall be determined with out regard to clause (b) above until the circumstances giving rise to such inability no longer exist. Any change in the Base Rate due to a change in the Prime Rate or the Federal Funds Effective Rate shall be effective as of the effective day of such change in the Prime Rate or the Federal Funds Effective Rate, respectively.

"Base Rate Loan" means a Loan bearing interest at a rate determined by reference to the Base Rate.

"Beneficiary" means each Agent, Issuing Bank, Lender and Lender Counterparty.

"Business Day" means (i) any day excluding Saturday, Sunday and any day which is a legal holiday under the laws of the State of New York or is a day on which banking institutions located in such state are authorized or required by law or other governmental action to close and (ii) with respect to all notices, determinations, fundings and payments in connection with the Adjusted Eurodollar Rate or any Eurodollar Rate Loans or a Credit Linked Deposit, the term **"Business Day"** shall mean any day which is a Business Day described in clause (i) and which is also a day for trading by and between banks in Dollar deposits in the London interbank market.

"Capital Lease" means, as applied to any Person, any lease of any property (whether real, personal or mixed) by that Person as lessee that, in conformity with GAAP, is or should be accounted for as a capital lease on the balance sheet of that Person.

"Capital Stock" means any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent ownership interests in a Person (other than a corporation), including, without limitation, partnership interests and membership interests, and any and all warrants, rights or options to purchase or other arrangements or rights to acquire any of the foregoing.

"Cash" means money, currency or a credit balance in any demand or Deposit Account.

"Cash Equivalents" means, as at any date of determination, (i) marketable securities (a) issued or directly and unconditionally guaranteed as to interest and principal by the United States Government or (b) issued by any agency of the United States the obligations of which are backed by the full faith and credit of the United States, in each case maturing within one year after such date; (ii) marketable direct obligations issued by any state of the United States of America or any political subdivision of any such state or any public instrumentality thereof, in each case maturing within one year after such date and having, at the time of the acquisition thereof, a rating of at least A-1 from S&P or at least P-1 from Moody's; (iii) commercial paper maturing no more than one year from the date of creation thereof and having, at the time of the acquisition thereof, a rating of at least A-1 from S&P at least P-1 from Moody's; (iv) certificates of deposit or bankers' acceptances maturing within one year after such date and issued or accepted by any Lender or by any commercial bank organized under the laws of the United States of America or any state thereof or the District of Columbia that (a) is at least "adequately capitalized" (as defined in the regulations of its primary Federal banking regulator) and (b) has Tier 1 capital (as defined in such regulations) of not less than $100,000,000; (v) shares of any money market mutual fund that (a) has substantially all of its assets invested continuously in the types of investments referred to in clauses (i), (ii) and (vi), (b) has net assets of not less than $500,000,000, and (c) has the highest rating obtainable from either S&P or Moody's; (vi) fully collateralized repurchase agreements with a term of not more than 30 days for underlying securities of the type described in clauses (i), (ii) and (v) above entered into with any bank meeting the qualifications specified in clause (v) above or securities dealers of recognized national standing; and (vii) customary overnight sweep investment instruments entered into in the ordinary course of business with Wachovia, as cash management bank, or any successor cash management bank.

"Certificate re Non-Bank Status" means a certificate substantially in the form of Exhibit F.

"**Change of Control**" means, at any time, (i) (x) prior to an IPO, Sponsors shall cease to beneficially own and control at least at least 35% on a fully diluted basis of the economic interest in the Capital Stock of Parent and at least 51% on a fully diluted basis of the voting interests in the Capital Stock of Parent and (y) after a registered initial public offering of the Capital Stock of Parent, Sponsors shall cease to beneficially own and control, directly or indirectly, on a fully diluted basis at least 35% of the economic and voting interests in the Capital Stock of Parent (it being understood any one or more of the Sponsors may individually or collectively satisfy the minimum ownership and control requirements of this clause (i)); (ii) any Person or "group" (within the meaning of Rules 13d-3 and 13d-5 under the Exchange Act) other than any one or more of the Sponsors (a) shall have acquired beneficial ownership of 35% or more on a fully diluted basis of the voting and/or economic interest in the Capital Stock of Parent, in the aggregate, and the percentage voting and/or economic interest voting and/or economic interest acquired by such Person or "group" exceeds, in the aggregate, the percentage of voting and/or economic interest voting and/or economic interest owned by Sponsors or (b) shall have obtained the power (whether or not exercised) to elect a majority of the members of the board of directors (or similar governing body) of any of Parent; (iii) Parent shall cease to beneficially own and control, directly or indirectly (including through any of Holdings), 100% on a fully diluted basis of the economic and voting interest in the Capital Stock of Company; (iv) Holdings (on a collective basis) shall cease to beneficially own and control 100% on a fully diluted basis of the economic and voting interest in the Capital Stock of Company; or (v) the majority of the seats (other than vacant seats) on the board of directors (or similar governing body) of Parent cease to be occupied by Persons who either (a) were members of the board of directors (or similar governing body) of Parent on the Effective Date or (b) were nominated for election by the board of directors (or similar governing body) of Parent, a majority of whom were directors on the Effective Date or whose election or nomination for election was previously approved by a majority of such directors.

"CL JV" as defined in the preamble hereto.

"Class" means (i) with respect to Lenders, each of the following classes of Lenders: (a) Lenders having Tranche D Term Loan Exposure, (b) Lenders having Revolving Exposure (including Swing Line Lender), (c) Lenders having Funded Letters of Credit Exposure and (d) Lenders having New Term Loan Exposure and (ii) with respect to Loans, each of the following classes of Loans: (a) Tranche D Term Loans, (b) Revolving Loans (including Swing Line Loans) and (c) New Term Loans.

"Closing Date" means the date of the initial Credit Extension under the Initial Credit Agreement, which date was June 24, 2005.

"Closing Date Mortgaged Property" as defined in Section 3.1(i).

"Collateral" means, collectively, all of the real, personal and mixed property (including Capital Stock) in which Liens are purported to be granted pursuant to the Collateral Documents as security for the Obligations.

"Collateral Agent" as defined in the preamble hereto.

"Collateral Documents" means the Pledge and Security Agreement, the Intercreditor Agreement, the Mortgages, the Landlord Consents and Estoppels, if any, and all other instruments, documents and agreements delivered by any Credit Party pursuant to this Agreement or any of the other Credit Documents in order to grant to Collateral Agent, for the benefit of Lenders, a Lien on any real, personal or mixed property of that Credit Party as security for the Obligations.

"Collateral Questionnaire" means a certificate in form reasonably satisfactory to Collateral Agent that provides information with respect to the personal or mixed property of each Credit Party.

"Commitment" means any Revolving Commitment, Tranche D Term Loan Commitment or Funded Letter of Credit Commitment.

"Commodity Agreement" means any commodity exchange, swap, forward, cap, floor collar or other similar agreement or arrangement, including the Swap Agreement, each of which is for the purpose of hedging the exposure of Company and the Guarantors to fluctuations in the price of nitrogen fertilizers, hydrocarbons and refined products in their operations and not for speculative purposes.

"Company" as defined in the preamble hereto.

"Compliance Certificate" means a Compliance Certificate substantially in the form of Exhibit C.

"Consent Decree" shall mean the Consent Decree entered into by the United States of America, the Kansas Department of Health and Environment ex rel State of Kansas, Coffeyville Resources Refining & Marketing, LLC, and Coffeyville Resources Terminal, LLC that was lodged with the United States District Court for the District of Kansas on March 4, 2004 and was subject to public comment until March 18, 2004, including any subsequent amendments thereto.

"Consolidated Adjusted EBITDA" means, for any period, an amount determined for Company and its Subsidiaries on a consolidated basis equal to (i) the sum, without duplication, of the amounts for such period of (a) Consolidated Net Income, (b) Consolidated Interest Expense, (c) provisions for taxes based on income, (d) total depreciation expense, (e) total amortization expense, (f) other non-Cash items reducing Consolidated Net Income (excluding any such non-Cash item to the extent that it represents an accrual or reserve for potential Cash items in any future period or amortization of a prepaid Cash item that was paid in a prior period; provided, for the avoidance of doubt, this exclusion shall not include the following non-cash items to the extent they are not specifically linked to an accrual or reserve for a potential Cash item in any future period or amortization of a prepaid Cash item that was paid in a prior period: (1) compensation charge arising from the grant of or issuance of stock, stock options or other equity based awards, (2) non-cash impact attributable to the application of the purchase method of accounting in accordance with GAAP, (3) non-cash gain or loss, together with any related provision for taxes on such gain or loss, realized in connection with: (i) any sale or other disposition of assets or (ii) the disposition of any securities by such Person or any of its Subsidiaries or the extinguishment of any Indebtedness of such Person or any of its Subsidiaries, (4) unrealized gains and losses arising out of derivative transactions and (5) any impairment charge or asset write-off pursuant to Financial Accounting Standards Board Statement No. 142 and No. 144 and the amortization of intangibles arising pursuant to No. 141), (g) any fees and expenses related to the Acquisition and Permitted Acquisitions, to the extent reducing Consolidated Net Income for such period, (h) any non-recurring expenses or charges incurred in connection with any issuance of Indebtedness, equity securities or any refinancing transaction, (i) management fees to the extent permitted by Section 6.5(a)(v), (j) any unusual or non-recurring charges during any period properly classified as such on the balance sheet of Company in conformity with GAAP in an aggregate amount not to exceed 7.5% of the amount of Consolidated Adjusted EBITDA prior to the adjustment provided for in this clause (j) as determined in such period, (k) any net after-tax loss from disposed or discontinued operations and any net after-tax losses on disposal of disposed or discontinued operations, (l) any incremental property taxes related to abatement non-renewal, (m) any losses reducing Consolidated Net Income attributable to minority equity interests in Company or any of its Subsidiaries and (n) Major Scheduled Turnaround Expenses for any fiscal periods after the Closing Date, minus (ii) the sum, without duplication, of the amounts for such period of (a) other non-Cash items increasing Consolidated Net Income (excluding any such non-Cash item to the extent it represents the reversal of an accrual or reserve for potential Cash item in any prior period) and (b) any income increasing Consolidated Net Income attributable to minority equity interests in Company or any of its Subsidiaries.

"Consolidated Capital Expenditures" means, for any period, the aggregate of all expenditures of Company and its Subsidiaries during such period determined on a consolidated basis that, in accordance with GAAP, are or should be included in "purchase of property and equipment" or similar items reflected in the consolidated statement of cash flows of Company and its Subsidiaries; provided that, solely for purposes of Section 6.8(c), the term "Consolidated Capital Expenditures" shall not include (a) the purchase of plant, property or equipment made within one year (or within eighteen months if a binding agreement to reinvest is entered into within twelve months) of the sale of any asset to the extent purchased with the proceeds of such sale made pursuant to and in accordance with Section 2.14(a), (b) the purchase of plant, property or equipment made within one year (or within eighteen months if a binding agreement to reinvest is entered into within twelve months) of the receipt of insurance or condemnation proceeds the extent purchased with such insurance or condemnation proceeds pursuant to and in accordance with Section 2.14(b), or (c) any capital expenditures deemed to be made as part of a Permitted Acquisition,

"Consolidated Cash Interest Expense" means, for any period, Consolidated Interest Expense for such period, excluding any amount not payable in Cash.

"Consolidated Current Assets" means, as at any date of determination, the total assets of Company and its Subsidiaries on a consolidated basis that may properly be classified as current assets in conformity with GAAP, excluding Cash and Cash Equivalents and the current portion of deferred income taxes.

"Consolidated Current Liabilities" means, as at any date of determination, the total liabilities of Company and its Subsidiaries on a consolidated basis that may properly be classified as current liabilities in conformity with GAAP, excluding the current portion of long term debt and the current portion of deferred income taxes.

"Consolidated Excess Cash Flow" means, for any period, an amount (if positive) equal to: (i) the sum, without duplication, of the amounts for such period of (a) Consolidated Adjusted EBITDA, plus (b) the Consolidated Working Capital Adjustment plus (c) extraordinary Cash gains excluded from Consolidated Adjusted EBITDA, plus (d) net decreases in cash required to be on deposit with counterparties pursuant to outstanding derivative instruments permitted hereunder, minus (ii) the sum, without duplication, of the amounts for such period of (a) scheduled repayments of Consolidated Total Debt (excluding (i) repayments of Revolving Loans or Swing Line Loans except to the extent the Revolving Commitments are permanently reduced in connection with such repayments and (ii) the repayment of Existing Tranche C Term Loans on the Effective Date), (b) Consolidated Capital Expenditures ((x) excluding any Consolidated Capital Expenditures funded through the utilization of the Available Amount, and (y) net of any proceeds of (1) any related financings with respect to such Consolidated Capital Expenditures and (2) any sales of assets used to finance such Consolidated Capital Expenditures), (c) Consolidated Cash Interest Expense, (d) provisions for current taxes of Holdings, Company and its Subsidiaries and payable in cash with respect to such period, (e) any Cash consideration paid in respect of Permitted Acquisitions in an aggregate amount not to exceed at any time prior to an IPO, $20,000,000 per Fiscal Year, and at any time after an IPO, $40,000,000 per Fiscal Year (excluding any such amounts funded through the utilization of the Available Amount), (f) any Cash amounts made by Holdings pursuant to Sections 6.5(a)(i) through (iv) and 6.5(a)(vi) to the extent such amounts have not been deducted from Consolidated Net Income, (g) Cash amounts which have been included in Consolidated Adjusted EBITDA for such period pursuant to clauses (i)(g), (i)(h), (i)(i), (i)(j), (i)(k), (i)(l), (i)(m) and (i)(n) of the definition thereof, (h) extraordinary Cash losses (including any premiums associated with the prepayment of Indebtedness to the extent such payment is accounted for as an extraordinary item) and (i) net increases in cash required to be on deposit with counterparties pursuant to outstanding derivative instruments permitted hereunder.

"Consolidated Interest Expense" means, for any period, total interest expense (including that portion attributable to Capital Leases in accordance with GAAP and capitalized interest) of Company and its Subsidiaries on a consolidated basis with respect to all outstanding Indebtedness of Company and its Subsidiaries, including all commissions, discounts and other fees and charges owed with respect to letters of credit (including Funded Letters of Credit) and net costs under Interest Rate Agreements, but excluding, however, any amounts referred to in Section 2.11(f) payable on or before the Effective Date.

"Consolidated Net Income" means, for any period, (i) the net income (or loss) of Company and its Subsidiaries on a consolidated basis for such period taken as a single accounting period determined in conformity with GAAP, excluding (ii) (a) the income (or loss) of any Person (other than a Subsidiary of Company) in which any other Person (other than Company or any of its Subsidiaries) has a joint interest, except to the extent of the amount of dividends or other distributions actually paid to Company or any of its Subsidiaries by such Person during such period, (b) except as may be permitted in Section 6.8(d), the income (or loss) of any Person accrued prior to the date it becomes a Subsidiary of Company or is merged into or consolidated with Company or any of its Subsidiaries or that Person's assets are acquired by Company or any of its Subsidiaries, (c) the income of any Subsidiary of Company to the extent that the declaration or payment of dividends or similar distributions by that Subsidiary of that income is not at the time permitted by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Subsidiary, (d) any after-tax gains or losses attributable to Asset Sales or returned surplus assets of any Pension Plan, and (e) (to the extent not included in clauses (a) through (d) above) any net extraordinary gains or net extraordinary losses.

"Consolidated Total Debt" means, as at any date of determination, (a) the aggregate stated balance sheet amount of all Indebtedness (other than Indebtedness under clauses (iv), (vi) and (x) of the definition thereof), of Company and its Subsidiaries determined on a consolidated basis in accordance with GAAP, minus (b) the aggregate amount of Cash included in the cash accounts listed on the consolidated balance sheet of Holdings, Company and the Guarantor Subsidiaries as at such date up to a maximum amount of $40,000,000 to the extent the use thereof for application to payment of Indebtedness is not prohibited by law or any contract to which Holdings, Company or any Guarantor Subsidiary is a party.

"Consolidated Working Capital" means, as at any date of determination, the excess of Consolidated Current Assets over Consolidated Current Liabilities.

"Consolidated Working Capital Adjustment" means, for any period on a consolidated basis, the amount (which may be a negative number) by which Consolidated Working Capital as of the beginning of such period exceeds (or is less than) Consolidated Working Capital as of the end of such period.

"**Construction Account**" means a Deposit Account maintained by Company or any Guarantor Subsidiary at a financial institution reasonably acceptable to the Administrative Agent which is subject to the First Priority security interest and Lien of the Collateral Agent, for the benefit of the Secured Parties, together with all monies on deposit therein.

"Contractual Obligation" means, as applied to any Person, any provision of any Security issued by that Person or of any indenture, mortgage, deed of trust, contract, undertaking, agreement or other instrument to which that Person is a party or by which it or any of its properties is bound or to which it or any of its properties is subject.

"Contributing Guarantors" as defined in Section 7.2.

"Conversion/Continuation Date" means the effective date of a continuation or conversion, as the case may be, as set forth in the applicable Conversion/Continuation Notice.

“Conversion/Continuation Notice” means a Conversion/Continuation Notice substantially in the form of Exhibit A-2.

“Counterpart Agreement” means a Counterpart Agreement substantially in the form of Exhibit H delivered by a Credit Party pursuant to Section 5.10.

“Credit Date” means the date of a Credit Extension.

“Credit Document” means any of this Agreement, the Notes, if any, the Collateral Documents, any documents or certificates executed by Company in favor of Issuing Banks relating to Letters of Credit, and all other documents, instruments or agreements executed and delivered by a Credit Party for the benefit of any Agent, any Issuing Bank or any Lender in connection herewith.

“Credit Extension” means the making of a Loan, the funding of a Credit Linked Deposit on the Effective Date or the issuing of a Letter of Credit.

“**Credit Linked Deposit**” means with respect to each Lender, the cash deposit, if any, made by such Lender pursuant to Section 2.4(i), as the same may be (a) reduced from time to time pursuant to Sections 2.4(f) or (h) or 2.13(b)(iii) or (b) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 10.6.

“**Credit Linked Deposit Account**” means the account established at the Funded LC Issuing Bank in the name of, or as designated by, the Administrative Agent for the benefit of the Funded LC Issuing Bank and the Funded Letter of Credit Participants that shall be used for the purposes set forth in Section 2.4.

“Credit Party” means each Person (other than any Agent, Issuing Bank or any Lender or any other representative thereof) from time to time party to a Credit Document.

“**Crude Gathering System**” means the pipeline system owned by Transportation as of the Effective Date (excluding the pipeline from Broom Station in Caney, Kansas, to the Coffeyville Refinery).

“Cure Amount” as defined in Section 6.8(e).

“Cure Right” as defined in Section 6.8(e).

“Currency Agreement” means any foreign exchange contract, currency swap agreement, futures contract, option contract, synthetic cap or other similar agreement or arrangement, each of which is for the purpose of hedging the foreign currency risk associated with Company’ and its Subsidiaries’ operations and not for speculative purposes.

“Default” means a condition or event that, after notice or lapse of time or both, would constitute an Event of Default.

“Default Excess” means, with respect to any Defaulting Lender, the excess, if any, of such Defaulting Lender’s Pro Rata Share of the aggregate outstanding principal amount of Loans of all Lenders (calculated as if all Defaulting Lenders (other than such Defaulting Lender) had funded all of their respective Defaulted Loans) over the aggregate outstanding principal amount of all Loans of such Defaulting Lender.

"Default Period" means, with respect to any Defaulting Lender, the period commencing on the date of the applicable Funding Default and ending on the earliest of the following dates: (i) the date on which all Commitments are cancelled or terminated and/or the Obligations are declared or become immediately due and payable, (ii) the date on which (a) the Default Excess with respect to such Defaulting Lender shall have been reduced to zero (whether by the funding by such Defaulting Lender of any Defaulted Loans of such Defaulting Lender or by the non-pro rata application of any voluntary or mandatory prepayments of the Loans in accordance with the terms of Section 2.13 or Section 2.14 or by a combination thereof) and (b) such Defaulting Lender shall have delivered to Company and Administrative Agent a written reaffirmation of its intention to honor its obligations hereunder with respect to its Commitments, and (iii) the date on which Company, Administrative Agent and Requisite Lenders waive all Funding Defaults of such Defaulting Lender in writing.

"Defaulted Loan" as defined in Section 2.22.

"Defaulting Lender" as defined in Section 2.22.

"Deposit Account" means a demand, time, savings, passbook or like account with a bank, savings and loan association, credit union or like organization, other than an account evidenced by a negotiable certificate of deposit.

"Documentation Agent" as defined in the preamble hereto.

"Dollars" and the sign **"$"** mean the lawful money of the United States of America.

"Domestic Subsidiary" means any Subsidiary organized under the laws of the United States of America, any State thereof or the District of Columbia.

"Effective Date" means December 28, 2006, the date on which the conditions precedent set forth in Section 3.1 shall have been satisfied or waived.

"Effective Date Certificate" means an Effective Date Certificate substantially in the form of Exhibit G-1.

"Eligible Assignee" means (i) any Lender, any Affiliate of any Lender and any Related Fund (any two or more Related Funds being treated as a single Eligible Assignee for all purposes hereof), and (ii) any commercial bank, insurance company, investment or mutual fund or other entity that is an "accredited investor" (as defined in Regulation D under the Securities Act) and which extends credit or buys loans as one of its businesses; provided, no Affiliate of any of Holdings shall be an Eligible Assignee.

"Employee Benefit Plan" means any "employee benefit plan" as defined in Section 3(3) of ERISA which is or was sponsored, maintained or contributed to by, or required to be contributed by, any of Holdings, any of their respective Subsidiaries or any of their respective ERISA Affiliates.

"Environmental Claim" means any notice of violation, claim, action, suit, proceeding, demand, abatement order or other order or directive (conditional or otherwise), by any Governmental Authority or any other Person, arising pursuant to or in connection with any actual or alleged violation of, or liability under, any Environmental Law.

"Environmental Laws" means any and all current or future foreign or domestic, federal or state (or any subdivision of either of them), statutes, ordinances, orders, rules, regulations, judgments, Governmental Authorizations, or any other requirements of Governmental Authorities (including, without limitation, the Consent Decree) relating to (i) environmental matters, including any Hazardous Materials Activity; (ii) occupational safety and health, industrial hygiene; or (iii) the protection of human health (as it relates to Releases of or exposure to Hazardous Materials), the environment or natural resources, in any manner applicable to Holdings or its Subsidiaries or the Facilities.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and any successor thereto.

"ERISA Affiliate" means, as applied to any Person, (i) any corporation which is a member of a controlled group of corporations within the meaning of Section 414(b) of the Internal Revenue Code of which that Person is a member; (ii) any trade or business (whether or not incorporated) which is a member of a group of trades or businesses under common control within the meaning of Section 414(c) of the Internal Revenue Code of which that Person is a member; and (iii) any member of an affiliated service group within the meaning of Section 414(m) or (o) of the Internal Revenue Code of which that Person, any corporation described in clause (i) above or any trade or business described in clause (ii) above is a member. Any former ERISA Affiliate of any of Holdings or any of their respective Subsidiaries shall continue to be considered an ERISA Affiliate of Holdings or any such Subsidiary within the meaning of this definition with respect to the period such entity was an ERISA Affiliate of Holdings or such Subsidiary and with respect to liabilities arising after such period for which Holdings or such Subsidiary could be liable under the Internal Revenue Code or ERISA.

"ERISA Event" means (i) a "reportable event" within the meaning of Section 4043 of ERISA and the regulations issued thereunder with respect to any Pension Plan (excluding those for which the provision for 30-day notice to the PBGC has been waived by regulation); (ii) the failure to meet the minimum funding standard of Section 412 of the Internal Revenue Code with respect to any Pension Plan (whether or not waived in accordance with Section 412(d) of the Internal Revenue Code) or the failure to make by its due date a required installment under Section 412(m) of the Internal Revenue Code with respect to any Pension Plan or the failure to make any required contribution to a Multiemployer Plan; (iii) the provision by the administrator of any Pension Plan pursuant to Section 4041(a)(2) of ERISA of a notice of intent to terminate such plan in a distress termination described in Section 4041(c) of ERISA; (iv) the withdrawal by any of Holdings, any of their respective Subsidiaries or any of their respective ERISA Affiliates from any Pension Plan with two or more contributing sponsors or the termination of any such Pension Plan resulting in liability to any of Holdings, any of their respective Subsidiaries or any of their respective Affiliates pursuant to Section 4063 or 4064 of ERISA; (v) the institution by the PBGC of proceedings to terminate any Pension Plan, or the occurrence of any event or condition which would be reasonably likely to constitute grounds under ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan; (vi) the imposition of liability on any of Holdings, any of their respective Subsidiaries or any of their respective ERISA Affiliates pursuant to Section 4062(e) or 4069 of ERISA or by reason of the application of Section 4212(c) of ERISA; (vii) the withdrawal of any of Holdings, any of their respective Subsidiaries or any of their respective ERISA Affiliates in a complete or partial withdrawal (within the meaning of Sections 4203 and 4205 of ERISA) from any Multiemployer Plan if there is any potential withdrawal liability therefore, or the receipt by any of Holdings, any of their respective Subsidiaries or any of their respective ERISA Affiliates of notice from any Multiemployer Plan that it is in reorganization or insolvency pursuant to Section 4241 or 4245 of ERISA, or that it intends to terminate or has terminated under Section 4041A or 4042 of ERISA; (viii) the occurrence of an act or omission which could give rise to the imposition on any of Holdings, any of their respective Subsidiaries or any of their respective ERISA Affiliates of any material fines, penalties, taxes or related charges under Chapter 43 of the Internal Revenue Code or under Section 409, Section 502(c), (i) or (l), or Section 4071 of ERISA in respect of any Employee Benefit Plan; (ix) the assertion of a material claim (other than routine claims for benefits) against any Employee Benefit Plan other than a Multiemployer Plan or the assets thereof, or against any of Holdings, any of their respective Subsidiaries or any of their respective ERISA Affiliates in connection with any Employee Benefit Plan; (x) receipt from the Internal Revenue Service of notice of the failure of any Pension Plan (or any other Employee Benefit Plan intended to be qualified under Section 401(a) of the Internal Revenue Code) to qualify under Section 401(a) of the Internal Revenue Code, or the failure of any trust forming part of any Pension Plan to qualify for exemption from taxation under Section 501(a) of the Internal Revenue Code, in each case that cannot be cured without material liability to Holdings; or (xi) the imposition of a Lien pursuant to Section 401(a)(29) or 412(n) of the Internal Revenue Code or pursuant to ERISA with respect to any Pension Plan.

"Eurodollar Rate Loan" means a Loan bearing interest at a rate determined by reference to the Adjusted Eurodollar Rate.

"Event of Default" means each of the conditions or events set forth in Section 8.1.

"Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time, and any successor statute.

"Existing Credit Agreement" as defined in the recitals.

"Existing Lenders" means each financial institution that is a "Lender" as defined in the Existing Credit Agreement.

"Existing Letters of Credit" means the letters of credit issued for the account of Company under the Existing Credit Agreement outstanding on the Effective Date.

"Existing Revolving Commitments" means all Commitments of the Existing Lenders to make Revolving Loans (as defined in the Existing Credit Agreement) immediately prior to the effectiveness of this Agreement.

"Existing Revolving Loans" means the Revolving Loans (as defined in the Existing Credit Agreement) outstanding immediately prior to the effectiveness of this Agreement and made pursuant to Section 2.2 of the Existing Credit Agreement.

"Existing Tranche C Term Loans" means the Tranche C Term Loans (as defined in the Existing Credit Agreement) made by an Existing Lender to Company pursuant to Section 2.1(a) of the Existing Credit Agreement.

"Facility" means any real property (including all buildings, fixtures or other improvements located thereon) now or hereafter owned, leased, operated or otherwise occupied by any of Holdings or any of their respective Subsidiaries or Affiliates.

"Fair Share Contribution Amount" as defined in Section 7.2.

"Fair Share" as defined in Section 7.2.

"Federal Funds Effective Rate" means for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided, (i) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (ii) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate charged to Administrative Agent, in its capacity as a Lender, on such day on such transactions as determined by Administrative Agent.

"Fertilizers" as defined in the preamble hereto.

"Financial Officer Certification" means, with respect to the financial statements for which such certification is required, the certification of the chief financial officer of Company that such financial statements fairly present, in all material respects, the financial condition of Company and its Subsidiaries as at the dates indicated and the results of their operations and their cash flows for the periods indicated, subject to changes resulting from audit and normal year-end adjustments.

"Financial Plan" as defined in Section 5.1(i).

"First Priority" means, with respect to any Lien purported to be created in any Collateral pursuant to any Collateral Document, that such Lien is the only Lien to which such Collateral is subject, other than any Permitted Lien.

"Fiscal Quarter" means a fiscal quarter of any Fiscal Year.

“Fiscal Year” means the fiscal year of Company and its Subsidiaries ending on December 31 of each calendar year.

“Flood Hazard Property” means any Real Estate Asset subject to a mortgage in favor of Collateral Agent, for the benefit of the Lenders, and located in an area designated by the Federal Emergency Management Agency as having special flood or mud slide hazards.

“Foreign Subsidiary” means any Subsidiary that is not a Domestic Subsidiary.

“Funded LC Issuing Bank” means initially Credit Suisse and thereafter with respect to any Funded Letter of Credit, any Lender (including any Person who is a Lender as of the Effective Date but subsequently, after agreeing to become a Funded LC Issuing Bank, ceases to be a Lender) which, at the request of Company, and with the consent of Administrative Agent (not to be unreasonably withheld), agrees in such Lender’s sole discretion to become a Funded LC Issuing Bank for the purposes of issuing such Funded Letter of Credit, together with its permitted successors and assigns in such capacity.

“Funding Default” as defined in Section 2.22.

“Funding Guarantors” as defined in Section 7.2.

“Funded LC Deposit Bank” means Credit Suisse.

“Funded Letter of Credit” as defined in Section 2.4(b).

“Funded Letter of Credit Commitment” means the commitment of a Lender to make or otherwise fund a Credit Linked Deposit and “**Funded Letter of Credit Commitments**” means such commitments of all Lenders in the aggregate. The amount of each Lender’s Funded Letter of Credit Commitment, if any, is set forth in the Register or in the applicable Assignment Agreement, subject to any adjustment or reduction pursuant to the terms and conditions hereof. The aggregate amount of the Funded Letter of Credit Commitments as of the Effective Date is $150,000,000.

“Funded Letter of Credit Commitment Period” means the period from the Effective Date to but excluding the Funded Letter of Credit Termination Date.

“Funded Letter of Credit Exposure” means with respect to any Lender, at any time, the sum of (a) the amount of any Unpaid Drawings in respect of which payments from such Lender’s Credit Linked Deposit have been made (or were required to be made) to a Funded LC Issuing Bank pursuant to Section 2.4(f) at such time and (b) such Lender’s Pro Rata Share of the Funded Letters of Credit Outstanding at such time (excluding the portion thereof consisting of Unpaid Drawings in respect of which payments from such Lender’s Credit Linked Deposit have been made (or were required to be made) to a Funded LC Issuing Bank pursuant to Section 2.4(f)); provided that at any time when the Funded Letters of Credit Outstanding is zero, the Funded Letter of Credit Exposure of any Lender shall be equal to such Lender’s Funded Letter of Credit Commitment.

“Funded Letter of Credit Fee” as defined in Section 2.11(b)**.**

"Funded Letter of Credit Outstanding" means at any time, the sum of, without duplication, (a) the aggregate Stated Amount of all outstanding Funded Letters of Credit and (b) the aggregate amount of all Unpaid Drawings in respect of all Funded Letters of Credit.

"Funded Letter of Credit Participant" means each Lender having a Funded Letter of Credit Commitment.

"Funded Letter of Credit Participation" as defined in Section 2.4(h).

"Funded Letter of Credit Participation Interests" means the right of any Funded Letter of Credit Participant to receive any payments contemplated by this Agreement in respect of such Funded Letter of Credit Participant's Pro Rata Share of the Credit Linked Deposits in accordance with this Agreement.

"Funded Letter of Credit Termination Date" means the earliest to occur of (i) the fourth anniversary of the Effective Date; (ii) the date on which the Funded Letters of Credit Outstanding have been reduced to zero pursuant to Section 2.13(b)(iii) and all Credit Linked Deposits have been repurchased by the applicable Lenders; and (iii) the date of the termination of the Funded Letter of Credit Commitments pursuant to Section 8.1.

"Funding Notice" means a notice substantially in the form of Exhibit A-1.

"GAAP" means, subject to the limitations on the application thereof set forth in Section 1.2, United States generally accepted accounting principles in effect as of the date of determination thereof.

"Governmental Acts" means any act or omission, whether rightful or wrongful, of any present or future de jure or de facto government or Governmental Authority.

"Governmental Authority" means any federal, state, municipal, national or other government, governmental department, commission, board, bureau, court, agency or instrumentality or political subdivision thereof or any entity or officer exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to any government or any court, in each case whether associated with a state of the United States, the United States, or a foreign entity or government.

"Governmental Authorization" means any permit, license, authorization, plan, directive, consent order or consent decree of or from any Governmental Authority.

"Grantor" as defined in the Pledge and Security Agreement.

"Guaranteed Obligations" as defined in Section 7.1.

"Guarantor" means each of Holdings and each Domestic Subsidiary of Holdings (other than Company).

"Guarantor Subsidiary" means each Guarantor other than Holdings.

"Guaranty" means the guaranty of each Guarantor set forth in Section 7.

"Hazardous Materials" means any chemical, material or substance, exposure to which is prohibited, limited or regulated by any Governmental Authority or which may or could pose a hazard to the health and safety of the owners, occupants or any Persons in the vicinity of any Facility or to the indoor or outdoor environment.

"Hazardous Materials Activity" means any past, current, proposed or threatened activity, event or occurrence involving any Hazardous Materials, including the use, manufacture, possession, storage, holding, presence, existence, location, Release, threatened Release, discharge, placement, generation, transportation, processing, construction, treatment, abatement, removal, remediation, disposal, disposition or handling of any Hazardous Materials, and any corrective action or response action with respect to any of the foregoing.

"Hedge Agreement" means an Interest Rate Agreement, a Currency Agreement or a Commodity Agreement entered into with a Lender Counterparty in order to satisfy the requirements of this Agreement or otherwise in the ordinary course of Holdings' or any of its Subsidiaries' businesses.

"Highest Lawful Rate" means the maximum lawful interest rate, if any, that at any time or from time to time may be contracted for, charged, or received under the laws applicable to any Lender which are presently in effect or, to the extent allowed by law, under such applicable laws which may hereafter be in effect and which allow a higher maximum nonusurious interest rate than applicable laws now allow.

"Historical Financial Statements" means as of the Effective Date, (i) the audited financial statements of Company and its Subsidiaries, for the immediately preceding three Fiscal Years, consisting of balance sheets and the related consolidated statements of income, stockholders' equity and cash flows for such Fiscal Years, and (ii) the unaudited financial statements of Company and its Subsidiaries as at the most recently ended Fiscal Quarter, consisting of a balance sheet and the related consolidated statements of income, stockholders' equity and cash flows for the three-, six-or nine-month period, as applicable, ending on such date, and, in the case of clauses (i) and (ii), certified by the chief financial officer of Company that they fairly present, in all material respects, the financial condition of Company and its Subsidiaries as at the dates indicated and the results of their operations and their cash flows for the periods indicated, subject to changes resulting from audit and normal year-end adjustments.

"Holdings" as defined in the preamble hereto.

"Increased-Cost Lenders" as defined in Section 2.23.

"Indebtedness", as applied to any Person, means, without duplication, (i) all indebtedness for borrowed money; (ii) that portion of obligations with respect to Capital Leases that is classified as a liability on a balance sheet in conformity with GAAP; (iii) notes payable and drafts accepted representing extensions of credit whether or not representing obligations for borrowed money; (iv) any obligation owed for all or any part of the deferred purchase price of property or services (excluding (x) trade payables and accrued expenses arising in the ordinary course of business and (y) obligations incurred under ERISA), which purchase price is (a) due more than six months from the date of incurrence of the obligation in respect thereof or (b) evidenced by a note or similar written instrument; (v) all indebtedness secured by any Lien on any property or asset owned or held by that Person regardless of whether the indebtedness secured thereby shall have been assumed by that Person or is nonrecourse to the credit of that Person; provided however, in the case of non-recourse Indebtedness, the amount of such Indebtedness shall be limited to the value of the assets securing such indebtedness; (vi) the face amount of any letter of credit issued for the account of that Person or as to which that Person is otherwise liable for reimbursement of drawings; (vii) the direct or indirect guaranty, endorsement (otherwise than for collection or deposit in the ordinary course of business), co-making, discounting with recourse or sale with recourse by such Person of the Indebtedness of another; (viii) any obligation of such Person the primary purpose or intent of which is to provide assurance to an obligee that the obligation of the obligor thereof will be paid or discharged, or any agreement relating thereto will be complied with, or the holders thereof will be protected (in whole or in part) against loss in respect thereof; provided that such obligation shall not be deemed Indebtedness unless the underlying obligation would be deemed Indebtedness; (ix) any liability of such Person for an obligation of another through any agreement (contingent or otherwise) (a) to purchase, repurchase or otherwise acquire such obligation or any security therefor, or to provide funds for the payment or discharge of such obligation (whether in the form of loans, advances, stock purchases, capital contributions or otherwise) or (b) to maintain the solvency or any balance sheet item, level of income or financial condition of another if, in the case of any agreement described under subclauses (a) or (b) of this clause (ix), the primary purpose or intent thereof is as described in clause (viii) above; provided that such obligation shall not be deemed Indebtedness unless the underlying obligation would be deemed Indebtedness; and (x) all net obligations of such Person in respect of any exchange traded or over the counter derivative transaction, including, without limitation, any Interest Rate Agreement, Currency Agreement or Commodity Agreement, whether entered into for hedging or speculative purposes; provided, in no event shall obligations under any Interest Rate Agreement, any Currency Agreement or Commodity Agreement be deemed "Indebtedness" for any purpose under Section 6.8.

"Indemnified Liabilities" means, collectively, any and all liabilities, obligations, losses, damages (including natural resource damages), penalties, claims (including Environmental Claims), reasonable out-of-pocket costs (including the costs of any Remedial Action necessary to remove, remediate, clean up or abate any Hazardous Materials Activity), reasonable out-of-pocket expenses and disbursements of any kind or nature whatsoever (including the reasonable out-of-pocket fees and disbursements of counsel for Indemnitees in connection with any investigative, administrative or judicial proceeding commenced or threatened by any Person, whether or not any such Indemnitee shall be designated as a party or a potential party thereto, and any fees or expenses incurred by Indemnitees in enforcing this indemnity), whether direct, indirect or consequential and whether based on any federal, state or foreign laws, statutes, rules or regulations (including securities and commercial laws, statutes, rules or regulations and Environmental Laws), on common law or equitable cause or on contract or otherwise, that may be imposed on, incurred by, or asserted against any such Indemnitee, in any manner relating to or arising out of (i) this Agreement or the other Credit Documents or the transactions contemplated hereby or thereby (including the Lenders' agreement to make Credit Extensions or the use or intended use of the proceeds thereof, or any enforcement of any of the

Credit Documents (including any sale of, collection from, or other realization upon any of the Collateral or the enforcement of the Guaranty)); (ii) the statements contained in the engagement letter between GSCP and Company with respect to the transactions contemplated by this Agreement; or (iii) any Environmental Claim or any Hazardous Materials Activity relating to or arising from, directly or indirectly, any past or present activity, operation, land ownership, or practice of Holdings or any of its Subsidiaries.

"Indemnitee" as defined in Section 10.3.

"Initial Credit Agreement" means the First Lien Credit and Guaranty Agreement, dated as of June 24, 2005 and amended as of July 8, 2005, by and among Company, Holdings, certain Subsidiaries of Company as Guarantors, GSCP, as joint lead arranger, joint bookrunner, syndication agent, administrative agent and collateral agent, and Credit Suisse, Cayman Islands Branch, as joint lead arranger and joint bookrunner.

"Installment" as defined in Section 2.12(a).

"Installment Date" as defined in Section 2.12(a).

"**Intercreditor Agreement**" means an Intercreditor Agreement substantially in the form of Exhibit L, as it may be amended, restated, supplemented or otherwise modified from time to time.

"Interest Coverage Ratio" means the ratio as of the last day of any Fiscal Quarter of (i) Consolidated Adjusted EBITDA for the four-Fiscal Quarter period then ended, to (ii) Consolidated Cash Interest Expense for such four-Fiscal Quarter period.

"Interest Payment Date" means with respect to (i) any Loan that is a Base Rate Loan, each April 1, July 1, October 1 and January 1 of each year, commencing on April 1, 2007 and the final maturity date of such Loan or the Funded Letter of Credit Termination Date, as applicable; and (ii) any Loan that is a Eurodollar Rate Loan and with respect to the Credit Linked Deposit, the last day of each Interest Period applicable to such Loan or the Credit Linked Deposit, as the case may be; provided, in the case of each Interest Period of longer than three months "Interest Payment Date" shall also include each date that is three months, or an integral multiple thereof, after the commencement of such Interest Period.

"Interest Period" means (i) in connection with a Eurodollar Rate Loan, an interest period of one-, two-, three- or six-months, and to the extent available to each applicable Lender, nine- and twelve-months, as selected by Company in the applicable Funding Notice or Conversion/Continuation Notice, (x) initially, commencing on the Credit Date or Conversion/Continuation Date thereof, as the case may be; and (y) thereafter, commencing on the day on which the immediately preceding Interest Period expires; provided, (a) if an Interest Period would otherwise expire on a day that is not a Business Day, such Interest Period shall expire on the next succeeding Business Day unless no further Business Day occurs in such month, in which case such Interest Period shall expire on the immediately preceding Business Day; (b) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall, subject to clauses (c) and (d), of this definition, end on the last Business Day of a calendar month; (c) no Interest Period with respect to any portion of any Class of Term Loans shall extend beyond such Class's Term Loan Maturity Date; and (d) no Interest Period with respect to any portion of the Revolving Loans shall extend beyond the Revolving Commitment Termination Date and (ii) in connection with a Credit Linked Deposit, each period initially, commencing on the Effective Date until the first Business Day to occur after April 1, 2007 and (ii) thereafter, a three month period ending the first Business Day after April, July, October and January; provided that a single Interest Period shall at all times apply to all Credit Linked Deposits.

"Interest Rate Agreement" means any interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedging agreement or other similar agreement or arrangement, each of which is for the purpose of hedging the interest rate exposure associated with Company's and its Subsidiaries' operations and not for speculative purposes.

"Interest Rate Determination Date" means, with respect to any Interest Period, the date that is two Business Days prior to the first day of such Interest Period.

"Internal Revenue Code" means the Internal Revenue Code of 1986, as amended to the date hereof and from time to time hereafter, and any successor statute.

"Investment" means (i) any direct or indirect purchase or other acquisition by any Holdings or any of their respective Subsidiaries of, or of a beneficial interest in, any of the Securities of any other Person (other than a Guarantor Subsidiary); (ii) any direct or indirect redemption, retirement, purchase or other acquisition for value, by any Holdings or any of their respective Subsidiaries from any Person (other than Company or any Guarantor Subsidiary), of any Capital Stock of such Person; and (iii) any direct or indirect loan, advance (other than advances to employees for moving, entertainment and travel expenses, drawing accounts and similar expenditures in the ordinary course of business) or capital contribution by any Holdings or any of their respective Subsidiaries to any other Person (other than Company or any Guarantor Subsidiary), including all indebtedness and accounts receivable from that other Person that are not current assets or did not arise from sales to that other Person in the ordinary course of business. The amount of any Investment shall be the original cost of such Investment plus the cost of all additions thereto, net of any repayments, interest, returns, profits, distributions, income and similar amounts actually received in cash in respect of any such Investment, without any adjustments for increases or decreases in value, or write-ups, write-downs or write-offs with respect to such Investment.

"IPO" a registered initial public offering of voting Capital Stock of Company, any Holdings, or any Parent.

"Issuance Notice" means an Issuance Notice substantially in the form of Exhibit A-3.

"Issuing Bank" means each of a Funded LC Issuing Bank and a Revolving Issuing Bank.

"Landlord Consent and Estoppel" means, with respect to any Leasehold Property, a letter, certificate or other instrument in writing from the lessor under the related lease, pursuant to which, among other things, the landlord consents to the granting of a Mortgage on such Leasehold Property by the Credit Party tenant, such Landlord Consent and Estoppel to be in form and substance acceptable to Collateral Agent reasonably acceptable, but in any event sufficient for Collateral Agent to obtain a Title Policy with respect to such Mortgage.

"Leasehold Property" means any leasehold interest of any Credit Party as lessee under any lease of real property with an annual rent of $1,000,000 or more, other than (i) any leasehold interest with respect to which Company was not able to obtain a Landlord Consent and Estoppel, despite the use of its commercially reasonable efforts and (ii) any leasehold interest as to which the Collateral Agent shall determine in its reasonable discretion and in consultation with Company that the costs of obtaining a leasehold mortgage with respect thereto are excessive in relation to the value of the security afforded thereby.

"Lender" means each financial institution listed on the signature pages hereto as a Lender and any other Person that becomes a party hereto pursuant to an Assignment Agreement.

"Lender Consent Letters" means the lender consent letters authorizing the Administrative Agent to execute this Agreement.

"Lender Counterparty" means each Lender or any Affiliate of a Lender counterparty to a Hedge Agreement (including any Person who is a Lender (and any Affiliate thereof) as of the Closing Date or the Effective Date, as the case may be, but subsequently, whether before or after entering into a Hedge Agreement, ceases to be a Lender and any Person who enters into a Hedge Agreement in connection with the transactions contemplated by the Related Agreements prior to the Effective Date and was a Lender as of the Closing Date) including, without limitation, each such Affiliate that enters into a joinder agreement with Collateral Agent.

"**Letter of Credit**" means a Revolving Letter of Credit or a Funded Letter of Credit.

"Letter of Credit Participant" means Revolving Letter of Credit Participants and Funded Letter of Credit Participants.

"LIBOR" means, with respect to any Eurodollar Rate Loan for any Interest Period, the rate per annum determined by the Administrative Agent at approximately 11:00 a.m. (London time) on the date that is two Business Days prior to the beginning of the relevant Interest Period by reference to the British Bankers' Association Interest Settlement Rates for deposits in Dollars (as set forth by the Bloomberg Information Service or any successor thereto or any other service selected by the Administrative Agent which has been nominated by the British Bankers' Association as an authorized information vendor for the purpose of displaying such rates) for a period equal to such Interest Period; provided that, to the extent that an interest rate is not ascertainable pursuant to the foregoing provisions of this definition, the "LIBOR" shall be the interest rate per annum determined by the Administrative Agent to be the average of the rates per annum at which deposits in Dollars are offered for such relevant Interest Period to major banks in the London interbank market in London, England by the Administrative Agent at approximately 11:00 a.m. (London time) on the date that is two Business Days prior to the beginning of such Interest Period.

"Lien" means any lien, mortgage, pledge, assignment, security interest, charge or encumbrance of any kind (including any agreement to give any of the foregoing, any conditional sale or other title retention agreement, and any lease in the nature thereof) and any option, trust or other preferential arrangement having the practical effect of any of the foregoing.

"Loan" means a Tranche D Term Loan, a Revolving Loan, a New Term Loan and a Swing Line Loan.

"**Major Scheduled Turnaround**" means (i) with respect to the Coffeyville Refinery, a scheduled shutdown of refinery process units primarily for purposes of conducting maintenance, of at least twenty (20) consecutive days which shutdown shall occur no more than two times prior to the Tranche D Loan Maturity Date and (ii) with respect to the Coffeyville Nitrogen Plan, a scheduled shutdown primarily for purposes of conducting maintenance, of at least seven (7) consecutive days which shutdown shall not occur more than two times in any twenty-four (24) month period.

"**Major Scheduled Turnaround Expenses**" means expenses which have been incurred by Company or its Subsidiaries to complete a Major Scheduled Turnaround but only to the extent such amounts would be treated as expenses under GAAP.

"**Management Agreement**" means, collectively, each of those certain Management Agreements, dated as of the Closing Date, by and between each Sponsor and Holdings, as such agreements may be amended or modified in accordance with the terms and provisions hereof.

"Margin Stock" as defined in Regulation U of the Board of Governors of the Federal Reserve System as in effect from time to time.

"Material Adverse Effect" means a material adverse effect on and/or material adverse developments with respect to (i) the properties, business, assets, liabilities, condition (financial or otherwise) or results of operation of all Holdings and their respective Subsidiaries taken as a whole; (ii) the ability of any Credit Party to fully and timely perform its Obligations; (iii) the legality, validity, binding effect or enforceability against a Credit Party of a Credit Document to which it is a party; or (iv) the rights, remedies and benefits, available to, or conferred upon, any Agent and any Lender or any Secured Party under the Credit Documents.

"Material Contract" means any contract or other arrangement to which any of Holdings or any of their respective Subsidiaries is a party (other than the Credit Documents) for which breach, nonperformance, cancellation or failure to renew could reasonably be expected to have a Material Adverse Effect, including, without limitation, the Swap Agreement.

"Material Real Estate Asset" means (i) (a) any fee-owned Real Estate Asset having a fair market value in excess of $1,000,000 as of the date of the acquisition thereof and (b) all Leasehold Properties other than those with respect to which the aggregate annual payments under the term of the lease are less than $1,000,000 per annum or (ii) any Real Estate

Asset that the Collateral Agent has determined in its reasonable judgment after consultation with Company is material to the properties, assets, liabilities, condition (financial or otherwise) results of operation of all Holdings and all of their Subsidiaries, including Company.

"**Minority Investments**" means any Person (other than a Subsidiary) in which Holdings or any of its Subsidiaries own capital stock or other equity interests.

"Moody's" means Moody's Investor Services, Inc.

"Mortgage" means a Mortgage substantially in the form of Exhibit J, as it may be amended, supplemented or otherwise modified from time to time.

"Multiemployer Plan" means any Employee Benefit Plan which is a "multiemployer plan" as defined in Section 3(37) of ERISA.

"NAIC" means The National Association of Insurance Commissioners, and any successor thereto.

"Narrative Report" means, with respect to the financial statements for which such narrative report is required, a narrative report describing the operations of Company and its Subsidiaries in the form prepared for presentation to senior management thereof for the applicable month, Fiscal Quarter or Fiscal Year and for the period from the beginning of the then current Fiscal Year to the end of such period to which such financial statements relate.

"Net Asset Sale Proceeds" means, with respect to any Asset Sale, an amount equal to: (i) Cash payments (including any Cash received by way of deferred payment pursuant to, or by monetization of, a note receivable or otherwise, but only as and when so received) received by Company or any of its Subsidiaries from such Asset Sale, minus (ii) any actual costs incurred in connection with such Asset Sale, including (a) Taxes paid, payable or reasonably estimated to be payable by seller or any of its Affiliates as a result of such Asset Sale, (b) payment of the outstanding principal amount of, premium or penalty, if any, and interest on any Indebtedness (other than the Loans) that is secured by a Lien on the stock or assets in question and that is required to be repaid under the terms thereof as a result of such Asset Sale, (c) a reasonable reserve for any liabilities (fixed or contingent) attributable to Seller's indemnities and representations and warranties to purchase in respect of such Asset Sale, and (d) reasonable and customary fees, commissions and expenses paid by Company or any of its Subsidiaries, as applicable, in connection with such Asset Sale.

"Net Insurance/Condemnation Proceeds" means an amount equal to: (i) any Cash payments or proceeds received by Company or any of its Subsidiaries (a) under any all risk property insurance policy in respect of a covered loss thereunder (other than the proceeds of business interruption insurance) or (b) as a result of the taking of any assets of Company or any of its Subsidiaries by any Person pursuant to the power of eminent domain, condemnation or otherwise, or pursuant to a sale of any such assets to a purchaser with such power under threat of such a taking, minus (ii) (a) any actual and reasonable costs incurred by Company or any of its Subsidiaries in connection with the adjustment or settlement of any claims of Company or such Subsidiary in respect thereof or otherwise in connection with the repairs or replacement of affected assets to the extent permitted pursuant to Section 2.14(b), and (b) any actual costs incurred in connection with any sale of such assets as referred to in clause (i)(b) of this definition, including Taxes paid, payable or reasonably estimated to be payable in connection therewith, reasonable fees and expenses of professional advisors, title and recordation expenses and reasonable indemnification expenses.

"New Term Loan Exposure" means, with respect to any Lender, as of any date of determination, the outstanding principal amount of the New Term Loans of such Lender.

"New Term Loans" as defined in Section 2.4(f).

"Non-US Lender" as defined in Section 2.20(c).

"Nonpublic Information" means information which has not been disseminated in a manner making it available to investors generally, within the meaning of Regulation D.

"Note" means a Tranche D Term Note, a Revolving Loan Note or a Swing Line Note.

"Notice" means a Funding Notice, an Issuance Notice, or a Conversion/Continuation Notice.

"Obligations" means all obligations of every nature of each Credit Party from time to time owed to the Agents (including former Agents), the Lenders or any of them, the Issuing Banks and Lender Counterparties, under any Credit Document, any Hedge Agreement (including, without limitation, with respect to a Hedge Agreement, obligations owed thereunder to any person who was a Lender or an Affiliate of a Lender at the time such Hedge Agreement was entered into) or any Interest Rate Agreements, Currency Agreements and Commodity Agreements entered into with financial institutions other than Lender Counterparties with respect to which the Company has notified the Administrative Agent thereof, such obligations **"Specified Secured Hedge Indebtedness"**, and in an aggregate amount not to exceed $25,000,000 less the amount of Indebtedness secured by Liens permitted by Section 6.2(u), whether for principal, interest (including interest which, but for the filing of a petition in bankruptcy with respect to such Credit Party, would have accrued on any Obligation, whether or not a claim is allowed against such Credit Party for such interest in the related bankruptcy proceeding), reimbursement of amounts drawn under Letters of Credit, payments for early termination of Hedge Agreements, fees, expenses, indemnification or otherwise.

"Obligee Guarantor" as defined in Section 7.7.

"Organizational Documents" means (i) with respect to any corporation, its certificate or articles of incorporation or organization, as amended, and its by-laws, as amended, (ii) with respect to any limited partnership, its certificate of limited partnership, as amended, and its partnership agreement, as amended, (iii) with respect to any general partnership, its partnership agreement, as amended, and (iv) with respect to any limited liability company, its articles of organization, as amended, and its operating agreement, as amended. In the event any term or condition of this Agreement or any other Credit Document requires any Organizational Document to be certified by a secretary of state or similar governmental official, the reference to any such “Organizational Document” shall only be to a document of a type customarily certified by such governmental official.

“Parent” means AcquisitionCo and any direct or indirect parent of AcquisitionCo or any corporation or other entity into which AcquisitionCo may be merged or consolidated prior to or in connection with an IPO or which otherwise may be formed by AcquisitionCo and which owns directly or indirectly all of the Capital Stock of Holdings, including CVR Energy, Inc.

“PBGC” means the Pension Benefit Guaranty Corporation or any successor thereto.

“Pension Plan” means any Employee Benefit Plan, other than a Multiemployer Plan, which is subject to Section 412 of the Internal Revenue Code or Section 302 of ERISA.

“Permitted Acquisition” means any acquisition by Company or any of its wholly-owned Subsidiaries, whether by purchase, merger or otherwise, of all or substantially all of the assets of, all of the Capital Stock of, or a business line or unit or a division of, any Person; provided,

(i) immediately prior to, and after giving effect thereto, no Default or Event of Default shall have occurred and be continuing or would result therefrom;

(ii) all transactions in connection therewith shall be consummated, in all material respects, in accordance with all applicable laws and in conformity with all applicable Governmental Authorizations;

(iii) in the case of the acquisition of Capital Stock, no less than 75% (or 51% in the case of non-Guarantor Subsidiaries to the extent permitted by Section 5.10) of the Capital Stock (except for any such Securities in the nature of directors’ qualifying shares required pursuant to applicable law) acquired or otherwise issued by such Person or any newly formed Subsidiary of Company in connection with such acquisition shall be owned by Company or a Guarantor Subsidiary thereof, and Company shall have taken, or caused to be taken, as of the date such Person becomes a Subsidiary of Company, each of the actions set forth in Sections 5.10 (subject to the exceptions and limitations with respect to non-Guarantor Subsidiaries therein) and/or 5.11, as applicable;

(iv) Company and its Subsidiaries shall be in compliance with the financial covenants set forth in Section 6.8 on a pro forma basis after giving effect to such acquisition as of the last day of the Fiscal Quarter most recently ended for which financial statements are available (as determined in accordance with Section 6.8(d));

(v) Company shall have delivered to Administrative Agent (A) at least ten (10) Business Days prior to such proposed acquisition, a Compliance Certificate evidencing compliance with Section 6.8 as required under clause (iv) above, together with all relevant financial information with respect to such acquired assets, including, without limitation, the aggregate consideration for such acquisition and any other information required to demonstrate compliance with Section 6.8; and

(vi) any Person or assets or division as acquired in accordance herewith (y) shall be in substantially similar business or lines of business in which Company and/or its Subsidiaries are engaged as of the Effective Date or reasonably incidental or ancillary thereto.

"**Permitted Cure Securities**" means equity Securities of Holdings having no mandatory redemption, repurchase, repayment or similar requirements prior to the date which occurs six (6) months after the final maturity date of Tranche D Term Loans and upon which all dividends or distributions, at the election of Holdings, may be payable in additional shares of such Security.

"Permitted Liens" means each of the Liens permitted pursuant to Section 6.2.

"Permitted Sale Leaseback" means any Sale Leaseback consummated by Company or any of its Subsidiaries after the Effective Date, provided that such Sale Leaseback is consummated for fair value as determined at the time of consummation in good faith by Company.

"Person" means and includes natural persons, corporations, limited partnerships, general partnerships, limited liability companies, limited liability partnerships, joint stock companies, joint ventures, associations, companies, trusts, banks, trust companies, land trusts, business trusts or other organizations, whether or not legal entities, and Governmental Authorities.

"Phase I Report" means, with respect to any Facility, a report that (i) conforms to the ASTM Standard Practice for Environmental Site Assessments, E 1527-00 or, if reasonably requested by the Administrative Agent, USEPA's standards for "All Appropriate Inquiry", (ii) was conducted no more than six months prior to the date such report is required to be delivered hereunder by one or more environmental consulting firms reasonably satisfactory to Administrative Agent, and (iii) if reasonably requested by the Administrative Agent, contains (a) an assessment of asbestos-containing materials at such Facility, (b) an estimate of the reasonable worst-case cost of investigating and remediating any Hazardous Materials or Hazardous Materials Activity identified as giving rise to an actual or potential material violation of any Environmental Law or as presenting a material risk of giving rise to a material Environmental Claim, and (c) an assessment of Holdings', its Subsidiaries' and the Facility's current and past compliance with Environmental Laws and an estimate of the cost of rectifying any non-compliance with current Environmental Laws identified therein and the cost of compliance with reasonably anticipated future Environmental Laws identified therein; provided, however, that for items (iii)(b) and (iii)(c) above, the report need only provide cost estimates for matters that could reasonably be expected to result in liability to or expenditures by Holdings or its Subsidiaries in excess of $1,500,000.

"Pipeline" as defined in the preamble hereto.

"Platform" as defined in Section 5.1(r).

"Pledge and Security Agreement" means the First Lien Pledge and Security Agreement executed by Company and each Guarantor on the Effective Date substantially in the form of Exhibit I, as amended, restated, supplemented or otherwise modified from time to time.

"Principal Office" means, for each of Administrative Agent, Swing Line Lender and the Issuing Banks, such Person's "Principal Office" as set forth on Appendix B, or such other office or office of a third party or sub-agent, as appropriate, as such Person may from time to time designate in writing to Company, Administrative Agent and each Lender.

"Pro Rata Share" means (i) with respect to all payments, computations and other matters relating to the Tranche D Term Loan of any Lender, the percentage obtained by dividing (a) the Tranche D Term Loan Exposure of that Lender by (b) the aggregate Tranche D Term Loan Exposure of all Lenders; (ii) with respect to all payments, computations and other matters relating to the Revolving Commitment or Revolving Loans of any Lender or any Revolving Letters of Credit issued or participations purchased therein by any Lender or any participations in any Swing Line Loans purchased by any Lender, the percentage obtained by dividing (a) the Revolving Exposure of that Lender by (b) the aggregate Revolving Exposure of all Lenders; (iii) with respect to all payments, computations and other matters relating to the Funded Letters of Credit or Credit Linked Deposit of any Lender, the percentage obtained by dividing (a) the Funded Letter of Credit Exposure of that Lender by (b) the aggregate Funded Letter of Credit Exposure of all Lenders; and (iv) with respect to all payments, computations and other matters relating to the New Term Loan of any Lender, the percentage obtained by dividing (a) the New Term Loan Exposure of that Lender by (b) the aggregate New Term Loan Exposure of all Lenders. For all other purposes with respect to each Lender, "Pro Rata Share" means the percentage obtained by dividing (A) an amount equal to the sum of the Tranche D Term Loan Exposure, Revolving Exposure, Funded Letter of Credit Exposure and New Term Loan Exposure of that Lender, by (B) an amount equal to the sum of the aggregate Tranche D Term Loan Exposure, the aggregate Revolving Exposure, the aggregate Funded Letter of Credit Exposure and the aggregate New Term Loan Exposure of all Lenders.

"Projections" as defined in Section 4.8.

"Qualified IPO" a registered initial public offering of voting Capital Stock of Company, any Holdings, or any Parent (to the extent such registered initial public offering does not result in a Change of Control), which generates gross proceeds of at least $250,000,000 and the proceeds of which are applied to generate a Term Loan Repayment Amount, when aggregated with prepayments pursuant to Sections 2.13 and/or 2.14, of not less than $275,000,000.

"Qualified Subordinated Indebtedness" means Indebtedness of the Company or any Holdings otherwise permitted to be incurred pursuant to Section 6.1; provided that such Indebtedness is (i) subordinated to the Obligations on terms customary at the time for high-yield subordinated debt securities issued in a public offering, (ii) matures after, and does not require any scheduled amortization or other scheduled payments of principal prior to, the final maturity of the Loans hereunder (it being understood that such Indebtedness may have mandatory prepayment, repurchase or redemptions provisions satisfying the requirement of clause (iii) hereof), and (iii) has terms and conditions (other than interest rate, redemption premiums and subordination terms), taken as a whole, that are not materially less favorable to Borrower as the terms and conditions customary at the time for high-yield subordinated debt securities issued in a public offering; provided that a certificate of a Responsible Officer delivered to Administrative Agent at least 15 Business Days prior to the incurrence of such Indebtedness, together with a reasonably detailed description of the material terms and conditions of such Indebtedness or drafts of the documentation relating thereto, stating that Holdings has determined in good faith that such terms and conditions satisfy the requirements of this definition shall be conclusive evidence that such terms and conditions satisfy the foregoing requirement unless Administrative Agent notifies Holdings within 10 days of receipt of such certificate that it disagrees with such determination.

"Ratings Confirmation" means a confirmation of the Company's corporate family rating of B2 (with a stable outlook) or better by Moody's and the Company's corporate or issuer credit rating of B (with a stable outlook) or better by S&P.

"RCRA Administrative Orders" means (a) the Administrative Order on Consent between the Seller and the EPA dated October 21, 1994 pursuant to RCRA Docket No. VII-94-H-0020; and (b) the Administrative Order on Consent between the Seller and the EPA dated January 12, 1996 pursuant to RCRA Docket No. VII-95-H-0011, in each case including any subsequent amendments thereto.

"Real Estate Asset" means, at any time of determination, any interest (fee, leasehold or otherwise) then owned by any Credit Party in any real property.

"Record Document" means, with respect to any Leasehold Property, (i) the lease evidencing such Leasehold Property or a memorandum thereof, executed and acknowledged by the owner of the affected real property, as lessor, or (ii) if such Leasehold Property was acquired or subleased from the holder of a Recorded Leasehold Interest, the applicable assignment or sublease document, executed and acknowledged by such holder, in each case in form sufficient to give such constructive notice upon recordation and otherwise in form reasonably satisfactory to Collateral Agent.

"Recorded Leasehold Interest" means a Leasehold Property with respect to which a Record Document has been recorded in all places necessary or desirable, in Administrative Agent's reasonable judgment, to give constructive notice of such Leasehold Property to third-party purchasers and encumbrancers of the affected real property.

"Refining" as defined in the preamble hereto.

"Refunded Swing Line Loans" as defined in Section 2.3(b)(iv).

"Register" as defined in Section 2.7(b).

"Regulation D" means Regulation D of the Board of Governors of the Federal Reserve System, as in effect from time to time.

"Reimbursement Date" as defined in Section 2.4(d).

"Related Agreements" means, collectively, the Swap Agreement and the Management Agreement.

“Related Fund” means, with respect to any Lender that is an investment fund, any other investment fund that invests in commercial loans and that is managed or advised by the same investment advisor as such Lender or by an Affiliate of such investment advisor.

“Release” means any release, spill, emission, leaking, pumping, pouring, injection, escaping, deposit, disposal, discharge, dispersal, dumping, leaching or migration of any Hazardous Material into or through the indoor or outdoor environment.

“Remedial Action” means all actions taken to (i) clean up, remove, remediate, contain, treat, monitor, assess, evaluate or in any other way address Hazardous Materials in the environment; (ii) perform pre-remedial studies and investigations and post-remedial operation and maintenance activities; or (iii) any response actions authorized by 42 U.S.C. 9601 et. seq. or applicable state law.

“Replacement Lender” as defined in Section 2.23.

“Requisite Class Lenders” means, at any time of determination, (i) for the Class of Lenders having Tranche D Term Loan Exposure, Lenders holding more than 50% of the aggregate Tranche D Term Loan Exposure of all Lenders; (ii) for the Class of Lenders having Revolving Exposure, Lenders holding more than 50% of the aggregate Revolving Exposure of all Lenders; (iii) for each Class of Lenders having Funded Letter of Credit Exposure, Lenders holding more than 50% of the aggregate Funded Letter of Credit Exposure of that Class; and (iv) for the Class of Lenders having New Term Loan Exposure, Lenders holding more than 50% of the aggregate New Term Loan Exposure of all Lenders.

“Requisite Lenders” means one or more Lenders having or holding Tranche D Term Loan Exposure, Revolving Exposure, Funded Letter of Credit Exposure and/or New Term Loan Exposure representing more than 50% of the sum of (i) the aggregate Tranche D Term Loan Exposure of all Lenders, (ii) the aggregate Revolving Letter of Credit Exposure of all Lenders, (iii) the aggregate Funded Letter of Credit Exposure of all Lenders and (iv) the aggregate New Term Loan Exposure of all Lenders.

“Restricted Junior Payment” means (i) any dividend or other distribution, direct or indirect, on account of any shares of any class of stock of Holdings or Company now or hereafter outstanding, except a dividend or other distribution payable solely in shares of Capital Stock; (ii) any redemption, retirement, sinking fund or similar payment, purchase or other acquisition for value, direct or indirect, of any shares of any class of stock of Holdings or Company now or hereafter outstanding; (iii) any payment made to retire, or to obtain the surrender of, any outstanding warrants, options or other rights to acquire shares of any class of stock of Holdings or Company now or hereafter outstanding; (iv) management or similar fees payable to Sponsors or any of its Affiliates; and (v) any payment or prepayment of principal of, premium, if any, or interest on, or redemption, repurchase, retirement, defeasance (including in substance or legal defeasance), sinking fund or similar payment with respect to obligations arising as a result of terminations or reductions in the Swap Agreement.

“Revolving Commitment” means the commitment of a Lender to make or otherwise fund any Revolving Loan and to acquire participations in Revolving Letters of Credit and Swingline Loans hereunder and **"Revolving Commitments"** means such commitments of all Lenders in the aggregate. The amount of each Lender's Revolving Commitment, if any, is set forth in the Register or in the applicable Assignment Agreement, subject to any adjustment or reduction pursuant to the terms and conditions hereof. The aggregate amount of the Revolving Commitments as of the Effective Date is $150,000,000.

"Revolving Commitment Period" means the period from the Effective Date to but excluding the Revolving Commitment Termination Date.

"Revolving Commitment Termination Date" means the earliest to occur of (i) the sixth anniversary of the Effective Date as such date may be extended pursuant to Section 10.5(e); and (ii) the date of the termination of the Revolving Commitments pursuant to Section 8.1.

"Revolving Credit Level I Status" means, in the case of Revolving Loans, (a) with respect to any determination made after June 30, 2007, if the Company has not consummated a Qualified IPO, or (b) (i) the Company's corporate family rating is B3 (regardless of outlook) or lower by Moody's, or (ii) the Company's corporate or issuer credit rating is B– (regardless of outlook) or lower by S&P.

"Revolving Credit Level II Status" means, in the case of Revolving Loans, the Company has not achieved Revolving Credit Level I Status, Revolving Credit Level III Status, or Revolving Credit Level IV Status.

"Revolving Credit Level III Status" means, in the case of Revolving Loans, (a) the Company has consummated a Qualified IPO, (b) the Company's corporate family rating is B2 (with a stable outlook) or better by Moody's, and (c) the Company's corporate or issuer credit rating is B (with a stable outlook) or better by S&P, but not Revolving Credit Level IV Status.

"Revolving Credit Level IV Status" means, in the case of Revolving Loans, (a) the Company has consummated a Qualified IPO, (b) the Company's corporate family rating is B1 (with a stable outlook) or better by Moody's, and (c) the Company's corporate or issuer credit rating is B+ (with a stable outlook) or better by S&P.

"Revolving Credit Status" means the existence of Revolving Credit Level I Status, Revolving Credit Level II Status, Revolving Credit Level III Status, or Revolving Credit Level IV Status, as the case may be. Changes in the Applicable Margin resulting from changes in Revolving Credit Status shall become effective as of the first Business Day following (a) the day that changes in ratings from Moody's or S&P become effective and/or (as applicable) (b) the day that the Company consummates a Qualified IPO.

"Revolving Exposure" means, with respect to any Lender as of any date of determination, (i) prior to the termination of the Revolving Commitments, that Lender's Revolving Commitment; and (ii) after the termination of the Revolving Commitments, the sum of (a) the aggregate outstanding principal amount of the Revolving Loans of that Lender, (b) in the case of any Issuing Bank, the aggregate Revolving Letter of Credit Usage in respect of all Revolving Letters of Credit issued by that Lender (net of any participations by Lenders in such

Revolving Letters of Credit), (c) the aggregate amount of all participations by that Lender in any outstanding Revolving Letters of Credit or any unreimbursed drawing under any Revolving Letter of Credit, (d) in the case of Swing Line Lender, the aggregate outstanding principal amount of all Swing Line Loans (net of any participations therein by other Lenders), and (e) the aggregate amount of all participations therein by that Lender in any outstanding Swing Line Loans.

"Revolving Issuing Bank" means with respect to any Revolving Letter of Credit, any Lender (including any Person who is a Lender as of the Effective Date but subsequently, after agreeing to become a Revolving Issuing Bank, ceases to be a Lender) which, at the request of Company, and with the consent of Administrative Agent (not to be unreasonably withheld), agrees in such Lender's sole discretion to become a Revolving Issuing Bank for the purposes of issuing such Revolving Letter of Credit, together with its permitted successors and assigns in such capacity. As of the Effective Date, Credit Suisse shall be a Revolving Issuing Bank.

"Revolving Letter of Credit" means a commercial or standby letter of credit issued or to be issued by an Issuing Bank pursuant to this Agreement.

"Revolving Letter of Credit Participant" as defined in Section 2.4(g).

"Revolving Letter of Credit Sublimit" means the lesser of (i) $75,000,000 and (ii) the aggregate unused amount of the Revolving Commitments then in effect.

"Revolving Letter of Credit Usage" means, as at any date of determination, the sum of (i) the maximum aggregate amount which is, or at any time thereafter may become, available for drawing under all Revolving Letters of Credit then outstanding, and (ii) the aggregate amount of all drawings under Revolving Letters of Credit honored by an Issuing Bank and not theretofore reimbursed by or on behalf of Company.

"Revolving Loan" means a Loan made by a Lender to Company pursuant to Section 2.2(a) and/or 2.22.

"Revolving Loan Note" means a promissory note in the form of Exhibit B-2, as it may be amended, supplemented or otherwise modified from time to time.

"S&P" means Standard & Poor's Ratings Group, a division of The McGraw Hill Corporation.

"Sale Leaseback" means any transaction or series of related transactions pursuant to which Company or any of its Subsidiaries (a) sells, transfers or otherwise disposes of any property, real or personal, whether now owned or hereafter acquired, and (b) as part of such transaction, thereafter rents or leases such property or other property that it intends to use for substantially the same purpose or purposes as the property being sold, transferred or disposed.

"Second Lien Credit Agreement" means the Second Lien Credit and Guaranty Agreement dated as of June 24, 2005 and amended as of July 8, 2005, among Company, Holdings, GSCP as joint lead arranger, joint bookrunner, syndication agent and Credit Suisse as joint lead arranger, joint bookrunner and administrative agent and the other agents and lenders party thereto.

"Second Lien Term Loans" means the Second Lien Term Loans in an aggregate principal amount outstanding of $275,000,000 made on the Closing Date under the Second Lien Credit Agreement.

"Secured Parties" has the meaning assigned to that term in the Pledge and Security Agreement.

"Securities" means any stock, shares, partnership interests, voting trust certificates, certificates of interest or participation in any profit-sharing agreement or arrangement, options, warrants, bonds, debentures, notes, or other evidences of indebtedness, secured or unsecured, convertible, subordinated or otherwise, or in general any instruments commonly known as "securities" or any certificates of interest, shares or participations in temporary or interim certificates for the purchase or acquisition of, or any right to subscribe to, purchase or acquire, any of the foregoing.

"Securities Act" means the Securities Act of 1933, as amended from time to time, and any successor statute.

"Seller" means Coffeyville Group Holdings, LLC.

"Series" as defined in Section 2.4(f).

"Settlement Confirmation" as defined in Section 10.6(b).

"Settlement Service" as defined in Section 10.6(d).

"**Significant Subsidiary**" means any Subsidiary of Holdings now existing or hereafter acquired or formed which, on a consolidated basis for such Subsidiary and all of its Subsidiaries, (i) for the period of the most recent four full Fiscal Quarters of Holdings accounted for more than 5% of the total consolidated revenues of Holdings and its Subsidiaries for such period or (ii) as at the end of the most recent Fiscal Year, was the owner of more than 5% of the total consolidated assets of Holdings and its Subsidiaries as at the end of such Fiscal Year; provided that each of Coffeyville Resources Nitrogen Fertilizers, LLC, Coffeyville Refining & Marketing, LLC and Coffeyville Resources Crude Transportation, LLC shall be a Significant Subsidiary.

"Solvency Certificate" means a Solvency Certificate of the chief financial officer of Company substantially in the form of Exhibit G-2.

"Solvent" means, with respect to any Credit Party, that as of the date of determination, both (i) (a) the sum of such Credit Party's debt (including contingent liabilities) does not exceed the present fair saleable value of such Credit Party's present assets; (b) such Credit Party's capital is not unreasonably small in relation to its business; and (c) such Person has not incurred and does not intend to incur, or believe (nor should it reasonably believe) that it will incur, debts beyond its ability to pay such debts as they become due; and (ii) such Person is "solvent" within the meaning given that term and similar terms under applicable laws relating to fraudulent transfers and conveyances. For purposes of this definition, the amount of any contingent liability at any time shall be computed as the amount that, in light of all of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability (irrespective of whether such contingent liabilities meet the criteria for accrual under Statement of Financial Accounting Standard No. 5).

"Specified Secured Hedge Indebtedness" as defined in the definition of "Obligations".

"Sponsors" means each of (i) GS Capital Partners V Fund, L.P and its Affiliates (excluding portfolio companies) and (ii) Kelso & Company, L.P. and its Affiliates (excluding portfolio companies), and "Sponsors" shall refer collectively to the Persons referred to in clauses (i) and (ii).

"Stated Amount" of any Letter of Credit means the maximum amount from time to time available to be drawn thereunder, determined without regard to whether any conditions to drawing could then be met.

"Statutory Reserves" means a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentages (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Board and any other banking authority, domestic or foreign, to which the Administrative Agent or any Lender (including any branch, Affiliate, or other fronting office making or holding a Loan) is subject for Eurocurrency Liabilities (as defined in Regulation D of the Board). Such reserve percentages shall include those imposed pursuant to such Regulation D. LIBOR and EURIBOR Loans shall be deemed to constitute Eurocurrency Liabilities and to be subject to such reserve requirements without benefit of or credit for pro-ration, exemptions or offsets that may be available from time to time to any Lender under such Regulation D. Statutory Reserves shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

"Subject Transaction" as defined in Section 6.8(d).

"Subsidiary" means, with respect to any Person, any corporation, partnership, limited liability company, association, joint venture or other business entity of which more than 50% of the total voting power of shares of stock or other ownership interests entitled (without regard to the occurrence of any contingency) to vote in the election of the Person or Persons (whether directors, managers, trustees or other Persons performing similar functions) having the power to direct or cause the direction of the management and policies thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof; provided, in determining the percentage of ownership interests of any Person controlled by another Person, no ownership interest in the nature of a "qualifying share" of the former Person shall be deemed to be outstanding. For purposes hereof, except where otherwise expressly set forth herein, Company shall be deemed a Subsidiary of Holdings.

"Swap Agreement" means the ISDA Master Agreement dated as of June 24, 2005 by and between J. Aron & Company (or any other subsidiary of The Goldman Sachs Group, Inc. that succeeds to J. Aron & Company) and Company (including the schedules and any credit annex thereto and the confirmations thereunder, including, without limitation, any confirmations entered into after the Closing Date), pursuant to which the parties thereto have entered into certain commodity price derivative transactions, as each may be amended, restated, supplemented or otherwise modified from time to time to the extent permitted herein.

"Swap Agreement Documents" means the Swap Agreement and each other document executed in connection with the Swap Agreement, and any documents executed in connection with any refinancings or replacements thereof to the extent permitted under Section 6.15, as each such document may be amended, restated, supplemented or otherwise modified from time to time to the extent permitted under Section 6.15.

"Swing Line Lender" means Credit Suisse in its capacity as Swing Line Lender hereunder, together with its permitted successors and assigns in such capacity.

"Swing Line Loan" means a Loan made by Swing Line Lender to Company pursuant to Section 2.3.

"Swing Line Note" means a promissory note in the form of Exhibit B-3, as it may be amended, supplemented or otherwise modified from time to time.

"Swing Line Sublimit" means the lesser of (i) $20,000,000, and (ii) the aggregate unused amount of Revolving Commitments then in effect.

"Syndication Agent" as defined in the preamble hereto.

"Tax" means any present or future tax, levy, impost, duty, assessment, charge, fee, deduction or withholding of any nature and whatever called, by whomsoever, on whomsoever and wherever imposed, levied, collected, withheld or assessed.

"Term Loan" means a Tranche D Term Loan or a New Term Loan.

"Term Loan Level I Status" means, in the case of Term Loans and Funded Letters of Credit, (a) with respect to any determination made after June 30, 2007, if the Company has not consummated a Qualified IPO, or (b) (i) the Company's corporate family rating is B3 (regardless of outlook) or lower by Moody's, or (ii) the Company's corporate or issuer credit rating is B– (regardless of outlook) or lower by S&P.

"Term Loan Level II Status" means, in the case of Term Loans and Funded Letters of Credit, the Company has not achieved Term Loan Level I Status, Term Loan Level III Status, or Term Loan Level IV Status.

"Term Loan Level III Status" means, in the case of Term Loans and Funded Letters of Credit, (a) the Company has consummated a Qualified IPO, (b) the Company's corporate family rating is B2 (with a stable outlook) or better by Moody's, and (c) the

Company’s corporate or issuer credit rating is B (with a stable outlook) or better by S&P, but not Term Loan Level IV Status.

“Term Loan Level IV Status” means, in the case of Term Loans and Funded Letters of Credit, (a) the Company has consummated a Qualified IPO, (b) the Company’s corporate family rating is B1 (with a stable outlook) or better by Moody’s, and (c) the Company’s corporate or issuer credit rating is B+ (with a stable outlook) or better by S&P.

“Term Loan Maturity Date” means each of the Tranche D Term Loan Maturity Date and the Funded Letter of Credit Termination Date, as applicable.

“**Term Loan Repayment Amount**” means the aggregate principal amount of Term Loans actually repaid or prepaid since the Effective Date (excluding repayments of Existing Tranche C Term Loans on the Effective Date) pursuant to Sections 2.12, 2.13(a) and 2.14(d) of this Agreement and excluding any New Term Loans.

“Term Loan Status” means the existence of Term Loan Level I Status, Term Loan Level II Status, Term Loan Level III Status, or Term Loan Level IV Status, as the case may be. Changes in the Applicable Margin resulting from changes in Term Loan Status shall become effective as of the first Business Day following (a) the day that changes in ratings from Moody’s or S&P become effective and/or (as applicable) (b) the day that the Company consummates a Qualified IPO.

“Terminal” as defined in the preamble hereto.

“Terminated Lender” as defined in Section 2.23.

“Title Policy” as defined in Section 3.1(i)(iv).

“**Total Credit Linked Deposit**” means, at any time, the sum of all Credit Linked Deposits at such time, as the same may be reduced from time to time pursuant to Section 2.4(f) or 2.13(b)(iii).

“**Total Funded Letter of Credit Commitment**” shall mean the sum of the Funded Letter of Credit Commitments of all the Lenders.

“Total Leverage Ratio” means the ratio as of the last day of any Fiscal Quarter or other date of determination of (i) Consolidated Total Debt as of such day to (ii) Consolidated Adjusted EBITDA for the four-Fiscal Quarter period ending on such date (or if such date of determination is not the last day of a Fiscal Quarter, for the four-Fiscal Quarters period ending as of the most recently concluded Fiscal Quarter).

“Total Utilization of Revolving Commitments” means, as at any date of determination, the sum of (i) the aggregate principal amount of all outstanding Revolving Loans (other than Revolving Loans made for the purpose of repaying any Refunded Swing Line Loans or reimbursing an Issuing Bank for any amount drawn under any Revolving Letter of Credit, but not yet so applied), (ii) the aggregate principal amount of all outstanding Swing Line Loans, and (iii) the Revolving Letter of Credit Usage.

“Tranche D Term Loan” means a Tranche D Term Loan made by a Lender to Company pursuant to Section 2.1(a).

“Tranche D Term Loan Commitment” means the commitment of a Lender to make or otherwise fund a Tranche D Term Loan and **“Tranche D Term Loan Commitments”** means such commitments of all Lenders in the aggregate. The amount of each Lender’s Tranche D Term Loan Commitment, if any, is set forth on Appendix A-1 or in the applicable Assignment Agreement, subject to any adjustment or reduction pursuant to the terms and conditions hereof. The aggregate amount of the Tranche D Term Loan Commitments as of the Effective Date is $775,000,000.

“Tranche D Term Loan Exposure” means, with respect to any Lender, as of any date of determination, the outstanding principal amount of the Tranche D Term Loans of such Lender; provided, at any time prior to the making of the Tranche D Term Loans, the Tranche D Term Loan Exposure of any Lender shall be equal to such Lender’s Tranche D Term Loan Commitment.

“Tranche D Term Loan Maturity Date” means the earlier of (i) the seventh anniversary of the Effective Date, and (ii) the date that all Tranche D Term Loans shall become due and payable in full hereunder, whether by acceleration or otherwise.

“Tranche D Term Loan Note” means a promissory note in the form of Exhibit B-1, as it may be amended, supplemented or otherwise modified from time to time.

“Transaction Costs” means the fees, costs and expenses payable by Holdings, Company or any of Company’s Subsidiaries on or before the Effective Date in connection with the transactions contemplated by the Credit Documents and other credit documents related thereto, and the Related Agreements.

“Transportation” as defined in the preamble hereto.

“Type of Loan” means (i) with respect to any Term Loans or any Revolving Loans, a Base Rate Loan or a Eurodollar Rate Loan, and (ii) with respect to Swing Line Loans, a Base Rate Loan.

“UCC” means the Uniform Commercial Code (or any similar or equivalent legislation) as in effect in any applicable jurisdiction.

“Unadjusted Eurodollar Rate Component” means that component of the interest costs to Company in respect of a Eurodollar Rate Loan that is based upon the rate obtained pursuant to clause (i) of the definition of Adjusted Eurodollar Rate.

“**Unpaid Drawing**” as defined in Section 2.4(e).

1.2. Accounting Terms. Except as otherwise expressly provided herein, all accounting terms not otherwise defined herein shall have the meanings assigned to them in conformity with GAAP. Financial statements and other information required to be delivered by Company to Lenders pursuant to Section 5.1(a), 5.1(b) and 5.1(c) shall be prepared in accordance with GAAP as in effect at the time of such preparation (and delivered together with the reconciliation statements provided for in Section 5.1(e), if applicable). If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Credit Document, and Company shall so request, Administrative Agent and Company shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP (subject to the approval of Requisite Lenders), provided that, until so amended, such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and Company shall provide to Administrative Agent and Lenders reconciliation statements provided for in Section 5.1(e).

1.3. Interpretation, etc. Any of the terms defined herein may, unless the context otherwise requires, be used in the singular or the plural, depending on the reference. References herein to any Section, Appendix, Schedule or Exhibit shall be to a Section, an Appendix, a Schedule or an Exhibit, as the case may be, hereof unless otherwise specifically provided. The use herein of the word “include” or “including”, when following any general statement, term or matter, shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not no limiting language (such as “without limitation” or “but not limited to” or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that fall within the broadest possible scope of such general statement, term or matter. This Agreement restates and replaces, in its entirety, the Existing Credit Agreement; any reference in any of the other Credit Documents to the Existing Credit Agreement (however defined) shall mean this Agreement.

SECTION 2. LOANS AND LETTERS OF CREDIT

2.1. Tranche D Term Loans.

(a) Loan Commitments. Subject to the terms and conditions hereof, each Lender having a Tranche D Term Loan Commitment severally agrees to lend to the Company on the Effective Date, a Tranche D Term Loan in an amount equal to such Lender’s Tranche D Term Loan Commitment. Company may make only one borrowing under the Tranche D Term Loan Commitment which shall be on the Effective Date. Any amount borrowed under this Section 2.1(a) and subsequently repaid or prepaid may not be reborrowed. Subject to Sections 2.13(a) and 2.14, all amounts owed hereunder with respect to the Tranche D Term Loans shall be paid in full no later than the Tranche D Term Loan Maturity Date. Each Lender’s Tranche D Term Loan Commitment shall terminate immediately and without further action on the Effective Date after giving effect to the funding of such Lender’s Tranche D Term Loan Commitment on such date.

(b) Borrowing Mechanics for the Tranche D Term Loans.

(i) Company shall deliver to Administrative Agent a fully executed Funding Notice no later than (x) one day prior to the Effective Date in the case of Eurodollar Rate Loans and (y) on the Effective Date in the case of Base Rate Loans.

Promptly upon receipt by Administrative Agent of such Funding Notice, Administrative Agent shall notify each Lender of the proposed borrowing.

(ii) Each Lender shall make its Tranche D Term Loan available to Administrative Agent not later than 12:00 p.m. (New York City time) on the Effective Date, by wire transfer of same day funds in Dollars, at the Principal Office designated by Administrative Agent. Upon satisfaction or waiver of the conditions precedent set forth in Section 3.4, Administrative Agent shall make the proceeds of the Tranche D Term Loans available to Company on the Effective Date by causing an amount of same day funds in Dollars equal to the proceeds of all such Loans received by Administrative Agent from Lenders to be credited to the account of Company as designated in writing to Administrative Agent by Company.

2.2. Revolving Loans.

(a) Revolving Commitments. During the Revolving Commitment Period, subject to the terms and conditions hereof, each Lender severally agrees to make Revolving Loans to Company in an aggregate amount up to but not exceeding such Lender's Revolving Commitment; provided, that after giving effect to the making of any Revolving Loans in no event shall the Total Utilization of Revolving Commitments exceed the Revolving Commitments then in effect. Amounts borrowed pursuant to this Section 2.2(a) may be repaid and reborrowed during the Revolving Commitment Period. Each Lender's Revolving Commitment shall expire on the Revolving Commitment Termination Date and all Revolving Loans and all other amounts owed hereunder with respect to the Revolving Loans and the Revolving Commitments shall be paid in full no later than such date.

(b) Borrowing Mechanics for Revolving Loans.

(i) Except pursuant to Section 2.4(d), Revolving Loans shall be made in an aggregate minimum amount of $1,000,000 and integral multiples of $500,000 in excess of that amount.

(ii) Whenever Company desires that Lenders make Revolving Loans, Company shall deliver to Administrative Agent a telephonic notice promptly (and in any event prior to the actual Credit Extension) followed by a fully executed and delivered Funding Notice no later than 1:00 p.m. (New York City time) at least three Business Days in advance of the proposed Credit Date in the case of a Eurodollar Rate Loan, and at least one Business Day in advance of the proposed Credit Date in the case of a Revolving Loan that is a Base Rate Loan. Except as otherwise provided herein, a Funding Notice for a Revolving Loan that is a Eurodollar Rate Loan shall be irrevocable on and after the related Interest Rate Determination Date, and Company shall be bound to make a borrowing in accordance therewith.

(iii) Notice of receipt of each Funding Notice in respect of Revolving Loans, together with the amount of each Lender's Pro Rata Share thereof, if any, together with the applicable interest rate, shall be provided by Administrative Agent to each applicable Lender with reasonable promptness, on the date of receipt of such Funding Notice.

(iv) Each Lender shall make the amount of its Revolving Loan available to Administrative Agent not later than 12:00 p.m. (New York City time) on the applicable Credit Date by wire transfer of same day funds in Dollars, at the Principal Office designated by Administrative Agent. Except as provided herein, upon satisfaction or waiver of the conditions precedent specified herein, Administrative Agent shall make the proceeds of such Revolving Loans available to Company on the applicable Credit Date by causing an amount of same day funds in Dollars equal to the proceeds of all such Revolving Loans received by Administrative Agent from Lenders to be credited to the account of Company at the Principal Office designated by Administrative Agent or such other account as may be designated in writing to Administrative Agent by Company.

2.3. Swing Line Loans.

(a) Swing Line Loans Commitments. During the Revolving Commitment Period, subject to the terms and conditions hereof, Swing Line Lender hereby agrees to make Swing Line Loans to Company in the aggregate amount up to but not exceeding the Swing Line Sublimit; provided, that after giving effect to the making of any Swing Line Loan, in no event shall the Total Utilization of Revolving Commitments exceed the Revolving Commitments then in effect. Amounts borrowed pursuant to this Section 2.3 may be repaid and reborrowed during the Revolving Commitment Period. Swing Line Lender's Revolving Commitment shall expire on the Revolving Commitment Termination Date and all Swing Line Loans and all other amounts owed hereunder with respect to the Swing Line Loans and the Revolving Commitments shall be paid in full no later than such date.

(b) Borrowing Mechanics for Swing Line Loans.

(i) Swing Line Loans shall be made in an aggregate minimum amount of $100,000 and integral multiples of $100,000 in excess of that amount.

(ii) Whenever Company desires that Swing Line Lender make a Swing Line Loan, Company shall deliver to Swing Line Lender a Funding Notice no later than 12:00 p.m. (New York City time) on the proposed Credit Date.

(iii) Swing Line Lender shall make the amount of its Swing Line Loan available to Borrower not later than 2:00 p.m.(New York City time) on the applicable Credit Date by wire transfer of same day funds in Dollars to Borrower's account specified in notice of Borrowing. Except as provided herein, upon satisfaction or waiver of the conditions precedent specified herein, Swing Line Lender shall make the proceeds of such Swing Line Loans available to Company on the applicable Credit Date by causing an amount of same day funds in Dollars equal to the proceeds of all such Swing Line Loans to be credited to the account of Company designated in writing to Swing Line Lender by Company.

(iv) With respect to any Swing Line Loans which have not been voluntarily prepaid by Company pursuant to Section 2.13, Swing Line Lender may at any time in its sole and absolute discretion, deliver to Administrative Agent (with a copy to Company), no later than 11:00 a.m. (New York City time) at least one Business Day in advance of the proposed Credit Date, a notice (which shall be deemed to be a Funding Notice given by Company) requesting that each Lender holding a Revolving Commitment make Revolving Loans that are Base Rate Loans to Company on such Credit Date in an amount equal to the amount of such Swing Line Loans (the **"Refunded Swing Line Loans"**) outstanding on the date such notice is given which Swing Line Lender requests Lenders to prepay. Anything contained in this Agreement to the contrary notwithstanding, (1) the proceeds of such Revolving Loans made by the Lenders other than Swing Line Lender shall be immediately delivered by Administrative Agent to Swing Line Lender (and not to Company) and applied to repay a corresponding portion of the Refunded Swing Line Loans and (2) on the day such Revolving Loans are made, Swing Line Lender's Pro Rata Share of the Refunded Swing Line Loans shall be deemed to be paid with the proceeds of a Revolving Loan made by Swing Line Lender to Company, and such portion of the Swing Line Loans deemed to be so paid shall no longer be outstanding as Swing Line Loans and shall no longer be due under the Swing Line Note of Swing Line Lender but shall instead constitute part of Swing Line Lender's outstanding Revolving Loans to Company and shall be due under the Revolving Loan Note issued by Company to Swing Line Lender. Company hereby authorizes Administrative Agent and Swing Line Lender to charge Company's accounts with Administrative Agent and Swing Line Lender (up to the amount available in each such account) in order to immediately pay Swing Line Lender the amount of the Refunded Swing Line Loans to the extent of the proceeds of such Revolving Loans made by Lenders, including the Revolving Loans deemed to be made by Swing Line Lender, are not sufficient to repay in full the Refunded Swing Line Loans. If any portion of any such amount paid (or deemed to be paid) to Swing Line Lender should be recovered by or on behalf of Company from Swing Line Lender in bankruptcy, by assignment for the benefit of creditors or otherwise, the loss of the amount so recovered shall be ratably shared among all Lenders in the manner contemplated by Section 2.17.

(v) If for any reason Revolving Loans are not made pursuant to Section 2.3(b)(iv) in an amount sufficient to repay any amounts owed to Swing Line Lender in respect of any outstanding Swing Line Loans on or before the third Business Day after demand for payment thereof by Swing Line Lender, each Lender holding a Revolving Commitment shall be deemed to, and hereby agrees to, have purchased a participation in such outstanding Swing Line Loans, and in an amount equal to its Pro Rata Share of the applicable unpaid amount together with accrued interest thereon. Upon one Business Day's notice from Swing Line Lender, each Lender holding a Revolving Commitment shall deliver to Swing Line Lender an amount equal to its respective participation in the applicable unpaid amount in same day funds at the Principal Office of Swing Line Lender. In order to evidence such participation each Lender holding a Revolving Commitment agrees to enter into a participation agreement at the request of Swing Line Lender in form and substance reasonably satisfactory to Swing Line Lender. In the event any Lender holding a Revolving Commitment fails to make available to Swing Line Lender the amount of such Lender's participation as provided in this paragraph, Swing

Line Lender shall be entitled to recover such amount on demand from such Lender together with interest thereon for three Business Days at the rate customarily used by Swing Line Lender for the correction of errors among banks and thereafter at the Base Rate, as applicable.

(vi) Notwithstanding anything contained herein to the contrary, (1) each Lender's obligation to make Revolving Loans for the purpose of repaying any Refunded Swing Line Loans pursuant to the second preceding paragraph and each Lender's obligation to purchase a participation in any unpaid Swing Line Loans pursuant to the immediately preceding paragraph shall be absolute and unconditional and shall not be affected by any circumstance, including without limitation (A) any set-off, counterclaim, recoupment, defense or other right which such Lender may have against Swing Line Lender, any Credit Party or any other Person for any reason whatsoever; (B) the occurrence or continuation of a Default or Event of Default; (C) any adverse change in the business, operations, properties, assets, condition (financial or otherwise) or prospects of any Credit Party; (D) any breach of this Agreement or any other Credit Document by any party thereto; or (E) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing; provided that such obligations of each Lender are subject to the condition that Swing Line Lender believed in good faith that all conditions under Section 3.2 to the making of the applicable Refunded Swing Line Loans or other unpaid Swing Line Loans, were satisfied at the time such Refunded Swing Line Loans or unpaid Swing Line Loans were made, or the satisfaction of any such condition not satisfied had been waived by the Requisite Lenders prior to or at the time such Refunded Swing Line Loans or other unpaid Swing Line Loans were made; and (2) Swing Line Lender shall not be obligated to make any Swing Line Loans (A) if it has elected not to do so after the occurrence and during the continuation of a Default or Event of Default or (B) at a time when a Funding Default exists unless Swing Line Lender has entered into arrangements satisfactory to it and Company to eliminate Swing Line Lender's risk with respect to the Defaulting Lender's participation in such Swing Ling Loan, including by cash collateralizing such Defaulting Lender's Pro Rata Share of the outstanding Swing Line Loans.

2.4. Issuance of Letters of Credit and Purchase of Participations Therein.

(a) Revolving Letters of Credit. During the Revolving Commitment Period and prior to the date that is thirty days prior to the Revolving Loan Commitment Termination Date, subject to the terms and conditions hereof, each Revolving Issuing Bank agrees to issue Revolving Letters of Credit for the account of Company or any other requesting Credit Party (so long as Company is a co-applicant for such Letter of Credit) in the aggregate amount up to but not exceeding the Revolving Letter of Credit Sublimit; provided, that (i) each Revolving Letter of Credit shall be denominated in Dollars; (ii) the Stated Amount of each Revolving Letter of Credit shall not be less than $50,000 or such lesser amount as is acceptable to the applicable Revolving Issuing Bank; (iii) after giving effect to such issuance, in no event shall the Total Utilization of Revolving Commitments exceed the Revolving Commitments then in effect; (iv) after giving effect to such issuance, in no event shall the Revolving Letter of Credit Usage exceed the Revolving Letter of Credit Sublimit then in effect; (v) in no event shall any standby Revolving Letter of Credit have an expiration date later than the earlier of (1) the Revolving Commitment Termination Date and (2) the date which is one year from the date of issuance of such standby Revolving Letter of Credit; and (vi) in no event shall any commercial Revolving Letter of Credit (x) have an expiration date later than the earlier of (1) the date that is five Business Days prior to the Revolving Loan Commitment Termination Date and (2) the date which is 180 days from the date of issuance of such commercial Revolving Letter of Credit or (b) be issued if such commercial Revolving Letter of Credit is otherwise unacceptable to the applicable Revolving Issuing Bank in its reasonable discretion. Subject to the foregoing, a Revolving Issuing Bank may agree that a standby Revolving Letter of Credit will automatically be extended for one or more successive periods not to exceed one year each, unless such Revolving Issuing Bank elects not to extend for any such additional period; provided, a Revolving Issuing Bank shall not extend any such Revolving Letter of Credit if it has received written notice that an Event of Default has occurred and is continuing at the time such Revolving Issuing Bank must elect to allow such extension; provided, further, in the event a Funding Default exists, a Revolving Issuing Bank shall not be required to issue any Revolving Letter of Credit unless Revolving Issuing Bank has entered into arrangements satisfactory to it and Company to eliminate such Revolving Issuing Bank's risk with respect to the participation in Revolving Letters of Credit of the Defaulting Lender, including by cash collateralizing such Defaulting Lender's Pro Rata Share of the Revolving Letter of Credit Usage.

(b) Funded Letters of Credit. Subject to and upon the terms and conditions herein set forth, at any time and from time to time after the Effective Date and during the Funded Letter of Credit Commitment Period, Company may request that a Funded LC Issuing Bank issue for the account of Company a standby letter of credit or letters of credit under the Funded Letter of Credit Commitment (each, a **"Funded Letter of Credit"**), provided that each Funded Letter of Credit shall be used by Company solely to support the obligations of Company and its Subsidiaries under the Swap Agreement. Notwithstanding the foregoing, (i) each Funded Letter of Credit shall be denominated in Dollars; (ii) the Stated Amount of each Funded Letter of Credit shall not be less than $5,000,000 or such lesser amount as is acceptable to such Funded LC Issuing Bank; (iii) no Funded Letter of Credit shall be issued the Stated Amount of which, when added to the Funded Letters of Credit Outstanding at such time, would exceed the Total Funded Letter of Credit Commitment or the Total Credit Linked Deposit then in effect; and (iv) in no event shall any standby Funded Letter of Credit have an expiration date later than the earlier of (1) the Funded Letter of Credit Termination Date and (2) the date which is one year from the date of issuance of such standby Funded Letter of Credit; provided that each Funded Letter of Credit will automatically be extended for one or more successive periods not to exceed one year each until the Funded Letter of Credit Termination Date. Each Existing Letter of Credit which is a funded letter credit issued pursuant to the Existing Credit Agreement and outstanding on the Effective Date shall be deemed to be a Funded Letter of Credit hereunder. The Total Funded Letter of Credit Commitment shall terminate on the Funded Letter of Credit Termination Date.

(c) Notice of Issuance. Whenever any Credit Party desires the issuance of a Letter of Credit, it shall deliver to Administrative Agent and to the relevant Issuing Bank, an Issuance Notice no later than 12:00 p.m. (New York City time) at least three Business Days (in the case of standby letters of credit) or five Business Days (in the case of commercial letters of credit), or in each case such shorter period as may be agreed to by an Issuing Bank in any particular instance, in advance of the proposed date of issuance. Upon satisfaction or waiver of the conditions set forth in Section 3.2, an Issuing Bank shall issue the requested Letter of Credit only in accordance with such Issuing Bank's standard operating procedures. Upon the issuance of any Revolving Letter of Credit or amendment or modification to a Revolving Letter of Credit, the applicable Issuing Bank shall promptly notify each Lender of such issuance, which notice shall be accompanied by a copy of such Revolving Letter of Credit or amendment or modification to a Revolving Letter of Credit and the amount of such Lender's respective participation in such Revolving Letter of Credit pursuant to Section 2.4(e). Upon the issuance of any Funded Letter of Credit or amendment or modification to a Funded Letter of Credit, the applicable Funded LC Issuing Bank shall promptly notify each Funded Letter of Credit Participant of such issuance, which notice shall be accompanied by a copy of such Funded Letter of Credit or amendment or modification to a Funded Letter of Credit and the amount of such Funded Letter of Credit Participant's respective participation in such Funded Letter of Credit pursuant to Section 2.4(h).

(d) Responsibility of Issuing Bank With Respect to Requests for Drawings and Payments. In determining whether to honor any drawing under any Letter of Credit by the beneficiary thereof, such Issuing Bank shall be responsible only to examine the documents delivered under such Letter of Credit with reasonable care so as to ascertain whether they appear on their face to be in accordance with the terms and conditions of such Letter of Credit. As between Company and such Issuing Bank, Company assumes all risks of the acts and omissions of, or misuse of the Letters of Credit issued by such Issuing Bank, by the respective beneficiaries of such Letters of Credit. In furtherance and not in limitation of the foregoing, such Issuing Bank shall not be responsible for: (i) the form, validity, sufficiency, accuracy, genuineness or legal effect of any document submitted by any party in connection with the application for and issuance of any such Letter of Credit, even if it should in fact prove to be in any or all respects invalid, insufficient, inaccurate, fraudulent or forged; (ii) the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign any such Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason; (iii) failure of the beneficiary of any such Letter of Credit to comply fully with any conditions required in order to draw upon such Letter of Credit; (iv) errors, omissions, interruptions or delays in transmission or delivery of any messages, by mail, cable, telegraph, telex or otherwise, whether or not they be in cipher; (v) errors in interpretation of technical terms; (vi) any loss or delay in the transmission or otherwise of any document required in order to make a drawing under any such Letter of Credit or of the proceeds thereof; (vii) the misapplication by the beneficiary of any such Letter of Credit of the proceeds of any drawing under such Letter of Credit; or (viii) any consequences arising from causes beyond the control of such Issuing Bank, including any Governmental Acts; none of the above shall affect or impair, or prevent the vesting of, any of such Issuing Bank's rights or powers hereunder. Without limiting the foregoing and in furtherance thereof, any action taken or omitted by such Issuing Bank under or in connection with the Letters of Credit or any documents and certificates delivered thereunder, if taken or omitted in good faith, shall not give rise to any liability on the part of such Issuing Bank to Company. Notwithstanding anything to the contrary contained in this Section 2.4(d), Company shall retain any and all rights it may have against an Issuing Bank for any liability arising solely out of the gross negligence or willful misconduct of such Issuing Bank.

(e) Reimbursement by Company of Amounts Drawn or Paid Under Letters of Credit. In the event an Issuing Bank has determined to honor a drawing under a Letter of Credit, it shall immediately notify Company and Administrative Agent, and Company shall reimburse (each such amount so paid until reimbursed an "**Unpaid Drawing**") such Issuing Bank on or before the Business Day immediately following the date on which such drawing is honored (the **"Reimbursement Date"**) in an amount in Dollars and in same day funds equal to the amount of such honored drawing; provided, anything contained herein to the contrary notwithstanding, in the case of Revolving Letters of Credit (i) unless Company shall have notified Administrative Agent and such Issuing Bank prior to 10:00 a.m. (New York City time) on the date such drawing is honored that Company intends to reimburse such Issuing Bank for the amount of such honored drawing with funds other than the proceeds of Revolving Loans with respect to any Revolving Letter of Credit, Company shall be deemed to have given a timely Funding Notice to Administrative Agent requesting Lenders to make Revolving Loans on the Reimbursement Date in an amount in Dollars equal to the amount of such honored drawing, and (ii) subject to satisfaction or waiver of the conditions specified in Section 3.2, Lenders shall, on the Reimbursement Date, make Revolving Loans in the amount of such honored drawing, the proceeds of which shall be applied directly by Administrative Agent to reimburse such Revolving Issuing Bank for the amount of such honored drawing; and provided further, if for any reason proceeds of Revolving Loans are not received by such Revolving Issuing Bank on the Reimbursement Date in an amount equal to the amount of such honored drawing, Company shall reimburse such Revolving Issuing Bank, on demand, in an amount in same day funds equal to the excess of the amount of such honored drawing over the aggregate amount of such Revolving Loans, if any, which are so received. Nothing in this Section 2.4(e) shall be deemed to relieve any Lender from its obligation to make Revolving Loans on the terms and conditions set forth herein, and Company shall retain any and all rights it may have against any Lender resulting from the failure of such Lender to make such Revolving Loans under this Section 2.4(e).

(f) Repayment by Funded Letter of Credit Participants of Amounts Drawn or Paid Under Funded Letters of Credit. In the event that a Funded LC Issuing Bank makes any payment under any Funded Letter of Credit and Company shall not have repaid such amount in full to such Funded LC Issuing Bank pursuant to Section 2.4(e), such Funded LC Issuing Bank shall notify Administrative Agent and Administrative Agent shall notify each Funded Letter of Credit Participant of such failure, and the Funded LC Deposit Bank shall apply from the Credit Linked Deposits toward the reimbursement of such payment each Funded Letter of Credit Participant's Pro Rata Share of such unreimbursed payment from the Credit Linked Deposit Account. In the event a Funded LC Issuing Bank applies the Credit Linked Deposits to an unreimbursed disbursement under a Funded Letter of Credit pursuant to the preceding sentence, Company shall have the right, within 5 Business Days of the relevant Reimbursement Date, (provided no Default or Event of Default shall have occurred and be continuing) to pay over to Administrative Agent in reimbursement thereof an amount equal to the full amount of such unreimbursed disbursement, and such payment shall be applied by Administrative Agent in accordance with clause (ii) of the immediately following sentence. Promptly following receipt by Administrative Agent of any payment by Company in respect of any disbursement under a Funded Letter of Credit, Administrative Agent shall distribute such payment (i) to the Funded LC Issuing Bank that issued such Funded Letters of Credit or, (ii) subject to the immediately preceding sentence to the extent payments have been made from the Credit Linked Deposits, to the Credit Linked Deposit Account with respect to such Funded Letter of Credit to be added to the Credit Linked Deposits held by such Funded LC Issuing Bank. Company acknowledges that each payment made pursuant to this paragraph in respect of any unreimbursed payment is required to be made for the benefit of the Funded LC Issuing Bank indicated in the immediately preceding sentence. Any payment made from the Credit Linked Deposit Account (except to the extent of repayment by Company within 5 Business Days of the Reimbursement Date as expressly permitted above) pursuant to this paragraph to reimburse a Funded LC Issuing Bank for any unreimbursed payment shall be deemed an extension of Term Loans made on such date by the Funded Letter of Credit Participants ratably in accordance with their Pro Rata Share of the Total Credit Linked Deposit, and the amount so funded shall permanently reduce the Total Credit Linked Deposit; any amount so funded pursuant to this paragraph shall, on and after the funding date thereof, be deemed to be Term Loans for all purposes hereunder and have the same terms as other Terms Loans hereunder (such deemed Term Loan, a **"New Term Loan"**). Any New Term Loans deemed made on the same day shall be designated a separate series (a **"Series"**) of New Term Loans for all purposes of this Agreement. In the event that Company is required to reimburse a Funded LC Issuing Bank for any disbursement under a Funded Letter of Credit issued by such Funded LC Issuing Bank, for a period of 91 days following such reimbursement payment by Company, the Funded Letter of Credit Exposures shall be deemed to include (as if such Funded Letter of Credit were still outstanding) for purposes of determining availability for the issuance of any new Funded Letter of Credit during such period, the amount of such reimbursement payment until the end of such 91-day period.

(g) Lenders' Purchase of Participations in Revolving Letters of Credit. Immediately upon the issuance of each Revolving Letter of Credit, each Lender having a Revolving Commitment (each, a "**Revolving Letter of Credit Participant**") shall be deemed to have purchased, and hereby agrees to irrevocably purchase, from the applicable Revolving Issuing Bank a participation in such Revolving Letter of Credit and any drawings honored thereunder in an amount equal to such Lender's Pro Rata Share (with respect to the Revolving Commitments) of the maximum amount which is or at any time may become available to be drawn thereunder. In the event that Company shall fail for any reason to reimburse a Revolving Issuing Bank as provided in Section 2.4(e), such Revolving Issuing Bank shall promptly notify each Revolving Letter of Credit Participant of the unreimbursed amount of such honored drawing and of such Revolving Letter of Credit Participant's respective participation therein based on such Revolving Letter of Credit Participant's Pro Rata Share of the Revolving Commitments. Each Revolving Letter of Credit Participant shall make available to such Revolving Issuing Bank an amount equal to its respective participation, in Dollars and in same day funds, at the office of such Revolving Issuing Bank specified in such notice, not later than 12:00 p.m. (New York City time) on the first business day (under the laws of the jurisdiction in which such office of such Revolving Issuing Bank is located) after the date notified by such Revolving Issuing Bank. In the event that any Revolving Letter of Credit Participant fails to make available to such Revolving Issuing Bank on such business day the amount of such Revolving Letter of Credit Participant's participation in such Revolving Letter of Credit as provided in this Section 2.4(g), the applicable Revolving Issuing Bank shall be entitled to recover such amount on demand from such Lender together with interest thereon for three Business Days at the rate customarily used by such Revolving Issuing Bank for the correction of errors among banks and thereafter at the Base Rate. Nothing in this Section 2.4(g) shall be deemed to prejudice the right of any Revolving Letter of Credit Participant to recover from a Revolving Issuing Bank any amounts made available by such Revolving Letter of Credit Participant to a Revolving Issuing Bank pursuant to this Section in the event that it is determined that the payment with respect to a Revolving Letter of Credit in respect of which payment was made by such Revolving Letter of Credit Participant constituted gross negligence or willful misconduct on the part of such Revolving Issuing Bank. In the event a Revolving Issuing Bank shall have been reimbursed by other Revolving Letter of Credit Participants pursuant to this Section 2.4(g) for all or any portion of any drawing honored by such Revolving Issuing Bank under a Revolving Letter of Credit, such Revolving Issuing Bank shall distribute to each Revolving Letter of Credit Participant which has paid all amounts payable by it under this Section 2.4(g) with respect to such honored drawing such Revolving Letter of Credit Participant's Pro Rata Share of all payments subsequently received by such Revolving Issuing Bank from Company in reimbursement of such honored drawing when such payments are received. Any such distribution shall be made to a Revolving Letter of Credit Participant at its primary address set forth below its name on Appendix B or at such other address as such Revolving Letter of Credit Participant may request.

(h) Funded Letter of Credit Participant's Purchase of Participations in Funded Letters of Credit. On the Effective Date, without any further action on the part of the Funded LC Issuing Bank or the Lenders, the Funded LC Issuing Bank hereby grants to each Funded Letter of Credit Participant, and each such Funded Letter of Credit Participant shall be deemed irrevocably and unconditionally to have purchased and received from the Funded LC Issuing Bank that has issued any Funded Letter of Credit, without recourse or warranty, an undivided interest and participation (each, a "**Funded Letter of Credit Participation**") in the reimbursement obligation for each Funded Letter of Credit that may be issued pursuant to Section 2.4(b) equal to such Funded Letter of Credit Participant's Pro Rata Share of the aggregate amount available to be drawn under each such Funded Letter of Credit and the Funded Letter of Credit Participation Interests in respect thereof together with rights to receive payments under Section 2.4(i)(iv). The aggregate purchase price for the Funded Letter of Credit Participations of each Funded Letter of Credit Participant shall equal the amount of the Funded Letter of Credit Commitment of such Funded Letter of Credit Participant paid to the Administrative Agent on the Effective Date pursuant to the next sentence, and, unless and until the Funded Letter of Credit Termination Date has occurred and all Funded Letters of Credit issued by a Funded LC Issuing Bank have expired without draw, or to the extent of any draws, have been reimbursed in full, or are cash collateralized by Company pursuant to Section 2.4(i)(iv), each such Credit Linked Deposit held by a Funded LC Issuing Bank shall be the property of such Funded LC Issuing Bank as the consideration paid by each such Funded Letter of Credit Participant as it relates to any Funded Letters of Credit issued or deemed issued by such Funded LC Issuing Bank. Each Funded Letter of Credit Participant shall pay to Administrative Agent in full on the Effective Date an amount equal to such Funded Letter of Credit Participant's Funded Letter of Credit Commitment, and Administrative Agent shall immediately transfer and allocate such Credit Linked Deposits to such Funded LC Issuing Bank. Each Funded Letter of Credit Participant hereby absolutely and unconditionally agrees that if a Funded LC Issuing Bank makes a disbursement in respect of any Funded Letter of Credit issued by such Funded LC Issuing Bank which is not reimbursed by Company on the date due pursuant to Section 2.4(e), or is required to refund any reimbursement payment in respect of any Funded Letter of Credit issued or deemed issued by such Funded LC Issuing Bank to Company for any reason, the amount of such disbursement shall be satisfied, ratably as among the Funded Letter of Credit Participants in accordance with their Pro Rata Share (with the Administrative Agent having the responsibility to determine and keep record of the Pro Rata Shares of the Funded Letter of Credit Participants for this purpose and all other purposes hereunder) of the Total Credit Linked Deposit from the Credit Linked Deposit paid to the Funded LC Issuing Bank. Without limiting the foregoing, each Funded Letter of Credit Participant irrevocably authorizes the Administrative Agent and such Funded LC Issuing Bank to apply amounts of the Credit Linked Deposits as provided in this paragraph.

(i) Credit Linked Deposit Account.

(i) Subject to the terms and conditions hereof, each Funded Letter of Credit Participant severally agrees to make, on the Effective Date, a payment to Administrative Agent in an amount equal to such Funded Letter of Credit Participant's Funded Letter of Credit Commitment and Administrative Agent shall use such payments to establish a Credit Linked Deposit Account at the Funded LC Deposit Bank. The Credit Linked Deposits paid to the Funded LC Deposit Bank shall be held in the Credit Linked Deposit Account, and no party other than the Funded LC Deposit Bank shall have a right of withdrawal from the Credit Linked Deposit Account or any other right, power or interest in or with respect to the Credit Linked Deposits, except as expressly set forth in Section 2.4(f), (h), (i) and 2.13(b)(iii). Notwithstanding any provision in this Agreement to the contrary, the sole funding obligation of each Funded Letter of Credit Participant in respect of its Funded Letter of Credit Commitment and Funded Letter of

Credit Participation shall be satisfied in full upon the payment of its purchase price on the Effective Date.

(ii) Each of Company, Administrative Agent, the Funded LC Deposit Bank and each Funded Letter of Credit Participant hereby acknowledges and agrees that (x) each Funded Letter of Credit Participant is making its payment on the Effective Date pursuant to Section 2.4(i)(i) to be paid into the Credit Linked Deposit Account for application in the manner contemplated by Sections 2.4(f) and (h) and (y) and that the Funded LC Deposit Bank has agreed to invest, or cause to be invested, the funds on deposit in the Credit Linked Deposit Account so as to earn for the account of each Funded Letter of Credit Participant a return on its Credit Linked Deposit of such funds at a rate per annum equal to (i) the Adjusted Eurodollar Rate for the applicable Interest Period minus (ii) (1) 0.10% per annum (based on a 360 day year) or (2) such lesser rate as may be agreed upon between the Administrative Agent, the Funded LC Issuing Bank and Company. Such interest will be paid to the Funded Letter of Credit Participants by or on behalf of Administrative Agent quarterly in arrears when Funded Letter of Credit Fees are payable pursuant to Section 2.11(b). The Company agrees it shall pay a fee to the Administrative Agent, for the account of each Funded Letter of Credit Participant, quarterly in arrears when Funded Letter of Credit Fees are payable pursuant to Section 2.11(b), in an amount equal to (x) 0.10% per annum (based on a 360 day year) or (y) such lesser rate as may be agreed upon between the Administrative Agent, the Funded LC Issuing Bank and Company pursuant to clause (y)(ii)(2) above of this Section 2.4(i)(ii), in each case of the Credit Linked Deposit of such Funded Letter of Credit Participant.

(iii) Company shall have no right, title or interest in or to the Credit Linked Deposits and no obligations with respect thereto (except for the reimbursement obligations in respect of Funded Letters of Credit provided in Sections 2.4(e), (f) and (h)), it being acknowledged and agreed by the parties hereto that the making of the Credit Linked Deposits by the Funded Letter of Credit Participants, the payments to the Funded Letter of Credit Participants contemplated in Section 2.4(i)(ii), the provisions of this Section 2.4(i)(iii) and the application of the Credit Linked Deposits in the manner contemplated by Sections 2.4(f) and (h) constitute agreements among Administrative Agent, the Funded LC Issuing Bank and the Funded Letter of Credit Participants with respect to payments of each Funded Letter of Credit Participant in respect of its Funded Letter of Credit Participation and do not constitute any loan or extension of credit to Company.

(iv) Following the occurrence of any of the events identified in clauses (i), (ii) or (iii) of the definition of Funded Letter of Credit Termination Date (but solely in the case of clause (ii), only to the extent at such time Company shall have paid all outstanding obligations then due and payable under this Agreement), and subject to Company's cash collateralization to the extent of a Funded LC Issuing Bank's outstanding Funded Letters of Credit, in an amount (but in no event greater than 105% of the aggregate undrawn face amount) and manner reasonably satisfactory to the Collateral Agent and the Funded LC Issuing Bank that issued such Funded Letters of Credit (which cash collateralization is hereby expressly required of Company on any Funded Letter of Credit Termination Date), such Funded LC Issuing Bank shall repurchase the Funded

Letter of Credit Participation Interests from each Funded Letter of Credit Participant in an amount equal to such Funded Letter of Credit Participant's Pro Rata Share (whereupon such amount that has been so paid shall no longer be considered the property of the Funded LC Issuing Bank).

(j) Obligations Absolute. The obligation of Company to reimburse each Issuing Bank for drawings honored under the Letters of Credit issued by it and to repay any Revolving Loans made by Lenders pursuant to Section 2.4(e) and the obligations of Lenders under Sections 2.4(f), (g) and (h) shall be unconditional and irrevocable and shall be paid strictly in accordance with the terms hereof under all circumstances including any of the following circumstances: (i) any lack of validity or enforceability of any Letter of Credit; (ii) the existence of any claim, set off, defense or other right which Company or any Lender may have at any time against a beneficiary or any transferee of any Letter of Credit (or any Persons for whom any such transferee may be acting), such Issuing Bank, Lender or any other Person or, in the case of a Lender, against Company, whether in connection herewith, the transactions contemplated herein or any unrelated transaction (including any underlying transaction between Company or one of its Subsidiaries and the beneficiary for which any Letter of Credit was procured); (iii) any draft or other document presented under any Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect; (iv) payment by such Issuing Bank under any Letter of Credit against presentation of a draft or other document which substantially complies with the terms of such Letter of Credit; (v) any adverse change in the business, operations, properties, assets, condition (financial or otherwise) or prospects of Company or any of its Subsidiaries; (vi) any breach hereof or any other Credit Document by any party thereto; (vii) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing; or (viii) the fact that an Event of Default or a Default shall have occurred and be continuing; provided, in each case, that payment by an Issuing Bank under the applicable Letter of Credit shall not have constituted gross negligence or willful misconduct of such Issuing Bank under the circumstances in question.

(k) Indemnification. Without duplication of any obligation of Company under Section 10.2 or 10.3, in addition to amounts payable as provided herein, Company hereby agrees to protect, indemnify, pay and save harmless each Issuing Bank from and against any and all claims, demands, liabilities, damages, losses, reasonable out-of-pocket costs, charges and expenses (including reasonable out-of-pocket fees, expenses and disbursements of counsel), other than Taxes, which such Issuing Bank may incur or be subject to as a consequence, direct or indirect, of (i) the issuance of any Letter of Credit by such Issuing Bank, other than as a result of (1) the gross negligence or willful misconduct of such Issuing Bank or (2) the wrongful dishonor by such Issuing Bank of a proper demand for payment made under any Letter of Credit issued by it, or (ii) the failure of such Issuing Bank to honor a drawing under any such Letter of Credit as a result of any Governmental Act.

(l) Swap Agreement Support. Notwithstanding anything herein to the contrary, on the Effective Date, Company shall have requested issuance of, and shall maintain, Funded Letters of Credit in an aggregate amount of not less $150,000,000 as credit support with respect to the Swap Agreement.

(m) Existing Letters of Credit. Company, the Agents, each Issuing Bank and the Lenders acknowledge the issuance of the Existing Letters of Credit and agree that, as of the Effective Date, such Existing Letters of Credit shall constitute Revolving Letters of Credit and Funded Letters of Credit, as applicable, pursuant to the terms and conditions of this Agreement and the other Credit Documents.

2.5. Pro Rata Shares; Availability of Funds.

(a) Pro Rata Shares. All Loans and Credit Linked Deposits shall be made, and all participations purchased, by Lenders simultaneously and proportionately to their respective Pro Rata Shares, it being understood that no Lender shall be responsible for any default by any other Lender in such other Lender's obligation to make a Loan requested hereunder or purchase a participation required hereby nor shall any Term Loan Commitment, Funded Letter of Credit Commitment or any Revolving Commitment of any Lender be increased or decreased as a result of a default by any other Lender in such other Lender's obligation to make a Loan or Credit Linked Deposit requested hereunder or purchase a participation required hereby.

(b) Availability of Funds. Unless Administrative Agent shall have been notified by any Lender prior to the applicable Credit Date that such Lender does not intend to make available to Administrative Agent the amount of such Lender's Loan requested on such Credit Date, Administrative Agent may assume that such Lender has made such amount available to Administrative Agent on such Credit Date and Administrative Agent may, in its sole discretion, but shall not be obligated to, make available to Company a corresponding amount on such Credit Date. If such corresponding amount is not in fact made available to Administrative Agent by such Lender, Administrative Agent shall be entitled to recover such corresponding amount on demand from such Lender together with interest thereon, for each day from such Credit Date until the date such amount is paid to Administrative Agent, at the customary rate set by Administrative Agent for the correction of errors among banks for three Business Days and thereafter at the Base Rate. If such Lender does not pay such corresponding amount forthwith upon Administrative Agent's demand therefor, Administrative Agent shall promptly notify Company and Company shall immediately pay such corresponding amount to Administrative Agent together with interest thereon, for each day from such Credit Date until the date such amount is paid to Administrative Agent, at the rate payable hereunder for Base Rate Loans for such Class of Loans. Nothing in this Section 2.5(b) shall be deemed to relieve any Lender from its obligation to fulfill its Term Loan Commitments and Revolving Commitments hereunder or to prejudice any rights that Company may have against any Lender as a result of any default by such Lender hereunder.

2.6. Use of Proceeds. The proceeds of the Tranche D Term Loans made on the Effective Date shall be applied by Company to (i) repay in full the Existing Tranche C Term Loans, the Existing Revolving Loans and the Second Lien Term Loans outstanding on such date and (ii) pay a dividend in the amount of $250,000,000 to its existing shareholders. The proceeds of the Revolving Loans, Swing Line Loans and Revolving Letters of Credit made on and after the Effective Date shall be applied by Company for working capital and general corporate purposes of Company and its Subsidiaries, including Permitted Acquisitions (but not for the explicit purpose of repayment or prepayment of Loans). The proceeds available under the Funded Letter of Credit Commitments shall be used solely to provide credit support to Company's obligations under the Swap Agreement. No portion of the proceeds of any Credit Extension shall be used in any manner that causes or might cause such Credit Extension or the application of such proceeds to violate Regulation T, Regulation U or Regulation X of the Board of Governors of the Federal Reserve System or any other regulation thereof or to violate the Exchange Act.

2.7. Evidence of Debt; Register; Lenders' Books and Records; Notes.

(a) Lenders' Evidence of Debt. Each Lender shall maintain on its internal records an account or accounts evidencing the Obligations of Company to such Lender, including the amounts of the Loans and the Credit Linked Deposits made by it and each repayment and prepayment in respect thereof. Any such recordation shall be conclusive and binding on Company, absent manifest error; provided, that the failure to make any such recordation, or any error in such recordation, shall not affect any Lender's Revolving Commitments or Company's Obligations in respect of any applicable Loans or Credit Linked Deposits; and provided further, in the event of any inconsistency between the Register and any Lender's records, the recordations in the Register shall govern.

(b) Register. Administrative Agent (or its agent or sub-agent appointed by it) shall maintain at the Principal Office a register for the recordation of the names and addresses of Lenders and the Revolving Commitments, Loans and the Credit Linked Deposits of each Lender from time to time (the **"Register"**). The Register, as in effect at the close of business on the preceding Business Day, shall be available for inspection by Company or any Lender at any reasonable time and from time to time upon reasonable prior notice. Administrative Agent shall record, or shall cause to be recorded, in the Register the Revolving Commitments, the Loans and the Credit Linked Deposits in accordance with the provisions of Section 10.6, and each repayment or prepayment in respect of the principal amount of the Loans or the Credit Linked Deposits, and any such recordation shall be conclusive and binding on Company and each Lender, absent manifest error; provided, that the failure to make any such recordation, or any error in such recordation, shall not affect any Lender's Revolving Commitments or Company's Obligations in respect of any Loan or the Credit Linked Deposits. Company hereby designates Credit Suisse to serve as Company's agent solely for purposes of maintaining the Register as provided in this Section 2.7, and Company hereby agrees that, to the extent Credit Suisse serves in such capacity, Credit Suisse and its officers, directors, employees, agents, sub-agents and affiliates shall constitute "Indemnitees."

(c) Notes. If so requested by any Lender by written notice to Company (with a copy to Administrative Agent) at least two Business Days prior to the Effective

Date, or at any time thereafter, Company shall execute and deliver to such Lender (and/or, if applicable and if so specified in such notice, to any Person who is an assignee of such Lender pursuant to Section 10.6) on the Effective Date (or, if such notice is delivered after the Effective Date, promptly after Company's receipt of such notice) a Note or Notes to evidence such Lender's Tranche D Term Loan, Revolving Loan or Swing Line Loan, as the case may be. Upon the repayment in full of the Existing Tranche C Term Loans any Notes evidencing such Existing Tranche C Term Loans shall be deemed paid in full. Upon the repayment in full of the Existing Revolving Loans and the reduction of the Existing Revolving Loans to zero any Notes evidencing such Existing Revolving Loans shall be deemed paid in full.

2.8. Interest on Loans.

(a) Except as otherwise set forth herein, each Class of Loan shall bear interest on the unpaid principal amount thereof from the date made through repayment (whether by acceleration or otherwise) thereof as follows:

(i) in the case of Revolving Loans:

(1) if a Base Rate Loan, at the Base Rate plus the Applicable Margin; or

(2) if a Eurodollar Rate Loan, at the Adjusted Eurodollar Rate plus the Applicable Margin;

(ii) in the case of Swing Line Loans, at the Base Rate plus the Applicable Margin; and

(iii) in the case of Term Loans (including, without limitation, Unpaid Drawings of the Funded Letters of Credit):

(1) if a Base Rate Loan, at the Base Rate plus the Applicable Margin; or

(2) if a Eurodollar Rate Loan, at the Adjusted Eurodollar Rate plus the Applicable Margin.

(b) The basis for determining the rate of interest with respect to any Loan (except a Swing Line Loan which can be made and maintained as Base Rate Loans only), and the Interest Period with respect to any Eurodollar Rate Loan, shall be selected by Company and notified to Administrative Agent and Lenders pursuant to the applicable Funding Notice or Conversion/Continuation Notice, as the case may be; provided, until the Arrangers notify Company that the primary syndication of the Loans and Revolving Commitments has been completed, as reasonably determined by the Arrangers in accordance with the engagement letter with the Company, the Tranche D Term Loans shall be maintained as either (1) Eurodollar Rate Loans having an Interest Period of no longer than one month or (2) Base Rate Loans. If on any day a Loan is outstanding with respect to which a Funding Notice or Conversion/Continuation Notice has not been delivered to Administrative Agent in accordance with the terms hereof specifying the applicable basis for determining the rate of interest, then for that day such Loan shall be continued as the same Type of Loan.

(c) In connection with Eurodollar Rate Loans there shall be no more than five (5) Interest Periods outstanding at any time. In the event Company fails to specify between a Base Rate Loan or a Eurodollar Rate Loan in the applicable Funding Notice or Conversion/Continuation Notice, such Loan (if outstanding as a Eurodollar Rate Loan) will be automatically converted into a Base Rate Loan on the last day of the then-current Interest Period for such Loan (or if outstanding as a Base Rate Loan will remain as, or (if not then outstanding) will be made as, a Base Rate Loan). In the event Company fails to specify an Interest Period for any Eurodollar Rate Loan in the applicable Funding Notice or Conversion/Continuation Notice, Company shall be deemed to have selected an Interest Period of one month. As soon as practicable on each Interest Rate Determination Date, Administrative Agent shall determine (which determination shall, absent manifest error, be final, conclusive and binding upon all parties) the interest rate that shall apply to the Eurodollar Rate Loans for which an interest rate is then being determined for the applicable Interest Period and shall promptly give notice thereof (in writing or by telephone confirmed in writing) to Company and each Lender.

(d) Interest payable pursuant to Section 2.8(a) shall be computed (i) in the case of Base Rate Loans on the basis of a 365-day or 366-day year, as the case may be, and (ii) in the case of Eurodollar Rate Loans, on the basis of a 360-day year, in each case for the actual number of days elapsed in the period during which it accrues. In computing interest on any Loan, the date of the making of such Loan or the first day of an Interest Period applicable to such Loan or, with respect to a Term Loan, the last Interest Payment Date with respect to such Term Loan or, with respect to a Base Rate Loan being converted from a Eurodollar Rate Loan, the date of conversion of such Eurodollar Rate Loan to such Base Rate Loan, as the case may be, shall be included, and the date of payment of such Loan or the expiration date of an Interest Period applicable to such Loan or, with respect to a Base Rate Loan being converted to a Eurodollar Rate Loan, the date of conversion of such Base Rate Loan to such Eurodollar Rate Loan, as the case may be, shall be excluded; provided, if a Loan is repaid on the same day on which it is made, one day’s interest shall be paid on that Loan.

(e) Except as otherwise set forth herein, interest on each Loan (i) shall accrue on a daily basis and shall be payable in arrears on each Interest Payment Date with respect to interest accrued on and to each such payment date; (ii) shall accrue on a daily basis and shall be payable in arrears upon any prepayment of that Loan, whether voluntary or mandatory, to the extent accrued on the amount being prepaid; and (iii) shall accrue on a daily basis and shall be payable in arrears at maturity of the Loans, including final maturity of the Loans; provided, however, with respect to any voluntary prepayment of a Base Rate Loan, accrued interest shall instead be payable on the applicable Interest Payment Date.

(f) Company agrees to pay to each Revolving Issuing Bank, with respect to drawings honored under any Revolving Letter of Credit issued by such Revolving Issuing Bank, interest on the amount paid by such Revolving Issuing Bank in respect of each such honored drawing from the date such drawing is honored to but excluding the date such amount is reimbursed by or on behalf of Company at a rate equal to (i) for the period from the date such drawing is honored to but excluding the applicable Reimbursement Date, the rate of interest otherwise payable hereunder with respect to Revolving Loans that are Base Rate Loans, and (ii) thereafter, a rate which is 2% per annum in excess of the rate of interest otherwise payable hereunder with respect to Revolving Loans that are Base Rate Loans.

(g) Company agrees to pay to such Funded LC Issuing Bank, with respect to drawings honored under any Funded Letter of Credit issued by such Funded LC Issuing Bank, interest on the amount paid by such Funded LC Issuing Bank in respect of each such honored drawing from the date such drawing is honored to but excluding the date such amount is reimbursed by or on behalf of Company or from Credit Linked Deposits at a rate equal to, for the period from the date such drawing is honored to but excluding the applicable Reimbursement Date, the rate of interest otherwise payable hereunder with respect to Term Loans that are Base Rate Loans.

(h) Interest payable pursuant to Sections 2.8(f) or (g) shall be computed on the basis of a 365/366 day year for the actual number of days elapsed in the period during which it accrues, and shall be payable on demand or, if no demand is made, on the date on which the related drawing under a Letter of Credit is reimbursed in full. Promptly upon receipt by an Issuing Bank of any payment of interest pursuant to Section 2.8(f) or (g), such Issuing Bank shall distribute to each Letter of Credit Participant, out of the interest received by such Issuing Bank in respect of the period from the date such drawing is honored to but excluding the date on which such Issuing Bank is reimbursed for the amount of such drawing (including any such reimbursement out of the proceeds of any Revolving Loans), the amount that such Letter of Credit Participant would have been entitled to receive in respect of the letter of credit fee that would have been payable in respect of such Letter of Credit for such period if no drawing had been honored under such Letter of Credit. In the event an Issuing Bank shall have been reimbursed by Letter of Credit Participants for all or any portion of such honored drawing, such Issuing Bank shall distribute to each Letter of Credit Participant which has paid all amounts payable by it under Section 2.4(h) with respect to such honored drawing such Letter of Credit Participant’s Pro Rata Share of any interest received by such Issuing Bank in respect of that portion of such honored drawing so reimbursed by Letter of Credit Participants for the period from the date on which such Issuing Bank was so reimbursed by Letter of Credit Participants to but excluding the date on which such portion of such honored drawing is reimbursed by Company.

2.9. Conversion/Continuation.

(a) Subject to Section 2.18 and so long as no Default or Event of Default shall have occurred and then be continuing, Company shall have the option:

(i) to convert at any time all or any part of any Term Loan or Revolving Loan equal to $1,000,000 and integral multiples of $1,000,000 in excess of that amount from one Type of Loan to another Type of Loan; provided, a Eurodollar Rate Loan may only be converted on the expiration of the Interest Period applicable to such Eurodollar Rate Loan unless Company shall pay all amounts due under Section 2.18 in connection with any such conversion; or

(ii) upon the expiration of any Interest Period applicable to any Eurodollar Rate Loan, to continue all or any portion of such Loan equal to $1,000,000 and integral multiples of $1,000,000 in excess of that amount as a Eurodollar Rate Loan.

(b) Company shall deliver a Conversion/Continuation Notice to Administrative Agent no later than 1:00 p.m. (New York City time) at least one Business Day in advance of the proposed conversion date (in the case of a conversion to a Base Rate Loan) and at least three Business Days in advance of the proposed conversion/continuation date (in the case of a conversion to, or a continuation of, a Eurodollar Rate Loan). Except as otherwise provided herein, a Conversion/Continuation Notice for conversion to, or continuation of, any Eurodollar Rate Loans (or telephonic notice in lieu thereof) shall be irrevocable on and after the related Interest Rate Determination Date, and Company shall be bound to effect a conversion or continuation in accordance therewith.

2.10. Default Interest. Upon the occurrence and during the continuance of an Event of Default, to the extent permitted by applicable law, any overdue amounts owed hereunder, shall thereafter bear interest (including post-petition interest in any proceeding under the Bankruptcy Code or other applicable bankruptcy laws) payable on demand at a rate that is 2% per annum in excess of the interest rate otherwise payable hereunder with respect to the applicable Loans (or, in the case of any such fees and other amounts, at a rate which is 2% per annum in excess of the interest rate otherwise payable hereunder for Base Rate Loans); provided, in the case of Eurodollar Rate Loans, upon the expiration of the Interest Period in effect at the time any such increase in interest rate is effective such Eurodollar Rate Loans shall thereupon become Base Rate Loans and shall thereafter bear interest payable upon demand at a rate which is 2% per annum in excess of the interest rate otherwise payable hereunder for Base Rate Loans. Payment or acceptance of the increased rates of interest provided for in this Section 2.10 is not a permitted alternative to timely payment and shall not constitute a waiver of any Event of Default or otherwise prejudice or limit any rights or remedies of Administrative Agent or any Lender.

2.11. Fees.

(a) Company agrees to pay to Lenders having Revolving Exposure:

(i) commitment fees equal to (1) the average of the daily difference between (a) the Revolving Commitments and (b) the Total Utilization of Revolving Commitments, times (2) 0.50% per annum; and

(ii) letter of credit fees equal to (1) the Applicable Margin for Revolving Loans that are Eurodollar Rate Loans, times (2) the average aggregate daily maximum amount available to be drawn under all such Revolving Letters of Credit (regardless of whether any conditions for drawing could then be met and determined as of the close of business on any date of determination).

All fees referred to in this Section 2.11(a) shall be paid to Administrative Agent at its Principal Office and upon receipt, Administrative Agent shall promptly distribute to each Lender its Pro Rata Share thereof.

(b) Company agrees to pay to Administrative Agent for the ratable benefit of each Lender having Funded Letter of Credit Exposure a fee in respect of such Lender's Pro Rata Share of the Credit Linked Deposits (the **"Funded Letter of Credit Fee"**), for the period from and including the Effective Date to but excluding the date on which final payment is made to such Lender pursuant to Section 2.4(i)(iv), computed at the per annum rate for each date equal to (x) the Applicable Margin for Credit Linked Deposits then in effect for Funded Letters of Credit times (y) the average daily amount of such Credit Linked Deposit.

(c) Company agrees to pay directly to each Issuing Bank, for its own account, the following fees:

(i) a fronting fee equal to 0.25%, per annum, times the average aggregate daily maximum amount available to be drawn under all Revolving Letters of Credit issued by such Issuing Bank (determined as of the close of business on any date of determination);

(ii) a fronting fee equal to 0.125%, per annum, times the average aggregate daily maximum amount available to be drawn under all Funded Letters of Credit issued by such Issuing Bank (determined as of the close of business on any date of determination); and

(iii) such documentary and processing charges for any amendment, transfer or payment of a Letter of Credit as are in accordance with such Issuing Bank's standard schedule for such charges and as in effect at the time of such issuance, amendment, transfer or payment, as the case may be.

(d) All fees referred to in Sections 2.11(a), (b) and (d) shall be paid to Administrative Agent at its Principal Office and upon receipt, Administrative Agent shall promptly distribute to each Lender its Pro Rata Share thereof.

(e) All fees referred to in Sections 2.11(a), (b), (c) and (d) shall be calculated on the basis of a 360 day year and the actual number of days elapsed and shall be payable quarterly in arrears on the first Business Day of each April, July, October, and January 1 of each year during the Revolving Commitment Period or the Funded Letter of Credit Commitment Period, as applicable, commencing on the first Business Day of April 2007.

(f) In addition to any of the foregoing fees, Company agrees to pay to Agents such other fees in the amounts and at the times separately agreed upon.

2.12. Scheduled Payments/Commitment Reductions.

(a) Scheduled Installments. (i) The principal amounts of the Tranche D Term Loans shall be repaid in consecutive quarterly installments (each, an **"Installment"**) on the four quarterly scheduled Interest Payment Dates applicable to Term Loans (each, an **"Installment Date"**), commencing on the first Business Day of April 2007, in a principal amount equal to (x) the principal amount of Tranche D Term Loans outstanding on such Installment Date multiplied by (y) the percentage set forth below opposite such Installment Date:

Installment Date	Installments
Each Installment Date prior to April 1, 2013	0.25%
Each Installment Date during the period commencing April 1, 2013 through the Term Loan Maturity Date	23.5%

(b) Amortization of New Term Loans. In the event any New Term Loans are deemed made, such New Term Loans shall be repaid on each Installment Date occurring on or after the date on which such New Term Loans are deemed made pursuant to Section 2.4(f) in an amount equal to (i) the aggregate principal amount of such New Term Loans, times (ii) the ratio (expressed as a percentage) of (y) the amount of all other Term Loans being repaid on such date on which such New Term Loans are deemed made pursuant to Section 2.4(f) to (z) the total aggregate principal amount of all other Term Loans outstanding on such deemed date of making of such New Term Loans.

Notwithstanding the foregoing, (x) such Installments shall be reduced in connection with any voluntary or mandatory prepayments of the Term Loans, as the case may be, in accordance with Sections 2.13, 2.14 and 2.15, as applicable; and (y) the Term Loans, together with all other amounts owed hereunder with respect thereto, shall, in any event, be paid in full no later than the Term Loan Maturity Date.

2.13. Voluntary Prepayments/Commitment Reductions.

(a) Voluntary Prepayments.

(i) Any time and from time to time:

(1) with respect to Base Rate Loans or Eurodollar Rate Loans, Company may prepay any such Loans on any Business Day in whole or in part, in an aggregate minimum amount of $1,000,000 and integral multiples of $1,000,000 in excess of that amount; and

(2) with respect to Swing Line Loans, Company may prepay any such Loans on any Business Day in whole or in part in an aggregate minimum amount of $100,000, and in integral multiples of $100,000 in excess of that amount.

(ii) All such prepayments shall be made:

(1) upon not less than one Business Day's prior written or telephonic notice in the case of Base Rate Loans;

(2) upon not less than three Business Days' prior written or telephonic notice in the case of Eurodollar Rate Loans; and

(3) upon written or telephonic notice on the date of prepayment, in the case of Swing Line Loans;

in each case given to Administrative Agent or Swing Line Lender, as the case may be, by 12:00 p.m. (New York City time) on the date required and, if given by telephone, promptly confirmed in writing to Administrative Agent (and Administrative Agent will promptly notify each Lender) or Swing Line Lender, as the case may be. Upon the giving of any such notice, the principal amount of the Loans specified in such notice shall become due and payable on the prepayment date specified therein. Any such voluntary prepayment shall be applied as specified in Section 2.15(a).

(b) Voluntary Commitment Reductions.

(i) Company may, upon not less than three Business Days' prior written or telephonic notice confirmed in writing to Administrative Agent (which original written or telephonic notice Administrative Agent will promptly transmit by telefacsimile or telephone to each applicable Lender), at any time and from time to time terminate in whole or permanently reduce in part, without premium or penalty, the Revolving Commitments in an amount up to the amount by which the Revolving Commitments exceed the Total Utilization of Revolving Commitments at the time of such proposed termination or reduction; provided, any such partial reduction of the Revolving Commitments shall be in an aggregate minimum amount of $1,000,000 and integral multiples of $1,000,000 in excess of that amount.

(ii) Company's notice to Administrative Agent shall designate the date (which shall be a Business Day) of such termination or reduction and the amount of any partial reduction, and such termination or reduction of the Revolving Commitments shall be effective on the date specified in Company's notice and shall reduce the Revolving Commitment of each Lender proportionately to its Pro Rata Share thereof.

(iii) Subject to the requirements of the Swap Agreement, upon at least one Business Day's prior written notice (or telephonic notice promptly confirmed in writing) to Administrative Agent at Administrative Agent's Principal Office (which notice Administrative Agent shall promptly notify to the Funded LC Issuing Bank and each of the Lenders), Company shall have the right, without premium or penalty, on any day, permanently to reduce the Credit Linked Deposits in whole or in part, provided that (i) any partial reduction pursuant to this Section 2.13(b)(iii) shall be in an aggregate minimum amount of $1,000,000 and integral multiples of $1,000,000 in excess of that amount, and (ii) after giving effect to such reduction and to any cancellation or cash collateralization (pursuant to Section 2.4(h) or otherwise) of Funded Letters of Credit made on the date thereof in accordance with this Agreement, the aggregate amount of the Lenders' Funded Letter of Credit Exposures shall not exceed the Total Credit Linked Deposit. In the event the Credit Linked Deposits shall be reduced as provided in the immediately preceding sentence, the Funded LC Issuing Bank shall repurchase the Funded Letter of Credit Participation Interests in respect of such reduced Credit Linked Deposits held by the Funded Letter of Credit Participants with the Credit Linked Deposits held by such Funded LC Issuing Bank (such repurchase price to be deposited by such Funded LC Issuing Bank with Administrative Agent) and Administrative Agent shall repay such amount to the Funded Letter of Credit Participants ratably in accordance with their Pro Rata Shares of the Total Credit Linked Deposit (as determined immediately prior to such reduction).

2.14. Mandatory Prepayments/Commitment Reductions.

(a) Asset Sales. No later than the first Business Day following the date of receipt by Holdings or any of its Subsidiaries of any Net Asset Sale Proceeds, Company shall prepay the Loans in an aggregate amount equal to such Net Asset Sale Proceeds; provided, so long as no Default or Event of Default shall have occurred and be continuing, Company shall have the option, directly or through one or more of its Subsidiaries, to invest Net Asset Sale Proceeds within twelve months of receipt thereof (or within eighteen months of receipt if a binding agreement to reinvest is entered into within twelve months of receipt) in long-term productive or other capital assets of the general type used in the business of Company and its Subsidiaries (including for Permitted Acquisitions); provided further, pending any such investment all such Net Asset Sale Proceeds shall be applied to temporarily prepay Revolving Loans to the extent outstanding (without a reduction in Revolving Commitments).

(b) Insurance/Condemnation Proceeds. No later than the first Business Day following the date of receipt by Holdings or any of its Subsidiaries, or Administrative Agent as loss payee, of any Net Insurance/Condemnation Proceeds, Company shall prepay the Loans in an aggregate amount equal to such Net Insurance/Condemnation Proceeds; provided, so long as no Default or Event of Default shall have occurred and be continuing, Company shall have the option, directly or through one or more of its Subsidiaries to invest such Net Insurance/Condemnation Proceeds within twelve months of receipt thereof (or within eighteen months of receipt if a binding agreement to reinvest is entered into within twelve months of receipt) in long term productive or other capital assets of the general type used in the business of Holdings and its Subsidiaries (including for Permitted Acquisitions), which investment may include the repair, restoration or replacement of the applicable assets thereof; provided further, pending any such investment all such Net Insurance/Condemnation

Proceeds, as the case may be, shall be applied to temporarily prepay Revolving Loans to the extent outstanding (without a reduction in Revolving Commitments).

(c) Issuance of Debt. No later than the first Business Day following the receipt by Holdings or any of its Subsidiaries of any Cash proceeds from the incurrence of any Indebtedness of Holdings or any of its Subsidiaries (other than with respect to any Indebtedness permitted to be incurred pursuant to Section 6.1), Company shall prepay the Loans as set forth in Section 2.15(b) in an aggregate amount equal to 100% of such proceeds, net of underwriting discounts and commissions and other reasonable costs and expenses associated therewith, including reasonable legal fees and expenses.

(d) Consolidated Excess Cash Flow. In the event that there shall be Consolidated Excess Cash Flow for any Fiscal Year (commencing with Fiscal Year 2007), Company shall, no later than ninety days after the end of such Fiscal Year, prepay the Loans as set forth in Section 2.15(b) in an aggregate amount equal to 75% of such Consolidated Excess Cash Flow less 100% of voluntary prepayments made during that Fiscal Year pursuant to Section 2.13 (excluding repayments of Revolving Loans or Swing Line Loans except to the extent the Revolving Commitments are permanently reduced in connection with such repayment); provided, for any Fiscal Year (commencing with Fiscal Year 2008) Company shall only be required to make the prepayments and/or reductions otherwise required hereby in an amount equal to (i) 50% of such Consolidated Excess Cash Flow if the Total Leverage Ratio as at the end of such Fiscal Year is less than 1.50:1.00 and (ii) 25% of such Consolidated Excess Cash Flow if the Total Leverage Ratio as at the end of such Fiscal Year is less than 1.00:1.00, in each case less 100% of voluntary prepayments made during that Fiscal Year pursuant to Section 2.13 (excluding repayments of Revolving Loans or Swing Line Loans except to the extent the Revolving Commitments are permanently reduced in connection with such repayment).

(e) Issuance of Equity. No later than the first Business Day following the receipt by any of Parent, Holdings or any of Subsidiary of Holdings of any Cash proceeds from any IPO or secondary registered offering of any equity interests of Parent, Holdings or any of Subsidiary of Holdings, Company shall prepay the Loans as set forth in Section 2.15(b) in an aggregate amount equal to 100% of such cash proceeds received for all such offerings, net of underwriting discounts and commissions and other reasonable costs and expenses associated therewith, including reasonable legal fees and expenses, until the aggregate amount of such proceeds applied to repay the Term Loans pursuant to this Section 2.14(e) is equal to $280,000,000 (less the amount of all other prepayments pursuant to Sections 2.13 and 2.14 made in connection with a Qualified IPO).

(f) Revolving Loans and Swing Loans. Company shall from time to time prepay *first*, the Swing Line Loans, and *second*, the Revolving Loans to the extent necessary so that the Total Utilization of Revolving Commitments shall not at any time exceed the Revolving Commitments then in effect.

(g) Prepayment Certificate. Concurrently with any prepayment of the Loans and/or reduction of the Revolving Commitments pursuant to Sections 2.14(a) through 2.14(e), Company shall deliver to Administrative Agent a certificate of an Authorized Officer demonstrating the calculation of the amount of the applicable net proceeds or Consolidated Excess Cash Flow, as the case may be. In the event that Company shall subsequently determine that the actual amount received exceeded the amount set forth in such certificate, Company shall promptly make an additional prepayment of the Loans and Company shall concurrently therewith deliver to Administrative Agent a certificate of an Authorized Officer demonstrating the derivation of such excess.

(h) Effective Date. Notwithstanding the foregoing, upon its receipt of the proceeds of the Tranche D Term Loans, Company shall apply a portion of such proceeds sufficient to (i) (A) prepay in full the Existing Tranche C Term Loans, (B) pay all accrued and unpaid interest and fees, if any, on all Existing Tranche C Term Loans, and (C) pay all other Obligations then due and owing to the Existing Lenders, in their capacity as such, under the Existing Credit Agreement and (ii) (A) prepay in full the Second Lien Term Loans, (B) pay all accrued and unpaid interest and fees, if any, on all Second Lien Term Loans, and (C) pay all other Obligations then due and owing to the Lenders (as defined in the Second Lien Credit Agreement), in their capacity as such, under the Second Lien Credit Agreement.

2.15. Application of Prepayments/Reductions.

(a) Application of Voluntary Prepayments by Type of Loans. Any prepayment of any Loan pursuant to Section 2.13(a) shall be applied as specified by Company in the applicable notice of prepayment; provided, in the event Company fails to specify the Loans to which any such prepayment shall be applied, such prepayment shall be applied as follows:

first, to repay outstanding Swing Line Loans (without reducing the Revolving Commitments or Swing Line Sublimit) to the full extent thereof;

second, to repay outstanding Revolving Loans (without reducing the Revolving Commitments) to the full extent thereof; and

third, to prepay the Term Loans on a pro rata basis (in accordance with the respective outstanding principal amounts thereof).

Any prepayment of any Term Loans pursuant to Section 2.13(a) shall be further applied to scheduled Installments of such Term Loans within the twelve months following such prepayments and thereafter on a pro rata basis to reduce the scheduled remaining Installments of principal on such Term Loan.

(b) Application of Mandatory Prepayments by Type of Loans. Any amount required to be paid pursuant to Sections 2.14(a) through 2.14(e) shall be applied as follows:

first, to prepay Term Loans on a pro rata basis and further applied to scheduled Installments of such Term Loans within the twelve months following such prepayments and thereafter on a pro rata basis to the remaining scheduled Installments of principal;

second, to prepay the Swing Line Loans to the full extent thereof and to permanently reduce the Revolving Commitments by the amount of such prepayment;

third, to prepay the Revolving Loans to the full extent thereof;

fourth, to prepay outstanding reimbursement obligations with respect to Revolving Letters of Credit and Funded Letters of Credit on a pro rata basis; and

fifth, to cash collateralize Revolving Letters of Credit and Funded Letters of Credit on a pro rata basis.

(c) Application of Prepayments of Loans to Base Rate Loans and Eurodollar Rate Loans. Considering each Class of Loans being prepaid separately, any prepayment thereof shall be applied first to Base Rate Loans to the full extent thereof before application to Eurodollar Rate Loans, in each case in a manner which minimizes the amount of any payments required to be made by Company pursuant to Section 2.18(c).

2.16. General Provisions Regarding Payments.

(a) All payments by Company of principal, interest, fees and other Obligations shall be made in Dollars in same day funds, without defense, setoff or counterclaim, free of any restriction or condition, and delivered to Administrative Agent not later than 12:00 p.m. (New York City time) on the date due at the Principal Office designated by Administrative Agent for the account of Lenders; for purposes of computing interest and fees, funds received by Administrative Agent after that time on such due date shall be deemed to have been paid by Company on the next succeeding Business Day.

(b) All payments in respect of the principal amount of any Loan (other than voluntary prepayments of Revolving Loans) shall be accompanied by payment of accrued interest on the principal amount being repaid or prepaid without premium or penalty subject to Section 2.18(c).

(c) Administrative Agent (or its agent or sub-agent appointed by it) shall promptly distribute to each Lender at such address as such Lender shall indicate in writing, such Lender's applicable Pro Rata Share of all payments and prepayments of principal and interest due hereunder, together with all other amounts due thereto, including, without limitation, all fees payable with respect thereto, to the extent received by Administrative Agent.

(d) Notwithstanding the foregoing provisions hereof, if any Conversion/Continuation Notice is withdrawn as to any Affected Lender or if any Affected

Lender makes Base Rate Loans in lieu of its Pro Rata Share of any Eurodollar Rate Loans, Administrative Agent shall give effect thereto in apportioning payments received thereafter.

(e) Subject to the provisos set forth in the definition of "Interest Period" as they may apply to Revolving Loans, and otherwise provided herein, whenever any payment to be made hereunder with respect to any Loan shall be stated to be due on a day that is not a Business Day, such payment shall be made on the next succeeding Business Day and, with respect to Revolving Loans only, such extension of time shall be included in the computation of the payment of interest hereunder or of the Revolving Commitment fees hereunder.

(f) Company hereby authorizes Administrative Agent to charge Company's accounts with Administrative Agent in order to cause timely payment to be made to Administrative Agent of all principal, interest, fees and expenses due hereunder (subject to sufficient funds being available in its accounts for that purpose).

(g) Administrative Agent shall deem any payment by or on behalf of Company hereunder that is not made in same day funds prior to 12:00 p.m. (New York City time) to be a non-conforming payment. Any such payment shall not be deemed to have been received by Administrative Agent until the later of (i) the time such funds become available funds, and (ii) the applicable next Business Day. Administrative Agent shall give prompt telephonic notice to Company and each applicable Lender (confirmed in writing) if any payment is non-conforming. Any non-conforming payment may constitute or become a Default or Event of Default in accordance with the terms of Section 8.1(a). Interest shall continue to accrue on any principal as to which a non-conforming payment is made until such funds become available funds (but in no event less than the period from the date of such payment to the next succeeding applicable Business Day) at the rate determined pursuant to Section 2.10 from the date such amount was due and payable until the date such amount is paid in full.

(h) If an Event of Default shall have occurred and not otherwise been waived, and the maturity of the Obligations shall have been accelerated pursuant to Section 8.1, all payments or proceeds received by Agents hereunder in respect of any of the Obligations, shall be applied in accordance with the application arrangements described in Section 7.2 of the Pledge and Security Agreement.

2.17. Ratable Sharing. Lenders hereby agree among themselves that, except as otherwise provided in the Collateral Documents with respect to amounts realized from the exercise of rights with respect to Liens on the Collateral, if any of them shall, whether by voluntary payment (other than a voluntary prepayment of Loans made and applied in accordance with the terms hereof), through the exercise of any right of set-off or banker's lien, by counterclaim or cross action or by the enforcement of any right under the Credit Documents or otherwise, or as adequate protection of a deposit treated as cash collateral under the Bankruptcy Code, receive payment or reduction of a proportion of the aggregate amount of principal, interest, amounts payable in respect of Letters of Credit, fees and other amounts then due and owing to such Lender hereunder or under the other Credit Documents (collectively, the

"Aggregate Amounts Due" to such Lender) which is greater than the proportion received by any other Lender in respect of the Aggregate Amounts Due to such other Lender, then the Lender receiving such proportionately greater payment shall (a) notify Administrative Agent and each other Lender of the receipt of such payment and (b) apply a portion of such payment to purchase participations (which it shall be deemed to have purchased from each seller of a participation simultaneously upon the receipt by such seller of its portion of such payment) in the Aggregate Amounts Due to the other Lenders so that all such recoveries of Aggregate Amounts Due shall be shared by all Lenders in proportion to the Aggregate Amounts Due to them; provided, if all or part of such proportionately greater payment received by such purchasing Lender is thereafter recovered from such Lender upon the bankruptcy or reorganization of Company or otherwise, those purchases shall be rescinded and the purchase prices paid for such participations shall be returned to such purchasing Lender ratably to the extent of such recovery, but without interest. Company expressly consents to the foregoing arrangement and agrees that any holder of a participation so purchased may exercise any and all rights of banker's lien, set-off or counterclaim with respect to any and all monies owing by Company to that holder with respect thereto as fully as if that holder were owed the amount of the participation held by that holder.

2.18. Making or Maintaining Eurodollar Rate Loans.

(a) Inability to Determine Applicable Interest Rate. In the event that Administrative Agent shall have determined (which determination shall be final and conclusive and binding upon all parties hereto absent manifest error), on any Interest Rate Determination Date with respect to any Eurodollar Rate Loans, that by reason of circumstances affecting the London interbank market adequate and reasonable means do not exist for ascertaining the interest rate applicable to such Loans on the basis provided for in the definition of Adjusted Eurodollar Rate, Administrative Agent shall on such date give notice (by telefacsimile or by telephone confirmed in writing) to Company and each Lender of such determination, whereupon (i) no Loans may be made as, or converted to, Eurodollar Rate Loans until such time as Administrative Agent notifies Company and Lenders that the circumstances giving rise to such notice no longer exist, and (ii) any Funding Notice or Conversion/Continuation Notice given by Company with respect to the Loans in respect of which such determination was made shall be deemed to be rescinded by Company.

(b) Illegality or Impracticability of Eurodollar Rate Loans. In the event that on any date any Lender shall have reasonably determined (which determination shall be final and conclusive and binding upon all parties hereto but shall be made only after consultation with Company and Administrative Agent) that the making, maintaining or continuation of its Eurodollar Rate Loans (i) has become unlawful as a result of compliance by such Lender in good faith with any law, treaty, governmental rule, regulation, guideline or order (or would conflict with any such treaty, governmental rule, regulation, guideline or order not having the force of law even though the failure to comply therewith would not be unlawful), or (ii) has become impracticable, as a result of contingencies occurring after the Effective Date which materially and adversely affect the London interbank market or the position of such Lender in that market, then, and in any such event, such Lender shall be an **"Affected**

Lender" and it shall on that day give notice (by telefacsimile or by telephone confirmed in writing) to Company and Administrative Agent of such determination (which notice Administrative Agent shall promptly transmit to each other Lender). Thereafter (1) the obligation of the Affected Lender to make Loans as, or to convert Loans to, Eurodollar Rate Loans shall be suspended until such notice shall be withdrawn by the Affected Lender, (2) to the extent such determination by the Affected Lender relates to a Eurodollar Rate Loan then being requested by Company pursuant to a Funding Notice or a Conversion/Continuation Notice, the Affected Lender shall make such Loan as (or continue such Loan as or convert such Loan to, as the case may be) a Base Rate Loan, (3) the Affected Lender's obligation to maintain its outstanding Eurodollar Rate Loans (the **"Affected Loans"**) shall be terminated at the earlier to occur of the expiration of the Interest Period then in effect with respect to the Affected Loans or when required by law, and (4) the Affected Loans shall automatically convert into Base Rate Loans on the date of such termination. Notwithstanding the foregoing, to the extent a determination by an Affected Lender as described above relates to a Eurodollar Rate Loan then being requested by Company pursuant to a Funding Notice or a Conversion/Continuation Notice, Company shall have the option, subject to the provisions of Section 2.18(c), to rescind such Funding Notice or Conversion/Continuation Notice as to all Lenders by giving notice (by telefacsimile or by telephone confirmed in writing) to Administrative Agent of such rescission on the date on which the Affected Lender gives notice of its determination as described above (which notice of rescission Administrative Agent shall promptly transmit to each other Lender). Except as provided in the immediately preceding sentence, nothing in this Section 2.18(b) shall affect the obligation of any Lender other than an Affected Lender to make or maintain Loans as, or to convert Loans to, Eurodollar Rate Loans in accordance with the terms hereof.

(c) <u>Compensation for Breakage or Non-Commencement of Interest Periods</u>. Company shall compensate each Lender and the Funded LC Issuing Bank, upon written request by such Lender or such Funded LC Issuing Bank, as applicable (which request shall set forth the basis for requesting such amounts), for all reasonable losses, expenses and liabilities (including any interest paid by such Lender to lenders of funds borrowed by it to make or carry its Eurodollar Rate Loans or make its Credit Linked Deposits and any loss, expense or liability sustained by such Lender in connection with the liquidation or re-employment of such funds but excluding loss of anticipated profits) which such Lender or such Funded LC Issuing Bank may sustain: (i) if for any reason (other than a default by such Lender) a borrowing of any Eurodollar Rate Loan does not occur on a date specified therefor in a Funding Notice or a telephonic request for borrowing, or a conversion to or continuation of any Eurodollar Rate Loan does not occur on a date specified therefor in a Conversion/Continuation Notice or a telephonic request for conversion or continuation; (ii) if any prepayment or other principal payment of, or any conversion of, any of its Eurodollar Rate Loans occurs on a date prior to the last day of an Interest Period applicable to that Loan; (iii) if any prepayment of any of its Eurodollar Rate Loans is not made on any date specified in a notice of prepayment given by Company; (iv) if any Credit Linked Deposit is reduced prior to the last day of the Interest Period applicable thereto (including as a result of an Event of Default) or any Credit Linked Deposit is not reduced on the date specified in any notice delivered pursuant hereto; or (v) if any Credit Linked Deposit held by such Funded LC Issuing Bank is reduced in order to reimburse such Funded LC Issuing Bank pursuant to Sections 2.4(f) or 2.4(h); provided, Company shall not be obligated to compensate any Lender or Funded LC Issuing Bank for any such losses, expenses or liabilities attributable to any such circumstance occurring prior to the date that is 90 days prior to the date on which such Lender or Funded LC Issuing Bank requested such compensation from Company.

(d) Booking of Eurodollar Rate Loans. Any Lender may make, carry or transfer Eurodollar Rate Loans at, to, or for the account of any of its branch offices or the office of an Affiliate of such Lender.

(e) Assumptions Concerning Funding of Eurodollar Rate Loans. Calculation of all amounts payable to a Lender under this Section 2.18, Section 2.19 and Section 2.20 shall be made as though such Lender had actually funded each of its relevant Eurodollar Rate Loans through the purchase of a Eurodollar deposit bearing interest at the rate obtained pursuant to clause (i) of the definition of Adjusted Eurodollar Rate in an amount equal to the amount of such Eurodollar Rate Loan and having a maturity comparable to the relevant Interest Period and through the transfer of such Eurodollar deposit from an offshore office of such Lender to a domestic office of such Lender in the United States of America; provided, however, each Lender may fund each of its Eurodollar Rate Loans in any manner it sees fit and the foregoing assumptions shall be utilized only for the purposes of calculating amounts payable under this Section 2.18, Section 2.19 and Section 2.20.

2.19. Increased Costs; Capital Adequacy.

(a) Compensation For Increased Costs. Subject to the provisions of Section 2.20 (which shall be controlling with respect to the matters covered thereby), in the event that any Lender (which term shall include each Issuing Bank for purposes of this Section 2.19(a)) shall determine (which determination shall, absent manifest error, be final and conclusive and binding upon all parties hereto) that any law, treaty or governmental rule, regulation or order, or any change therein or in the interpretation, administration or application thereof (including the introduction of any new law, treaty or governmental rule, regulation or order), or any determination of a court or governmental authority, in each case that is issued and becomes effective after the Effective Date, or compliance by such Lender with any guideline, request or directive issued or made after the Effective Date by any central bank or other governmental or quasi-governmental authority (whether or not having the force of law): (i) subjects such Lender (or its applicable lending office) to any additional stamp or documentary tax or any other excise taxes or similar charges or levies with respect to this Agreement or any of the other Credit Documents or any of its obligations hereunder or thereunder or any payments to such Lender (or its applicable lending office) of principal, interest, fees or any other amount payable hereunder; (ii) imposes, modifies or holds applicable any reserve (including any marginal, emergency, supplemental, special or other reserve), special deposit, compulsory loan, FDIC insurance or similar requirement against assets held by, or deposits or other liabilities in or for the account of, or advances or loans by, or other credit extended by, or any other acquisition of funds by, any office of such Lender (other than any such reserve or other requirements with respect to Eurodollar Rate Loans or Credit Linked Deposits that are reflected in the definition of Adjusted Eurodollar Rate); or (iii) imposes any other condition (other than with respect to a Tax matter) on or affecting such Lender (or its applicable lending office) or its obligations hereunder or the London interbank market; and the result of any of the foregoing is to increase the cost to such Lender of agreeing to make, making or maintaining Loans or Credit Linked Deposits hereunder or to reduce any amount received or receivable by such Lender (or its applicable lending office) with respect thereto; then, in any such case, Company shall promptly pay to such Lender, upon receipt of the statement referred to in the next sentence, such additional amount or amounts (in the form of an increased rate of, or a different method of calculating, interest or otherwise as such Lender in its sole discretion shall determine) as may be necessary to compensate such Lender for any such increased cost or reduction in amounts received or receivable hereunder. Such Lender shall deliver to Company (with a copy to Administrative Agent) a written statement, setting forth in reasonable detail the basis for calculating the additional amounts owed to such Lender under this Section 2.19(a), which statement shall be conclusive and binding upon all parties hereto absent manifest error.

(b) Capital Adequacy Adjustment. In the event that any Lender (which term shall include each Issuing Bank for purposes of this Section 2.19(b)) shall have determined that the adoption, effectiveness, phase-in or applicability after the Effective Date of any law, rule or regulation (or any provision thereof) regarding capital adequacy, or any change therein or in the interpretation or administration thereof by any Governmental Authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by any Lender (or its applicable lending office) with any guideline, request or directive regarding capital adequacy (whether or not having the force of law) of any such Governmental Authority, central bank or comparable agency, has or would have the effect of reducing the rate of return on the capital of such Lender or any corporation controlling such Lender as a consequence of, or with reference to, such Lender's Loans or Revolving Commitments, Letters of Credit or Credit Linked Deposits, or participations therein or other obligations hereunder with respect to the Loans or the Letters of Credit to a level below that which such Lender or such controlling corporation could have achieved but for such adoption, effectiveness, phase-in, applicability, change or compliance (taking into consideration the policies of such Lender or such controlling corporation with regard to capital adequacy), then from time to time, within five Business Days after receipt by Company from such Lender of the statement referred to in the next sentence, Company shall pay to such Lender such additional amount or amounts as will compensate such Lender or such controlling corporation on an after-tax basis for such reduction. Such Lender shall deliver to Company (with a copy to Administrative Agent) a written statement, setting forth in reasonable detail the basis for calculating the additional amounts owed to Lender under this Section 2.19(b), which statement shall be conclusive and binding upon all parties hereto absent manifest error.

2.20. Taxes; Withholding, etc.

(a) Payments to Be Free and Clear. All sums payable by any Credit Party hereunder and under the other Credit Documents shall (except to the extent required by law) be paid free and clear of, and without any deduction or withholding on account of, any Tax imposed, levied, collected, withheld or assessed by or within the United States of America or any political subdivision in or of the United States of America or any other jurisdiction from or to which a payment is made by or on behalf of any Credit Party or by any federation or organization of which the United States of America or any such jurisdiction is a member at the time of payment.

(b) Withholding of Taxes. If any Credit Party or any other Person is required by law to make any deduction or withholding on account of any Tax imposed by the United States of America or any political subdivision thereof (which Tax shall (i) exclude any tax imposed by a Governmental Authority as a result of a connection or former connection between such Lender or Administrative Agent (as the case may be) and the jurisdiction imposing such Tax, including without limitation, any connection arising from being a citizen, domiciliary or resident of such jurisdiction, being organized in such jurisdiction, or having a permanent establishment or fixed place of business therein, but excluding any connection arising solely from the rights and obligations as a Lender, or the activities of such Lender, pursuant to or in respect of this Agreement or the Credit Documents, and (ii) include any tax (other than a net income tax) imposed both as a result of a connection between a Lender or Administrative Agent (as the case may be) and the jurisdiction imposing such tax and as a result of a connection between the Company and the jurisdiction imposing such tax) from any sum paid or payable by any Credit Party to Administrative Agent or any Lender (which term shall include each Issuing Bank for purposes of this Section 2.20(b)) under any of the Credit Documents: (i) Company shall notify Administrative Agent of any such requirement or any change in any such requirement as soon as Company becomes aware of it; (ii) Company shall pay any such Tax before the date on which penalties attach thereto, such payment to be made (if the liability to pay is imposed on any Credit Party) for its own account or (if that liability is imposed on Administrative Agent or such Lender, as the case may be) on behalf of and in the name of Administrative Agent or such Lender; (iii) the sum payable by such Credit Party in respect of which the relevant deduction, withholding or payment is required shall be increased to the extent necessary to ensure that, after the making of that deduction, withholding or payment, Administrative Agent or such Lender, as the case may be, receives on the due date a net sum equal to what it would have received had no such deduction, withholding or payment been required or made after deduction for all Taxes not indemnified hereunder and for which additional amounts are not payable hereunder; and (iv) within thirty days after paying any sum from which it is required by law to make any deduction or withholding, and within thirty days after the due date of payment of any Tax which it is required by clause (ii) above to pay, Company shall deliver to Administrative Agent evidence satisfactory to the other affected parties of such deduction, withholding or payment and of the remittance thereof to the relevant taxing or other authority; provided, no such additional amount shall be required to be paid under clause (ii) or (iii) above except to the extent that the deduction, withholding or payment in respect of which such additional amount is required to be paid results from a change in any applicable law, treaty or governmental rule, regulation or order, or any change in the interpretation, administration or application thereof, after the Effective Date (in the case of each Lender listed on the signature pages hereof on the Effective Date) or after the effective date of the Assignment Agreement pursuant to which such Lender became a Lender (in the case of each other Lender) relating to such requirement for a deduction, withholding or payment (or the rate thereof) from that in effect at the Effective Date or at the date of such Assignment Agreement, as the case may be, in respect of payments to such Lender, except to the extent that such Lender's assignor (if any) was entitled, at the time of assignment, to receive additional amounts from Company with respect to Taxes pursuant to this Section 2.20.

(c) Evidence of Exemption From U.S. Withholding Tax. Each Lender (or other Person beneficially entitled to receive payments under the Credit Documents) that is not a United States Person (as such term is defined in Section 7701(a)(30) of the Internal Revenue Code) for U.S. federal income tax purposes (a "Non-US Lender") shall deliver to Administrative Agent for transmission to Company, on or prior to the Effective Date (in the case of each Lender party hereto on the Effective Date) or on or prior to the date of the Assignment Agreement pursuant to which it becomes a Lender (in the case of each other Lender), and at such other times as may be necessary in the determination of Company or Administrative Agent (each in the reasonable exercise of its discretion), (i) two original copies of Internal Revenue Service Form W-8ECI (or any successor forms) or, if such Lender or other Person is unable to deliver such forms, two original copies of Internal Revenue Service Form W-8BEN (or any successor forms), properly completed and duly executed by such Lender (or, in the case of a pass-through entity, each of its beneficial owners), and such other documentation required under the Internal Revenue Code or reasonably requested in writing by Company to establish that such Lender (or, in the case of a pass-through entity, each of its beneficial owners) is not subject to (or is subject to a reduced rate of) deduction or withholding of United States federal income tax with respect to any payments to such Lender of principal, interest, fees or other amounts payable under any of the Credit Documents, or (ii) if such Lender is not a "bank" or other Person described in Section 881(c)(3) of the Internal Revenue Code and cannot comply with clause (i) above, a Certificate re Non-Bank Status together with two original copies of Internal Revenue Service Form W-8BEN (or any successor form), properly completed and duly executed by such Lender (or, in the case of a pass-through entity, each of its beneficial owners), and such other documentation required under the Internal Revenue Code or reasonably requested by Company to establish that such Lender is not subject to deduction or withholding of United States federal income tax with respect to any payments to such Lender of interest payable under any of the Credit Documents. Each Lender making a Loan to Company that is a United States person (as such term is defined in Section 7701(a)(30) of the Internal Revenue Code) and is not a person whose name indicates that it is an "exempt recipient" (as such term is defined in Section 1.6049-4(c)(ii) of the United States Treasury Regulations) shall deliver to Company on or prior to the Effective Date (in the case of each Lender party hereto on the Effective Date) or on or prior to the date of the Assignment Agreement pursuant to which it becomes a Lender (in the case of each other Lender), and at such other times as may be necessary in the determination of Company (in the reasonable exercise of its discretion) two original copies of Form W-9 (or successor forms). Notwithstanding anything to the contrary, each Lender shall not be obligated to submit any form that such Lender is legally not eligible to deliver; provided, however, that each such Lender shall notify Company in writing of such ineligibility. Each Lender required to deliver any forms, certificates or other evidence with respect to United States federal income tax withholding matters pursuant to this Section 2.20(c) hereby agrees, from time to time after the initial delivery by such Lender of such forms, certificates or other evidence, whenever a lapse in time or change in circumstances renders such forms, certificates or other evidence obsolete or inaccurate in any material respect, that such Lender shall promptly deliver to Administrative Agent for transmission to Company two new original copies of Internal Revenue Service Form W-9, W-8BEN or W-8ECI, or a Certificate re Non-Bank Status and two original copies of Internal Revenue Service Form W-8BEN (or any successor form), as the case may be, properly completed and duly executed by such Lender (or, in the case of a pass-through entity, each of its beneficial owners), and such other documentation required under the Internal Revenue Code or reasonably requested by Company to confirm or establish that such Lender (or, in the case of a pass-through entity, each of its beneficial owners) is not subject to (or is subject to a reduced rate of) deduction or withholding of United States federal income tax with respect to payments to such Lender under the Credit Documents, or notify Administrative Agent and Company of its inability to deliver any such forms, certificates or other evidence. Company shall not be required to pay any additional amount with respect to any Lender under Section 2.20(b)(ii) or (iii) if such Lender is eligible to, but shall have failed to deliver the forms, certificates or other evidence referred to in this Section 2.20(c); provided, if such Lender shall have satisfied the requirements of the first sentence of this Section 2.20(c) on the Effective Date or on the date of the Assignment Agreement pursuant to which it became a Lender, as applicable, nothing in this last sentence of Section 2.20(c) shall relieve Company of its obligation to pay any additional amounts pursuant this Section 2.20 in the event that, as a result of any change in any applicable law, treaty or governmental rule, regulation or order, or any change in the interpretation, administration or application thereof, such Lender is no longer properly entitled to deliver forms, certificates or other evidence at a subsequent date establishing the fact that such Lender is not subject to withholding as described herein to the extent of any withholding or deduction that cannot be avoided by submission of forms similar to those described in this Section 2.20(c).

(d) If any Lender determines, in its reasonable discretion, that it has received a refund of any Taxes as to which it has been indemnified by Company or with respect to which Company has paid additional amounts pursuant to Section 2.19 or Section 2.20, it shall promptly pay over such refund to Company (but only to the extent of indemnity payments made, or additional amounts paid, by Company under Section 2.19 or Section 2.20 with respect to Taxes giving rise to such refund), net of all out-of-pocket expenses such Lender and without interest (other than any interest paid by the relevant taxing jurisdiction with respect to such refund); provided, that Company, upon the request of such Lender, agrees to repay the amount paid over Company (plus any penalties, interest or other charges imposed by the relevant taxing jurisdiction) to such Lender in the event such Lender is required to repay such refund to such taxing jurisdiction.

2.21. Obligation to Mitigate. Each Lender (which term shall include each Issuing Bank for purposes of this Section 2.21) agrees that, as promptly as practicable after the officer of such Lender responsible for administering its Loans or Letters of Credit, as the case may be, becomes aware of the occurrence of an event or the existence of a condition that would cause such Lender to become an Affected Lender or that would entitle such Lender to receive payments under Section 2.18, 2.19 or 2.20, it will, to the extent not inconsistent with the internal policies of such Lender and any applicable legal or regulatory restrictions, use reasonable efforts to (a) make, issue, fund or maintain its Credit Extensions, including any Affected Loans, through another office of such Lender, or (b) take such other measures as such Lender may deem reasonable, if as a result thereof the circumstances which would cause such Lender to be an Affected Lender would cease to exist or the additional amounts which would otherwise be required to be paid to such Lender pursuant to Section 2.18, 2.19 or 2.20 would be materially reduced and if, as determined by such Lender in its reasonable discretion, the making, issuing, funding or maintaining of such Revolving Commitments, Loans or Letters of Credit through such other office or in accordance with such other measures, as the case may be, would not otherwise adversely affect such Revolving Commitments, Loans or Letters of Credit or the interests of such Lender; provided, such Lender will not be obligated to utilize such other office pursuant to this Section 2.21 unless Company agrees to pay all incremental expenses incurred by such Lender as a result of utilizing such other office as described in clause (i) above. A certificate as to the amount of any such expenses payable by Company pursuant to this Section 2.21 (setting forth in reasonable detail the basis for requesting such amount) submitted by such Lender to Company (with a copy to Administrative Agent) shall be conclusive absent manifest error.

2.22. Defaulting Lenders. Anything contained herein to the contrary notwithstanding, in the event that any Lender, other than at the direction or request of any regulatory agency or authority, defaults (a **"Defaulting Lender"**) in its obligation to fund (a **"Funding Default"**) any Revolving Loan or its portion of any unreimbursed payment under Section 2.3(b)(iv) or 2.4(e) or to fund its Credit Linked Deposit (in each case, a **"Defaulted Loan"**), then (a) during any Default Period with respect to such Defaulting Lender, such Defaulting Lender shall be deemed not to be a "Lender" for purposes of voting on any matters (including the granting of any consents or waivers) with respect to any of the Credit Documents; (b) to the extent permitted by applicable law, until such time as the Default Excess with respect to such Defaulting Lender shall have been reduced to zero, (i) any voluntary prepayment of the Revolving Loans shall, if Company so directs at the time of making such voluntary prepayment, be applied to the Revolving Loans of other Lenders as if such Defaulting Lender had no Revolving Loans outstanding and the Revolving Exposure of such Defaulting Lender were zero, and (ii) any mandatory prepayment of the Revolving Loans shall, if Company so directs at the time of making such mandatory prepayment, be applied to the Revolving Loans of other Lenders (but not to the Revolving Loans of such Defaulting Lender) as if such Defaulting Lender had funded all Defaulted Loans of such Defaulting Lender, it being understood and agreed that Company shall be entitled to retain any portion of any mandatory prepayment of the Revolving Loans that is not paid to such Defaulting Lender solely as a result of the operation of the provisions of this clause (b); (c)(i) such Defaulting Lender's Revolving Commitment and outstanding Revolving Loans and such Defaulting Lender's Pro Rata Share of the Revolving Letter of Credit Usage shall be excluded for purposes of calculating the Revolving Commitment fee payable to Lenders in respect of any day during any Default Period with respect to such Defaulting Lender, and such

Defaulting Lender shall not be entitled to receive any Revolving Commitment fee pursuant to Section 2.11 with respect to such Defaulting Lender's Revolving Commitment in respect of any Default Period with respect to such Defaulting Lender and (ii) such Defaulting Lender shall not be entitled to receive any Funded Letter of Credit Fees pursuant to Section 2.11 with respect to such Lenders' Credit Linked Deposit in respect of any Default Period with respect to such Defaulting Lender; and (d) the Total Utilization of Revolving Commitments as at any date of determination shall be calculated as if such Defaulting Lender had funded all Defaulted Loans of such Defaulting Lender. No Revolving Commitment or Credit Linked Deposit of any Lender shall be increased or otherwise affected, and, except as otherwise expressly provided in this Section 2.22, performance by Company of its obligations hereunder and the other Credit Documents shall not be excused or otherwise modified as a result of any Funding Default or the operation of this Section 2.22. The rights and remedies against a Defaulting Lender under this Section 2.22 are in addition to other rights and remedies which Company may have against such Defaulting Lender with respect to any Funding Default and which Administrative Agent or any Lender may have against such Defaulting Lender with respect to any Funding Default.

2.23. Removal or Replacement of a Lender. Anything contained herein to the contrary notwithstanding, in the event that: (a) (i) any Lender (an **"Increased-Cost Lender"**) shall give notice to Company that such Lender is an Affected Lender or that such Lender is entitled to receive payments under Section 2.18, 2.19 or 2.20, (ii) the circumstances which have caused such Lender to be an Affected Lender or which entitle such Lender to receive such payments shall remain in effect, and (iii) such Lender shall fail to withdraw such notice within five Business Days after Company's request for such withdrawal; or (b) (i) any Lender shall become a Defaulting Lender, (ii) the Default Period for such Defaulting Lender shall remain in effect, and (iii) such Defaulting Lender shall fail to cure the default as a result of which it has become a Defaulting Lender within five Business Days after Company's request that it cure such default; or (c) in connection with any proposed amendment, modification, termination, waiver or consent with respect to any of the provisions hereof as contemplated by Section 10.5(b), the consent of Requisite Lenders shall have been obtained but the consent of one or more of such other Lenders (each a **"Non-Consenting Lender"**) whose consent is required shall not have been obtained; then, with respect to each such Increased-Cost Lender, Defaulting Lender or Non-Consenting Lender (the **"Terminated Lender"**), Company may, by giving written notice to Administrative Agent and any Terminated Lender of its election to do so, elect to cause such Terminated Lender (and such Terminated Lender hereby irrevocably agrees) to assign its outstanding Loans and its Tranche D Term Loan Commitments, Revolving Commitments and Credit Linked Deposits, if any, in full to one or more Eligible Assignees (each a **"Replacement Lender"**) in accordance with the provisions of Section 10.6 and Terminated Lender shall pay any fees payable thereunder in connection with such assignment; provided, (1) on the date of such assignment, the Replacement Lender shall pay to the Terminated Lender an amount equal to the sum of (A) an amount equal to the principal of, and all accrued interest on, all outstanding Loans and Credit Linked Deposits of the Terminated Lender, (B) an amount equal to all unreimbursed drawings that have been funded by such Terminated Lender, together with all then unpaid interest with respect thereto at such time and (C) an amount equal to all accrued, but theretofore unpaid fees owing to such Terminated Lender pursuant to Section 2.11; (2) on the date of such assignment, Company shall pay any amounts payable to such Terminated Lender pursuant to Section 2.18(c), 2.19 or 2.20 or otherwise as if it were a prepayment; and (3) in the event such Terminated Lender is a Non-Consenting Lender, each Replacement Lender shall consent, at the time of such assignment, to each matter in respect of which such Terminated Lender was a Non-Consenting Lender; provided, Company may not make such election with respect to any Terminated Lender that is also an Issuing Bank unless, prior to the effectiveness of such election, Company shall have caused each outstanding Letter of Credit issued thereby to be cancelled or cash collateralized. Upon the prepayment of all amounts owing to any Terminated Lender and the termination of such Terminated Lender's Tranche D Term Loan Commitments, Revolving Commitments and Credit Linked Deposits, if any, such Terminated Lender shall no longer constitute a "Lender" for purposes hereof; provided, any rights of such Terminated Lender to indemnification hereunder shall survive as to such Terminated Lender.

SECTION 3. CONDITIONS PRECEDENT

3.1. Effective Date. The obligation of any Lender to make a Credit Extension on the Effective Date is subject to the satisfaction, or waiver in accordance with Section 10.5, of the following conditions on or before the Effective Date; provided, however, that if the conditions set forth in clauses (i), (j) (other than with respect to the filing of UCC financing statements and delivery of required stock certificates) and (m) of this Section 3.1, are not satisfied or waived on such date after Company has used commercially reasonable best efforts to do so, such conditions (assuming all other conditions set forth in this Section 3.1 have been satisfied or waived on such date) automatically be converted into covenants to accomplish the satisfaction of the applicable matters described in such conditions as soon as is reasonably practicable but in any event within 60 days after the Effective Date:

(a) Credit Documents. Administrative Agent shall have received sufficient copies of each Credit Document executed and delivered by each applicable Credit Party for each Lender.

(b) Organizational Documents; Incumbency. Administrative Agent shall have received (i) a copy of each Organizational Document executed and delivered by each Credit Party, as applicable, and, to the extent applicable, certified as of a recent date by the appropriate governmental official, each dated the Effective Date or a recent date prior thereto; (ii) signature and incumbency certificates of the officers of such Person executing the Credit Documents to which it is a party; (iii) resolutions of the Board of Directors or similar governing body of each Credit Party approving and authorizing the execution, delivery and performance of this Agreement and the other Credit Documents and the Related Agreements to which it is a party or by which it or its assets may be bound as of the Effective Date, certified as of the Effective Date by its secretary or an assistant secretary as being in full force and effect without modification or amendment; (iv) a good standing certificate from the applicable Governmental Authority of each Credit Party's jurisdiction of incorporation, organization or formation and in each jurisdiction in which it is qualified as a foreign corporation or other entity to do business, each dated a recent date prior to the Effective; and (v) such other constitutive or organizational documents as Administrative Agent may reasonably request.

(c) **[**Reserved**]**.

(d) Credit Linked Deposit. On the Effective Date, each Funded Letter of Credit Participant shall have made a payment to Administrative Agent in an amount equal to such Funded Letter of Credit Participant's Funded Letter of Credit Commitment and Administrative Agent shall establish a Credit Linked Deposit Account at the Funded LC Issuing Bank.

(e) **[**Reserved**]**.

(f) Existing Indebtedness. On the Effective Date, Holdings and its Subsidiaries shall have (i) repaid in full all Existing Tranche C Term Loans and the Second Lien Term Loans with the proceeds of the Tranche D Term Loans, (ii) terminated any commitments to lend or make other extensions of credit under the Existing Credit Agreement, and (iii) terminate the funded letter of credit facility under the Existing Credit Agreement.

(g) Transaction Costs. On or prior to the Effective Date, the Company shall have paid all fees, costs and expenses owing to the Administrative Agent and its counsel invoiced to Company on or before the Effective Date and reimbursable by the Company under the terms of the Existing Credit Agreement.

(h) **[**Reserved**]**.

(i) Real Estate Assets. In order to continue in favor of the Collateral Agent for the benefit of Secured Parties, a valid and, subject to any filing and/or recording referred to herein, perfected First Priority security interest in certain Real Estate Assets, Collateral Agent shall have received from Company and each applicable Guarantor:

(i) Collateral Agent shall have received a fully executed and notarized mortgage modification, in proper form for recording in all appropriate places in all applicable jurisdictions, in respect of each Real Estate Asset listed in Schedule 3.1(i) (each, a "**Closing Date Mortgaged Property**")**;**

(ii) an opinion of counsel (which counsel shall be reasonably satisfactory to Collateral Agent) in each state in which a Closing Date Mortgaged Property is located with respect to the enforceability of the form(s) of Mortgages to be recorded in such state and such other matters as Collateral Agent may reasonably request, in each case in form and substance reasonably satisfactory to Collateral Agent;

(iii) in the case of each Leasehold Property that is a Closing Date Mortgaged Property, (1) a Landlord Consent and Estoppel to the extent Landlord's consent is required under the lease creating such Leasehold Property and (2) evidence that such Leasehold Property is a Recorded Leasehold Interest;

(iv) (a) ALTA mortgagee title insurance policies (or such other policies available in such state and reasonably satisfactory to Collateral Agent) or signed unconditional commitments or pro forma policies therefor issued by one or more title companies reasonably satisfactory to Collateral Agent with respect to each Closing Date

Mortgaged Property (each, a **"Title Policy"**), in amounts not less than the fair market value of each Closing Date Mortgaged Property, together with a title report issued by a title company with respect thereto, dated not more than thirty days prior to the Closing Date and copies of all recorded documents listed as exceptions to title or otherwise referred to therein, each in form and substance reasonably satisfactory to Collateral Agent and (B) evidence satisfactory to Collateral Agent that such Credit Party has paid to the title company or to the appropriate governmental authorities all expenses and premiums of the title company and all other sums required in connection with the issuance of each Title Policy and all recording and stamp taxes (including mortgage recording and intangible taxes) payable in connection with recording the Mortgages for each Closing Date Mortgaged Property in the appropriate real estate records;

(v) evidence of flood insurance with respect to each Flood Hazard Property that is located in a community that participates in the National Flood Insurance Program, in each case in compliance with any applicable regulations of the Board of Governors of the Federal Reserve System, in form and substance reasonably satisfactory to Collateral Agent; and

(vi) surveys reasonably satisfactory to Collateral Agent of all Closing Date Mortgaged Properties which are not Leasehold Properties, certified to Collateral Agent with a form of certification reasonably satisfactory to Collateral Agent and dated not more than thirty days prior to the Closing Date or such other date reasonably satisfactory to Collateral Agent.

(j) Personal Property Collateral. In order to continue in favor of Collateral Agent, for the benefit of Secured Parties, a valid, perfected First Priority security interest in the personal property Collateral, Collateral Agent shall have received:

(i) evidence reasonably satisfactory to Collateral Agent of the compliance by each Credit Party of their obligations under the Pledge and Security Agreement and the other Collateral Documents (including, without limitation, their obligations to deliver UCC financing statements, originals of securities, instruments and chattel paper and any agreements governing deposit and/or securities accounts as provided therein);

(ii) a completed Collateral Questionnaire dated the Effective Date and executed by an Authorized Officer of each Credit Party, together with all attachments contemplated thereby, including (A) the results of a recent search, by a Person satisfactory to Collateral Agent, of all effective UCC financing statements (or equivalent filings) made with respect to any personal or mixed property the creation of security interests in which is governed by the UCC of any Credit Party in the jurisdictions specified in the Collateral Questionnaire, together with copies of all such filings disclosed by such search, and (B) UCC termination statements (or similar documents) duly executed by all applicable Persons for filing in all applicable jurisdictions as may be necessary to terminate any effective UCC financing statements (or equivalent filings) disclosed in such search (other than any such financing statements in respect of Permitted Liens); and

(iii) evidence that each Credit Party shall have taken or caused to be taken any other action, executed and delivered or caused to be executed and delivered any other agreement, document and instrument (including without limitation, any intercompany notes evidencing Indebtedness permitted to be incurred pursuant to Section 6.1(b)) and made or caused to be made any other filing and recording (other than as set forth herein) reasonably required by Collateral Agent.

(k) **[**Reserved**]**.

(l) Financial Statements; Projections. Lenders shall have received from Company (i) the Historical Financial Statements and (ii) the Projections.

(m) Evidence of Insurance. Collateral Agent shall have received a certificate from Company's insurance broker or other evidence reasonably satisfactory to it that all insurance required to be maintained pursuant to Section 5.5 is in full force and effect, together with endorsements naming the Collateral Agent, for the benefit of Lenders, as additional insured and loss payee thereunder to the extent required under Section 5.5.

(n) Opinions of Counsel to Credit Parties. Lenders and their respective counsel shall have received originally executed copies of the favorable written opinions of Fried, Frank, Harris, Shriver & Jacobson LLP counsel for Credit Parties dated as of the Effective Date and otherwise in form and substance reasonably satisfactory to the Arrangers (and each Credit Party hereby instructs such counsel to deliver such opinions to Agents and Lenders).

(o) Fees. Company shall have paid to the Arrangers, the fees payable on the Effective Date referred to in Section 2.11(f).

(p) Solvency Certificate. On the Effective Date, the Arrangers shall have received a Solvency Certificate from the chief financial officer of Company dated the Effective Date, with appropriate attachments and demonstrating that Holdings and their respective Subsidiaries on a consolidated basis are and will be Solvent.

(q) Effective Date Certificate. Company shall have delivered to the Arrangers an originally executed Effective Date Certificate, together with all attachments thereto.

(r) Completion of Proceedings. All partnership, corporate and other proceedings by the Credit Parties taken or to be taken in connection with the transactions contemplated hereby and all documents incidental thereto not previously found acceptable by the Arrangers and its counsel shall be reasonably satisfactory in form and substance to the Arrangers and such counsel, and the Arrangers and such counsel shall have received all such counterpart originals or certified copies of such documents as the Arrangers may reasonably request.

Each Lender, by having delivered its signature page to this Agreement and having funded a Loan or funding a Credit Linked Deposit on the Effective Date, acknowledged receipt of, and consented to and approved, each Credit Document and each other document required to be approved by any Agent, Requisite Lenders or Lenders, as applicable on the Effective Date.

3.2. Conditions to Each Credit Extension.

(a) Conditions Precedent. The obligation of each Lender to make any Loan or fund its Credit Linked Deposit, or any Issuing Bank to issue any Letter of Credit, on any Credit Date, including the Effective Date, are subject to the satisfaction, or waiver in accordance with Section 10.5, of the following conditions precedent:

(i) Administrative Agent shall have received a fully executed and delivered Funding Notice or Issuance Notice, as the case may be;

(ii) after making the Credit Extensions requested on such Credit Date, the Total Utilization of Revolving Commitments shall not exceed the Revolving Commitments then in effect;

(iii) as of such Credit Date, the representations and warranties contained herein and in the other Credit Documents shall be true and correct in all material respects on and as of that Credit Date to the same extent as though made on and as of that date, except to the extent such representations and warranties specifically relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects on and as of such earlier date;

(iv) as of such Credit Date, no event shall have occurred and be continuing or would result from the consummation of the applicable Credit Extension that would constitute an Event of Default or a Default; and

(v) on or before the date of issuance of any Letter of Credit, Administrative Agent shall have received all other information required by the applicable Issuance Notice, and such other documents or information as the Issuing Banks may reasonably require in connection with the issuance of such Letter of Credit.

Any Agent or Requisite Lenders shall be entitled, but not obligated to, request and receive, prior to the making of any Credit Extension, additional information reasonably satisfactory to the requesting party confirming the satisfaction of any of the foregoing if, in the good faith judgment of such Agent or Requisite Lender such request is warranted under the circumstances.

(b) Notices. Any Notice shall be executed by an Authorized Officer in a writing delivered to Administrative Agent. In lieu of delivering a Notice, Company may give Administrative Agent telephonic notice by the required time of any proposed borrowing, conversion/continuation or issuance of a Letter of Credit, as the case may be; provided each such notice shall be promptly confirmed in writing by delivery of the applicable Notice to Administrative Agent on or before the applicable date of borrowing, continuation/conversion or issuance. Neither Administrative Agent nor any Lender shall incur any liability to Company in acting upon any telephonic notice referred to above that Administrative Agent believes in good faith to have been given by a duly authorized officer or other person authorized on behalf of Company or for otherwise acting in good faith.

SECTION 4. REPRESENTATIONS AND WARRANTIES

In order to induce Lenders and Issuing Banks to enter into this Agreement and to make each Credit Extension to be made thereby, each of Holdings and Company represents and warrants to each Lender and each Issuing Bank on the Effective Date and each Credit Date, the following statements are true and correct (unless relating to a specific date, in which case such statements are true and correct as of such specific date):

4.1. Organization; Requisite Power and Authority; Qualification. Each of Holdings and its Subsidiaries (a) is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization as identified in Schedule 4.1, (b) has all requisite power and authority to own and operate its properties, to carry on its business as now conducted and as proposed to be conducted, to enter into the Credit Documents to which it is a party and to carry out the transactions contemplated thereby, and (c) is qualified to do business and in good standing in every jurisdiction where its assets are located and wherever necessary to carry out its business and operations, except in jurisdictions where the failure to be so qualified or in good standing has not had, and could not reasonably be expected to have, a Material Adverse Effect.

4.2. Capital Stock and Ownership. The Capital Stock of each of Holdings and its Subsidiaries has been duly authorized and validly issued and is fully paid and non-assessable. Except as set forth on Schedule 4.2, as of the Effective Date, there is no existing option, warrant, call, right, commitment or other agreement to which Holdings or any of its Subsidiaries is a party requiring, and there is no membership interest or other Capital Stock of Holdings or any of its Subsidiaries outstanding which upon conversion or exchange would require, the issuance by Holdings or any of its Subsidiaries of any additional membership interests or other Capital Stock of Holdings or any of its Subsidiaries or other Securities convertible into, exchangeable for or evidencing the right to subscribe for or purchase, a membership interest or other Capital Stock of Holdings or any of its Subsidiaries. Schedule 4.2 correctly sets forth the ownership interest of Holdings and each of its Subsidiaries in their respective Subsidiaries as of the Effective Date.

4.3. Due Authorization. The execution, delivery and performance of the Credit Documents have been duly authorized by all necessary action on the part of each Credit Party that is a party thereto.

4.4. No Conflict. The execution, delivery and performance by Credit Parties of the Credit Documents to which they are parties and the consummation of the transactions contemplated by the Credit Documents do not and will not (a) violate any provision of any law or any governmental rule or regulation applicable to Holdings or any of their respective Subsidiaries, any of the Organizational Documents of Holdings or any of its Subsidiaries, or any order, judgment or decree of any court or other agency of government binding on Holdings or any of its Subsidiaries except to the extent such violation could not be reasonably expected to have a Material Adverse Effect; (b) conflict with, result in a breach of or constitute (with due notice or lapse of time or both) a default under any Contractual Obligation of Holdings or any of its Subsidiaries except to the extent such conflict, breach or default could not reasonably be expected to have a Material Adverse Effect; (c) result in or require the creation or imposition of any Lien upon any of the properties or assets of Holdings or any of their respective Subsidiaries (other than any Liens created under any of the Credit Documents in favor of Collateral Agent, on behalf of Secured Parties) secured by property with a value in excess of $1,000,000; or (d) require any approval of stockholders, members or partners or any approval or consent of any Person under any Contractual Obligation of Holdings or any of their respective Subsidiaries, except for such approvals or consents which will be obtained on or before the Effective Date and disclosed in writing to Lenders and except for any such approvals or consents the failure of which to obtain could not reasonably be expected to have a Material Adverse Effect.

4.5. Governmental Consents. The execution, delivery and performance by Credit Parties of the Credit Documents to which they are parties and the consummation of the transactions contemplated by the Credit Documents do not and will not require any registration with, consent or approval of, or notice to, or other action to, with or by, any Governmental Authority that has not been made or obtained, except for consents, filings and recordings with respect to the Collateral to be obtained, made, or otherwise delivered to Collateral Agent for filing and/or recordation, as of the Effective Date and any such registration, consent, approval, notice or action, the absence of which could not reasonably be expected to have a Material Adverse Effect.

4.6. Binding Obligation. Each Credit Document has been duly executed and delivered by each Credit Party that is a party thereto and is the legally valid and binding obligation of such Credit Party, enforceable against such Credit Party in accordance with its respective terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability.

4.7. Historical Financial Statements. The Historical Financial Statements were prepared in conformity with GAAP (except as may otherwise be expressly noted therein) and fairly present, in all material respects, the financial position, on a consolidated basis, of the Persons described in such financial statements as at the respective dates thereof and the results of operations and cash flows, on a consolidated basis, of the entities described therein for each of the periods then ended, subject, in the case of any such unaudited financial statements, to changes resulting from audit and normal year-end adjustments. As of the Effective Date, neither Holdings nor any of its Subsidiaries has any contingent liability or liability for taxes, long-term lease or unusual forward or long-term commitment that is not reflected in the Historical Financial Statements or the notes thereto and which in any such case is material in relation to the business, operations, properties, assets or condition (financial or otherwise) of Holdings and any of its Subsidiaries taken as a whole.

4.8. Projections. On and as of the Effective Date, the Projections of Holdings and its Subsidiaries for the period Fiscal Year 2007 through and including Fiscal Year 2012 (the **"Projections"**) are based on good faith estimates and assumptions made by the management of Holdings; provided, the Projections are not to be viewed as facts and that actual results during the period or periods covered by the Projections may differ from such Projections and that the differences may be material; provided further, as of the Effective Date, management of Holdings believed that the Projections were reasonable and attainable.

4.9. No Material Adverse Change. Since December 31, 2005, no event, circumstance or change has occurred that has caused or evidences, either in any case or in the aggregate, a Material Adverse Effect.

4.10. No Restricted Junior Payments. Following the Effective Date, and after giving effect to the transactions to occur thereon, neither Holdings nor any of its Subsidiaries has directly or indirectly declared, ordered, paid or made, or set apart any sum or property for, any Restricted Junior Payment or agreed to do so except as permitted pursuant to Section 6.5.

4.11. Adverse Proceedings, etc. Except as disclosed on Schedule 4.11, there are no Adverse Proceedings, individually or in the aggregate, that could reasonably be expected to have a Material Adverse Effect. Neither Holdings nor any of its Subsidiaries (a) is in violation of any applicable laws that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect, or (b) is subject to or in default with respect to any final judgments, writs, injunctions, decrees, rules or regulations of any court or any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

4.12. Payment of Taxes. Except as otherwise permitted under Section 5.3, all material tax returns and reports of Holdings and its Subsidiaries required to be filed by any of them have been timely filed, and all taxes shown on such tax returns to be due and payable and all assessments, fees and other governmental charges upon Holdings and its Subsidiaries and upon their respective properties, assets, income, businesses and franchises which are due and payable have been paid when due and payable except for taxes which are not yet delinquent or that are being actively contested by Holdings or such Subsidiary in good faith and by appropriate proceedings; provided, that neither Holdings nor Company shall be in breach of this Section 4.12 so long as such reserves or other appropriate provisions, if any, as shall be required in conformity with GAAP shall have been made or provided therefor. Holdings knows of no proposed tax assessment against Holdings or its Subsidiaries that would, if made, have a Material Adverse Effect.

4.13. Properties.

(a) Title. Each of Holdings and their respective Subsidiaries has (i) good, sufficient, legal and insurable title to (in the case of fee interests in real property), (ii) valid leasehold interests in (in the case of leasehold interests in real or personal property), and (iii) good title to (in the case of all other personal property), all of their respective material properties and assets reflected in their respective Historical Financial Statements referred to in Section 4.5 and in the most recent financial statements delivered pursuant to Section 5.1, in each case except for assets disposed of since the date of such financial statements in the ordinary course of business or as otherwise permitted under Section 6.9 and subject to Permitted Liens. Except as permitted by this Agreement, all such properties and assets are free and clear of Liens.

(b) Real Estate. (i) As of the Effective Date, Schedule 4.13 contains a true, accurate and complete list of (x) all Real Estate Assets (including, without limitation, all easements benefiting any Real Estate Asset or necessary for the operation thereof), and (y) all leases, subleases or assignments of leases (together with all amendments, modifications, supplements, renewals or extensions of any thereof) affecting each Real Estate Asset of any Credit Party, regardless of whether such Credit Party is the landlord or tenant (whether directly or as an assignee or successor in interest) under such lease, sublease or assignment. Each material agreement listed in clause (y) of the immediately preceding sentence is in full force and effect other than agreements that, individually or in the aggregate are not material to Holdings and its Subsidiaries, taken as a whole, and Holdings does not have knowledge of any material default that has occurred and is continuing thereunder, and each such agreement constitutes the legally valid and binding obligation of each applicable Credit Party, enforceable against such Credit Party in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or limiting creditors' rights generally or by equitable principles; and

(ii) All pipelines, pipeline easements, utility lines, utility easements and other easements, servitudes and rights-of-way burdening or benefiting the Real Estate Assets will not, as of the Effective Date, materially interfere with or prevent any operations conducted at the Real Estate Assets by Holdings or the Subsidiaries in the manner operated on the date of this Agreement, except for any Permitted Liens. Except for Permitted Liens, with respect to any pipeline, utility, access or other easements, servitudes, and licenses located on or directly serving the Real Estate Assets and owned or used by Holdings or the Subsidiaries in connection with its operations at the Real Estate Assets, to Holdings' knowledge, such agreements are in full force and effect other than agreements that, individually or in the aggregate are not material to Holdings and its Subsidiaries, taken as a whole and no defaults exist thereunder and no events or conditions exist which, with or without notice or lapse of time or both, would constitute a default thereunder or result in a termination, except for such failures, defaults, terminations and other matters that, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

4.14. Environmental Matters. Except as set forth in Schedule 4.14.

(a) Holdings and each of its Subsidiaries is in compliance with all applicable Environmental Laws, except for such noncompliance that could not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect and, to Holdings and its Subsidiaries' Knowledge, continued compliance with applicable Environmental Laws, including any reasonably foreseeable future requirements pursuant thereto, by Holdings and each of its Subsidiaries could not reasonably be expected to result in a Material Adverse Effect;

(b) Holdings and each of its Subsidiaries has obtained, and are in compliance with, all Governmental Authorizations (including, without limitation, the Consent Decree and the RCRA Administrative Orders) as are presently required under applicable Environmental Laws for the operations of their respective businesses and

Facilities in the same or substantially the same manner as currently conducted or proposed to be conducted on or after the closing, except for such noncompliance that could not reasonably be expected , individually or in the aggregate, to result in a Material Adverse Effect. There are no pending, or to Holdings' of its Subsidiaries' Knowledge, threatened actions or proceedings seeking to amend, modify, or terminate any such Governmental Authorizations (including, without limitation, the Consent Decree) or otherwise seeking to enforce the terms and conditions of any such Governmental Authorization except for such actions or proceedings that could not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect;

(c) Other than the Consent Decree and the RCRA Administrative Orders, neither Holdings nor any of its Subsidiaries nor any of their respective Facilities, or operations or, to Holdings' or its Subsidiaries' Knowledge, any of their previously owned or operated real property are subject either to (a) any pending or, to Holdings' or its Subsidiaries' Knowledge, threatened Environmental Claim or (b) any outstanding written order, consent decree or settlement agreement with any Person relating to any Environmental Law, any Environmental Claim, or any Hazardous Materials Activity except for such Environmental Claims, order, consent decree or settlement that could not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect;

(d) Neither Holdings nor any of its Subsidiaries has received any letter or request for information under Section 104(e) of the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. § 9601, et seq.) or any comparable state law with regard to any matter that could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect;

(e) To Holdings and its Subsidiaries' Knowledge, there are and have been no conditions, occurrences, or Hazardous Materials Activities that could reasonably be expected to form the basis of an Environmental Claim against Holdings or any of its Subsidiaries, to materially impair the value or marketability of the Facilities for industrial usage, or could require Remedial Action at any Facility or by Holdings or any of its Subsidiaries at any other location except for such matters that could not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect;

(f) Except as addressed under the Consent Decree or the RCRA Administrative Orders, as of the Effective Date neither Holdings nor any of its Subsidiaries has been issued or been required to obtain a permit for the treatment, storage or disposal of hazardous waste for any of its Facilities pursuant to the federal Resource Conservation and Recovery Act, 42 U.S.C. § 6901, et. seq. ("**RCRA**"), or any equivalent State law, nor are any such Facilities regulated as "interim status" facilities required to undergo corrective action pursuant to RCRA or any state equivalent, except, in each case, for such matters that could not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect; and

(g) As of the Effective Date, (i) Holdings and its Subsidiaries have provided to the Administrative Agent or given the Administrative Agent access to all copies of existing third-party environmental reports commissioned by the Company and/or submitted by the Company to Governmental Authorities pertaining to actual or potential Environmental Claims or material liabilities under Environmental Laws; and (ii) Holdings or its Subsidiaries have disclosed to the Administrative Agent all material relevant information pertaining to actual or potential material Environmental Claims or material liabilities under Environmental Laws.

4.15. No Defaults. Neither Holdings nor any of its Subsidiaries is in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any of its material Contractual Obligations, and no condition exists which, with the giving of notice or the lapse of time or both, could constitute such a default, except where the consequences, direct or indirect, of such default or defaults, if any, could not reasonably be expected to have a Material Adverse Effect.

4.16. Material Contracts. Schedule 4.16 contains a true, correct and complete list of all the Material Contracts in effect on the Effective Date, and except as described thereon, all such Material Contracts are in full force and effect and no defaults currently exist thereunder other than defaults, the consequence of which, would not result in a Material Adverse Effect.

4.17. Governmental Regulation. Neither Holdings nor any of its Subsidiaries is subject to regulation under the Public Utility Holding Company Act of 2005, the Federal Power Act or the Investment Company Act of 1940 or under any other federal or state statute or regulation which may limit its ability to incur Indebtedness or which may otherwise render all or any portion of the Obligations unenforceable. Neither Holdings nor any of its Subsidiaries is a “registered investment company” or a company “controlled” by a “registered investment company” or a “principal underwriter” of a “registered investment company” as such terms are defined in the Investment Company Act of 1940.

4.18. Margin Stock. Neither Holdings nor any of its Subsidiaries is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying any Margin Stock. No part of the proceeds of the Loans or the Credit Linked Deposits made to such Credit Party will be used to purchase or carry any such Margin Stock or to extend credit to others for the purpose of purchasing or carrying any such Margin Stock or for any purpose that violates, or is inconsistent with, the provisions of Regulation T, U or X of said Board of Governors.

4.19. Employee Matters. Neither Holdings nor any of its Subsidiaries is engaged in any unfair labor practice that could reasonably be expected to have a Material Adverse Effect. There is (a) no unfair labor practice complaint pending against Holdings or any of its Subsidiaries, or to the best knowledge of Holdings and Company, threatened against any of them before the National Labor Relations Board and no grievance or arbitration proceeding arising out of or under any collective bargaining agreement that is so pending against Holdings or any of its Subsidiaries or to the best knowledge of Holdings and Company, threatened against any of them, (b) no strike or work stoppage in existence or threatened involving Holdings or any of its Subsidiaries that could reasonably be expected to have a Material Adverse Effect, and (c) to the best knowledge of Holdings and Company, no union representation question existing with respect to the employees of Holdings or any of its Subsidiaries and, to the best knowledge of Holdings and Company, no union organization activity that is taking place, except (with respect to any matter specified in clause (a), (b) or (c) above, either individually or in the aggregate) such as is not reasonably likely to have a Material Adverse Effect.

4.20. Employee Benefit Plans. Except as, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect, (i) Holdings, each of its Subsidiaries and each of their respective ERISA Affiliates are in compliance with all applicable provisions and requirements of ERISA and the Internal Revenue Code and the regulations and published interpretations thereunder with respect to each Employee Benefit Plan, and have performed all their obligations under each Employee Benefit Plan, (ii) each Employee Benefit Plan which is intended to qualify under Section 401(a) of the Internal Revenue Code has received a favorable determination letter from the Internal Revenue Service indicating that such Employee Benefit Plan is so qualified and nothing has occurred subsequent to the issuance of such determination letter which would cause such Employee Benefit Plan to lose its qualified status, (iii) no liability to the PBGC (other than required premium payments), the Internal Revenue Service (with respect to any Employee Benefit Plan), any Employee Benefit Plan or any trust established under Title IV of ERISA has been or is expected to be incurred by Holdings, any of its Subsidiaries or any of their ERISA Affiliates, (iv) no ERISA Event has occurred or is reasonably expected to occur, and (v) except to the extent required under Section 4980B of the Internal Revenue Code or similar state laws, no Employee Benefit Plan provides health or welfare benefits (through the purchase of insurance or otherwise) for any retired or former employee of Holdings, any of its Subsidiaries or any of their respective ERISA Affiliates. The present value of the aggregate benefit liabilities under each Pension Plan sponsored, maintained or contributed to by Holdings, any of its Subsidiaries or any of their ERISA Affiliates, (determined as of the end of the most recent plan year on the basis of the actuarial assumptions specified for funding purposes in the most recent actuarial valuation for such Pension Plan), did not exceed the aggregate current value of the assets of such Pension Plan by more than $5,000,000. As of the most recent valuation date for each Multiemployer Plan for which the actuarial report is available, the potential liability of Holdings, its Subsidiaries and their respective ERISA Affiliates for a complete withdrawal from such Multiemployer Plan (within the meaning of Section 4203 of ERISA), when aggregated with such potential liability for a complete withdrawal from all Multiemployer Plans, based on information available pursuant to Section 4221(e) of ERISA is not more than an amount which, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect. Holdings, each of its Subsidiaries and each of their ERISA Affiliates have complied in all material respects with the requirements of Section 515 of ERISA with respect to each Multiemployer Plan and are not in material “default” (as defined in Section 4219(c)(5) of ERISA) with respect to payments to a Multiemployer Plan.

4.21. Certain Fees. No broker’s or finder’s fee or commission will be payable with respect hereto or any of the transactions contemplated hereby.

4.22. Solvency. The Credit Parties on a consolidated basis are and, upon the incurrence of any Obligation by the Credit Parties on any date on which this representation and warranty is made, will be, Solvent.

4.23. Related Agreements.

(a) Delivery. Holdings and Company have delivered to the Arrangers complete and correct copies of (i) each Related Agreement and of all exhibits and schedules thereto as of the Closing Date and (ii) copies of any material amendment, restatement, supplement or other modification to or waiver of each Related Agreement entered into after the Closing Date.

(b) Representations and Warranties. Except to the extent otherwise expressly set forth herein or in the schedules hereto, and subject to the qualifications set forth therein, each of the representations and warranties given by any Credit Party in any Related Agreement is true and correct in all material respects as of the Effective Date (or as of any earlier date to which such representation and warranty specifically relates).

(c) Governmental Approvals. All Governmental Authorizations and all other authorizations, approvals and consents of any other Person required by the Related Agreements or to consummate the Acquisition and the other transactions contemplated by the Related Agreements have been obtained and are in full force and effect other than such authorizations, approvals and consents, the requirement of which to obtain is waived as a condition to such Related Agreement.

4.24. Compliance with Statutes, etc. Each of Holdings and its Subsidiaries is in compliance with all applicable statutes, regulations and orders of, and all applicable restrictions imposed by, all Governmental Authorities, in respect of the conduct of its business and the ownership of its property, except such non-compliance that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

4.25. Disclosure. None of the factual information and data (taken as a whole) heretofore or contemporaneously furnished by or on behalf of Holdings or any of its Subsidiaries for use in connection with the transactions contemplated hereby contained any untrue statement of a material fact or omitted to state a material fact (known to Holdings or Company, in the case of any document not furnished by either of them) necessary in order to make the statements contained herein or therein (taken as a whole) not misleading in light of the circumstances in which the same were made. Any projections and pro forma financial information contained in such materials are based upon good faith estimates and assumptions believed by Holdings or Company to be reasonable at the time made, it being recognized by Lenders that such projections as to future events are not to be viewed as facts and that actual results during the period or periods covered by any such projections may differ materially from the projected results. There are no facts known (or which should upon the reasonable exercise of diligence be known) to Holdings or Company (other than matters of a general economic nature) that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect and that have not been disclosed herein or in such other documents, certificates and statements furnished to Lenders for use in connection with the transactions contemplated hereby.

4.26. Patriot Act. To the extent applicable, each Credit Party is in compliance, in all material respects, with the (i) Trading with the Enemy Act, as amended, and each of the foreign assets control regulations of the Untied States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) and any other enabling legislation or executive order relating thereto, and (ii) Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA Patriot Act of 2001) (the **"Act"**). No part of the proceeds of the Loans or Credit Linked Deposits will be used, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended.

4.27. First Buyer. As of the Effective Date, the only states in which any Credit Party is the first person who takes, receives or purchases oil or gas from an interest owner at the time the oil or gas is severed from the applicable real estate are Oklahoma**,** Nebraska, Missouri and Kansas.

SECTION 5. AFFIRMATIVE COVENANTS

Each Credit Party covenants and agrees that so long as any Commitment is in effect and until payment in full of all Obligations and cancellation or expiration of all Letters of Credit, each Credit Party shall perform, and shall cause each of its Subsidiaries to perform, all covenants in this Section 5.

5.1. Financial Statements and Other Reports. Company will deliver to the Arrangers and the Administrative Agent, and the Administrative Agent will distribute to the Arrangers and Lenders:

(a) Monthly Reports. As soon as available, and in any event within (i) forty-five (45) days after the end of the first month ending after the Effective Date and (ii) thirty (30) days after the end of each month ending after the Effective Date thereafter, the consolidated balance sheet of Company and its Subsidiaries as at the end of such month and the related consolidated statements of income, stockholders' equity and cash flows of Company and its Subsidiaries for such month and for the period from the beginning of the then current Fiscal Year to the end of such month, setting forth in each case in comparative form the corresponding figures for the corresponding periods of the previous Fiscal Year and the corresponding figures from the Financial Plan for the current Fiscal Year, to the extent prepared on a monthly basis, all in reasonable detail, together with a Financial Officer Certification and a Narrative Report with respect thereto;

(b) Quarterly Financial Statements. As soon as available, and in any event within forty-five (45) days after the end of each of the first three Fiscal Quarters of each Fiscal Year, the consolidated and consolidating balance sheets of Company and its Subsidiaries as at the end of such Fiscal Quarter and the related consolidated (and with respect to statements of income, consolidating) statements of income, stockholders' equity and cash flows of Company and its Subsidiaries for such Fiscal Quarter and for the period from the beginning of the then current Fiscal Year to the end of such Fiscal Quarter, setting forth in each case in comparative form the corresponding figures for the corresponding periods of the previous Fiscal Year and the corresponding figures from the Financial Plan for the current Fiscal Year, all in reasonable detail, together with a Financial Officer Certification and a Narrative Report with respect thereto;

(c) Annual Financial Statements. As soon as available, and in any event within ninety (90) days after the end of each Fiscal Year, (i) the consolidated and consolidating balance sheets of Company and its Subsidiaries as at the end of such Fiscal Year and the related consolidated (and with respect to statements of income, consolidating) statements of income, stockholders' equity and cash flows of Company and its Subsidiaries for such Fiscal Year, setting forth in each case in comparative form the corresponding figures for the previous Fiscal Year and the corresponding figures from the Financial Plan for the Fiscal Year covered by such financial statements, in reasonable detail, together with a Financial Officer Certification and a Narrative Report with respect thereto; and (ii) with respect to such consolidated financial statements a report thereon of KPMG LLP or one of the other "Big Four" independent certified public accountants of recognized national standing selected by Company, and reasonably satisfactory to Administrative Agent (which report shall be unqualified as to going concern and scope of audit, and shall state that such consolidated financial statements fairly present, in all material respects, the consolidated financial position of Company and its Subsidiaries as at the dates indicated and the results of their operations and their cash flows for the periods indicated in conformity with GAAP applied on a basis consistent with prior years (except as otherwise disclosed in such financial statements) and that the examination by such accountants in connection with such consolidated financial statements has been made in accordance with generally accepted auditing standards) together with a written statement by such independent certified public accountants stating (1) that their audit examination has included a review of the terms of Section 6.8 of this Agreement and the related definitions, (2) whether, in connection therewith, any condition or event that constitutes a Default or an Event of Default with respect to any financial matters under Section 6.8, has come to their attention and, if such a condition or event has come to their attention, specifying the nature and period of existence thereof, and (3) that nothing has come to their attention that causes them to believe that the information contained in any Compliance Certificate is not correct or that the matters set forth in such Compliance Certificate are not stated in accordance with the terms hereof;

(d) Compliance Certificate. Together with each delivery of financial statements of Company and its Subsidiaries pursuant to Sections 5.1(b) and 5.1(c), a duly executed and completed Compliance Certificate;

(e) Statements of Reconciliation after Change in Accounting Principles. At the request of the Administrative Agent, if, as a result of any change in accounting principles and policies from those used in the preparation of the Historical Financial Statements, the consolidated financial statements of Company and its Subsidiaries delivered pursuant to Section 5.1(b) or 5.1(c) will differ in any material respect from the consolidated financial statements that would have been delivered pursuant to such subdivisions had no such change in accounting principles and policies been made, then, together with the first delivery of such financial statements after such change, one or more statements of reconciliation for all such prior financial statements in form and substance satisfactory to Administrative Agent;

(f) Notice of Default. Promptly upon any officer of any of Holdings or Company obtaining knowledge (i) of any condition or event that constitutes a Default or an Event of Default or that notice has been given to any of Holdings or Company with respect thereto; (ii) that any Person has given any notice to any of Holdings or any of their respective Subsidiaries or taken any other action with respect to any event or condition set forth in Section 8.1(b); or (iii) of the occurrence of any event or change that has caused or evidences, either in any case or in the aggregate, a Material Adverse Effect, a certificate of its Authorized Officers specifying the nature and period of existence of such condition, event or change, or specifying the notice given and action taken by any such Person and the nature of such claimed Event of Default, Default, default, event or condition, and what action Company has taken, is taking and proposes to take with respect thereto;

(g) Notice of Litigation. Promptly upon any officer of any of Holdings or Company obtaining knowledge of (i) the institution of, or non-frivolous threat of, any Adverse Proceeding not previously disclosed in writing by Company to Lenders, or (ii) any material development in any Adverse Proceeding that, in the case of either (i) or (ii) if adversely determined, could be reasonably expected to have a Material Adverse Effect, or seeks to enjoin or otherwise prevent the consummation of, or to recover any damages or obtain relief as a result of, the transactions contemplated hereby, written notice thereof together with such other information as may be reasonably available to any of Holdings or Company to enable Lenders and their counsel to evaluate such matters;

(h) ERISA. (i) Promptly upon becoming aware of the occurrence of or forthcoming occurrence of any ERISA Event, a written notice specifying the nature thereof, what action Company, any of its Subsidiaries or any of their respective ERISA Affiliates has taken, is taking or proposes to take with respect thereto and, when known, any action taken or threatened by the Internal Revenue Service, the Department of Labor or the PBGC with respect thereto; and (ii) with reasonable promptness, copies of (1) each Schedule B (Actuarial Information) to the annual report (Form 5500 Series) filed by Company, any of its Subsidiaries or any of their respective ERISA Affiliates with the Internal Revenue Service with respect to each Pension Plan; (2) all notices received by Company, any of its Subsidiaries or any of their respective ERISA Affiliates from a Multiemployer Plan sponsor concerning an ERISA Event; and (3) copies of such other material documents or material governmental reports or material filings relating to any Employee Benefit Plan as Administrative Agent shall reasonably request;

(i) Financial Plan. As soon as practicable and in any event no later than thirty (30) days after the end of each Fiscal Year, a consolidated plan and financial forecast for each Fiscal Year (or portion thereof) through the next five years following the Fiscal Year just ended, but not beyond the final maturity date of the Loans (a **"Financial Plan"**), including (i) a forecasted consolidated balance sheet and forecasted consolidated statements of income and cash flows of Company and its Subsidiaries for such Fiscal Year, together with pro forma Compliance Certificates for such Fiscal Year and an explanation of the assumptions on which such forecasts are based, (ii) forecasted consolidated statements of income and cash flows of Company and its Subsidiaries for each month of such Fiscal Year the beginning, (iii) forecasts demonstrating projected compliance with the requirements of Section 6.8 through the final maturity date of the Loans and (iv) forecasts demonstrating adequate liquidity through the final maturity date of the Loans without giving effect to any additional debt or equity offerings not reflected in the Projections, together, in each case, with an explanation of the assumptions on which such forecasts are based all in form and substance reasonably satisfactory to Agents;

(j) Insurance Report. As soon as practicable and in any event by the last day of each Fiscal Year, a report in form and substance reasonably satisfactory to Administrative Agent outlining all material insurance coverage maintained as of the date of such report by Company and its Subsidiaries and all material insurance coverage planned to be maintained by Company and its Subsidiaries in the immediately succeeding Fiscal Year;

(k) Notice of Change in Board of Directors. With reasonable promptness, written notice of any change in the board of directors (or similar governing body) of any of Holdings or Company;

(l) Notice Regarding Material Contracts. Promptly, and in any event within ten Business Days (i) after any Material Contract of Company or any of its Subsidiaries is terminated or amended in a manner that is materially adverse to Company or such Subsidiary, as the case may be, or (ii) any new Material Contract is entered into, a written statement describing such event, with copies of such material amendments or new contracts, delivered to Administrative Agent (to the extent such delivery is permitted by the terms of any such Material Contract, provided, no such prohibition on delivery shall be effective if it were bargained for by Company or its applicable Subsidiary with the intent of avoiding compliance with this Section 5.1(l)), and an explanation of any actions being taken with respect thereto;

(m) Environmental Reports and Audits. As soon as practicable following receipt thereof, copies of all environmental audits and reports required to be provided pursuant to Section 5.9;

(n) Information Regarding Collateral. (a) Company will furnish to Collateral Agent prompt written notice of any change (i) in any Credit Party's corporate name, (ii) in any Credit Party's identity or corporate structure or (iii) in any Credit Party's Federal Taxpayer Identification Number. Company agrees not to effect or permit any change referred to in the preceding sentence unless all filings have been made under the Uniform Commercial Code or otherwise that are required in order for Collateral Agent to continue at all times following such change to have a valid, legal and perfected security interest in all the Collateral and for the Collateral at all times following such change to have a valid, legal and perfected security interest as contemplated in the Collateral Documents. Company also agrees promptly to notify Collateral Agent if any material portion of the Collateral is damaged or destroyed;

(o) Annual Collateral Verification. Each year, at the time of delivery of annual financial statements with respect to the preceding Fiscal Year pursuant to Section 5.1(c), Company shall deliver to Collateral Agent an Officer's Certificate (i) either confirming that there has been no material change in such information since the date of the Collateral Questionnaire delivered on the Effective Date or the date of the most recent certificate delivered pursuant to this Section and/or identifying such material changes and (ii) certifying that all Uniform Commercial Code financing statements (including fixtures filings, as applicable) or other appropriate filings, recordings or registrations, have been filed of record in each governmental, municipal or other appropriate office in each jurisdiction identified pursuant to clause (i) above to the extent necessary to protect and perfect the security interests under the Collateral Documents for a period of not less than 18 months after the date of such certificate (except as noted therein with respect to any continuation statements to be filed within such period);

(p) **[**Reserved**]**.

(q) Other Information. Promptly upon their becoming available, (i) copies of (A) all financial statements, reports, notices and proxy statements sent or made available generally by Company to its security holders acting in such capacity, (B) all regular and periodic reports and all registration statements and prospectuses, if any, filed by Company or any of its Subsidiaries with any securities exchange or with the Securities and Exchange Commission or any governmental or private regulatory authority, (C) all press releases and other statements made available generally by Company or any of its Subsidiaries to the public concerning material developments in the business of Company or any of its Subsidiaries, (ii) such other information and data with respect to Company or any of its Subsidiaries as from time to time may be reasonably requested by Administrative Agent or any Lender on its own or on behalf of any Lender, and (iii) any notices of any claims for indemnification under the Acquisition Agreement; and

(r) Certification of Public Information. Concurrently with the delivery of any document or notice required to be delivered pursuant to this Section 5.1, the Company shall indicate in writing whether such document or notice contains Nonpublic Information. Any document or notice required to be delivered pursuant to this Section 5.1 shall be deemed to contain Nonpublic Information unless the Company specifies otherwise. The Company and each Lender acknowledges that certain of the Lenders may be "public-side" Lenders (Lenders that do not with to receive material non-public information with respect to Holdings, the Company, their Subsidiaries or their securities) and, if documents or notices required to be delivered pursuant to this Section 5.1 or otherwise are being distributed through IntraLinks/IntraAgency or another relevant website (the **"Platform"**), an document or notice which contains Nonpublic

Information (or is deemed to contain Nonpublic Information) shall not be posted on that portion of the Platform designated for such public side lenders.

Documents required to be delivered pursuant to Sections 5.1(a), 5.1(b), 5.1(c), 5.1(e) or 5.1(i) may be delivered electronically, and if so delivered, shall be deemed to have been delivered on the date (i) on which Company posts such documents or provides a link thereto on Company's website on the Internet at the website address listed on Appendix B; or (ii) on which such documents are posted on Company's behalf on IntraLinks/IntraAgency or another relevant website, if any, to which each Lender and the Administrative Agent have access (whether a commercial, third-party website or whether sponsored by the Administrative Agent); provided, however, that: (x) Company shall deliver paper copies of such documents to the Administrative Agent or any Lender that requests Company to deliver such paper copies until a written request to cease delivering paper copies is given by the Administrative Agent or such Lender and (y) Company shall notify (which may be by facsimile or electronic mail) the Administrative Agent and each Lender of the posting of any such documents and provide to the Administrative Agent by electronic mail electronic versions (i.e., soft copies) of such documents. Notwithstanding anything contained herein, in every instance Company shall be required to provide paper copies of the Compliance Certificates to the Administrative Agent and each of the Lenders. Except for such Compliance Certificates, the Administrative Agent shall have no obligation to request the delivery or to maintain copies of the documents referred to above, and in any event shall have no responsibility to monitor compliance by Company with any such request for delivery and each Lender shall be solely responsible for requesting delivery to it or maintaining its copies of such documents.

5.2. Existence. Except as otherwise permitted under Section 6.9, each Credit Party will, and will cause each of its Subsidiaries to, at all times preserve and keep in full force and effect its existence and all rights and franchises, licenses and permits material to its business; provided, no Credit Party or any of its Subsidiaries shall be required to preserve any such existence, right or franchise, licenses and permits if such Person's board of directors (or similar governing body) shall determine that the preservation thereof is no longer desirable in the conduct of the business of such Person, and that the loss thereof could not reasonably be expected to have a Material Adverse Effect.

5.3. Payment of Taxes and Claims. Each Credit Party will, and will cause each of its Subsidiaries to, pay all federal and other material Taxes imposed upon it or any of its properties or assets or in respect of any of its income, businesses or franchises before any penalty or fine accrues thereon, and all claims (including claims for labor, services, materials and supplies) for sums that have become due and payable and that by law have or may become a Lien upon any of its properties or assets, prior to the time when any penalty or fine shall be incurred with respect thereto; provided, no such Tax or claim need be paid if it is being contested in good faith by appropriate proceedings promptly instituted and diligently conducted, or not yet the subject of any proceeding, so long as (a) adequate reserve or other appropriate provision, as shall be required in conformity with GAAP shall have been made therefor, and (b) in the case of a Tax or claim which has or may become a Lien against any of the Collateral, such contest proceedings, if instituted, would conclusively operate to stay the sale of any portion of the Collateral to satisfy such Tax or claim. No Credit Party will, nor will it permit any of its Subsidiaries to, file or consent to the filing of any consolidated income tax return with any Person (other than Holdings or any of their respective Subsidiaries).

5.4. Maintenance of Properties. Each Credit Party will, and will cause each of its Subsidiaries to, maintain or cause to be maintained in good repair, working order and condition, ordinary wear and tear excepted, all material properties used or useful in the business of Company and its Subsidiaries and from time to time will make or cause to be made all appropriate repairs, renewals and replacements thereof.

5.5. Insurance. Company will maintain or cause to be maintained, with financially sound and reputable insurers, such commercial general liability insurance, third party property damage insurance, business interruption insurance and all risk property insurance with respect to liabilities, losses or damage in respect of the assets, properties and businesses of Holdings and their respective Subsidiaries which is customarily carried or maintained under similar circumstances by Persons of established reputation engaged in similar businesses of the size of Holdings and its Subsidiaries, in each case in such amounts (giving effect to self-insurance), with such deductibles, covering such risks and otherwise on such terms and conditions as shall be customary for such Persons; provided, however, that the consent of the Collateral Agent acting in accordance with Section 2.3 of the Intercreditor Agreement shall be required to change any of the following minimum insurance requirements: (i) maintenance of all risk property insurance, covering physical loss or damage to the Facilities and business interruption of at least (1) $1,250,000,000 until at least July 1, 2007, and (2) annually thereafter, the lesser of (I) $1,250,000,000 and (II) the sum of (x) $300,000,000 plus (y) the aggregate principal amount of outstanding Term Loans plus (z) the result of (1) aggregate amount of exposure calculated at April 30th of each Fiscal Year as the potential exposure of the Company under the Swap Agreement, such calculation formulated on a consistent basis from year to year and reasonably acceptable to the Company minus (2) $150,000,000; provided, however, that if, after using commercially reasonable efforts, Company determines that the total amount of such all risk property insurance that would otherwise be required to be procured based on the foregoing formula cannot be obtained on commercially reasonable terms at the time of renewal of such all risk property insurance, Company, after providing to the Collateral Agent a certification of such determination by not later than the 30th day preceding the expiration of the then current all risk property insurance, shall be deemed to be in compliance with this Section 5.5 to the extent that Company maintains all risk property insurance in an amount that is the maximum of that which may be obtained on commercially reasonable terms; (ii) property deductibles shall not exceed $2,500,000 for physical damage or a forty-five (45) day deductible for business interruption; provided that the property deductibles may be increased to an amount not exceed $3,750,000 for physical damage and the business interruption deductible may be increased to a period of not longer than sixty (60) days with the consent of the Collateral Agent acting in accordance with Section 2.3 of the Intercreditor Agreement; (iii) maintenance of business interruption coverage of at least twenty-four (24) months from the time of loss; (iv) maintenance of environmental liability insurance of at least $50,000,000; (v) maintenance of commercial general liability and excess liability insurance of at least $50,000,000; and (vi) all such insurance under this Section 5.5 shall be maintained at insurers with financial ratings of no less than A- by S&P or A- by A.M. Best; provided that the Company shall replace any insurer with downgraded financial ratings from A- by S&P or A- by A.M. Best within 120 days of such downgrade. Without limiting the generality of the foregoing, Company will maintain or cause to be maintained

(a) flood insurance with respect to each Flood Hazard Property that is located in a community that participates in the National Flood Insurance Program, in each case in compliance with any applicable regulations of the Board of Governors of the Federal Reserve System, and (b) replacement cost value for the all risk property insurance on the Collateral under such policies of insurance, with such insurance companies, in such amounts, with such deductibles, and covering such risks carried or maintained under similar circumstances by Persons of established reputation engaged in similar businesses. Each such policy of commercial general liability and all risk property insurance shall (i) name Collateral Agent, on behalf of Lenders as an additional insured thereunder as its interests may appear and (ii) in the case of commercial general liability insurance, property damage insurance and all risk property insurance policy, contains additional insured and loss payable clauses or endorsements reasonably satisfactory in form and substance to Collateral Agent, that names Collateral Agent, on behalf of Lenders as the loss payee thereunder and provides for at least thirty days' prior written notice to Collateral Agent of any modification or cancellation of such policy.

5.6. Books and Records; Inspections. Each Credit Party will, and will cause each of its Subsidiaries to, permit any authorized representatives designated by any Lender to visit and inspect any of the properties of any Credit Party and any of its respective Subsidiaries, to inspect, copy and take extracts from its and their financial and accounting records, and to discuss its and their affairs, finances and accounts with its and their officers and independent public accountants, all upon reasonable notice and at such reasonable times during normal business hours, if an Event of Default has occurred and is continuing, as often as may reasonably be requested but in any other case, no more than twice per year.

5.7. Lenders Meetings. Each of Holdings and Company will, upon the written request of Administrative Agent or Requisite Lenders, participate in a meeting of Administrative Agent and Lenders once during each Fiscal Year to be held at Company's corporate offices (or at such other location as may be agreed to by Company and Administrative Agent) at such time as may be agreed to by Company and Administrative Agent.

5.8. Compliance with Laws. Each Credit Party will comply, and shall cause each of its Subsidiaries and all other Persons, if any, on or occupying any Facilities to comply, with the requirements of all applicable laws, rules, regulations and orders of any Governmental Authority (including all Environmental Laws), noncompliance with which could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

5.9. Environmental.

(a) Compliance, Hazardous Materials Activities, Etc. Each Credit Party shall take, and shall cause each of its Subsidiaries promptly to take, any reasonable actions necessary to: (i) cure any violation of applicable Environmental Laws by such Credit Party or its Subsidiaries that could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect; (ii) make an appropriate response to any Environmental Claim against such Credit Party or any of its Subsidiaries and discharge any obligations it may have to any Person thereunder where failure to do so could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect; (iii) implement any and all Remedial Actions that are legally required by any Governmental Authority (following final resolution of Holdings' or its Subsidiaries' challenges or appeals, if any, of the relevant Governmental Authority's order or decision) or that are otherwise necessary to comply with Environmental Laws and or that are otherwise necessary to maintain the value and marketability of the Real Estate for industrial usage, except where failure to perform any such Remedial Action would not reasonably be expected to result in a liability of or require an expenditure by Holdings or its Subsidiaries in excess of $2,000,000; (iv) materially comply with the terms and conditions of the Consent Decree and the RCRA Administrative Orders, except for such noncompliance that would not reasonably be expected to result in liability of or require an expenditure by Holdings or its Subsidiaries in excess of $2,000,000; (v) achieve and maintain material compliance with the Clean Air Act Tier II Clean Fuels requirements in the manner and by the dates specified in the letter from U.S. Environmental Protection Agency ("USEPA"), Office of Transportation and Air Quality, dated February 3, 2004, and the attachment thereto entitled "Compliance Plan for Motor Vehicle Diesel Fuel Sulfur and Gasoline Sulfur Hardship Waiver" or any amendments thereto except for such noncompliance that would not reasonably be expected to result in liability of or require an expenditure by Holdings or its Subsidiaries in excess of $2,000,000; and (vi) promptly complete all investigations and corrective actions necessary to address the items of noncompliance at the Coffeyville Nitrogen Plant identified in Fertilizers' self-disclosure submission to USEPA and the Kansas Department of Health and Environment ("KDHE"), dated September 20, 2004, except where failure to perform such investigations or corrective actions would not reasonably be expected to result in a liability of or require an expenditure by Holdings or its Subsidiaries in excess of $2,000,000.

(b) Environmental Disclosure.

(i) Notice. Promptly upon the occurrence thereof, Holdings shall deliver to Administrative Agent and Lenders written notice describing in reasonable detail (1) any Release that could reasonably be expected to require a Remedial Action or give rise to Environmental Claims resulting in Holdings or its Subsidiaries incurring liability or expenses in excess of $2,500,000, (2) any Remedial Action taken by Holdings, its Subsidiaries or any other Person in response to any Hazardous Materials Activity the existence of which has a reasonable likelihood of resulting in one or more Environmental Claims resulting in liability of Holdings or its Subsidiaries in excess of $2,500,000, (3) any Environmental Claim (including any request for information by a Governmental Authority) that could reasonably be expected to result in liability of Holdings or its Subsidiaries in excess of $2,500,000, (4) Holdings' or its Subsidiaries' discovery of any occurrence or condition at any Facility, or on any real property adjoining or in the vicinity of any Facility, that could reasonably be expected to cause such Facility or any part thereof to be subject to any material restrictions on the ownership, occupancy, transferability or use thereof under any Environmental Laws, the removal of which restriction would reasonably be expected to result in a liability of or require an expenditure by Holdings or its Subsidiaries in excess of $2,500,000, (5) any proposed acquisition of stock, assets, or property by Holdings or any of its Subsidiaries that could reasonably be expected to expose Holdings or any of its Subsidiaries to, or result in, Environmental Claims that could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, and (6) any proposed action to be taken by Holdings or any of its Subsidiaries to modify current operations in a manner that could reasonably be expected to subject Holdings or any of its Subsidiaries to any additional obligations or requirements under Environmental Laws that could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. Holdings shall be deemed to have provided the notice required by this Section 5.9(b)(i) with regard to each matter expressly identified in the reports listed on Schedule 3.1(k);

(ii) Semi-Annual Report. Commencing on September 30, 2005 Holdings shall submit to the Administrative Agents a semi-annual written report on the status of (A) any non-compliance with Environmental Law, (B) any pending or threatened Environmental Claim, (C) any Remedial Action, and (D) if reasonably requested by the Administrative Agent, other matters related to Holdings or its Subsidiaries compliance with Environmental Law, in each case of (A) through (D) above, that that, in each case, could reasonably be expected to give rise to liability of or expenditures by Holdings or its Subsidiaries of $3,000,000 or more. Such report shall specify in reasonable detail (1) the status of the matter including any significant developments since the date of the prior report, (2) any technical reports or material correspondence prepared or received relating to the matter, (3) the proposed plan for resolution or completion of the matter, and (4) the anticipated cost to achieve such resolution or completion of the matter. Subject to Section 5.9(d) below, at the reasonable written request of the Administrative Agent, Holdings shall provide the Administrative Agent with copies of all material documents related to such matters that are in its or its Subsidiaries' possession or control; and

(iii) Subject to 5.9(d) below, Holdings shall also deliver to Administrative Agent and Lenders with reasonable promptness, such other documents and information as from time to time may be reasonably requested by Administrative Agent in relation to any matters addressed by this Section 5.9.

(c) Right of Access and Inspection.

(i) With respect to any matter disclosed pursuant to subsection (b) above, or if an Event of Default has occurred and is continuing, or if Administrative Agent reasonably believes either that Holdings or any of its Subsidiaries has breached any representation, warranty or covenant in this Agreement pertaining to environmental matters in any material respect, the Administrative Agent and its representatives shall have the right, but not the obligation, at any reasonable time and after reasonable notice, to enter into and observe the condition and operations of the Facilities as they relate to matters pertaining to Environmental Law ("**Environmental Conditions**"). Such access shall include, at the reasonable request of the Administrative Agent, an opportunity to review relevant documents and interview employees or representatives of Holdings or its Subsidiaries to the extent necessary to obtain information related to the Environmental Conditions at issue. Holdings shall reimburse the Administrative Agent for any reasonable costs incurred in conducting any such observations, including any reasonable consultants' or lawyers fees relating thereto. At the reasonable request of the Administrative Agent, Holdings shall prepare a Phase I Report and conduct such tests and investigations as directed by the Administrative Agent for Environmental Conditions that could reasonably be expected to give rise to liability of or expenditures by Holdings or its Subsidiaries in excess of $3,000,000; provided, however, that any such tests or investigations shall not include the taking of samples of air, soil, surface water, groundwater, effluent, and building materials, in, on or under the Facilities unless, based upon the Phase I Report, the Administrative Agent reasonably concludes that such sampling is commercially reasonable and necessary to evaluate any Environmental Conditions (x) with respect to any proposed sub-surface soil or ground water sampling, that could reasonably be expected to give rise to liability or expenditures by Holdings or its Subsidiaries in excess of $10,000,000 or (y) with respect to any other samplings, that could be reasonably be expected to give rise to liability or expenditures by Holdings or its Subsidiaries in excess of $7,000,000. Any such tests and investigations shall be conducted by a qualified environmental consulting firm reasonably acceptable to the Administrative Agent. If an Event of Default has occurred and is continuing, or if Holdings does not prepare a Phase I Report or conduct the requested tests and investigations in a reasonably timely manner, the Administrative Agent may, upon prior notice to Holdings, retain an environmental consultant, at Holdings' expense, to prepare a Phase I Report and conduct such tests and investigations. Holdings and its Subsidiaries shall provide Administrative Agent and its consultants with access to the Facilities during normal business hours in order to complete any necessary inspections or sampling. The Administrative Agent will make commercially reasonable efforts to conduct any such investigations so as to avoid interfering with the operation of the Facility.

(ii) Notwithstanding the Administrative Agent's rights under subsection (c)(i) above, the Administrative Agent (and its representatives) shall also have the right, at its own cost and expense and upon reasonable prior notice to Holdings, to enter into and observe the Environmental Condition of the Facilities during normal business hours. Such inspections and observations may include such reviews as are necessary for the preparation of a Phase I Report, but may not, without Holdings' prior written consent, include the taking of samples of air, soil, surface water, groundwater, effluent, and building materials. The Administrative Agent may not exercise its rights under this subsection (c)(ii) more frequently than once per year at each Facility. The Administrative Agent's decision to conduct an inspection pursuant to this subsection (c)(ii), shall not, in any way, limit the Administrative Agent's rights to enter the Facilities, conduct inspections or obtain information under any provision in this Agreement or otherwise.

(iii) The exercise of the Administrative Agent's rights under subsections (c)(i) or (c)(ii) shall not constitute a waiver of any default by Holdings or any Subsidiary and shall not impose any liability on the Administrative Agent or any of the Lenders. In no event will any site visit, observation, test or investigation by the Administrative Agent be deemed a representation that Hazardous Materials are or are not present in, on or under any of the Facilities, or that there has been or will be compliance with any Environmental Law, and the Administrative Agent shall not be deemed to have made any representation or warranty to any party regarding the truth, accuracy or completeness of any report or findings with regard thereto. Without express written authorization, which shall not be unreasonably withheld, neither Holdings nor any other party shall be entitled to rely on any site visit observation, test or investigation by the Administrative Agent. The Administrative Agent and the Lenders owe no duty of care to protect Holdings or any other party against, or to inform Holdings or any other party of, any Hazardous Materials or any other adverse Environmental Condition affecting any of the Facilities. The Administrative Agent may in its reasonable discretion disclose to Holdings or, if so required by law, to any third party, any report or findings made as a result of, or in connection with, any site visit, observation, testing or investigation by the Administrative Agent. If the Administrative Agent reasonably believes that it is legally required to disclose any such report or finding to any third party, then the Administrative Agent shall use its reasonable efforts to give Holdings prior notice of such disclosure and afford Holdings the opportunity to object or defend against such disclosure at its own and sole cost; provided, that the failure of the Administrative Agent to give any such notice or afford Holdings the opportunity to object or defend against such disclosure shall not result in any liability to the Administrative Agent. Holdings acknowledges that it or its Subsidiaries may be obligated to notify relevant Governmental Authorities regarding the results of any site visit, observation, testing or investigation by the Administrative Agent and that such reporting requirements are site and fact-specific, and are to be evaluated by Holdings without advice or assistance from the Administrative Agent. Nothing contained in this Section 5.9(c)(iii) shall be construed as releasing the Administrative Agent or the Lenders from any liability to the extent incurred as a result of their gross negligence or willful misconduct.

(iv) If counsel to Holdings or any of its Subsidiaries reasonably determines (1) that provision to Administrative Agent of a document otherwise required to be provided pursuant to this Section 5.9 (or any other provision of this Agreement or any other Credit Document relating to environmental matters) would jeopardize an applicable attorney-client or work product privilege pertaining to such document, then Holdings or its Subsidiary shall not be obligated to deliver such document to Administrative Agent but shall provide Administrative Agent with a notice identifying the author and recipient of such document and generally describing the contents of the document. Upon request of Administrative Agent, Holdings and its Subsidiaries shall take all reasonable steps necessary to provide Administrative Agent with the factual information contained in any such privileged document.

5.10. Subsidiaries. In the event that any Person becomes a Domestic Subsidiary of Company, Company shall (a) as soon as is practicable cause such Domestic Subsidiary (other than (i) non-wholly owned Domestic Subsidiaries owning total assets with an aggregate fair market value not to exceed $2,500,000 in the aggregate for all such non-wholly owned Domestic Subsidiaries or (ii) Domestic Subsidiaries owning total assets with an aggregate fair market value of less than $100,000, and not to exceed $1,000,000 in the aggregate for all such Domestic Subsidiaries, or generating total revenue for any twelve (12) month period of less than $100,000, and not to exceed $1,000,000 in the aggregate for all such Domestic Subsidiaries, to become a Guarantor hereunder and a Grantor under the Pledge and Security Agreement by executing and delivering to Administrative Agent and Collateral Agent a Counterpart Agreement, and (b) take all such actions and execute and deliver, or cause to be executed and delivered, all such documents, instruments, agreements, and certificates as are similar to those described in Sections 3.1(b), 3.1(i) (in the event such Domestic Subsidiary owns any Material Real Estate Assets), 3.1(j) and 3.1(n). In the event that any Person becomes a Foreign Subsidiary of Company, and the ownership interests of such Foreign Subsidiary are owned by Company or by any Domestic

Subsidiary thereof, Company shall, or shall cause such Domestic Subsidiary to, deliver, all such documents, instruments, agreements, and certificates as are similar to those described in Sections 3.1(b), and Company shall take, or shall cause such Domestic Subsidiary to take, all of the actions referred to in Section 3.1(j)(i) necessary to grant and to perfect a First Priority Lien in favor of Collateral Agent, for the benefit of Secured Parties, under the Pledge and Security Agreement in 65% of such ownership interests. With respect to each such Subsidiary, Company shall promptly send to Administrative Agent written notice setting forth with respect to such Person (i) the date on which such Person became a Subsidiary of Company, and (ii) all of the data required to be set forth in Schedules 4.1 and 4.2 with respect to all Subsidiaries of Company; provided, such written notice shall be deemed to supplement Schedule 4.1 and 4.2 for all purposes hereof. Notwithstanding the foregoing, Company shall not be obligated to perfect a security interest pursuant to this Section 5.11 in those assets of such Domestic Subsidiary as to which the Collateral Agent shall determine in its reasonable discretion and in consultation with Company that the costs of obtaining a security interest with respect thereto are excessive in relation to the value of the security afforded thereby.

5.11. Additional Material Real Estate Assets. In the event that any Credit Party acquires a Material Real Estate Asset or a Real Estate Asset owned or leased on the Effective Date becomes a Material Real Estate Asset and such interest has not otherwise been made subject to the Lien of the Collateral Documents in favor of Collateral Agent, for the benefit of Secured Parties, then such Credit Party, contemporaneously with acquiring such Material Real Estate Asset, shall take all such actions and execute and deliver, or cause to be executed and delivered, all such mortgages, documents, title policies, surveys, instruments, agreements, opinions and certificates similar to those described in Sections 3.1(i), 3.1(j) and 3.1(k) with respect to each such Material Real Estate Asset that Collateral Agent shall reasonably request to create in favor of Collateral Agent, for the benefit of Secured Parties, a valid and, subject to any filing and/or recording referred to herein, perfected First Priority security interest in such Material Real Estate Assets. In addition to the foregoing, Company shall, at the request of Requisite Lenders, deliver, from time to time, to Administrative Agent such appraisals as are required by law or regulation of Real Estate Assets with respect to which Collateral Agent has been granted a Lien. Notwithstanding the foregoing, Company shall not be obligated to grant security interest pursuant to this Section for Material Real Estate Assets which are leasehold properties without limiting the generality of the foregoing, if such Material Real Estate Asset is a Leasehold Property, with respect to which Company was not able to obtain a Landlord Consent and Estoppel, despite the use of its commercially reasonable efforts.

5.12. Interest Rate Protection. The Company shall maintain, or cause to be maintained, the Interest Rate Agreements in place as of the Effective Date for the remainder of the stated term thereof, or if shorter, until the Term Loan Maturity Date.

5.13. Swap Agreement. Company shall cause the Swap Agreement to remain in place for a period of no less than four years after the Effective Date on terms and conditions as set forth in the Swap Agreement and otherwise reasonably satisfactory to the Arrangers and shall not sell assign or otherwise encumber any rights to receive payments under the Swap Agreement (other than pursuant to the Credit Documents) or enter into any agreement that has the practical effective of effectuating the foregoing; provided that at any time after March 31, 2008 if the Company (a) consummates a Qualified IPO, (b) obtains a Total Leverage Ratio less than or equal to 1.25:1.00 and (c) has corporate family rating of B2 (with a stable outlook) or better by Moody's and a corporate or issuer credit rating of B (with a stable outlook) or better by S&P, Company shall be permitted to (x) reduce the Swap Agreement to not less than 35,000 barrels a day for the remainder of Fiscal Year 2008 and (y) terminate the Swap Agreement for any Fiscal Year (commencing with Fiscal Year 2009).

5.14. Further Assurances. At any time or from time to time upon the request of Administrative Agent, each Credit Party will, at its expense, promptly execute, acknowledge and deliver such further documents and do such other acts and things as Administrative Agent or Collateral Agent may reasonably request in order to effect fully the purposes of the Credit Documents. In furtherance and not in limitation of the foregoing, each Credit Party shall take such actions as Administrative Agent or Collateral Agent may reasonably request from time to time to ensure that the Obligations are guarantied by the Guarantors and are secured by substantially all of the assets of Company, and its Subsidiaries and all of the outstanding Capital Stock of Company and its Subsidiaries (subject to limitations contained in the Credit Documents with respect to Foreign Subsidiaries).

5.15. Miscellaneous Business Covenants. Unless otherwise consented to by Agents or Requisite Lenders: Company will and will cause each of its Subsidiaries to: (i) maintain entity records and books of account separate from those of any other entity which is an Affiliate of such entity; (ii) not commingle its funds or assets with those of any other entity which is an Affiliate of such entity; and (iii) provide that its board of directors or other analogous governing body will hold all appropriate meetings to authorize and approve such entity's actions, which meetings will be separate from those of other entities.

5.16. [Reserved].

5.17. Refinery Revenue Bonds.

(a) Notwithstanding anything in this Agreement or any of the other Loan Documents to the contrary, Holdings or any of its Subsidiaries may, for the purpose of obtaining tax credits or other tax abatement from the State of Kansas and Montgomery County, Kansas, pursuant to Kansas Statutes Annotated ("K.S.A.") Sections 79-201, et seq. (the "Property Tax Exemption Statute"), (i) lease the site of the Coffeyville Refinery constituting a portion of the Mortgaged Properties and described in the Boundary Survey (the "Coffeyville Refinery Site") to Montgomery County, Kansas or any Affiliate of Montgomery County, Kansas (the "County"), (ii) sell the Coffeyville Refinery to the County and (iii) lease the Coffeyville Refinery Site and the Coffeyville Refinery from the County, all in connection with the issuance of revenue bonds (the "Refinery Revenue Bonds") issued by the County pursuant to the Kansas Economic Development Revenue Bond Act, as amended and codified in K.S.A. 12-1740 et seq. (the "Revenue Bond Act"). Holdings or any of its Subsidiaries may enter into such agreements and take such actions, in each case approved by the Administrative Agent (such approval not to be unreasonably withheld) as Holdings or Company may consider to be necessary or desirable to consummate the issuance of the Refinery Revenue Bonds and the related transactions, including (without limitation) the execution and delivery of any payment-in-lieu-of-taxes or similar agreement between any Credit Party and the County relating to the payment of property taxes on the Coffeyville Refinery, the Coffeyville Refinery Site, or both.

(b) The principal amount of the Refinery Revenue Bonds shall be that amount determined by Holdings or Company, and approved by the Administrative Agent (such approval not to be unreasonably withheld), as being necessary to achieve the maximum amount of tax credits or other tax abatement for the Coffeyville Refinery Site and the Coffeyville Refinery pursuant to the Property Tax Exemption Statute. The initial amount of the Refinery Revenue Bonds issued and outstanding may be reduced and cancelled, from time to time, at the request of the Administrative Agent, to the minimal amount required to remain outstanding and achieve the tax benefits provided therefor.

(c) The Refinery Revenue Bonds shall be purchased by Holdings or any of its Subsidiaries and shall be pledged to the Lenders pursuant to the Collateral Documents.

(d) Except to the extent provided in this Section 5.17, the issuance of the Refinery Revenue Bonds and the execution and delivery of all agreements described or referred to in this Section 5.17 in connection therewith shall not require any additional approval of the Lenders and shall be deemed to comply with all provisions of this Agreement, including (without limitation) the provisions of Section 6.

(e) The obligation of Holdings or any of its Subsidiaries to make payments to the County with respect to the Refinery Revenue Bonds, whether such payments consist of lease payments, loan payments or any other form of payment, the corresponding right of the County to receive such payments and all other security provided by Holdings or any of its Subsidiaries with respect to the Refinery Revenue Bonds shall in all respects be junior and subordinate to the Mortgages and the rights of the Lenders to receive payment hereunder. Holdings or any of its Subsidiaries, as applicable, shall enter into, and shall cause the County to enter into, such agreements as the Administrative Agent shall reasonably require to reflect such subordination. Holdings and any of its Subsidiaries shall enter into any modifications of Mortgages, additional Mortgages (whether leasehold or otherwise) and other documentation (including assignments of payment in lieu of tax agreements and other assignments) all as reasonably required by Administrative Agent in connection with the transactions contemplated by this Section 5.17.

SECTION 6. NEGATIVE COVENANTS

Each Credit Party covenants and agrees that, so long as any Commitment is in effect and until payment in full of all Obligations and cancellation or expiration of all Letters of Credit, such Credit Party shall perform, and shall cause each of its Subsidiaries to perform, all covenants in this Section 6.

6.1. Indebtedness. No Credit Party shall, nor shall it permit any of its Subsidiaries to, directly or indirectly, create, incur, assume or guaranty, or otherwise become or remain directly or indirectly liable with respect to any Indebtedness, except:

(a) the Obligations;

(b) (A) Indebtedness of (v) any Holdings or any Subsidiary to Company or to any other Guarantor Subsidiary, or (w) of Company to any Guarantor Subsidiary, or (x) any Holdings to any other Holdings, or (y) to the extent the Company would have been permitted to make a Restricted Junior Payment under Section 6.5(e), and in lieu of making such Restricted Junior Payment, Indebtedness of the Company to Holdings, or (z) of Company or any Subsidiary to any non-Guarantor Subsidiary; provided that the aggregate amount of such Indebtedness of Company or any Guarantor Subsidiary to any non-Guarantor Subsidiary shall not exceed, when taken together with Investments made pursuant to Section 6.7(b)(ii), $2,500,000 at any one time; provided, (i) all such Indebtedness shall be evidenced by promissory notes and all such notes shall be subject to a First Priority Lien pursuant to the Pledge and Security Agreement, (ii) all such Indebtedness shall be unsecured and subordinated in right of payment to the payment in full of the Obligations pursuant to the terms of the applicable promissory notes or an intercompany subordination agreement that in any such case, is reasonably satisfactory to Administrative Agent, and (iii) any payment by any such Guarantor Subsidiary under any guaranty of the Obligations shall result in a pro tanto reduction of the amount of any Indebtedness owed by such Subsidiary to Company or to any of its Subsidiaries for whose benefit such payment is made, (B) Indebtedness of any Credit Party to Minority Investments which, together with all obligations (including, without limitation, Investments, contingent liabilities and capital calls) arising from Investments pursuant to Section 6.7(p) in Minority Investments, do not at any one time exceed $5,000,000 in the aggregate and (C) Indebtedness of any non-Guarantor Subsidiary to any other non-Guarantor Subsidiary;

(c) **[**Reserved**]**;

(d) Indebtedness incurred by Company or any of its Subsidiaries arising from agreements providing for indemnification, adjustment of purchase price or similar obligations, or from guaranties or letters of credit, surety bonds or performance bonds securing the performance of Company or any such Subsidiary pursuant to such agreements, in connection with Permitted Acquisitions or permitted dispositions of any business, assets or Subsidiary of Company or any of its Subsidiaries;

(e) Indebtedness which may be deemed to exist pursuant to any guaranties, indemnities, performance, surety, statutory, appeal or similar obligations including the types of obligations referred to in clause (d) incurred in the ordinary course of business;

(f) Indebtedness in respect of netting services, overdraft protections and otherwise in connection with deposit accounts;

(g) guaranties in the ordinary course of business of the obligations of suppliers, customers, franchisees and licensees of Company and its Subsidiaries;

(h) (A) guaranties by Company of Indebtedness of a Guarantor Subsidiary or guaranties by a Subsidiary of Company of Indebtedness of Company or a Guarantor Subsidiary with respect, in each case, to Indebtedness otherwise permitted to be incurred pursuant to this Section 6.1, (B) guaranties by non-Guarantor Subsidiaries of Indebtedness of other non-Guarantor Subsidiaries and (C) guaranties by Company or a Guarantor Subsidiary of Indebtedness of non-Guarantor Subsidiaries that, had such guaranties been Indebtedness incurred pursuant to Section 6.1(b)(A)(z) would have been permitted by such section;

(i) Indebtedness described in Schedule 6.1, but not any extensions, renewals or replacements of such Indebtedness except (i) renewals and extensions expressly provided for in the agreements evidencing any such Indebtedness as the same are in effect on the date of this Agreement and (ii) refinancings and extensions of any such Indebtedness if the terms and conditions thereof are not materially less favorable to the obligor thereon or to the Lenders than the Indebtedness being refinanced or extended, and the average life to maturity thereof is greater than or equal to that of the Indebtedness being refinanced or extended; provided, such Indebtedness permitted under the immediately preceding clause (i) or (ii) above shall not (A) include Indebtedness of an obligor that was not an obligor with respect to the Indebtedness being extended, renewed or refinanced, (B) exceed in a principal amount the Indebtedness being renewed, extended or refinanced or (C) be incurred, created or assumed if any Default or Event of Default has occurred and is continuing or would result therefrom;

(j) Indebtedness incurred under the Swap Agreement as of the Effective Date;

(k) additional Indebtedness incurred under the Swap Agreement after the Effective Date;

(l) additional Indebtedness under (i) Commodity Agreements permitted pursuant to Section 6.20, (ii) any other Hedge Agreements and (iii) any Interest Rate Agreements or Currency Agreements entered into with any financial institution other than a Lender Counterparty in the ordinary course of Holdings' or any of its Subsidiaries' businesses;

(m) (i) Indebtedness arising under Capital Leases entered into in connection with Permitted Sale Leasebacks, (ii) Indebtedness arising under Capital Leases, other than Capital Leases in effect on the Effective Date (and listed on Schedule 6.1) and Capital Leases entered into pursuant to subclause (i) above; provided that the aggregate amount of Indebtedness incurred pursuant to this subclause (ii), when taken together with Indebtedness incurred pursuant to Section 6.1(n) below, shall not exceed $25,000,000 at any time outstanding, and (iii) any refinancing, refunding, renewal or extension of any Indebtedness specified in subclauses (i) and (ii) above;

provided that the principal amount thereof is not increased above the principal amount thereof outstanding immediately prior to such refinancing, refunding, renewal or extension;

(n) purchase money Indebtedness in an aggregate amount, when taken together with Indebtedness incurred pursuant to Section 6.1(m) above, not to exceed at any time $20,000,000; provided, any such Indebtedness (i) shall be secured only to the asset acquired in connection with the incurrence of such Indebtedness, and (ii) shall constitute not less than 85% of the aggregate consideration paid with respect to such asset; and refinancings and extensions of any such Indebtedness if the terms and conditions thereof are not materially less favorable to the obligor thereon or to the Lenders than the Indebtedness being refinanced or extended, and the average life to maturity thereof is greater than or equal to that of the Indebtedness being refinanced or extended;

(o) (i) Indebtedness of a Person or Indebtedness attaching to assets of a Person that, in either case, becomes a Subsidiary or Indebtedness attaching to assets that are acquired by Company or any of its Subsidiaries, in each case after the Effective Date as the result of a Permitted Acquisition, provided that (x) such Indebtedness existed at the time such Person became a Subsidiary or at the time such assets were acquired and, in each case, was not created in anticipation thereof, (y) such Indebtedness is not guaranteed in any respect by Holdings or any Subsidiary (other than by any such person that so becomes a Subsidiary) and (z) the aggregate amount of such Indebtedness does not exceed $10,000,000 at any one time outstanding, (ii) Indebtedness of Company incurred in connection with a Permitted Acquisition (either in the form of seller notes, earn-out obligations, deferred purchase price or otherwise) in an aggregate amount not to exceed $10,000,000 at any one time outstanding, and (iii) any refinancing, refunding, renewal or extension of any Indebtedness specified in subclauses (i) and (ii) above, provided that (x) the principal amount of any such Indebtedness is not increased above the principal amount thereof outstanding immediately prior to such refinancing, refunding, renewal or extension and (y) the direct and contingent obligors with respect to such Indebtedness are not changed;

(p) Indebtedness of Holdings, provided that (i) either (x) the net proceeds thereof are used within five Business Days of incurrence thereof to repay the Obligations hereunder or (y) to consummate a Permitted Acquisition, (ii) no portion of the principal of such Indebtedness shall have a maturity date earlier than six months after the final maturity of the Loans hereunder, (iii) at the time of the incurrence of such Indebtedness and after giving effect thereto, no Default or Event of Default shall exist or be continuing and (iv) the documentation governing such Indebtedness contains customary market terms (including customary subordination terms or as otherwise reasonably agreed to by the Administrative Agent);

(q) Indebtedness incurred in accordance with Section 5.17;

(r) Indebtedness incurred in connection with the financing in the ordinary course of insurance premiums in an aggregate amount not to exceed $10,000,000 at any time;

(s) Indebtedness of Holdings or Company in an amount not to exceed $225,000,000 the proceeds of which are used solely to finance capital enhancement projects provided that (i) such Indebtedness is incurred after June 30, 2008, (ii) Company has consummated a Qualified IPO, (iii) at the time of the incurrence of such Indebtedness and after giving effect thereto (x) no Default or Event of Default shall exist or be continuing and (y) Company is in pro forma compliance with the covenants set forth in Section 6.8, (iv) no part of the principal part of such Indebtedness shall have a maturity date earlier than six months after the final maturity of the Loans hereunder and is such Indebtedness is not subject to mandatory repurchase, redemption or amortization (other than pursuant to customary asset sale or change of control provisions requiring redemption or repurchase only if and to the extent permitted by this Agreement) prior to the date that is six months after the final maturity of the Loans hereunder, and (v) the documentation governing such Indebtedness contains covenants, events of default and remedies which are no more restrictive to the Credit Parties than those contained in this Agreement and provided further that Company shall have obtained a Ratings Confirmation (after giving effect to the Incurrence of such Indebtedness); and

(t) other Indebtedness of Company and its Subsidiaries in an aggregate amount not to exceed at any time $50,000,000; provided that, such Indebtedness shall be unsecured except to the extent permitted by Section 6.2(u).

To the extent that the creation, incurrence or assumption of any Indebtedness could be attributable to more than one subsection of this Section 6.1, Company may allocate (or reallocate) such Indebtedness to any one or more of such subsections and in no event shall the same portion of Indebtedness be deemed to utilize or be attributable to more than one item.

6.2. Liens. No Credit Party shall, nor shall it permit any of its Subsidiaries to, directly or indirectly, create, incur, assume or permit to exist any Lien on or with respect to any property or asset of any kind (including any document or instrument in respect of goods or accounts receivable) of Company or any of its Subsidiaries, whether now owned or hereafter acquired, or any income or profits therefrom, or file or permit the filing of, or permit to remain in effect, any financing statement or other similar notice of any Lien with respect to any such property, asset, income or profits under the UCC of any State or under any similar recording or notice statute, except:

(a) Liens in favor of Collateral Agent for the benefit of Secured Parties granted pursuant to any Credit Document;

(b) Liens for Taxes if obligations with respect to such Taxes are not yet due or are being contested in good faith by appropriate proceedings promptly instituted and diligently conducted;

(c) statutory Liens of landlords, banks (and rights of set-off), of carriers, warehousemen, mechanics, repairmen, workmen and materialmen, and other Liens imposed by law (other than any such Lien imposed pursuant to Section 401 (a)(29) or 412(n) of the Internal Revenue Code or by ERISA), in each case incurred in the ordinary course of business (i) for amounts not yet overdue or (ii) for amounts that are overdue and that (in the case of any such amounts overdue for a period in excess of fifteen days) are being contested in good faith by appropriate proceedings, so long as such reserves or other appropriate provisions, if any, as shall be required by GAAP shall have been made for any such contested amounts;

(d) Liens incurred in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security and other similar statutory obligations, or to secure the performance of tenders, statutory obligations, surety and appeal bonds, bids, leases, government contracts, trade contracts, supply agreements, performance and return-of-money bonds and other similar obligations (exclusive of obligations for the payment of borrowed money or other Indebtedness), so long as no foreclosure, sale or similar proceedings have been commenced with respect to any portion of the Collateral on account thereof;

(e) easements, rights-of-way, restrictions, encroachments, and other minor defects or irregularities in title, in each case which do not and will not interfere in any material respect with the ordinary conduct of the business of Company or any of its Subsidiaries;

(f) any interest or title of a lessor or sublessor under any lease (including Permitted Sale Leasebacks) permitted hereunder;

(g) Liens solely on any cash earnest money deposits made by Company or any of its Subsidiaries in connection with any letter of intent or purchase agreement permitted hereunder;

(h) purported Liens evidenced by the filing of precautionary UCC financing statements relating solely to operating leases of personal property entered into in the ordinary course of business;

(i) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods;

(j) any zoning or similar law or right reserved to or vested in any governmental office or agency to control or regulate the use of any real property in each case which do not and will not interfere in any material respect with the ordinary conduct of the business of Company or any of its Subsidiaries;

(k) licenses of patents, trademarks and other intellectual property rights granted by Company or any of its Subsidiaries in the ordinary course of business and not interfering in any respect with the ordinary conduct of the business of Company or such Subsidiary;

(l) Liens described in Schedule 6.2 and any renewals or replacements of such Liens in connection with refinancing of Indebtedness secured thereby or on a Title Policy (as defined in the Existing Credit Agreement) delivered pursuant to Section 3.1(i)(iv) of the Existing Credit Agreement;

(m) Liens securing Indebtedness permitted pursuant to 6.1(m) through (q); provided, any such Lien shall encumber (x) in the case of Section 6.1(m), (n), and (p), only the asset acquired with the proceeds of such Indebtedness and (y) in the case of Section 6.1(o), only the assets originally securing such Indebtedness;

(n) **[**Reserved**]**;

(o) to the extent not secured by Funded Letters of Credit, Liens securing Indebtedness under the Swap Agreement permitted under Sections 6.1(j) or (k); provided such Liens are subject to the Intercreditor Agreement;

(p) unperfected Liens which arise by operation of law in favor of Persons providing crude oil or gas products to Company or its Subsidiaries;

(q) judgment Liens not otherwise constituting or arising out of an Event of Default pursuant to Section 8.1(h);

(r) customary Liens and other customary restrictions contained in any agreement applicable to Minority Investments;

(s) Liens in favor of hedging counterparties on cash deposits in margin accounts established in the ordinary course of business in an aggregate amount not to exceed $10,000,000;

(t) Liens securing Indebtedness permitted under Section 6.1(s) provided that such Liens are subordinated pursuant to an intercreditor agreement with customary lien subordination and other terms reasonably acceptable to the Arrangers; and

(u) other Liens securing Indebtedness permitted pursuant to Section 6.1(s) or 6.1(t) in an aggregate amount not to exceed $25,000,000 at any time outstanding less the aggregate amount of Specified Secured Hedge Indebtedness.

6.3. Equitable Lien. If any Credit Party or any of its Subsidiaries shall create or assume any Lien upon any of its properties or assets, whether now owned or hereafter acquired, other than Permitted Liens, it shall make or cause to be made effective provisions whereby the Obligations will be secured by such Lien equally and ratably with any and all other Indebtedness secured thereby as long as any such Indebtedness shall be so secured; provided, notwithstanding the foregoing, this covenant shall not be construed as a consent by Requisite Lenders to the creation or assumption of any such Lien not otherwise permitted hereby.

6.4. No Further Negative Pledges. Except with respect to (a) specific property encumbered to secure payment of particular Indebtedness or to be sold pursuant to an executed agreement with respect to a permitted Asset Sale, (b) restrictions by reason of customary provisions restricting assignments, subletting or other transfers contained in leases, licenses and similar agreements entered into in the ordinary course of business (provided that such restrictions are limited to the property or assets secured by such Liens or the property or assets subject to such leases, licenses or similar agreements, as the case may be), (c) restrictions pursuant to the Credit Documents, Hedge Agreements or the Swap Agreement Documents, (d) Indebtedness permitted to be secured pursuant to clauses (m), (n), (o) and (t) of Section 6.1 but only to the extent of the assets permitted to secure such Indebtedness and (e) any other Permitted Lien but only to the extent to the assets to which such Permitted Lien attaches, no Credit Party nor any of its Subsidiaries shall enter into any agreement prohibiting the creation or assumption of any Lien upon any of its properties or assets, whether now owned or hereafter acquired.

6.5. Restricted Junior Payments. No Credit Party shall, nor shall it permit any of its Subsidiaries through any manner or means or through any other Person to, directly or indirectly, declare, order, pay, make or set apart, or agree to declare, order, pay, make or set apart, any sum for any Restricted Junior Payment except that:

(a) Company or any Holdings may make Restricted Junior Payments to Holdings (and, to the extent applicable, Holdings may make Restricted Junior Payments):

(i) to the extent necessary to permit Holdings or any direct or indirect parent Company of Holdings to pay legal, accounting and reporting expenses in the ordinary course of business;

(ii) (A) at any time prior to the consummation of an IPO, to the extent necessary to permit Holdings or any direct or indirect parent company of Holdings to pay general administrative costs and expenses and to pay reasonable directors fees and expenses, in an aggregate amount not to exceed $2,500,000 in any Fiscal Year, and (B) at any time after the consummation of an IPO, to the extent necessary to permit Parent to pay reasonable and customary general administrative costs and expenses and to pay reasonable and customary directors fees and expenses in the ordinary course of business and directly related to Parent's ownership of Company;

(iii) to the extent necessary to permit any of Holdings to discharge the tax liabilities (including franchise taxes) of any of Holdings and their respective Subsidiaries, in each case, so long as Holdings apply the amount of any such Restricted Junior Payment for such purpose;

(iv) so long as no Default or Event of Default shall have occurred or be continuing, to repurchase stock of any Holdings or AcquisitionCo held by then present or former officers or employees of Holdings, Company or any of their respective Subsidiaries upon such person's death, disability, retirement or termination of employment in an aggregate amount not to exceed $2,500,000 plus the proceeds of any keyman life insurance and purchases of Capital Stock of Holdings (or any parent of Holdings if the proceeds thereof are contributed as equity to Holdings) by management in the aggregate in any Fiscal Year;

(v) so long as no Default or Event of Default under Sections 8.1 (a), (f) or (g) shall have occurred or be continuing, to the extent necessary to permit Holdings to pay (1) management fees to the Sponsors in an amount not to exceed (A) $3,000,000 per Fiscal Year or (B) in connection with the consummation of an IPO a one-time management fee of $10,000,000, in each case pursuant to the Management Agreement, (2) customary investment banking fees paid to the Sponsors and their Affiliates for services rendered to Holdings and its Subsidiaries in connection with divestitures, acquisitions, financings and other transactions, (3) reasonable one-time financial advisory fees for transactions involving Holdings and its Subsidiaries in an amount not to exceed, with respect to both clauses (2) and (3), $750,000 in the aggregate per Fiscal Year, (4) in connection with the consummation of an IPO, such fees as are provided pursuant to the Management Agreement as in effect on the date hereof and (5) any indemnity obligations owed to the Sponsors pursuant to the Management Agreement; provided that (x) any of the foregoing fees and obligations that remain unpaid because of the occurrence or the continuance of a Default under Sections 8.1 (a), (f) or (g) or an Event of Default shall continue to accrue and (y) such accrued and unpaid fees shall be permitted to be paid (in addition to any amounts permitted by the foregoing clauses (1) through (5)), at any time as no Default under Sections 8.1 (a), (f) or (g) and no Event of Default shall exist,

(vi) to the extent necessary to permit Holdings to pay reasonable out-of-pocket expenses incurred by Sponsors in the ordinary course in connection with their management obligations;

(vii) so long as no Default or Event of Default shall exist or be continuing, (A) at any time prior to an IPO, if (A) the Term Loan Repayment Amount is at least $300,000,000 and there are no outstanding New Term Loans, (B) the Company has a corporate family rating of B2 (with a stable outlook) or better by Moody’s and a corporate or issuer credit rating of B (with a stable outlook) or better by S&P, and (C) the Company shall be in pro forma compliance with the financial covenants in Section 6.8, Holdings may declare and pay dividends on its Capital Stock to Parent from the Available Amount but not to exceed $25,000,000 per Fiscal Year;

(viii) so long as no Default or Event of Default shall exist or be continuing, at any time after a Qualified IPO, if (A) the Company has a corporate family rating of B2 (with a stable outlook) or better by Moody’s and a corporate or issuer credit rating of B (with a stable outlook) or better by S&P and (B) the Company shall be in pro forma compliance with the financial covenants in Section 6.8, Holdings may declare and pay dividends on its Capital Stock to Parent from the Available Amount but not to exceed $35,000,000 per Fiscal Year; and

(ix) to the extent necessary to permit Holdings to pay on the Effective Date a dividend to its existing shareholders in an amount not to exceed $250,000,000.

(b) any Holdings may make Restricted Junior Payments to any other Holdings;

(c) so long as no Default or Event of Default has occurred or would result therefrom, the Company may make payments in connection with any modification, reduction or termination of the Swap Agreement, provided that such payments shall only be made with proceeds from (i) the Available Amount and (ii) up to $50,000,000 of Qualified Subordinated Indebtedness;

(d) any Subsidiary of the Company may pay dividends or make other distributions with respect to any class of its issued and outstanding Capital Stock or intercompany Indebtedness permitted by Section 6.1(b); provided, any dividends and other distributions by a Subsidiary of the Company that is not wholly-owned are paid in Cash on a pro rata basis among the holders of each applicable class of Capital Stock; and

(e) the Company may make Restricted Junior Payments to any Holdings to the extent necessary to permit such Holdings to pay interest (and not principal) on intercompany loans held by such Holdings and permitted by Section 6.1(b)(A)(y); provided, that the full amount of such Restricted Junior Payment is used by such Holdings upon receipt thereof to pay such interest and that the recipient of such interest payment makes a concurrent equity contribution to the Company in an amount equivalent to the amount of such Restricted Junior Payment and such contribution is used to repay any intercompany Indebtedness incurred pursuant to Section 6.1(b)(A)(y).

6.6. Restrictions on Subsidiary Distributions. Except as provided herein, no Credit Party shall, nor shall it permit any of its Subsidiaries to, create or otherwise cause or suffer to exist or become effective any consensual encumbrance or restriction of any kind on the ability of any Subsidiary of Company to (a) pay dividends or make any other distributions on any of such Subsidiary's Capital Stock owned by Company or any other Subsidiary of Company, (b) repay or prepay any Indebtedness owed by such Subsidiary to Company or any other Subsidiary of Company, (c) make loans or advances to Company or any other Subsidiary of Company, or (d) transfer any of its property or assets to Company or any other Subsidiary of Company other than restrictions (i) in agreements evidencing Indebtedness permitted by Section 6.1(k) that impose restrictions on the property so acquired and (ii) by reason of customary provisions restricting assignments, subletting or other transfers contained in leases, licenses, joint venture agreements and similar agreements entered into in the ordinary course of business, (iii) that are or were created by virtue of any transfer of, agreement to transfer or option or right with respect to any property, assets or Capital Stock not otherwise prohibited under this Agreement, (iv) customary restrictions or conditions imposed by (x) law or (y) any of the Credit Documents or the Swap Agreement Documents, (v) any Permitted Lien or any document or instrument governing any Permitted Lien; provided that any such restriction contained therein relates only to the asset or assets subject to such Permitted Lien; (vi) any instrument governing Indebtedness permitted pursuant to Section 6.1(o) or Capital Stock of a Person acquired by Company or any of its Subsidiaries, which encumbrance or restriction was in existence at the time of such acquisition (but not created in contemplation thereof or to provide all or any portion of the funds or credit support utilized to consummate such acquisition) and is not applicable to any Person, or the properties or assets of any Person, other than the Person or the properties or assets of the Person so acquired (including, but not limited to, such Person's direct and indirect Subsidiaries), provided that any such encumbrance or restriction contained therein relates only to such Indebtedness or Capital Stock so acquired and that any such encumbrances or restrictions, individually or in the aggregate, shall not materially affect any Credit Party's ability to pay Obligations; (vii) agreements related to Permitted Sale Leasebacks; provided that any such restriction contained therein relates only to such Permitted Sale Leaseback or that any such restrictions, individually or in the aggregate, shall not be more restrictive than those contained in this Agreement and shall not materially affect any Credit Party's ability to pay Obligations; (viii) customary restrictions in Material Contracts entered into in the ordinary course of business, provided that any such restrictions contained therein relate only to such agreements and that any such restrictions, individually or in the aggregate, shall not materially affect any Credit Party's ability to pay Obligations; (ix) customary restrictions on net worth imposed by customers or suppliers under contracts entered into in the ordinary course of business; and (x) an agreement governing Indebtedness incurred to refinance the Indebtedness issued, assumed or incurred pursuant to an agreement referred to in clauses (i), (iv), and (v) above and any amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings of the contracts, instruments or obligations referred to in clauses (i) through (x) above; provided, however, that the provisions relating to such encumbrance or restriction contained in any such Indebtedness, amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings are no less favorable to Company in any material respect as determined by the board of directors of Company in its reasonable and good faith judgment than the provisions relating to such encumbrance or restriction contained in agreements prior to such amendment, restatement, modification, renewal, supplement, refunding, replacement or refinancing.

6.7. Investments. No Credit Party shall, nor shall it permit any of its Subsidiaries to, directly or indirectly, make or own any Investment in any Person, including without limitation any Minority Investments, except:

(a) Investments in Cash and Cash Equivalents;

(b) equity Investments owned as of the Effective Date in any Subsidiary and Investments made after the Effective Date in (i) any wholly-owned Guarantor Subsidiaries of Company, (ii) any non-Guarantor Subsidiaries in an amount not to exceed, when taken together with Indebtedness issued pursuant to Section 6.1(b)(z), $2,500,000 in the aggregate, (iii) any non-Guarantor Subsidiaries by another non-wholly owned Subsidiary;

(c) Investments (i) in any Securities received in satisfaction or partial satisfaction thereof from financially troubled account debtors and (ii) deposits, prepayments and other credits to suppliers made in the ordinary course of business consistent with the past practices of Company and its Subsidiaries;

(d) intercompany loans to the extent permitted under Section 6.1(b);

(e) Consolidated Capital Expenditures permitted by Section 6.8(e);

(f) (i) loans and advances to employees of Company and its Subsidiaries made in the ordinary course of business (and any notes related thereto) in an aggregate principal amount not to exceed $2,000,000 in the aggregate and (ii) stock repurchases permitted by Section 6.5;

(g) Investments made in connection with and/or acquired as the result of Permitted Acquisitions permitted pursuant to Section 6.9 (including earn-outs and other contingent obligations);

(h) Investments described in Schedule 6.7;

(i) Investments in any Interest Rate Agreement, Currency Agreement, the Swap Agreement or other Commodity Agreements;

(j) Investments constituting non-cash proceeds of sales, transfers and other dispositions of assets to the extent permitted by Section 6.9;

(k) Investments represented by guarantees that are not otherwise prohibited under this Agreement;

(l) Investments in prepaid expenses, negotiable instruments held for collection, and lease, utility, worker's compensation, performance and other similar deposits provided to third parties in the ordinary course of business;

(m) Any customary indemnity, purchase price adjustment, earn-out or similar obligation in each case benefiting Company or any of is Subsidiaries created as a result of any acquisition or disposition of the assets of Company or the assets or Capital Stock of a Person that is a Subsidiary or becomes a Subsidiary as a result of such transaction to the extent such transaction is otherwise permitted hereunder;

(n) Investments consisting of purchases and acquisitions of inventory, supplies, material or equipment or the licensing or contribution of intellectual property pursuant to joint marketing arrangements with other Persons and progress payments made in respect of capital expenditures, in each case in the ordinary course of business;

(o) Investments in Minority Investments which, together with all obligations (including, without limitation, Indebtedness, contingent liabilities and capital calls) arising from such investment, do not at any one time exceed $20,000,000 in the aggregate;

(p) additional Investments which, as valued at the fair market value of such Investment at the time each such Investment is made, do not at any one time exceed, when taken together with any Investments made pursuant to Section 6.7(o) above, the sum of (i) $15,000,000 in the aggregate plus (ii) the Available Amount at such time; and

(q) Investments related to the storage units that are adjacent to Cushing or similar projects in the development of infrastructure to store crude oil or deliver crude oil in the refinery in an amount not to exceed $30,000,000 in the aggregate at any one time; provided that, Investments made pursuant to this clause (q) shall reduce amounts set forth in Section 6.8(c)(i) (so long as such Section remains applicable) with respect to the Fiscal Year in which such Investment is made.

Notwithstanding the foregoing, in no event shall any Credit Party make any Investment which results in or facilitates in any manner any Restricted Junior Payment not otherwise permitted under the terms of Section 6.5.

To the extent that the making of any Investment could be deemed a use of more than one subsection of this Section 6.7, Company may select the subsection to which such Investment will be deemed a use and in no event shall the same portion of an Investment be deemed a use of more than one subsection.

6.8. Financial Covenants.

(a) Interest Coverage Ratio. Company shall not permit the Interest Coverage Ratio as of the last day of any Fiscal Quarter, beginning with the Fiscal Quarter ending March 31, 2007, to be less than the correlative ratio indicated:

Fiscal Quarter	Interest Coverage Ratio
March 31, 2007	2.25:1.00
June 30, 2007	2.50:1.00
September 30, 2007	2.75:1.00
December 31, 2007	2.75:1.00
March 31, 2008	3.25:1.00
June 30, 2008	3.25:1.00
September 30, 2008	3.25:1.00
December 31, 2008	3.25:1.00
March 31, 2009 and thereafter	3.75:1.00

(b) Total Leverage Ratio. Company shall not permit the Total Leverage Ratio as of the last day of any Fiscal Quarter, beginning with the Fiscal Quarter ending March 31, 2007, to exceed the correlative ratio indicated:

Fiscal Quarter	**Leverage Ratio**
March 31, 2007	4.75:1.00
June 30, 2007	4.50:1.00
September 30, 2007	4.25:1.00
December 31, 2007	4.00:1.00
March 31, 2008	3.25:1.00
June 30, 2008	3.00:1.00
September 30, 2008	2.75:1.00
December 31, 2008	2.50:1.00
March 31, 2009	2.25:1.00
June 30, 2009	2.25:1.00
September 30, 2009	2.25:1.00
December 31, 2009	2.25:1.00
March 31, 2010 and thereafter	2.00:1.00

(c) Maximum Consolidated Capital Expenditures.

(i) Company shall not, and shall not permit its Subsidiaries to, make or incur Consolidated Capital Expenditures, in any Fiscal Year indicated below, in an aggregate amount for Company and its Subsidiaries in excess of the sum of (1) the corresponding amount set forth below opposite such Fiscal Year; provided, such amount for any Fiscal Year shall be increased by an amount equal to 100% of the excess, if any, of such amount for the previous Fiscal Year (without giving effect to any adjustments made in accordance with this proviso (provided that actual Consolidated Capital Expenditures in any Fiscal Year shall be first applied against any carryover from the prior Fiscal Year) and excluding any use of the Available Amount pursuant to subclause (2) below) over the actual amount of Consolidated Capital Expenditures for such previous Fiscal Year:

Fiscal Year	Consolidated Capital Expenditures
2007	$225,000,000 plus the 2006 Carryover
2008	$100,000,000
2009	$80,000,000
2010	$80,000,000
2011 and Thereafter	$50,000,000

and (2) the Available Amount as of the last day of such Fiscal Year (provided that no portion of the Available Amount can be used for Consolidated Capital Expenditures until the entire amount available for Consolidated Capital Expenditure pursuant to clause (i)(1) of this section with respect to such Fiscal Year has been so expended).

(ii) Notwithstanding the foregoing, Company and its Subsidiaries shall not be subject to the provisions of this Section 6.8(c) for any Fiscal Year (commencing with Fiscal Year 2009) if the Company has (i) consummated a Qualified IPO and (ii) obtained a Total Leverage Ratio of less than or equal to 1.25:1.00 for any Fiscal Quarter (commencing with the Fiscal Quarter ended December 31, 2008).

(d) Certain Calculations. With respect to any period during which a Permitted Acquisition or an Asset Sale has occurred (each, a **"Subject Transaction"**), for purposes of determining compliance with the financial covenants set forth in this Section 6.8 and for determining pro forma compliance therewith (but not for purposes of determining the Applicable Margin), Consolidated Adjusted EBITDA shall be calculated with respect to such period on a pro forma basis (including pro forma adjustments arising out of events which are directly attributable to a specific transaction, projected by Holdings in good faith as a result of reasonably identifiable and factually supportable net cost savings or additional costs, as the case may be, realizable during the twelve month period after such transaction by combining, in the case of a Permitted Acquisition, the operations of the acquired entity or business with the operations of Holdings and its Subsidiaries; provided that (i) so long as such net cost savings or additional net costs will be realizable at any time, during such period, it may be assumed, for purposes of projecting such pro forma increase or decrease to Consolidated Adjusted EBITDA, that such net cost savings or additional net cost will be realizable during the entire such period and (ii) any such pro forma increase or decrease to Consolidated Adjusted EBITDA shall be without duplication for net cost savings or additional net costs actually realized during such period and already included in Consolidated EBITDA, all of which pro forma adjustments shall be certified by the chief financial officer of Parent) using the historical audited financial statements of any business so acquired or to be acquired or sold or to be sold and the consolidated financial statements of Company and its Subsidiaries which shall be reformulated as if such Subject Transaction, and any Indebtedness incurred or repaid in connection therewith, had been consummated or incurred or repaid at the beginning of such period (and assuming that such Indebtedness bears interest during any portion of the applicable measurement period prior to the relevant acquisition at the weighted average of the interest rates applicable to outstanding Loans incurred during such period).

(e) Right to Cure. Notwithstanding anything to the contrary contained in this Section 6.8, in the event that any Credit Party would otherwise be in default of any financial covenant set forth in this Section 6.8, until the 10th day subsequent to delivery of the related Compliance Certificate, Holdings shall have the right, but in any event no more than (i) two times in any twelve-month period and (ii) four times from the Effective Date to the date of determination, to issue Permitted Cure Securities for cash or otherwise receive cash contributions to the capital of Holdings (which proceeds and contributions will be contributed to the common equity capital of Company), in either case in an aggregate amount equal to the lesser of (a) the amount necessary to cure the relevant failure to comply with all the applicable financial covenants and (b) $25,000,000, (collectively, the "**Cure Right**"), and upon the receipt by Holdings of such cash (the "**Cure Amount**") pursuant to the exercise of such Cure Right such financial covenants shall be recalculated giving effect to the following pro forma adjustments:

(i) Consolidated Adjusted EBITDA shall be increased, in accordance with the definition thereof, solely for the purpose of measuring the financial covenants and not for any other purpose under this Agreement, by an amount equal to the Cure Amount;

(ii) if, after giving effect to the foregoing recalculations, the Credit Parties shall then be in compliance with the requirements of all financial covenants set forth in this Section 6.8, the Credit Parties shall be deemed to have satisfied the requirements thereof as of the relevant date of determination with the same effect as though there had been no failure to comply therewith at such date, and the applicable breach or default thereof which had occurred shall be deemed cured for all purposes of the Agreement; and

(iii) to the extent that the Cure Amount proceeds are used to repay Indebtedness, such Indebtedness shall not be deemed to have been repaid for purposes of calculating the Total Leverage Ratio for the period with respect to which such Compliance Certificate applies.

6.9. Fundamental Changes; Disposition of Assets; Acquisitions. No Credit Party shall, nor shall it permit any of its Subsidiaries to, effect any transaction of merger or consolidation, or liquidate, wind-up or dissolve itself (or suffer any liquidation or dissolution), or convey, sell, lease or sub-lease (as lessor or sublessor), exchange, transfer or otherwise dispose of, in one transaction or a series of transactions, all or any part of its business, assets or property of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible, whether now owned or hereafter acquired, or acquire by purchase or otherwise (other than purchases or other acquisitions of inventory, materials and equipment and Capital Expenditures in the ordinary course of business), including without limitation any forward sale of production other than pursuant to Commodity Agreements not prohibited by Section 6.20 the business, property or fixed assets of, or stock or other evidence of beneficial ownership of, any Person or any division or line of business or other business unit of any Person, except:

(a) (i) any Subsidiary of Holdings may be merged with or into Company or any Guarantor Subsidiary, or be liquidated, wound up or dissolved, or all or any part of its business, property or assets may be conveyed, sold, leased, transferred or otherwise disposed of, in one transaction or a series of transactions, to Company or any Guarantor Subsidiary; provided, in the case of such a merger, Company or such Guarantor Subsidiary, as applicable shall be the continuing or surviving Person, (ii) any non-Guarantor Subsidiary may be merged with or into any other non-Guarantor Subsidiary and (iii) any Holdings may be merged with or into any other Holdings, or be liquidated, wound up or dissolved, or all or any part of its business, property or assets may be conveyed, sold, leased, transferred or otherwise disposed of, in one transaction or a series of transactions, to any other Holdings, so long as 100% of the Capital Stock of Company continues to be pledged to the Collateral Agent pursuant to the Pledge and Security Agreement;

(b) any Holdings may be merged with or into any other Holdings or be liquidated, wound up or dissolved or all or any part of its business, property or assets may be conveyed, sold, leased, transferred or otherwise disposed of, in one transaction or a series of transactions, to any other Holdings or any successor entity; provided that 100% of equity interests of Company are continued to be owned beneficially and of record by at least one Holdings;

(c) sales or other dispositions of assets that do not constitute Asset Sales;

(d) the sale of the Crude Gathering System so long as (i) Holdings and its Subsidiaries receive consideration at the time of such sale equal to at least $7,500,000, (ii) the net proceeds from such sale (after payment of any sale taxes and expenses) are applied to prepay the Loans, in accordance with Section 2.14(a) and (iii) no less than 65% thereof shall be paid in cash; provided that such Asset Sale would not have a materially adverse impact on the continued ability of Holdings and its Subsidiaries continued ability to gather crude oil as gathered through the Crude Gathering System immediately prior to such asset sale;

(e) Asset Sales, the proceeds of which (valued at the principal amount thereof in the case of non-Cash proceeds consisting of notes or other debt Securities and valued at fair market value in the case of other non-Cash proceeds) are less than $35,000,000 in the aggregate per Fiscal Year; provided (1) the consideration received for such assets shall be in an amount at least equal to the fair market value thereof (determined in good faith by the board of directors of Company (or similar governing body)), (2) no less than 75% thereof shall be paid in Cash (it being understood that assumption or extinguishment of Indebtedness shall constitute Cash for purposes of this clause), and (3) the Net Asset Sale Proceeds thereof shall be applied as required by Section 2.14(a);

(f) Permitted Sale Leasebacks, the proceeds of which are applied as required by Section 2.14(a), not to exceed $20,000,000 in the aggregate from the Effective Date to the date of determination;

(g) disposals of non-strategic assets acquired in connection with Permitted Acquisitions are applied as required by Section 2.14(a);

(h) Permitted Acquisitions, the aggregate consideration for which does not exceed the sum of (i) $50,000,000 in any Fiscal Year provided that up to 100% of such amount if not so expended in the Fiscal Year for which it is permitted may be carried over for Permitted Acquisitions in the following Fiscal Year; provided that in no event shall the aggregate consideration for Permitted Acquisitions pursuant to this clause (i) exceed $100,000,000 during the term of this Agreement plus (ii) the Available Amount at the date of determination;

(i) (i) Assets Sales to any non-Guarantor Subsidiary in amount not to exceed $2,500,000 in the aggregate from the Effective Date to the date of determination; provided that the Net Asset Sale Proceeds thereof shall be applied as required by Section 2.14(a) and (ii) Assets Sales from any non-Guarantor Subsidiary to any other non-Guarantor Subsidiary;

(j) Investments made in accordance with Section 6.7; and

(k) easements or modifications of easements granted in the ordinary course of business which do not and will not interfere in any material respect with the ordinary conduct of the business of Company or any of its Subsidiaries the fair market value of which do not to exceed $2,500,000 in the aggregate from the Effective Date; provided that any Net Asset Sale Proceeds realized therefrom (to the extent such grant constitutes an Asset Sale) shall be applied as required by Section 2.14(a).

6.10. Disposal of Subsidiary Interests. Except for (i) any sale of all of its interests in the Capital Stock of any of its Subsidiaries in compliance with the provisions of Section 6.9 and (ii) any pledge of the Capital Stock of Company or its Subsidiaries to secure the Obligations hereunder or the Obligations under any Hedge Agreement, and except as provided in the other Hedge Agreements (to the extent permitted by Section 6.20), no Credit Party shall, nor shall it permit any of its Subsidiaries to, (a) directly or indirectly sell, assign, pledge or otherwise encumber or dispose of any Capital Stock of any of its Subsidiaries, except to qualify directors if required by applicable law; or (b) permit any of its Subsidiaries directly or indirectly to sell, assign, pledge or otherwise encumber or dispose of any Capital Stock of any of its Subsidiaries, except to another Credit Party (subject to the restrictions on such disposition otherwise imposed hereunder), or to qualify directors if required by applicable law.

6.11. Sales and Lease-Backs. No Credit Party shall, nor shall it permit any of its Subsidiaries to, directly or indirectly, become or remain liable as lessee or as a guarantor or other surety with respect to any lease of any property (whether real, personal or mixed), whether now owned or hereafter acquired, which such Credit Party (a) has sold or transferred or is to sell or to transfer to any other Person (other than Holdings or any of its Subsidiaries), or (b) intends to use for substantially the same purpose as any other property which has been or is to be sold or transferred by such Credit Party to any Person (other than Holdings or any of its Subsidiaries) in connection with such lease; provided that any Credit Party may enter into a Permitted Sale Leaseback permitted pursuant to Section 6.9(f).

6.12. Transactions with Shareholders and Affiliates. No Credit Party shall, nor shall it permit any of its Subsidiaries to, directly or indirectly, enter into or permit to exist any transaction (including the purchase, sale, lease or exchange of any property or the rendering of any service) with any Affiliate of any of Holdings, on terms that are less favorable such Holdings or that Subsidiary, as the case may be, than those that might be obtained at the time from a Person who is not such an Affiliate; provided, the foregoing restriction shall not apply to (a) any transaction between any Holdings and any Guarantor Subsidiary; (b) reasonable and customary fees and compensation paid to and any indemnity of members of the board of directors (or similar governing body) of any of Holdings and their respective Subsidiaries; (c) compensation employee benefit, stock option and indemnification arrangements for officers and other employees of any of Holdings and their respective Subsidiaries entered into in the ordinary course of business; (d) transactions occurring on the Effective Date and those transactions described in Schedule 6.12; (e) Restricted Junior Payments permitted by Section 6.5 and Investments permitted by Section 6.7; (f) the grant of stock options, restricted stock, stock appreciation rights, phantom stock awards or similar rights to employees and directors as approved by the board of directors; and (g) transactions pursuant to any customary registration rights and shareholder agreements with the shareholders of any Holdings or any direct or indirect parent entity of any Holdings.

6.13. Conduct of Business. From and after the Effective Date, no Credit Party shall, nor shall it permit any of its Subsidiaries to, engage in any business other than (i) the businesses engaged in by such Credit Party on the Effective Date and similar or related businesses and the activities incidental thereto and (ii) such other lines of business as may be consented to by Requisite Lenders.

6.14. Permitted Activities of Holdings. Each of Holdings shall not (a) incur, directly or indirectly, any Indebtedness or any other obligation or liability whatsoever other than the Indebtedness and obligations under the Swap Agreement, other Commodity Agreements to the extent permitted by Section 6.20 and other Indebtedness permitted under Sections 6.1(b) and (p); (b) create or suffer to exist any Lien upon any property or assets now owned or hereafter acquired by it other than the Liens created under the Collateral Documents to which it is a party or permitted pursuant to Section 6.2; (c) engage in any business or activity or own any assets other than (i) holding collectively 100% of the Capital Stock of Company; (ii) performing its obligations and activities incidental thereto under the Credit Documents, and to the extent not inconsistent therewith, the Related Agreements; and (iii) making Restricted Junior Payments and Investments to the extent permitted by this Agreement; (d) consolidate with or merge with or into, or convey, transfer or lease all or substantially all its assets to, any Person other than another Holdings or Company; (e) sell or otherwise dispose of any Capital Stock of any of its Subsidiaries except as permitted by Section 6.10; (f) create or acquire any Subsidiary or make or own any Investment in any Person other than Company; or (g) fail to hold itself out to the public as a legal entity separate and distinct from all other Persons.

6.15. Amendments or Waivers of Certain Related Agreements. Except as otherwise permitted by Section 5.13, no Credit Party shall agree, nor shall it permit any of its Subsidiaries to agree, to any material amendment, restatement, supplement or other modification to, or waiver of, any of its material rights under any Related Agreement after the Effective Date without in each case obtaining the prior written consent of Requisite Lenders to such amendment, restatement, supplement or other modification or waiver (which consent shall not be unreasonably withheld).

6.16. [Reserved].

6.17. Fiscal Year. No Credit Party shall, nor shall it permit any of its Subsidiaries to change its Fiscal Year-end from December 31.

6.18. [Reserved].

6.19. [Reserved].

6.20. Maximum Amount of Hedged Production. Company shall not at any time enter into Commodity Agreements if, after giving effect thereto, the exposure under all such Commodity Agreements will exceed 75% of Actual Production or for a term of longer than six years from the Effective Date; provided that Company may enter into Commodity Agreements (i) with respect to refined hydrocarbon products owned by Company and held by Company, at the time of entering into such Commodity Agreements, in inventory, (ii) for the purpose of basis hedging and (iii) to hedge the production of nitrogen fertilizer in Company's fertilizer business.

SECTION 7. GUARANTY

7.1. Guaranty of the Obligations. Subject to the provisions of Section 7.2, Guarantors jointly and severally hereby irrevocably and unconditionally guaranty to Administrative Agent for the ratable benefit of the Beneficiaries the due and punctual payment in full of all Obligations when the same shall become due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise (including amounts that would become due but for the operation of the automatic stay under Section 362(a) of the Bankruptcy Code, 11 U.S.C. § 362(a)) (collectively, the **"Guaranteed Obligations"**).

7.2. Contribution by Guarantors. All Guarantors desire to allocate among themselves (collectively, the **"Contributing Guarantors"**), in a fair and equitable manner, their obligations arising under this Guaranty. Accordingly, in the event any payment or distribution is made on any date by a Guarantor (a **"Funding Guarantor"**) under this Guaranty such that its Aggregate Payments exceeds its Fair Share as of such date, such Funding Guarantor shall be entitled to a contribution from each of the other Contributing Guarantors in an amount sufficient to cause each Contributing Guarantor's Aggregate Payments to equal its Fair Share as of such date.

"Fair Share" means, with respect to a Contributing Guarantor as of any date of determination, an amount equal to (a) the ratio of (i) the Fair Share Contribution Amount with respect to such Contributing Guarantor to (ii) the aggregate of the Fair Share Contribution Amounts with respect to all Contributing Guarantors multiplied by (b) the aggregate amount paid or distributed on or before such date by all Funding Guarantors under this Guaranty in respect of the obligations Guaranteed. **"Fair Share Contribution Amount"** means, with respect to a Contributing Guarantor as of any date of determination, the maximum aggregate amount of the obligations of such Contributing Guarantor under this Guaranty that would not render its obligations hereunder or thereunder subject to avoidance as a fraudulent transfer or conveyance under Section 548 of Title 11 of the United States Code or any comparable applicable provisions of state law; provided, solely for purposes of calculating the **"Fair Share Contribution Amount"** with respect to any Contributing Guarantor for purposes of this Section 7.2, any assets or liabilities of such Contributing Guarantor arising by virtue of any rights to subrogation, reimbursement or indemnification or any rights to or obligations of contribution hereunder shall not be considered as assets or liabilities of such Contributing Guarantor. **"Aggregate Payments"** means, with respect to a Contributing Guarantor as of any date of determination, an amount equal to (1) the aggregate amount of all payments and distributions made on or before such date by such Contributing Guarantor in respect of this Guaranty (including, without limitation, in respect of this Section 7.2), minus (2) the aggregate amount of all payments received on or before such date by such Contributing Guarantor from the other Contributing Guarantors as contributions under this Section 7.2. The amounts payable as contributions hereunder shall be determined as of the date on which the related payment or distribution is made by the applicable Funding Guarantor. The allocation among Contributing Guarantors of their obligations as set forth in this Section 7.2 shall not be construed in any way to limit the liability of any Contributing Guarantor hereunder. Each Guarantor is a third party beneficiary to the contribution agreement set forth in this Section 7.2.

7.3. Payment by Guarantors. Subject to Section 7.2, Guarantors hereby jointly and severally agree, in furtherance of the foregoing and not in limitation of any other right which any Beneficiary may have at law or in equity against any Guarantor by virtue hereof, that upon the failure of Company to pay any of the Guaranteed Obligations when and as the same shall become due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise (including amounts that would become due but for the operation of the automatic stay under Section 362(a) of the Bankruptcy Code, 11 U.S.C. §362(a)), Guarantors will upon demand pay, or cause to be paid, in Cash, to Administrative Agent for the ratable benefit of Beneficiaries, an amount equal to the sum of the unpaid principal amount of all Guaranteed Obligations then due as aforesaid, accrued and unpaid interest on such Guaranteed Obligations (including interest which, but for Company's becoming the subject of a case under the Bankruptcy Code, would have accrued on such Guaranteed Obligations, whether or not a claim is allowed against Company for such interest in the related bankruptcy case) and all other Guaranteed Obligations then owed to Beneficiaries as aforesaid.

7.4. Liability of Guarantors Absolute. Each Guarantor agrees that its obligations hereunder are irrevocable, absolute, independent and unconditional and shall not be affected by any circumstance which constitutes a legal or equitable discharge of a guarantor or surety other than payment in full of the Guaranteed Obligations. In furtherance of the foregoing and without limiting the generality thereof, each Guarantor agrees as follows:

(a) this Guaranty is a guaranty of payment when due and not of collectability. This Guaranty is a primary obligation of each Guarantor and not merely a contract of surety;

(b) Administrative Agent may enforce this Guaranty upon the occurrence of an Event of Default notwithstanding the existence of any dispute between Company and any Beneficiary with respect to the existence of such Event of Default;

(c) the obligations of each Guarantor hereunder are independent of the obligations of Company and the obligations of any other guarantor (including any other Guarantor) of the obligations of Company, and a separate action or actions may be brought and prosecuted against such Guarantor whether or not any action is brought against Company or any of such other guarantors and whether or not Company is joined in any such action or actions;

(d) payment by any Guarantor of a portion, but not all, of the Guaranteed Obligations shall in no way limit, affect, modify or abridge any Guarantor's liability for any portion of the Guaranteed Obligations which has not been paid. Without limiting the generality of the foregoing, if Administrative Agent is awarded a judgment in any suit brought to enforce any Guarantor's covenant to pay a portion of the Guaranteed Obligations, such judgment shall not be deemed to release such Guarantor from its covenant to pay the portion of the Guaranteed Obligations that is not the subject of such suit, and such judgment shall not, except to the extent satisfied by such Guarantor, limit, affect, modify or abridge any other Guarantor's liability hereunder in respect of the Guaranteed Obligations;

(e) any Beneficiary, upon such terms as it deems appropriate, without notice or demand and without affecting the validity or enforceability hereof or giving rise to any reduction, limitation, impairment, discharge or termination of any Guarantor's liability hereunder, from time to time may (i) renew, extend, accelerate, increase the rate of interest on, or otherwise change the time, place, manner or terms of payment of the Guaranteed Obligations; (ii) settle, compromise, release or discharge, or accept or refuse any offer of performance with respect to, or substitutions for, the Guaranteed Obligations or any agreement relating thereto and/or subordinate the payment of the same to the payment of any other obligations; (iii) request and accept other guaranties of the Guaranteed Obligations and take and hold security for the payment hereof or the Guaranteed Obligations; (iv) release, surrender, exchange, substitute, compromise, settle, rescind, waive, alter, subordinate or modify, with or without consideration, any security for payment of the Guaranteed Obligations, any other guaranties of the Guaranteed Obligations, or any other obligation of any Person (including any other Guarantor) with respect to the Guaranteed Obligations; (v) enforce and apply any security now or hereafter held by or for the benefit of such Beneficiary in respect hereof or the Guaranteed Obligations and direct the order or manner of sale thereof, or exercise any other right or remedy that such Beneficiary may have against any such security, in each case as such Beneficiary in its discretion may determine consistent herewith or the applicable Hedge Agreement and any applicable security agreement, including foreclosure on any such security pursuant to one or more judicial or nonjudicial sales, whether or not every aspect of any such sale is commercially reasonable, and even though such action operates to impair or extinguish any right of reimbursement or subrogation or other right or remedy of any Guarantor against Company or any security for the Guaranteed Obligations; and (vi) exercise any other rights available to it under the Credit Documents or the Hedge Agreements; and

(f) this Guaranty and the obligations of Guarantors hereunder shall be valid and enforceable and shall not be subject to any reduction, limitation, impairment, discharge or termination for any reason (other than payment in full of the Guaranteed Obligations), including the occurrence of any of the following, whether or not any Guarantor shall have had notice or knowledge of any of them: (i) any failure or omission to assert or enforce or agreement or election not to assert or enforce, or the stay or enjoining, by order of court, by operation of law or otherwise, of the exercise or enforcement of, any claim or demand or any right, power or remedy (whether arising under the Credit Documents or the Hedge Agreements, at law, in equity or otherwise) with respect to the Guaranteed Obligations or any agreement relating thereto, or with respect to any other guaranty of or security for the payment of the Guaranteed Obligations; (ii) any rescission, waiver, amendment or modification of, or any consent to departure from, any of the terms or provisions (including provisions relating to events of default) hereof, any of the other Credit Documents, any of the Hedge Agreements or any agreement or instrument executed pursuant thereto, or of any other guaranty or security for the Guaranteed Obligations, in each case whether or not in accordance with the terms hereof or such Credit Document, such Hedge Agreement or any agreement relating to such other guaranty or security; (iii) the Guaranteed Obligations, or any agreement relating thereto, at any time being found to be illegal, invalid or unenforceable in any respect; (iv) the application of payments received from any source (other than payments received pursuant to the other Credit Documents or any of the Hedge Agreements or from the proceeds of any security for the Guaranteed Obligations, except to the extent such security also serves as collateral for indebtedness other than the Guaranteed Obligations) to the payment of indebtedness other than the Guaranteed Obligations, even though any Beneficiary might have elected to apply such payment to any part or all of the Guaranteed Obligations; (v) any Beneficiary’s consent to the change, reorganization or termination of the corporate structure or existence of Holdings or any of its Subsidiaries and to any corresponding restructuring of the Guaranteed Obligations; (vi) any failure to perfect or continue perfection of a security interest in any collateral which secures any of the Guaranteed Obligations; (vii) any defenses, set-offs or counterclaims which Company may allege or assert against any Beneficiary in respect of the Guaranteed Obligations, including failure of consideration, breach of warranty, payment, statute of frauds, statute of limitations, accord and satisfaction and usury; (viii) any other act or thing or omission, or delay to do any other act or thing, which may or might in any manner or to any extent vary the risk of any Guarantor as an obligor in respect of the Guaranteed Obligations; and (ix) any law, regulation, decree or order of any jurisdiction adversely effecting the Guaranteed Obligations.

7.5. Waivers by Guarantors. Each Guarantor hereby waives, for the benefit of Beneficiaries: (a) any right to require any Beneficiary, as a condition of payment or performance by such Guarantor, to (i) proceed against Company, any other guarantor (including any other Guarantor) of the Guaranteed Obligations or any other Person, (ii) proceed against or exhaust any security held from Company, any such other guarantor or any other Person, (iii) proceed against or have resort to any balance of any Deposit Account or credit on the books of any Beneficiary in favor of Company or any other Person, or (iv) pursue any other remedy in the power of any Beneficiary whatsoever; (b) any defense arising by reason of the incapacity, lack of authority or any disability or other defense of Company or any other Guarantor including any defense based on or arising out of the lack of validity or the unenforceability of the Guaranteed Obligations or any agreement or instrument relating thereto or by reason of the cessation of the liability of Company or any other Guarantor from any cause other than payment in full of the Guaranteed Obligations; (c) any defense based upon any statute or rule of law which provides that the obligation of a surety must be neither larger in amount nor in other respects more burdensome than that of the principal; (d) any defense based upon any Beneficiary's errors or omissions in the administration of the Guaranteed Obligations, except behavior which amounts to willful misconduct, gross negligence or bad faith; (e) (i) any principles or provisions of law, statutory or otherwise, which are or might be in conflict with the terms hereof and any legal or equitable discharge of such Guarantor's obligations hereunder, (ii) the benefit of any statute of limitations affecting such Guarantor's liability hereunder or the enforcement hereof, (iii) any rights to set-offs, recoupments and counterclaims, and (iv) promptness, diligence and any requirement that any Beneficiary protect, secure, perfect or insure any security interest or lien or any property subject thereto; (f) notices, demands, presentments, protests, notices of protest, notices of dishonor and notices of any action or inaction, including acceptance hereof, notices of default hereunder, the Hedge Agreements or any agreement or instrument related thereto, notices of any renewal, extension or modification of the Guaranteed Obligations or any agreement related thereto, notices of any extension of credit to Company and notices of any of the matters referred to in Section 7.4 and any right to consent to any thereof; and (g) any defenses or benefits that may be derived from or afforded by law which limit the liability of or exonerate guarantors or sureties, or which may conflict with the terms hereof.

7.6. Guarantors' Rights of Subrogation, Contribution, etc. Until the Guaranteed Obligations shall have been indefeasibly paid in full and the Revolving Commitments shall have terminated and all Letters of Credit shall have expired or been cancelled, each Guarantor hereby waives any claim, right or remedy, direct or indirect, that such Guarantor now has or may hereafter have against Company or any other Guarantor or any of its assets in connection with this Guaranty or the performance by such Guarantor of its obligations hereunder, in each case whether such claim, right or remedy arises in equity, under contract, by statute, under common law or otherwise and including without limitation (a) any right of subrogation, reimbursement or indemnification that such Guarantor now has or may hereafter have against Company with respect to the Guaranteed Obligations, (b) any right to enforce, or to participate in, any claim, right or remedy that any Beneficiary now has or may hereafter have against Company, and (c) any benefit of, and any right to participate in, any collateral or security now or hereafter held by any Beneficiary. In addition, until the Guaranteed Obligations shall have been indefeasibly paid in full and the Revolving Commitments shall have terminated and all Letters of Credit shall have expired or been cancelled, each Guarantor shall withhold exercise of any right of contribution such Guarantor may have against any other guarantor (including any other Guarantor) of the Guaranteed Obligations, including, without limitation, any such right of contribution as contemplated by Section 7.2. Each Guarantor further agrees that, to the extent the waiver or agreement to withhold the exercise of its rights of subrogation, reimbursement, indemnification and contribution as set forth herein is found by a court of competent jurisdiction to be void or voidable for any reason, any rights of subrogation, reimbursement or indemnification such Guarantor may have against Company or against any collateral or security, and any rights of contribution such Guarantor may have against any such other guarantor, shall be junior and subordinate to any rights any Beneficiary may have against Company, to all right, title and interest any Beneficiary may have in any such collateral or security, and to any right any Beneficiary may have against such other guarantor. If any amount shall be paid to any Guarantor on account of any such subrogation, reimbursement, indemnification or contribution rights at any time when all Guaranteed Obligations shall not have been finally and indefeasibly paid in full, such amount shall be held in trust for Administrative Agent on behalf of Beneficiaries and shall forthwith be paid over to Administrative Agent for the benefit of Beneficiaries to be credited and applied against the Guaranteed Obligations, whether matured or unmatured, in accordance with the terms hereof.

7.7. Subordination of Other Obligations. Any Indebtedness of Company or any Guarantor now or hereafter held by any Guarantor (the **"Obligee Guarantor"**) is hereby subordinated in right of payment to the Guaranteed Obligations, and any such indebtedness collected or received by the Obligee Guarantor after an Event of Default has occurred and is continuing shall be held in trust for Administrative Agent on behalf of Beneficiaries and shall forthwith be paid over to Administrative Agent for the benefit of Beneficiaries to be credited and applied against the Guaranteed Obligations but without affecting, impairing or limiting in any manner the liability of the Obligee Guarantor under any other provision hereof.

7.8. Continuing Guaranty. This Guaranty is a continuing guaranty and shall remain in effect until all of the Guaranteed Obligations shall have been paid in full and the Revolving Commitments shall have terminated and all Letters of Credit shall have expired or been cancelled. Each Guarantor hereby irrevocably waives any right to revoke this Guaranty as to future transactions giving rise to any Guaranteed Obligations.

7.9. Authority of Guarantors or Company. It is not necessary for any Beneficiary to inquire into the capacity or powers of any Guarantor or Company or the officers, directors or any agents acting or purporting to act on behalf of any of them. Guarantors hereby authorize the Company to enter into the Intercreditor Agreement and agree to be bounds by the provisions thereof to the same extent as the Company.

7.10. Financial Condition of Company. Any Credit Extension may be made to Company or continued from time to time, and any Hedge Agreements may be entered into from time to time, in each case without notice to or authorization from any Guarantor regardless of the financial or other condition of Company at the time of any such grant or continuation or at the time such Hedge Agreement is entered into, as the case may be. No Beneficiary shall have any obligation to disclose or discuss with any Guarantor its assessment, or any Guarantor's assessment, of the financial condition of Company. Each Guarantor has adequate means to obtain information from Company on a continuing basis concerning the financial condition of Company and its ability to perform its obligations under the Credit Documents and the Hedge Agreements, and each Guarantor assumes the responsibility for being and keeping informed of the financial condition of Company and of all circumstances bearing upon the risk of nonpayment of the Guaranteed Obligations. Each Guarantor hereby waives and relinquishes any duty on the part of any Beneficiary to disclose any matter, fact or thing relating to the business, operations or conditions of Company now known or hereafter known by any Beneficiary.

7.11. Bankruptcy, etc. (a) Without limiting any Guarantor's ability to file a voluntary bankruptcy petition in respect of itself, so long as any Guaranteed Obligations remain outstanding, no Guarantor shall, without the prior written consent of Administrative Agent acting pursuant to the instructions of Requisite Lenders, commence or join with any other Person in commencing any bankruptcy, reorganization or insolvency case or proceeding of or against Company or any other Guarantor. The obligations of Guarantors hereunder shall not be reduced, limited, impaired, discharged, deferred, suspended or terminated by any case or proceeding, voluntary or involuntary, involving the bankruptcy, insolvency, receivership, reorganization, liquidation or arrangement of Company or any other Guarantor or by any defense which Company or any other Guarantor may have by reason of the order, decree or decision of any court or administrative body resulting from any such proceeding.

(b) Each Guarantor acknowledges and agrees that any interest on any portion of the Guaranteed Obligations which accrues after the commencement of any case or proceeding referred to in clause (a) above (or, if interest on any portion of the Guaranteed Obligations ceases to accrue by operation of law by reason of the commencement of such case or proceeding, such interest as would have accrued on such portion of the Guaranteed Obligations if such case or proceeding had not been commenced) shall be included in the Guaranteed Obligations because it is the intention of Guarantors and Beneficiaries that the Guaranteed Obligations which are guaranteed by Guarantors pursuant hereto should be determined without regard to any rule of law or order which may relieve Company of any portion of such Guaranteed Obligations. Guarantors will permit any trustee in bankruptcy, receiver, debtor in possession, assignee for the benefit of creditors or similar person to pay Administrative Agent, or allow the claim of Administrative Agent in respect of, any such interest accruing after the date on which such case or proceeding is commenced.

(c) In the event that all or any portion of the Guaranteed Obligations are paid by Company, the obligations of Guarantors hereunder shall continue and remain in full force and effect or be reinstated, as the case may be, in the event that all or any part of such payment(s) are rescinded or recovered directly or indirectly from any Beneficiary as a preference, fraudulent transfer or otherwise, and any such payments which are so rescinded or recovered shall constitute Guaranteed Obligations for all purposes hereunder.

7.12. Discharge of Guaranty Upon Sale of Guarantor. If all of the Capital Stock of any Guarantor or any of its successors in interest hereunder shall be sold or otherwise disposed of (including by merger or consolidation) in accordance with the terms and conditions hereof, the Guaranty of such Guarantor or such successor in interest, as the case may be, hereunder shall automatically be discharged and released without any further action by any Beneficiary or any other Person effective as of the time of such Asset Sale.

SECTION 8. EVENTS OF DEFAULT

8.1. Events of Default. If any one or more of the following conditions or events shall occur:

(a) Failure to Make Payments When Due. Failure by Company to pay (i) when due any installment of principal of any Loan, whether at stated maturity, by acceleration, by notice of voluntary prepayment, by mandatory prepayment or otherwise; (ii) when due any amount payable to an Issuing Bank in reimbursement of any drawing under a Letter of Credit; or (iii) any interest on any Loan or any fee or any other amount due hereunder within five days after the date due; or

(b) Default in Other Agreements. (i) Failure of any Credit Party or any of their respective Subsidiaries to pay when due any principal of or interest on or any other amount payable in respect of one or more items of Indebtedness (other than Indebtedness referred to in Section 8.1(a)) in an aggregate principal amount of $20,000,000 or more, in each case beyond the grace period, if any, provided therefor; (ii) breach or default by any Credit Party with respect to any other material term of (1) one or more items of Indebtedness in the individual or aggregate principal amounts referred to in clause (i) above or (2) any loan agreement, mortgage, indenture or other agreement relating to such item(s) of Indebtedness, in each case beyond the grace period, if any, provided therefor, if the effect of such breach or default is to cause, or to permit the holder or holders of that Indebtedness (or a trustee on behalf of such holder or holders), to cause, that Indebtedness to become or be declared due and payable (or redeemable) prior to its stated maturity or the stated maturity of any underlying obligation, as the case may be; or (iii) breach or default by Company under the Swap Agreement, if the effect of such breach or default is to permit the holder or holders of that Indebtedness to terminate the Swap Agreement and all or substantially all of the outstanding transactions thereunder; or

(c) Breach of Certain Covenants. Failure of any Credit Party to perform or comply with any term or condition contained in Section 2.6, Section 5.2, Section 5.13, 5.16(c) or Section 6; or

(d) Breach of Representations, etc. Any representation, warranty, certification or other statement made or deemed made by any Credit Party in any Credit Document or in any statement or certificate at any time given by any Credit Party or any of its Subsidiaries in writing pursuant hereto or thereto or in connection herewith or therewith shall be false in any material respect as of the date made or deemed made; or

(e) Other Defaults Under Credit Documents. Any Credit Party shall default in the performance of or compliance with any term contained herein or any of the other Credit Documents, other than any such term referred to in any other Section of this Section 8.1, and such default shall not have been remedied or waived within thirty days after the earlier of (i) an officer of such Credit Party becoming aware of such default or (ii) receipt by Company of notice from Administrative Agent or any Lender of such default; or

(f) Involuntary Bankruptcy; Appointment of Receiver, etc. (i) A court of competent jurisdiction shall enter a decree or order for relief in respect of Holdings or any of its Significant Subsidiaries in an involuntary case under the Bankruptcy Code or under any other applicable bankruptcy, insolvency or similar law now or hereafter in effect, which decree or order is not stayed; or any other similar relief shall be granted under any applicable federal or state law; or (ii) an involuntary case shall be commenced against Holdings or any of its Significant Subsidiaries under the Bankruptcy Code or under any other applicable bankruptcy, insolvency or similar law now or hereafter in effect; or a decree or order of a court having jurisdiction in the premises for the appointment of a receiver, liquidator, sequestrator, trustee, custodian or other officer having similar powers over Holdings or any of its Significant Subsidiaries, or over all or a substantial part of its property, shall have been entered; or there shall have occurred the involuntary appointment of an interim receiver, trustee or other custodian of Holdings or any of its Significant Subsidiaries for all or a substantial part of its property; or a warrant of attachment, execution or similar process shall have been issued against any substantial part of the property of Holdings or any of its Significant Subsidiaries, and any such event described in this clause (ii) shall continue for sixty days without having been dismissed, bonded or discharged; or

(g) Voluntary Bankruptcy; Appointment of Receiver, etc. (i) Holdings or any of its Significant Subsidiaries shall have an order for relief entered with respect to it or shall commence a voluntary case under the Bankruptcy Code or under any other applicable bankruptcy, insolvency or similar law now or hereafter in effect, or shall consent to the entry of an order for relief in an involuntary case, or to the conversion of an involuntary case to a voluntary case, under any such law, or shall consent to the appointment of or taking possession by a receiver, trustee or other custodian for all or a substantial part of its property; or Holdings or any of its Significant Subsidiaries shall make any assignment for the benefit of creditors; or (ii) Holdings or any of its Significant Subsidiaries shall be unable, or shall fail generally, or shall admit in writing its inability, to pay its debts as such debts become due; or the board of directors (or similar governing body) of Holdings or any of its Significant Subsidiaries (or any committee thereof) shall adopt any resolution or otherwise authorize any action to approve any of the actions referred to herein or in Section 8.1(f); or

(h) Judgments and Attachments. Any money judgment, writ or warrant of attachment or similar process involving at any time an amount in excess of $20,000,000 in the aggregate (to the extent not adequately covered by insurance as to which a solvent and unaffiliated insurance company has acknowledged coverage) shall be entered or filed against Holdings or any of its Subsidiaries or any of their respective assets and shall remain undischarged, unvacated, unbonded or unstayed for a period of sixty days (or in any event later than five days prior to the date of any proposed sale thereunder); or

(i) Dissolution. Any order, judgment or decree shall be entered against any Holdings or any Significant Subsidiary decreeing the dissolution or split up of such Credit Party and such order shall remain undischarged or unstayed for a period in excess of sixty days; or

(j) Employee Benefit Plans. (i) There shall occur one or more ERISA Events which individually or in the aggregate results in or might reasonably be expected to result in liability of Holdings, any of its Subsidiaries or any of their respective ERISA Affiliates in excess of $20,000,000 during the term hereof; or (ii) there exists any fact or circumstance that reasonably could be expected to result in the imposition of a Lien or security interest under Section 412(n) of the Internal Revenue Code or under ERISA on property or assets with a fair market value in excess of $20,000,000;

(k) Change of Control. A Change of Control shall occur; or

(l) Guaranties, Collateral Documents and other Credit Documents. At any time after the execution and delivery thereof, (i) the Guaranty for any reason, other than the satisfaction in full of all Obligations, shall cease to be in full force and effect (other than in accordance with its terms) or shall be declared to be null and void or any Guarantor shall repudiate in writing its obligations thereunder, (ii) this Agreement or any Collateral Document ceases to be in full force and effect (other than by reason of a release of Collateral in accordance with the terms hereof or thereof or the satisfaction in full of the Obligations in accordance with the terms hereof) or shall be declared null and void, or Collateral Agent shall not have or shall cease to have a valid and perfected Lien in any material portion of Collateral purported to be covered by the Collateral Documents with the priority required by the relevant Collateral Document, in each case for any reason other than the failure of Collateral Agent or any Secured Party to take any action within its control, or (iii) any Credit Party shall contest the validity or enforceability of any Credit Document in writing or deny in writing that it has any further liability, including with respect to future advances by Lenders, under any Credit Document to which it is a party;

THEN, (1) upon the occurrence of any Event of Default described in Section 8.1(f) or 8.1(g) with respect to the Company, automatically, and (2) upon the occurrence of any other Event of Default, at the request of (or with the consent of) Requisite Lenders, upon notice to Company by Administrative Agent, (A) the Revolving Commitments, if any, of each Lender having such Revolving Commitments and the obligation of an Issuing Bank to issue any Revolving Letter of Credit or Funded Letter of Credit shall immediately terminate; (B) each of the following shall immediately become due and payable, in each case without presentment, demand, protest or other requirements of any kind, all of which are hereby expressly waived by each Credit Party: (I) the unpaid principal amount of and accrued interest on the Loans, (II) an amount equal to the maximum amount that may at any time be drawn under all Letters of Credit then outstanding (regardless of whether any beneficiary under any such Letter of Credit shall have presented, or shall be entitled at such time to present, the drafts or other documents or certificates required to draw under such Letters of Credit), and (III) all other Obligations; provided, the foregoing shall not affect in any way the obligations of Lenders under Section 2.3(b)(iv) or Section 2.4(e); (C) Administrative Agent may cause Collateral Agent to enforce any and all Liens and security interests created pursuant to Collateral Documents; and (D) Administrative Agent shall direct Company to pay (and Company hereby agrees upon receipt of such notice, or upon the occurrence of any Event of Default specified in Section 8.1(f) and (g) to pay) to Administrative Agent such additional amounts of cash, to be held as security for Company’s reimbursement

Obligations in respect of Revolving Letters of Credit then outstanding, equal to the Revolving Letter of Credit Usage at such time.

SECTION 9. AGENTS

Appointment of Agents. Deutsche Bank is hereby appointed Syndication Agent hereunder on the Effective Date and at all times thereafter, and each Lender hereby authorizes Syndication Agent to act as its agent in accordance with the terms hereof and the other Credit Documents. ABN is hereby appointed Documentation Agent hereunder on the Effective Date and at all times thereafter, and each Lender hereby authorizes Documentation Agent to act as its agent in accordance with the terms hereof and the other Credit Documents. Credit Suisse is hereby appointed Administrative Agent hereunder and under the other Credit Documents and each Lender hereby authorizes Administrative Agent to act as its agent in accordance with the terms hereof and the other Credit Documents. Credit Suisse is hereby appointed Collateral Agent hereunder and under the other Credit Documents and each Lender hereby authorizes the Collateral Agent to acts as its agent in accordance with the terms hereof and the other Credit Documents. Each Agent hereby agrees to act upon the express conditions contained herein and the other Credit Documents, as applicable. The provisions of this Section 9 are solely for the benefit of Agents and Lenders and no Credit Party shall have any rights as a third party beneficiary of any of the provisions thereof. In performing its functions and duties hereunder, each Agent shall act solely as an agent of Lenders and does not assume and shall not be deemed to have assumed any obligation towards or relationship of agency or trust with or for Holdings or any of its Subsidiaries. Syndication Agent, without consent of or notice to any party hereto, may assign any and all of its rights or obligations hereunder to any of its Affiliates. As of the Effective Date, neither Deutsche Bank, in its capacity as Syndication Agent, nor ABN, in its capacity as Documentation Agent, shall have any obligations but shall be entitled to all benefits of this Section 9.

9.1. Powers and Duties. Each Lender irrevocably authorizes each Agent to take such action on such Lender's behalf and to exercise such powers, rights and remedies hereunder and under the other Credit Documents as are specifically delegated or granted to such Agent by the terms hereof and thereof, together with such powers, rights and remedies as are reasonably incidental thereto. Each Agent shall have only those duties and responsibilities that are expressly specified herein and the other Credit Documents. Each Agent may exercise such powers, rights and remedies and perform such duties by or through its agents or employees. No Agent shall have, by reason hereof or any of the other Credit Documents, a fiduciary relationship in respect of any Lender; and nothing herein or any of the other Credit Documents, expressed or implied, is intended to or shall be so construed as to impose upon any Agent any obligations in respect hereof or any of the other Credit Documents except as expressly set forth herein or therein. Administrative Agent hereby agrees that it shall (i) furnish to each Arranger, upon such Arranger's request, a copy of the Register, (ii) cooperate with each Arranger in granting access to any Lenders who such Arranger identifies to the Platform and (iii) maintain each Arranger's access to the Information Site.

9.2. General Immunity.

(a) No Responsibility for Certain Matters. No Agent shall be responsible to any Lender for the execution, effectiveness, genuineness, validity, enforceability, collectability or sufficiency hereof or any other Credit Document or for any representations, warranties, recitals or statements made herein or therein or made in any written or oral statements or in any financial or other statements, instruments, reports or certificates or any other documents furnished or made by any Agent to Lenders or by or on behalf of any Credit Party, and Lender or any person providing the Settlement Service to any Agent or any Lender in connection with the Credit Documents and the transactions contemplated thereby or for the financial condition or business affairs of any Credit Party or any other Person liable for the payment of any Obligations, nor shall any Agent be required to ascertain or inquire as to the performance or observance of any of the terms, conditions, provisions, covenants or agreements contained in any of the Credit Documents or as to the use of the proceeds of the Loans or any knowledge as to the existence or possible existence of any Event of Default or Default or to make any disclosures with respect to the foregoing. Anything contained herein to the contrary notwithstanding, Administrative Agent shall not have any liability arising from confirmations of the amount of outstanding Loans or the Revolving Letter of Credit Usage or the component amounts thereof, the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default or any Event of Default.

(b) Exculpatory Provisions. No Agent nor any of its officers, partners, directors, employees or agents shall be liable to Lenders for any action taken or omitted by any Agent under or in connection with any of the Credit Documents except to the extent caused by such Agent’s gross negligence or willful misconduct. Each Agent shall be entitled to refrain from any act or the taking of any action (including the failure to take an action) in connection herewith or any of the other Credit Documents or from the exercise of any power, discretion or authority vested in it hereunder or thereunder unless and until such Agent shall have received instructions in respect thereof from Requisite Lenders (or such other Lenders as may be required to give such instructions under Section 10.5) or, in the case of Collateral Agent, in accordance with the Pledge and Security Agreement, Intercreditor Agreement or other applicable Collateral Document, and, upon receipt of such instructions from Requisite Lenders (or such other Lenders, as the case may be), or in accordance with the Pledge and Security Agreement, Intercreditor Agreement or other applicable Collateral Document, as the case may be, such Agent shall be entitled to act or (where so instructed) refrain from acting, or to exercise such power, discretion or authority, in accordance with such instructions. Without prejudice to the generality of the foregoing, (i) each Agent shall be entitled to rely, and shall be fully protected in relying, upon any communication, instrument or document believed by it to be genuine and correct and to have been signed or sent by the proper Person or Persons, including any Settlement Confirmation or other communication issues by any Settlement Service, and shall be entitled to rely and shall be protected in relying on opinions and judgments of attorneys (who may be attorneys for Holdings and its Subsidiaries), accountants, experts and other professional advisors selected by it; and (ii) no Lender shall have any right of action whatsoever against any Agent as a result of such Agent acting or (where so instructed) refraining from acting hereunder or any of the other Credit Documents in accordance with the instructions of Requisite Lenders (or such other Lenders as may be required to give such instructions under Section 10.5) or, in the case of the Collateral Agent, in accordance with the Pledge and Security Agreement, Intercreditor Agreement or other applicable Collateral Document.

(c) Delegation of Duties. Administrative Agent and Collateral Agent may perform any and all of their respective duties and exercise their respective rights and powers under this Agreement or under any other Credit Document by or through any one or more sub-agents appointed by Administrative Agent or Collateral Agent, as applicable. Administrative Agent and Collateral Agent, as applicable, and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Affiliates. The exculpatory, indemnification and other provisions of this Section 9.3 and of Section 9.6 shall apply to any of the Affiliates of Administrative Agent and Collateral Agent and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent or Collateral Agent, as applicable. All of the rights, benefits, and privileges (including the exculpatory and indemnification provisions) of this Section 9.3 and of Section 9.6 shall apply to any such sub-agent and to the Affiliates of any such sub-agent, and shall apply to their respective activities as sub-agent as if such sub-agent and Affiliates were named herein. Notwithstanding anything herein to the contrary, with respect to each sub-agent appointed by the Administrative Agent or Collateral Agent, as applicable, (i) such sub-agent shall be a third party beneficiary under this Agreement with respect to all such rights, benefits and privileges (including exculpatory rights and rights to indemnification) and shall have all of the rights and benefits of a third party beneficiary, including an independent right of action to enforce such rights, benefits and privileges (including exculpatory rights and rights to indemnification) directly, without the consent or joinder of any other Person, against any or all of the Credit Parties and the Lenders, (ii) such rights, benefits and privileges (including exculpatory rights and rights to indemnification) shall not be modified or amended without the consent of such sub-agent, and (iii) such sub-agent shall only have obligations to Administrative Agent or Collateral Agent, as applicable, and not to any Credit Party, Lender or any other Person and no Credit Party, Lender or any other Person shall have any rights, directly or indirectly, as a third party beneficiary or otherwise, against such sub-agent.

9.3. Agents Entitled to Act as Lender. The agency hereby created shall in no way impair or affect any of the rights and powers of, or impose any duties or obligations upon, any Agent in its individual capacity as a Lender hereunder. With respect to its participation in the Loans and the Letters of Credit, each Agent shall have the same rights and powers hereunder as any other Lender and may exercise the same as if it were not performing the duties and functions delegated to it hereunder, and the term “Lender” shall, unless the context clearly otherwise indicates, include each Agent in its individual capacity. Any Agent and its Affiliates may accept deposits from, lend money to, own securities of, and generally engage in any kind of banking, trust, financial advisory or other business with Holdings or any of its Affiliates as if it were not performing the duties specified herein, and may accept fees and other consideration from Company for services in connection herewith and otherwise without having to account for the same to Lenders.

9.4. Lenders' Representations, Warranties and Acknowledgment.

(a) Each Lender represents and warrants that it has made its own independent investigation of the financial condition and affairs of Holdings and its Subsidiaries in connection with Credit Extensions hereunder and that it has made and shall continue to make its own appraisal of the creditworthiness of Holdings and its Subsidiaries. No Agent shall have any duty or responsibility, either initially or on a continuing basis, to make any such investigation or any such appraisal on behalf of Lenders or to provide any Lender with any credit or other information with respect thereto, whether coming into its possession before the making of the Loans or at any time or times thereafter, and no Agent shall have any responsibility with respect to the accuracy of or the completeness of any information provided to Lenders.

(b) Each Lender, by delivering its signature page to this Agreement and funding its Tranche D Term Loan, Credit Linked Deposit and/or Revolving Loans on the Effective Date, shall be deemed to have acknowledged receipt of, and consented to and approved, each Credit Document and each other document required to be approved by any Agent, Requisite Lenders or Lenders, as applicable on the Effective Date.

9.5. Right to Indemnity. Each Lender, in proportion to its Pro Rata Share, severally agrees to indemnify each Agent, to the extent that such Agent shall not have been reimbursed by any Credit Party, for and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses (including counsel fees and disbursements) or disbursements of any kind or nature whatsoever which may be imposed on, incurred by or asserted against such Agent in exercising its powers, rights and remedies or performing its duties hereunder or under the other Credit Documents or otherwise in its capacity as such Agent in any way relating to or arising out of this Agreement or the other Credit Documents; provided, no Lender shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from such Agent's gross negligence or willful misconduct. If any indemnity furnished to any Agent for any purpose shall, in the opinion of such Agent, be insufficient or become impaired, such Agent may call for additional indemnity and cease, or not commence, to do the acts indemnified against until such additional indemnity is furnished; provided, in no event shall this sentence require any Lender to indemnify any Agent against any liability, obligation, loss, damage, penalty, action, judgment, suit, cost, expense or disbursement in excess of such Lender's Pro Rata Share thereof; and provided further, this sentence shall not be deemed to require any Lender to indemnify any Agent against any liability, obligation, loss, damage, penalty, action, judgment, suit, cost, expense or disbursement described in the proviso in the immediately preceding sentence.

9.6. Successor Administrative Agent and Swing Line Lender Administrative Agent may resign at any time by giving thirty days' prior written notice thereof to Lenders and Company, and Administrative Agent may be removed at any time with or without cause by an instrument or concurrent instruments in writing delivered to Company and Administrative Agent and signed by Requisite Lenders. Upon any such notice of resignation or any such removal, Requisite Lenders shall have the right, upon five Business Days' notice to Company, to appoint a successor Administrative Agent with the consent of Company, not to be unreasonably withheld. Upon the acceptance of any appointment as Administrative Agent hereunder by a successor

Administrative Agent, that successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring or removed Administrative Agent and the retiring or removed Administrative Agent shall, to the extent such Administrative Agent is also acting as the Collateral Agent promptly (i) transfer to such successor Administrative Agent all sums, Securities and other items of Collateral held under the Collateral Documents, together with all records and other documents necessary or appropriate in connection with the performance of the duties of the successor Administrative Agent under the Credit Documents, and (ii) execute and deliver to such successor Administrative Agent such amendments to financing statements, and take such other actions, as may be necessary or appropriate in connection with the assignment to such successor Administrative Agent of the security interests created under the Collateral Documents, whereupon such retiring or removed Administrative Agent shall be discharged from its duties and obligations hereunder. After any retiring or removed Administrative Agent's resignation or removal hereunder as Administrative Agent, the provisions of this Section 9 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent hereunder. Any resignation or removal of Credit Suisse or its successor as Administrative Agent pursuant to this Section shall also constitute the resignation or removal of Credit Suisse or its successor as Swing Line Lender, and any successor Administrative Agent appointed pursuant to this Section shall, upon its acceptance of such appointment, become the successor Swing Line Lender for all purposes hereunder. In such event (a) Company shall prepay any outstanding Swing Line Loans made by the retiring or removed Administrative Agent in its capacity as Swing Line Lender, (b) upon such prepayment, the retiring or removed Administrative Agent and Swing Line Lender shall surrender any Swing Line Note held by it to Company for cancellation, and (c) Company shall issue, if so requested by successor Administrative Agent and Swing Line Loan Lender, a new Swing Line Note to the successor Administrative Agent and Swing Line Lender, in the principal amount of the Swing Line Loan Sublimit then in effect and with other appropriate insertions.

9.7. Collateral Documents and Guaranty.

(a) Agents under Collateral Documents and Guaranty. Each Lender hereby further authorizes Administrative Agent or Collateral Agent, as applicable, on behalf of and for the benefit of Lenders, to (i) be the agent for and representative of Lenders with respect to the Guaranty, the Collateral and the Collateral Documents and (ii) enter into the Intercreditor Agreement, and each lender agrees to be bound by the terms of the Intercreditor Agreement. Subject to Section 10.5, without further written consent or authorization from Lenders, Administrative Agent or Collateral Agent, as applicable may execute any documents or instruments necessary to (i) release any Lien encumbering any item of Collateral that is the subject of a sale or other disposition of assets permitted hereby (upon any such permitted disposition, the assets disposed of pursuant thereto shall automatically be released from the Liens granted pursuant to any Collateral Document) or to which Requisite Lenders (or such other Lenders as may be required to give such consent under Section 10.5) have otherwise consented or (ii) release any Guarantor from the Guaranty pursuant to Section 7.12 or with respect to which Requisite Lenders (or such other Lenders as may be required to give such consent under Section 10.5) have otherwise consented.

(b) Right to Realize on Collateral and Enforce Guaranty. Anything contained in any of the Credit Documents to the contrary notwithstanding, Company, Administrative Agent, Collateral Agent and each Lender hereby agree that (i) no Lender shall have any right individually to realize upon any of the Collateral or to enforce the Guaranty, it being understood and agreed that all powers, rights and remedies hereunder may be exercised solely by Administrative Agent, on behalf of Lenders in accordance with the terms hereof and all powers, rights and remedies under the Collateral Documents may be exercised solely by Collateral Agent, and (ii) in the event of a foreclosure by Collateral Agent on any of the Collateral pursuant to a public or private sale, Collateral Agent or any Lender may be the purchaser of any or all of such Collateral at any such sale and Collateral Agent, as agent for and representative of Secured Parties (but not any Lender or Lenders in its or their respective individual capacities unless Requisite Lenders shall otherwise agree in writing) shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any such public sale, to use and apply any of the Obligations as a credit on account of the purchase price for any collateral payable by Collateral Agent at such sale.

SECTION 10. MISCELLANEOUS

10.1. Notices. Unless otherwise specifically provided herein, any notice or other communication herein required or permitted to be given to a Credit Party, Arrangers, Syndication Agent, Documentation Agent, Collateral Agent, Administrative Agent, Swing Line Lender, or an Issuing Bank shall be sent to such Person's address as set forth on Appendix B or in the other relevant Credit Document, and in the case of any Lender, the address as indicated on Appendix B or otherwise indicated to Administrative Agent in writing. Each notice hereunder shall be in writing and may be personally served, telexed or sent by telefacsimile or United States mail or courier service and shall be deemed to have been given when delivered in person or by courier service and signed for against receipt thereof, upon receipt of telefacsimile or telex, or three Business Days after depositing it in the United States mail with postage prepaid and properly addressed; provided, no notice to any Agent shall be effective until received by such Agent; provided further, any such notice or other communication shall at the request of the Administrative Agent be provided to any sub-agent appointed pursuant to Section 9.3(c) hereto as designated by the Administrative Agent from time to time.

10.2. Expenses. Upon funding of the Tranche D Term Loans, Company agrees to pay promptly (a) all the actual and reasonable out-of-pocket costs and expenses of preparation of the Credit Documents and any consents, amendments, waivers or other modifications thereto; (b) all the reasonable out-of-pocket costs of furnishing all opinions by counsel for Company and the other Credit Parties; (c) the reasonable out-of-pocket fees, expenses and disbursements of one special counsel to Agents, one local counsel in each relevant jurisdiction and one counsel to the Administrative Agent in connection with the negotiation, preparation, execution and administration of the Credit Documents and any consents, amendments, waivers or other modifications thereto and any other documents or matters requested by Company; (d) all the actual costs and reasonable expenses of creating and perfecting Liens in favor of Collateral Agent, for the benefit of Lenders pursuant hereto, including filing and recording fees, expenses and taxes, stamp or documentary taxes, search fees, title insurance premiums and reasonable fees, expenses and disbursements of counsel to each Agent and of counsel providing any opinions that any Agent or Requisite Lenders may request in respect of the Collateral or the Liens created pursuant to the Collateral Documents; (e) all the actual costs and reasonable fees, expenses and disbursements of any auditors, accountants, consultants or appraisers; (f) all the actual out-of-pocket costs and reasonable expenses (including the reasonable out-of-pocket fees, expenses and disbursements of any appraisers, consultants, advisors and agents employed or retained by Collateral Agent and its counsel) in connection with the custody or preservation of any of the Collateral; (g) all other actual and reasonable out-of-pocket costs and expenses incurred by each Agent in connection with the syndication of the Loans and Commitments and the negotiation, preparation and execution of the Credit Documents and any consents, amendments, waivers or other modifications thereto and the transactions contemplated thereby; and (h) after the occurrence of a Default or an Event of Default, all costs and expenses, including reasonable attorneys' fees and costs of settlement, incurred by any Agent and Lenders in enforcing any Obligations of or in collecting any payments due from any Credit Party hereunder or under the other Credit Documents by reason of such Default or Event of Default (including in connection with the sale of, collection from, or other realization upon any of the Collateral or the enforcement of the Guaranty) or in connection with any refinancing or restructuring of the credit arrangements provided hereunder in the nature of a "work-out" or pursuant to any insolvency or bankruptcy cases or proceedings.

10.3. Indemnity.

(a) In addition to the payment of expenses pursuant to Section 10.2, whether or not the transactions contemplated hereby shall be consummated, each Credit Party agrees to defend (subject to Indemnitees' selection of counsel), indemnify, pay and hold harmless, each Agent, Lender, Issuing Bank and the officers, partners, directors, trustees, employees, agents, sub-agents and Affiliates of each Agent, each Lender and each Issuing Bank (each, an **"Indemnitee"**), from and against any and all Indemnified Liabilities; provided, no Credit Party shall have any obligation to any Indemnitee hereunder with respect to any Indemnified Liabilities to the extent such Indemnified Liabilities arise from the gross negligence or willful misconduct of that Indemnitee. To the extent that the undertakings to defend, indemnify, pay and hold harmless set forth in this Section 10.3 may be unenforceable in whole or in part because they are violative of any law or public policy, the applicable Credit Party shall contribute the maximum portion that it is permitted to pay and satisfy under applicable law to the payment and satisfaction of all Indemnified Liabilities incurred by Indemnitees or any of them.

(b) To the extent permitted by applicable law, no Credit Party shall assert, and each Credit Party hereby waives, any claim against Lenders, Agents, Issuing Banks and their respective Affiliates, directors, employees, attorneys, agents or sub-agents, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) (whether or not the claim therefor is based on contract, tort or duty imposed by any applicable legal requirement) arising out of, in connection with, arising out of, as a result of, or in any way related to, this Agreement or any Credit Document or any agreement or instrument contemplated hereby or thereby or referred to herein or therein, the transactions contemplated hereby or thereby, any Loan or the use of the proceeds thereof or any act or omission or event occurring in connection therewith, and Holdings and Company hereby waives, releases and agrees not to sue upon any such claim or any such damages, whether or not accrued and whether or not known or suspected to exist in its favor.

10.4. Set-Off. In addition to any rights now or hereafter granted under applicable law and not by way of limitation of any such rights, upon the occurrence of any Event of Default each Lender is hereby authorized by each Credit Party at any time or from time to time, without notice to any Credit Party or to any other Person (other than Administrative Agent), any such notice being hereby expressly waived, to set off and to appropriate and to apply any and all deposits (general or special, including Indebtedness evidenced by certificates of deposit, whether matured or unmatured, but not including trust accounts) and any other Indebtedness at any time held or owing by such Lender to or for the credit or the account of any Credit Party against and on account of the obligations and liabilities of any Credit Party to such Lender hereunder, the Letters of Credit and participations therein and under the other Credit Documents, including all claims of any nature or description arising out of or connected hereto, the Letters of Credit and participations therein or with any other Credit Document, irrespective of whether or not (a) such Lender shall have made any demand hereunder or (b) the principal of or the interest on the Loans or any amounts in respect of the Letters of Credit or any other amounts due hereunder shall have become due and payable pursuant to Section 2 and although such obligations and liabilities, or any of them, may be contingent or unmatured.

10.5. Amendments and Waivers.

(a) Requisite Lenders' Consent. Subject to Section 10.5(b) and 10.5(c), no amendment, modification, termination or waiver of any provision of the Credit Documents, or consent to any departure by any Credit Party therefrom, shall in any event be effective without the written concurrence of the Requisite Lenders.

(b) Affected Lenders' Consent. Without the written consent of each Lender (other than a Defaulting Lender) that would be affected thereby, no amendment, modification, termination, or consent shall be effective if the effect thereof would:

(i) extend the scheduled final maturity of any Loan or Note;

(ii) extend the date on which the Funded Letter of Credit Participation Interest must be repurchased in full from such Lender or any Lender's Pro Rata Share of the Credit Linked Deposits is required to be paid to such Lender in full (it being acknowledged that any such repurchase or payment is subject to the express provisions of Section 2.4);

(iii) extend the stated expiration date of any Revolving Letter of Credit beyond the Revolving Commitment Termination Date;

(iv) extend the stated expiration date of any Funded Letter of Credit beyond the Funded Letter of Credit Termination Date;

(v) reduce the rate of interest on any Loan (other than any waiver of any increase in the interest rate applicable to any Loan pursuant to Section 2.10) or any fee payable hereunder; provided that any changes to calculations of the Total Leverage Ratio used to determine the Applicable Margin shall only require consent of Requisite Lenders or Requisite Class Lenders as the case may be;

(vi) extend the time for payment of any such interest or fees;

(vii) reduce the principal amount of any Loan or any reimbursement obligation in respect of any Letter of Credit;

(viii) **[**Reserved**]**;

(ix) amend, modify, terminate or waive any provision of this Section 10.5(b) or Section 10.5(c);

(x) amend the definition of **"Requisite Lenders"** or **"Pro Rata Share";** provided, with the consent of Requisite Lenders, additional extensions of credit pursuant hereto may be included in the determination of **"Requisite Lenders"** or **"Pro Rata Share"** on substantially the same basis as the Tranche D Term Loan Commitments, the Tranche D Term Loans, the Revolving Commitments, the Revolving Loans, the Funded Letter of Credit Commitments, and the Funded Letters of Credit are included on the Effective Date; or

(xi) release all or substantially all of the Collateral or all or substantially all of the Guarantors from the Guaranty except as expressly provided in the Credit Documents.

(c) Other Consents. No amendment, modification, termination or waiver of any provision of the Credit Documents, or consent to any departure by any Credit Party therefrom, shall:

(i) increase any Commitment of any Lender over the amount thereof then in effect without the consent of such Lender; provided, no amendment, modification or waiver of any condition precedent, covenant, Default or Event of Default shall constitute an increase in any Commitment of any Lender;

(ii) amend, modify, terminate or waive any provision hereof relating to the Swing Line Sublimit or the Swing Line Loans without the consent of Swing Line Lender;

(iii) amend the definition of **"Requisite Class Lenders"** without the consent of Requisite Class Lenders of each Class; provided, with the consent of the Requisite Lenders, additional extensions of credit pursuant hereto may be included in the determination of such **"Requisite Class Lenders"** on substantially the same basis as the Tranche D Term Loan Commitments, the Tranche D Term Loans, the Revolving Commitments, the Revolving Loans, the Funded Letter of Credit Commitments, and the Funded Letters of Credit are included on the Effective Date;

(iv) alter the required application of any repayments or prepayments as between Classes pursuant to Section 2.15 without the consent of Requisite Class Lenders of each Class which is being allocated a lesser repayment or prepayment as a result thereof; provided, Requisite Lenders may waive, in whole or in part, any prepayment so long as the application, as between Classes, of any portion of such prepayment which is still required to be made is not altered;

(v) without the consent of Lenders holding more than 80% of Tranche D Term Loan Exposure, waive, reduce or postpone any scheduled repayment (but not prepayment);

(vi) amend, modify, terminate or waive any obligation of Lenders or Company (as the same applies to its obligation to the Funded LC Issuing Bank) or the Funded LC Issuing Bank as provided in Section 2.4 directly relating to Funded Letters of Credit and the Credit Linked Deposits (and definitions used in Section 2.4 that relate specifically to Funded Letters of Credit and Credit Linked Deposits) without the written consent of Administrative Agent and such Funded LC Issuing Bank; or

(vii) amend, modify, terminate or waive any provision of Section 9 as the same applies to any Agent, or any other provision hereof as the same applies to the rights or obligations of any Agent, in each case without the consent of such Agent.

(d) Execution of Amendments, etc. Administrative Agent may, but shall have no obligation to, with the concurrence of any Lender, execute amendments, modifications, waivers or consents on behalf of such Lender. Any waiver or consent shall be effective only in the specific instance and for the specific purpose for which it was given. No notice to or demand on any Credit Party in any case shall entitle any Credit Party to any other or further notice or demand in similar or other circumstances. Any amendment, modification, termination, waiver or consent effected in accordance with this Section 10.5 shall be binding upon each Lender at the time outstanding, each future Lender and, if signed by a Credit Party, on such Credit Party.

(e) Extension of Revolving Commitment Termination Date. Notwithstanding anything herein to the contrary, Company may by written notice to the Arrangers elect to request, prior to the Revolving Commitment Termination Date, an extension to the existing Revolving Commitment Termination Date; provided such extension shall in any event not be later than the Tranche D Term Loan Maturity Date. Such notice shall specify the identity of each Lender or other Person that is an Eligible Assignee to whom Company proposes any portion of such extended Revolving Commitments be allocated and the amounts of such allocations; provided that any Lender approached to provide all or a portion of the extended Revolving Commitments may elect or decline, in its sole discretion, to provide such extended Revolving Commitment. The terms and provisions of the extended Revolving Loans shall be identical to the Revolving Loans. On the Revolving Commitment Termination Date, subject to the satisfaction of the foregoing terms and conditions, (a) each of the Revolving Lenders shall assign to each of the new Revolving Lenders, and each of the new Revolving Lenders shall purchase from each of the Revolving Lenders, at the principal amount thereof (together with accrued interest), such interests in the Revolving Loans outstanding on such date as shall be necessary in order that, after giving effect to all such assignments and purchases, such Revolving Loans will be held by existing Revolving Lenders and new Revolving Lenders ratably in accordance with their Revolving Commitments after giving effect to the addition of such extended Revolving Commitments to the Revolving Commitments, (b) each new Revolving Commitment shall be deemed for all purposes a Revolving Commitment and each Loan made thereunder shall be deemed, for all purposes, a Revolving Loan and (c) each new Revolving Lender shall become a Lender with respect to the new Revolving Commitment and all matters relating thereto.

10.6. Successors and Assigns; Participations.

(a) Generally. This Agreement shall be binding upon the parties hereto and their respective successors and assigns and shall inure to the benefit of the parties hereto and the successors and assigns of Lenders. No Credit Party's rights or obligations hereunder nor any interest therein may be assigned or delegated by any Credit Party without the prior written consent of all Lenders. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby and, to the extent expressly contemplated hereby, Affiliates of each of the Agents and Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Register. Company, Administrative Agent and Lenders shall deem and treat the Persons listed as Lenders in the Register as the holders and owners of the corresponding Commitments, Loans and Funded Letter of Credit Participations listed therein for all purposes hereof, and no assignment or transfer of any such Commitment or Loan shall be effective, in each case, unless and until recorded in the Register following receipt of (x) a written or electronic confirmation of an assignment issued by a Settlement Service pursuant to Section 10.6(d) (a **"Settlement Confirmation"**) or (y) an Assignment Agreement effecting the assignment or transfer thereof, in each case, as provided in Section 10.6(d). Each assignment shall be recorded in the Register promptly and a copy of such Assignment Agreement or Settlement Confirmation shall be maintained, as applicable. The date of such recordation of a transfer shall be referred to herein as the **"Assignment Effective Date."** Any request, authority or consent of any Person who, at the time of making such request or giving such authority or consent, is listed in the Register as a Lender shall be conclusive and binding on any subsequent holder, assignee or transferee of the corresponding Commitments or Loans.

(c) Right to Assign. Each Lender shall have the right at any time to sell, assign or transfer all or a portion of its rights and obligations under this Agreement, including, without limitation, all or a portion of its Commitment, Funded Letter of Credit Participations or Loans owing to it or other Obligations (provided, however, that each such assignment shall be of a uniform, and not varying, percentage of all rights and obligations under and in respect of any Funded Letter of Credit Participations, Loan and any related Commitments):

(i) to any Person meeting the criteria of clause (i) of the definition of the term of "Eligible Assignee" upon the giving of notice to Company and Administrative Agent; and

(ii) to any Person meeting the criteria of clause (ii) of the definition of the term of "Eligible Assignee" and, in the case of assignments of Revolving Loans or Revolving Commitments to any such Person (except in the case of assignments to GSCP), consented to by each of Company and Administrative Agent, the Revolving Issuing Bank, and Swing Line Lender (such consent not to be (x) unreasonably withheld or delayed or, (y) in the case of Company, required at any time an Event of Default shall have occurred and then be continuing); provided, further each such assignment pursuant to this Section 10.6(c)(ii) shall be in an aggregate amount of not less than (A) $2,500,000 (or such lesser amount as may be agreed to by Company and Administrative Agent or as shall constitute the aggregate amount of the Revolving Commitments and Revolving Loans of the assigning Lender) with respect to the assignment of the Revolving Commitments and Revolving Loans and (B) $1,000,000 (or such lesser amount as may be agreed to by Company and Administrative Agent or as shall constitute the aggregate amount of the Funded Letter of Credit Commitments and Funded Letter of Credit Participations of the assigning Lender) with respect to the assignment of the Funded Letter of Credit Commitments and Funded Letter of Credit Participations, and (C) $1,000,000 (or such lesser amount as may be agreed to by Company and Administrative Agent or as shall constitute the aggregate amount of Term Loans of the assigning Lender) with respect to the assignment of Term Loans. Notwithstanding the forgoing, assignments made to affiliates and other Lenders of the same Class will not be subject to the above described consent or minimum assignment amount requirements.

(d) Mechanics. The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment Agreement via an electronic settlement system acceptable to the Administrative Agent (or, if previously agreed with the Agent, manually), and shall pay to the Administrative Agent a processing and recordation fee of $3,500 (which fee may be waived or reduced in the sole discretion of the Administrative Agent); provided that such fee shall not apply to the Arrangers. Assignments made pursuant to the foregoing provision shall be effective as of the Assignment Effective Date. In connection with all assignments there shall be delivered to Administrative Agent and Company such forms, certificates or other evidence, if any, with respect to United States federal income tax withholding matters as the assignee under such Assignment Agreement may be required to deliver pursuant to Section 2.20(c). Without the consent of Company (which consent shall not be unreasonably withheld), the Funded LC Issuing Bank and Administrative Agent, no Credit Linked Deposit shall be released in connection with any assignment by a Funded Letter of Credit Participant, but the Funded Letter of Credit Participation Interests shall instead be purchased by the relevant assignee and the Credit Linked Deposits continue to be held by the Funded LC Issuing Bank for application (to the extent not already applied) in accordance with Sections 2.4(f) and (h).

(e) Representations and Warranties of Assignee. Each Lender, upon execution and delivery hereof or upon succeeding to an interest in the Commitments and Loans, as the case may be, represents and warrants as of the Effective Date or as of the Assignment Effective Date that (i) it is an Eligible Assignee; (ii) it has experience and expertise in the making of or investing in commitments or loans such as the applicable Commitments, Funded Letter of Credit Participations or Loans, as the case may be; and (iii) it will make or invest in, as the case may be, its Commitments, Funded Letter of Credit Participations or Loans for its own account in the ordinary course of its business and without a view to distribution of such Commitments, Funded Letter of Credit Participations or Loans within the meaning of the Securities Act or the Exchange Act or other federal securities laws (it being understood that, subject to the provisions of this Section 10.6, the disposition of such Revolving Commitments or Loans or any interests therein shall at all times remain within its exclusive control).

(f) Effect of Assignment. Subject to the terms and conditions of this Section 10.6, as of the "Assignment Effective Date" (i) the assignee thereunder shall have the rights and obligations of a "Lender" hereunder to the extent of its interest in the Loans and Commitments as reflected in the Register and shall thereafter be a party hereto and a "Lender" for all purposes hereof; (ii) the assigning Lender thereunder shall, to the extent that rights and obligations hereunder have been assigned to the assignee, relinquish its rights (other than any rights which survive the termination hereof under Section 10.8) and be released from its obligations hereunder (and, in the case of an assignment covering all or the remaining portion of an assigning Lender's rights and obligations hereunder, such Lender shall cease to be a party hereto on the Assignment Effective Date; provided, anything contained in any of the Credit Documents to the contrary notwithstanding, (y) an Issuing Bank shall continue to have all rights and obligations thereof with respect to such Letters of Credit until the cancellation or expiration of such Letters of Credit and the reimbursement of any amounts drawn thereunder and (z) such assigning Lender shall continue to be entitled to the benefit of all indemnities hereunder as specified herein with respect to matters arising out of the prior involvement of such assigning Lender as a Lender hereunder); (iii) the Commitments shall be modified to reflect the Commitment of such assignee and any Commitment of such assigning Lender, if any; and (iv) if any such assignment occurs after the issuance of any Note hereunder, the assigning Lender shall, upon the effectiveness of such assignment or as promptly thereafter as practicable, surrender its applicable Notes to Administrative Agent for cancellation, and thereupon Company shall issue and deliver new Notes, if so requested by the assignee and/or assigning Lender, to such assignee and/or to such assigning Lender, with appropriate insertions, to reflect the new Revolving Commitments and/or outstanding Loans of the assignee and/or the assigning Lender.

(g) Participations. Each Lender shall have the right at any time to sell one or more participations to any Person (other than Holdings, any of its Subsidiaries or any of its Affiliates) in all or any part of its Commitments, Funded Letter of Credit Participations, Loans or in any other Obligation. The holder of any such participation, other than an Affiliate of the Lender granting such participation, shall not be entitled to require such Lender to take or omit to take any action hereunder except with respect to any amendment, modification or waiver that would (i) extend the final scheduled maturity of any Loan, Note or Letter of Credit (unless such Letter of Credit is not extended beyond the Revolving Commitment Termination Date or the Funded Letter of Credit Termination Date, as applicable) in which such participant is participating, or reduce the rate or extend the time of payment of interest or fees thereon (except in connection with a waiver of applicability of any post-default increase in interest rates) or reduce the principal amount thereof, or increase the amount of the participant's participation over the amount thereof then in effect (it being understood that a waiver of any Default or Event of Default or of a mandatory reduction in the Commitment shall not constitute a change in the terms of such participation, and that an increase in any Commitment, Funded Letter of Credit Participations or Loan shall be permitted without the consent of any participant if the participant's participation is not increased as a result thereof), (ii) consent to the assignment or transfer by any Credit Party of any of its rights and obligations under this Agreement or (iii) release all or substantially all of the Collateral under the Collateral Documents (except as expressly provided in the Credit Documents) supporting the Loans and Funded Letter of Credit Participations hereunder in which such participant is participating. Company agrees that each participant shall be entitled to the benefits of Sections 2.18(c), 2.19 and 2.20 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (c) of this Section; provided, (i) a participant shall not be entitled to receive any greater payment under Sections 2.18(c), 2.19 or 2.20 than the applicable Lender would have been entitled to receive with respect to the participation sold to such participant, unless the sale of the participation to such participant is made with Company's prior written consent and (ii) subject to clause (i) above, a participant that would be a Non-US Lender (or that would otherwise be required to deliver a form referred to in Section 2.20(c) to avoid deduction or withholding of United States federal income tax with respect to payments made by a Credit Party under any of the Credit Documents) if it were a Lender shall not be entitled to the benefits of Section 2.20 unless Company is notified of the participation sold to such participant and such participant agrees, for the benefit of Company, to be subject to Section 2.20 as though it were a Lender; provided further that, except as specifically set forth in clauses (i) and (ii) of this sentence, nothing herein shall require any notice to the Company or any other Person in connection with the sale of any participation. To the extent permitted by law, each participant also shall be entitled to the benefits of Section 10.4 as though it were a Lender, provided such Participant agrees to be subject to Section 2.17 as though it were a Lender.

(h) Certain Other Assignments and Participations. In addition to any other assignment or participation permitted pursuant to this Section 10.6, any Lender may assign and/or pledge all or any portion of its Loans, Funded Letter of Credit Participations, the other Obligations owed by or to such Lender, and its Notes (excluding in all instances the Credit Linked Deposits, which shall be held as the property of the Funded LC Issuing Bank as provided for in Section 2.4), if any, to secure obligations of such Lender including, without limitation, any Federal Reserve Bank as collateral security pursuant to Regulation A of the Board of Governors of the Federal Reserve System and any operating circular issued by such Federal Reserve Bank; provided, that no Lender, as between Company and such Lender, shall be relieved of any of its obligations hereunder as a result of any such assignment and pledge, and provided further, that in no event shall the applicable Federal Reserve

Bank, pledgee or trustee be considered to be a “Lender” or be entitled to require the assigning Lender to take or omit to take any action hereunder.

10.7. Independence of Covenants. All covenants hereunder shall be given independent effect so that if a particular action or condition is not permitted by any of such covenants, the fact that it would be permitted by an exception to, or would otherwise be within the limitations of, another covenant shall not avoid the occurrence of a Default or an Event of Default if such action is taken or condition exists.

10.8. Survival of Representations, Warranties and Agreements. All representations, warranties and agreements made herein shall survive the execution and delivery hereof and the making of any Credit Extension. Notwithstanding anything herein or implied by law to the contrary, the agreements of each Credit Party set forth in Sections 2.18(c), 2.19, 2.20, 10.2, 10.3 and 10.4 and the agreements of Lenders set forth in Sections 2.17, 9.3(b) and 9.6 shall survive the payment of the Loans, the cancellation or expiration of the Letters of Credit and the reimbursement of any amounts drawn thereunder, funding of the Credit Linked Deposits and the termination hereof.

10.9. No Waiver; Remedies Cumulative. No failure or delay on the part of any Agent or any Lender in the exercise of any power, right or privilege hereunder or under any other Credit Document shall impair such power, right or privilege or be construed to be a waiver of any default or acquiescence therein, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other power, right or privilege. The rights, powers and remedies given to each Agent and each Lender hereby are cumulative and shall be in addition to and independent of all rights, powers and remedies existing by virtue of any statute or rule of law or in any of the other Credit Documents or any of the Hedge Agreements. Any forbearance or failure to exercise, and any delay in exercising, any right, power or remedy hereunder shall not impair any such right, power or remedy or be construed to be a waiver thereof, nor shall it preclude the further exercise of any such right, power or remedy.

10.10. Marshalling; Payments Set Aside. Neither any Agent nor any Lender shall be under any obligation to marshal any assets in favor of any Credit Party or any other Person or against or in payment of any or all of the Obligations. To the extent that any Credit Party makes a payment or payments to Administrative Agent or Lenders (or to Administrative Agent, on behalf of Lenders), or any Agent or Lenders enforce any security interests or exercise their rights of setoff, and such payment or payments or the proceeds of such enforcement or setoff or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside and/or required to be repaid to a trustee, receiver or any other party under any bankruptcy law, any other state or federal law, common law or any equitable cause, then, to the extent of such recovery, the obligation or part thereof originally intended to be satisfied, and all Liens, rights and remedies therefor or related thereto, shall be revived and continued in full force and effect as if such payment or payments had not been made or such enforcement or setoff had not occurred.

10.11. Severability. In case any provision in or obligation hereunder or under any other Credit Document shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

10.12. Obligations Several; Independent Nature of Lenders' Rights. The obligations of Lenders hereunder are several and no Lender shall be responsible for the obligations or Commitment of any other Lender hereunder. Nothing contained herein or in any other Credit Document, and no action taken by Lenders pursuant hereto or thereto, shall be deemed to constitute Lenders as a partnership, an association, a joint venture or any other kind of entity. The amounts payable at any time hereunder to each Lender shall be a separate and independent debt, and each Lender shall be entitled to protect and enforce its rights arising out hereof and it shall not be necessary for any other Lender to be joined as an additional party in any proceeding for such purpose.

10.13. Headings. Section headings herein are included herein for convenience of reference only and shall not constitute a part hereof for any other purpose or be given any substantive effect.

10.14. APPLICABLE LAW. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES THEREOF THAT WOULD REQUIRE APPLICATION OF LAWS OF ANOTHER STATE.

10.15. CONSENT TO JURISDICTION. ALL JUDICIAL PROCEEDINGS BROUGHT AGAINST ANY PARTY HERETO ARISING OUT OF OR RELATING HERETO OR ANY OTHER CREDIT DOCUMENT, OR ANY OF THE OBLIGATIONS, MAY BE BROUGHT IN ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION IN THE STATE, COUNTY AND CITY OF NEW YORK. BY EXECUTING AND DELIVERING THIS AGREEMENT OR ANY ASSIGNMENT AGREEMENT, EACH PARTY HERETO, FOR ITSELF AND IN CONNECTION WITH ITS PROPERTIES, IRREVOCABLY (a) ACCEPTS GENERALLY AND UNCONDITIONALLY THE NONEXCLUSIVE JURISDICTION AND VENUE OF SUCH COURTS; (b) WAIVES ANY DEFENSE OF FORUM NON CONVENIENS; (c) AGREES THAT SERVICE OF ALL PROCESS IN ANY SUCH PROCEEDING IN ANY SUCH COURT MAY BE MADE BY REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO THE APPLICABLE PARTY AT ITS ADDRESS PROVIDED IN ACCORDANCE WITH SECTION 10.1; (d) AGREES THAT SERVICE AS PROVIDED IN CLAUSE (c) ABOVE IS SUFFICIENT TO CONFER PERSONAL JURISDICTION OVER THE APPLICABLE PARTY IN ANY SUCH PROCEEDING IN ANY SUCH COURT, AND OTHERWISE CONSTITUTES EFFECTIVE AND BINDING SERVICE IN EVERY RESPECT; AND (e) AGREES AGENTS AND LENDERS RETAIN THE RIGHT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO BRING PROCEEDINGS AGAINST ANY CREDIT PARTY IN THE COURTS OF ANY OTHER JURISDICTION.

10.16. WAIVER OF JURY TRIAL. EACH OF THE PARTIES HERETO HEREBY AGREES TO WAIVE ITS RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING HEREUNDER OR UNDER ANY OF THE OTHER CREDIT DOCUMENTS OR ANY DEALINGS BETWEEN THEM RELATING TO THE SUBJECT MATTER OF THIS LOAN TRANSACTION OR THE LENDER/COMPANY RELATIONSHIP THAT IS BEING ESTABLISHED. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. EACH PARTY HERETO ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH HAS ALREADY RELIED ON THIS WAIVER IN ENTERING INTO THIS AGREEMENT, AND THAT EACH WILL CONTINUE TO RELY ON THIS WAIVER IN ITS RELATED FUTURE DEALINGS. EACH PARTY HERETO FURTHER WARRANTS AND REPRESENTS THAT IT HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING (OTHER THAN BY A MUTUAL WRITTEN WAIVER SPECIFICALLY REFERRING TO THIS SECTION 10.16 AND EXECUTED BY EACH OF THE PARTIES HERETO), AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS HERETO OR ANY OF THE OTHER CREDIT DOCUMENTS OR TO ANY OTHER DOCUMENTS OR AGREEMENTS RELATING TO THE LOANS MADE HEREUNDER. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

10.17. Confidentiality. Each Agent (which term shall for the purposes of this Section 10.17 include the Arrangers), and each Lender (which term shall for the purposes of this Section 10.17 include each Issuing Bank) shall hold all non-public information regarding Company and its Subsidiaries and their businesses identified as such by Company and obtained by such Lender pursuant to the requirements hereof in accordance with such Lender's customary procedures for handling confidential information of such nature, it being understood and agreed by Company that, in any event, each Agent and each Lender may make (i) disclosures of such information to Affiliates of such Lender or Agent and to their respective agents and advisors (and to other Persons authorized by a Lender or Agent to organize, present or disseminate such information in connection with disclosures otherwise made in accordance with this Section 10.17) in each case, who agree to be bound by this Section 10.17, (ii) disclosures of such information reasonably required by any bona fide or potential assignee, transferee or participant in connection with the contemplated assignment, transfer or participation of any Loans or any participations therein or by any direct or indirect contractual counterparties (or the professional advisors thereto) to any swap or derivative transaction relating to the Company and its obligations (provided, such assignees, transferees, participants, counterparties and advisors are advised of and agree to be bound by either the provisions of this Section 10.17 or other provisions at least as restrictive as this Section 10.17), (iii) disclosure to any rating agency when required by it, provided that, prior to any disclosure, such rating agency shall undertake in writing to preserve the confidentiality of any confidential information relating to the Credit Parties received by it from any of the Agents or any Lender, and (iv) disclosures required or requested by any governmental agency or representative thereof or by the NAIC or pursuant to legal or judicial process; provided, unless specifically prohibited by applicable law or court order, each Lender and each Agent shall make reasonable efforts to notify Company of any request by any governmental agency or representative thereof (other than any such request in connection with any examination of the financial condition or other routine examination of such Lender by such governmental agency) for disclosure of any such non-public information prior to disclosure of such information. In addition, each Agent and each Lender may disclose the existence of this Agreement and the information about this Agreement to market data collectors, similar services providers to the lending industry, and service providers to the Agents and the Lenders in connection with the administration and management of this Agreement and the other Credit Documents.

10.18. Usury Savings Clause. Notwithstanding any other provision herein, the aggregate interest rate charged with respect to any of the Obligations, including all charges or fees in connection therewith deemed in the nature of interest under applicable law shall not exceed the Highest Lawful Rate. If the rate of interest (determined without regard to the preceding sentence) under this Agreement at any time exceeds the Highest Lawful Rate, the outstanding amount of the Loans made hereunder shall bear interest at the Highest Lawful Rate until the total amount of interest due hereunder equals the amount of interest which would have been due hereunder if the stated rates of interest set forth in this Agreement had at all times been in effect. In addition, if when the Loans made hereunder are repaid in full the total interest due hereunder (taking into account the increase provided for above) is less than the total amount of interest which would have been due hereunder if the stated rates of interest set forth in this Agreement had at all times been in effect, then to the extent permitted by law, Company shall pay to Administrative Agent an amount equal to the difference between the amount of interest paid and the amount of interest which would have been paid if the Highest Lawful Rate had at all times been in effect. Notwithstanding the foregoing, it is the intention of Lenders and Company to conform strictly to any applicable usury laws. Accordingly, if any Lender contracts for, charges, or receives any consideration which constitutes interest in excess of the Highest Lawful Rate, then any such excess shall be cancelled automatically and, if previously paid, shall at such Lender's option be applied to the outstanding amount of the Loans made hereunder or be refunded to Company.

10.19. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument.

10.20. Effectiveness. This Agreement shall become effective upon the execution of a counterpart hereof by each of the parties hereto and receipt by Company and Administrative Agent of written or telephonic notification of such execution and authorization of delivery thereof.

10.21. Patriot Act. Each Lender and Administrative Agent (for itself and not on behalf of any Lender) hereby notifies Company that pursuant to the requirements of the Act, it is required to obtain, verify and record information that identifies Company, which information includes the name and address of Company and other information that will allow such Lender or Administrative Agent, as applicable, to identify Company in accordance with the Act.

10.22. Electronic Execution of Assignments. The words "execution," "signed," "signature," and words of like import in any Assignment Agreement shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

10.23. Amendment and Restatement. It is the intention of each of the parties hereto that the Existing Credit Agreement be amended and restated so as to preserve the perfection and priority of all security interests securing indebtedness and obligations under the Existing Credit Agreement and that all Indebtedness and Obligations of Company and its Subsidiaries hereunder and thereunder shall be secured by the Collateral Documents and that this Agreement does not constitute a novation of the obligations and liabilities existing under the Existing Credit Agreement. The parties hereto further acknowledge and agree that this Agreement constitutes an amendment of the Existing Credit Agreement made under and in accordance with the terms of Section 10.5 of the Existing Credit Agreement. In addition, unless specifically amended hereby, each of the Credit Documents, the Exhibits and Schedules to the Existing Credit Agreement shall continue in full force and effect and that, from and after the Effective Date, all references to the "Credit Agreement" contained therein shall be deemed to refer to this Agreement.

10.24. Reaffirmation and Grant of Security Interests.

(a) Each Credit Party has (i) guarantied the Obligations and (ii) created Liens in favor of Lenders on certain Collateral to secure its obligations hereunder, under Article Seven hereof and the Pledge and Security Agreement, respectively. Each Credit Party hereby acknowledges that it has reviewed the terms and provisions of this Agreement and consents to the amendment and restatement of the Existing Credit Agreement effected pursuant to this Agreement. Each Credit Party hereby (i) confirms that each Credit Document to which it is a party or is otherwise bound and all Collateral encumbered thereby will continue to guarantee or secure, as the case may be, to the fullest extent possible in accordance with the Credit Documents, the payment and performance of the Obligations, as the case may be, including without limitation the payment and performance of all such Obligations which are joint and several obligations of each grantor now or hereafter existing, and (ii) grants to the Administrative Agent for the benefit of the Lenders a continuing lien on and security interest in and to such Credit Party's right, title and interest in, to and under all Collateral as collateral security for the prompt payment and performance in full when due of the Obligations (whether at stated maturity, by acceleration or otherwise).

(b) Each Credit Party acknowledges and agrees that any of the Credit Documents to which it is a party or otherwise bound shall continue in full force and effect and that all of its obligations thereunder shall be valid and enforceable and shall not be impaired or limited by the execution or effectiveness of the amendment and restatement of the Existing Credit Agreement. Each Credit Party represents and warrants that all representations and warranties contained in the Credit Documents to which it is a party or otherwise bound are true, correct and complete in all material respects on and as of the Effective Date to the same extent as though made on and as of that date, except to the extent such representations and warranties specifically relate to an earlier date, in which case they were true, correct and complete in all material respects on and as of such earlier date.

[Remainder of page intentionally left blank**]**

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

COFFEYVILLE RESOURCES, LLC

By: /s/ James T. Rens
Name: James T. Rens
Title: Chief Financial Officer

COFFEYVILLE PIPELINE, INC.

By: /s/ James T. Rens
Name: James T. Rens
Title: Chief Financial Officer

COFFEYVILLE REFINING & MARKETING, INC.

By: /s/ James T. Rens
Name: James T. Rens
Title: Chief Financial Officer

COFFEYVILLE NITROGEN FERTILIZERS, INC.

By: /s/ James T. Rens
Name: James T. Rens
Title: Chief Financial Officer

COFFEYVILLE CRUDE TRANSPORTATION, INC.

By: /s/ James T. Rens
Name: James T. Rens
Title: Chief Financial Officer

COFFEYVILLE TERMINAL, INC.

By: /s/ James T. Rens
Name: James T. Rens
Title: Chief Financial Officer

CL JV HOLDINGS, LLC

By: /s/ James T. Rens
Name: James T. Rens
Title: Chief Financial Officer

COFFEYVILLE RESOURCES PIPELINE, LLC

By: /s/ James T. Rens
Name: James T. Rens
Title: Chief Financial Officer

COFFEYVILLE RESOURCES REFINING & MARKETING, LLC

By: /s/ James T. Rens
Name: James T. Rens
Title: Chief Financial Officer

COFFEYVILLE RESOURCES NITROGEN FERTILIZERS, LLC

By: /s/ James T. Rens
Name: James T. Rens
Title: Chief Financial Officer

COFFEYVILLE RESOURCES CRUDE TRANSPORTATION, LLC

By: /s/ James T. Rens
Name: James T. Rens
Title: Chief Financial Officer

COFFEYVILLE RESOURCES TERMINAL, LLC

By: /s/ James T. Rens
Name: James T. Rens
Title: Chief Financial Officer

GOLDMAN SACHS CREDIT PARTNERS L.P.,
as Joint Lead Arranger, Joint Bookrunner and a Lender

By: /s/ Bruce H. Mendelsohn
Authorized Signatory

CREDIT SUISSE Securities (USA) LLC,
as Joint Lead Arranger and Joint Bookrunner

By: /s/ Clarke Adams
Name: Clarke Adams
Title: Director

CREDIT SUISSE, CAYMAN ISLANDS BRANCH,
as Administrative Agent, Collateral Agent, Swing Line Lender, Funded LC Issuing Bank and Revolving Issuing Bank and a Lender

By: /s/ Thomas R. Cantello
Name: Thomas R. Cantello
Title: Vice President

By: /s/ Denise Alvarez
Name: Denise Alvarez
Title: Associate

DEUTSCHE BANK TRUST COMPANY AMERICAS,
as Syndication Agent and a Lender

By: /s/ Albert Fischetti
Name: Albert Fischetti
Title: Director

By: /s/ Illegible
Name:
Title: Managing Director

CITICORP NORTH AMERICA, INC.,
as Lender

By: /s/ Michael M. Schadt
Name: Michael M. Schadt
Title: Director

N M ROTHSCHILD & SONS LIMITED,
as Lender

By: /s/ N.A. Wood
Name: Nicholas Wood
Title: Director

ALLIED IRISH BANKS, PLC,
as Lender

By: /s/ Mark Connelly
Name: Mark Connelly
Title: Senior Vice President

By: /s/ Robert Moyle
Name: Robert Moyle
Title: Senior Vice President

ERSTE BANK DER OESTERREICHISCHEN SPARKASSEN AG,
as Lender

By: /s/ Bryan J. Lynch
Name: Bryan J. Lynch
Title: Managing Director

By: /s/ Patrick W. Kunkel
Name: Patrick W. Kunkel
Title: Executive Director

AMEGY BANK NATIONAL ASSOCIATION,
as Lender

By: /s/ Chris Petersen
Name: Chris Petersen
Title: Banking Officer, Energy Lending

JACKSON PURCHASE AGA,
as Lender

By: /s/ Stan Brunston
Name: Stan Brunston
Title: Sr. V.P. Credit

ABN AMRO BANK N.V.,
as Lender

By: /s/ Liz Lary
Name: Liz Lary
Title: Vice President

By: /s/ M. Aamir Khan
Name: M. Aamir Khan
Title: Assistant Vice President

ABN AMRO BANK N.V.,
as Documentation Agent

By: /s/ John Reed
Name: John Reed
Title: Director

By: /s/ M. Aamir Khan
Name: M. Aamir Khan
Title: Assistant Vice President

APPENDIX A-1
TO CREDIT AND GUARANTY AGREEMENT

Tranche D Term Loan Commitments

Lender	Tranche D Term Loan Commitment	Pro Rata Share
Goldman Sachs Credit Partners L.P.	$ 775,000,000	100%
Total	**$ 775,000,000**	**100%**

APPENDIX A-2
TO CREDIT AND GUARANTY AGREEMENT

Funded Letter of Credit Commitments

Lender	Funded Letter of Credit Commitment	Pro Rata Share
Goldman Sachs Credit Partners L.P.	$ 150,000,000	100%
Total	**$ 150,000,000**	**100%**

APPENDIX A-3
TO CREDIT AND GUARANTY AGREEMENT

Revolving Commitments

Lender	Revolving Commitments	Pro Rata Share
Goldman Sachs Credit Partners L.P.	$ 28,583,333.34	19.06%
Credit Suisse	$ 28,583,333.33	19.06%
Deutsche Bank Securities Inc.	$ 28,583,333.33	19.06%
Citicorp North America, Inc.	$ 20,000,000	13.33%
N.M. Rothschild & Sons Limited	$ 10,000,000	6.67%
Allied Irish Banks, plc	$ 6,000,000	4.00%
Erste Bank der Oesterreichischen Sparkassen AG	$ 5,000,000	3.33%
Amegy Bank National Association	$ 5,000,000	3.33%
Jackson Purchase	$ 3,250,000	2.17%
ABN Amro Bank N.V.	$ 15,000,000	10.00%
Total	**$ 150,000,000**	**100%**

APPENDIX B
TO CREDIT AND GUARANTY AGREEMENT

Notice Addresses

COFFEYVILLE RESOURCES, LLC
and each other Credit Party

Coffeyville Resources, LLC
10 East Cambridge Circle, Suite #250
Kansas City, Kansas 66103
Attention: James T. Rens
Telecopier: (913) 981-0000

in each case, with a copy to:

Goldman Sachs Capital Partners
85 Broad Street, 10th Floor
New York, NY 10004
Attention: Ken Pontarelli
Telecopier: (212) 357-5505

and

Kelso & Company
320 Park Ave., 24th Floor
New York, New York 10022
Attn: James Connors — Managing Director & General Counsel
Telecopier: (212) 223-2379

GOLDMAN SACHS CREDIT PARTNERS L.P.,
as Joint Lead Arranger, Joint Bookrunner and a Lender

Goldman Sachs Credit Partners L.P.
85 Broad Street
New York, New York 10004
Attention: Lawrence Writer
Telecopier: (212) 902-3000

with a copies to:

Goldman Sachs Credit Partners L.P.
85 Broad Street
New York, New York 10004
Attention: SBD Operations
Telecopier: (212) 428-1622
E-mail: gsd.link@gs.com

CREDIT SUISSE SECURITIES (USA) LLC,
as Joint Lead Arranger and Joint Bookrunner

Credit Suisse Securities (USA) LLC
11 Madison Ave
New York NY 10010

with a copy to:

Attention: Brian Caldwell
Telecopier: (212) 325-8321

CREDIT SUISSE, CAYMAN ISLANDS BRANCH,
as Administrative Agent, Collateral Agent, Swing Line Lender, Funded LC Issuing Bank and Revolving Issuing Bank and a Lender

Agency Group
Credit Suisse
One Madison Ave
New York, NY 10010

with a copy to:

Attention: Jon Cutler
Telecopier: (212) 538-9884

DEUTSCHE BANK TRUST COMPANY AMERICAS,
as Syndication Agent and a Lender

Deutsch Bank Trust Company Americas
700 Louisiana Street
Houston, TX 77002
Attention: David Sisler
Telecopier: 832-239-4693
832-239-4627

ABN AMRO BANK N.V.,
as Documentation Agent and a Lender

ABN Amro Bank N.V.
[__________]
[__________]
Attention: Nick Wood
Telecopier:

APPENDIX B-6

Exhibit 10.2

AMENDED AND RESTATED
FIRST LIEN PLEDGE AND SECURITY AGREEMENT

by and between

COFFEYVILLE RESOURCES, LLC
CL JV HOLDINGS, LLC,
COFFEYVILLE PIPELINE, INC.,
COFFEYVILLE REFINING AND MARKETING, INC.,
COFFEYVILLE NITROGEN FERTILIZERS, INC.,
COFFEYVILLE CRUDE TRANSPORTATION, INC.,
COFFEYVILLE TERMINAL, INC.,
COFFEYVILLE RESOURCES PIPELINE, LLC,
COFFEYVILLE RESOURCES REFINING AND MARKETING, LLC,
COFFEYVILLE RESOURCES NITROGEN FERTILIZERS, LLC,
COFFEYVILLE RESOURCES CRUDE TRANSPORTATION, LLC, and
COFFEYVILLE RESOURCES TERMINAL, LLC
(Grantors)

and

CREDIT SUISSE
(Collateral Agent)

Dated as of December 28, 2006

TABLE OF CONTENTS

AMENDED AND RESTATED FIRST LIEN PLEDGE AND SECURITY AGREEMENT

This AMENDED AND RESTATED FIRST LIEN PLEDGE AND SECURITY AGREEMENT (as amended, amended and restated, supplemented or otherwise modified from time to time, this "**Agreement**"), dated as of December 28, 2006, is made by and between COFFEYVILLE RESOURCES, LLC, a Delaware limited liability company (the **"Company"**), CERTAIN AFFILIATES OF THE COMPANY as guarantors (the **"Guarantors"** and each of the Guarantors and the Company, together with its successors and permitted assigns, are referred to hereinafter each individually as a "**Grantor**", and collectively as the **"Grantors"**) and CREDIT SUISSE, in its capacity as the Collateral Agent for the Secured Parties described below (together with its successors, designees and permitted assigns in such capacity, the "**Collateral Agent**").

RECITALS:

WHEREAS, Company, the other Guarantors, various financial institutions and other Persons from time to time parties thereto as lenders (the **"Lenders"**), Goldman Sachs Credit Partners L.P. and Credit Suisse, as joint lead arrangers and joint bookrunners (the **"Arrangers"**), Credit Suisse, as administrative agent (together with its successors in such capacity, the "Administrative Agent") and collateral agent (together with its successors in such capacity, the "Collateral Agent"), and the other Agents party thereto are entering into that certain Second Amended and Restated Credit and Guaranty Agreement, dated as of the date hereof (as amended, supplemented, restated or otherwise modified from time to time, the **"Credit Agreement"**) in order to amend and restate the Existing Credit Agreement to provide (i) that on the Effective Date the aggregate commitments available under the Existing Credit Agreement (as defined below) will be increased to $1,075,000,000, (ii) for new Tranche D Term Loans, new Revolving Commitments and new Credit Linked Deposits to be made on the Effective Date, and (iii) for certain other amendments to the Existing Credit Agreement and related documents on the terms set forth therein;

WHEREAS, in conjunction with the Existing Credit Agreement, the First Lien Pledge and Security Agreement dated as of June 24, 2005, as amended as of July 8, 2005 (the "**Existing Security Agreement**") was entered into among the Grantors party thereto (together with each Guarantor that became a "Grantor" thereunder prior to the date hereof, the "**Existing Grantors**") and the collateral agent thereunder pursuant to which such Existing Grantors granted a security interest in all of their personal property collateral to secure the payment and performance in full when due of all obligations described therein; and

WHEREAS, in conjunction with the Credit Agreement, the parties to the Existing Security Agreement intend to amend and restate the Existing Security Agreement and to confirm the grant of the security interest in favor of the Collateral Agent under the Existing Security Agreement to secure the payment and performance when due of all of the Secured Obligations.

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in order to induce the Lenders and the Issuing Banks to make Credit Extensions to the Company pursuant to the Credit Agreement and to Induce the Swap Counterparty to maintain the Swap Agreement, each Grantor and the Collateral Agent agree, for the benefit of each Secured Party that the Existing Security Agreement is hereby amended and restated to read in its entirety as follows:

SECTION 1. DEFINITIONS; GRANT OF SECURITY.

1.1 General Definitions. In this Agreement, the following terms shall have the following meanings:

"Account Debtor" shall mean each Person who is obligated on a Receivable or any Supporting Obligation related thereto.

"Accounts" shall mean all "accounts" as defined in Article 9 of the UCC.

"Additional Grantors" shall have the meaning assigned in Section 5.3.

"Agreement" shall have the meaning set forth in the preamble.

"Assigned Agreements" shall mean all agreements and contracts to which such Grantor is a party as of the date hereof, or to which such Grantor becomes a party after the date hereof, including, without limitation, each Material Contract, as each such agreement may be amended, supplemented or otherwise modified from time to time.

"Bankruptcy Code" shall mean Title 11 of the United States Code entitled "Bankruptcy", as now and hereafter in effect, or any successor statute.

"Cash Proceeds" shall have the meaning assigned in Section 7.7.

"Chattel Paper" shall mean all "chattel paper" as defined in Article 9 of the UCC, including, without limitation, "electronic chattel paper" or "tangible chattel paper", as each term is defined in Article 9 of the UCC.

"Collateral" shall have the meaning assigned in Section 2.2.

"Collateral Account" shall mean any account established by the Collateral Agent.

"Collateral Agent" shall have the meaning set forth in the preamble.

"Collateral Records" shall mean books, records, ledger cards, files, correspondence, customer lists, blueprints, technical specifications, manuals, computer software, computer printouts, tapes, disks and related data processing software and similar items that at any time evidence or contain information relating to any of the Collateral or are otherwise necessary or helpful in the collection thereof or realization thereupon.

"Collateral Support" shall mean all property (real or personal) assigned, hypothecated or otherwise securing any Collateral and shall include any security agreement or other agreement granting a lien or security interest in such real or personal property.

"Commercial Tort Claims" shall mean all "commercial tort claims" as defined in Article 9 of the UCC, including, without limitation, all commercial tort claims listed on Schedule 4.8 (as such schedule may be amended or supplemented from time to time).

"Commodities Accounts" (i) shall mean all "commodity accounts" as defined in Article 9 of the UCC and (ii) shall include, without limitation, all of the accounts listed on

Schedule 4.4 under the heading “Commodities Accounts” (as such schedule may be amended or supplemented from time to time).

“Company” shall have the meaning set forth in the recitals.

“Controlled Foreign Corporation” shall mean “controlled foreign corporation” as defined in the Tax Code, the equity interests of which are held directly by one or more Grantors.

“Copyright Licenses” shall mean any and all agreements providing for the granting of any right in or to Copyrights (whether such Grantor is licensee or licensor thereunder) including, without limitation, each agreement referred to in Schedule 4.7(B) (as such schedule may be amended or supplemented from time to time).

“Copyrights” shall mean all United States, and foreign copyrights (including Community designs), including but not limited to copyrights in software and databases, and all Mask Works (as defined under 17 U.S.C. 901 of the U.S. Copyright Act), whether registered or unregistered, and, with respect to any and all of the foregoing: (i) all registrations and applications therefor including, without limitation, the registrations and applications referred to in Schedule 4.7(A) (as such schedule may be amended or supplemented from time to time), (ii) all extensions and renewals thereof, (iii) all rights corresponding thereto throughout the world, (iv) all rights to sue for past, present and future infringements thereof, and (v) all Proceeds of the foregoing, including, without limitation, licenses, royalties, income, payments, claims, damages and proceeds of suit.

“Credit Agreement” shall have the meaning set forth in the recitals.

“Deposit Accounts” (i) shall mean all “deposit accounts” as defined in Article 9 of the UCC and (ii) shall include, without limitation, all of the accounts listed on Schedule 4.4 under the heading “Deposit Accounts” (as such schedule may be amended or supplemented from time to time).

“Documents” shall mean all “documents” as defined in Article 9 of the UCC.

“Equipment” shall mean: (i) all “equipment” as defined in Article 9 of the UCC, (ii) all machinery, manufacturing equipment, data processing equipment, computers, office equipment, furnishings, furniture, appliances, fixtures and tools (in each case, regardless of whether characterized as equipment under the UCC) and (iii) all accessions or additions thereto, all parts thereof, whether or not at any time of determination incorporated or installed therein or attached thereto, and all replacements therefor, wherever located, now or hereafter existing, including any fixtures, excluding however, all Excluded Equipment.

“Excluded Equipment” shall mean at any date any Equipment of a Credit Party which is subject to, or secured by, a Permitted Lien if and to the extent that (i) any Indebtedness secured by such Permitted Lien is permitted pursuant to Section 6.1 of the Credit Agreement, (ii) the express terms of a valid and enforceable restriction in favor of a Person who is not a Credit Party which is contained in the agreements or documents granting such Permitted Lien or governing the Indebtedness secured thereby and which is permitted to exist pursuant to Section 6.4 or 6.6 of the Credit Agreement prohibits, or requires any consent or establishes any other conditions for, an assignment thereof, or a grant of a security interest therein, by a Credit Party and (iii) such restriction relates only to the asset or assets subject to such Permitted Lien;

provided that all proceeds paid or payable to any Credit Party from any sale, transfer or assignment or other voluntary or involuntary disposition of such Equipment and all rights to receive such Proceeds shall be included in the Collateral to the extent not otherwise required to be paid to the holder of the Indebtedness secured by such Permitted Lien in such Equipment.

"Exempt Deposit Accounts" shall mean each and every Deposit Account (A) the balance of which consists exclusively of (i) withheld income taxes and federal, state or local employment taxes in such amounts as are required in the reasonable judgment of the Company to be paid to the Internal Revenue Service or state or local government agencies within the following two months with respect to employees of any of the Credit Parties and (ii) amounts required to be paid over to an employee benefit plan pursuant to DOL Reg. Sec. 2510.3-102 on behalf of or for the benefit of employees of one or more Credit Parties and all segregated Deposit Accounts constituting (and the balance of which consist solely of funds set aside in connection with) taxes accounts, payroll accounts and trust accounts or (B) the average aggregate overnight balances in which do not exceed $1,000,000 during any period of seven consecutive days and, the aggregate balances in all such accounts do not exceed $5,000,000 at any time.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time, and any successor thereto.

"Event of Default" shall mean an Event of Default under any of the First Lien Credit Documents which, solely for the purposes of Section 7 of this Agreement, has resulted in the Administrative Agent exercising any of its rights under the last paragraph of Section 8.1 of the Credit Agreement.

"Exempt Securities Accounts" shall mean each and every Securities Account the average aggregate overnight balances in which do not exceed $1,000,000 during any period of seven consecutive days and, the aggregate balances in all such accounts do not exceed $5,000,000 at any time.

"Existing Grantors" shall have the meaning set forth in the recitals.

"Existing Security Agreement" shall have the meaning set forth in the recitals.

"First Lien Credit Documents" shall mean the Credit Agreement, the Credit Documents, any Credit Facility (as defined in the Intercreditor Agreement), the Swap Agreement, any other Hedge Agreements entered into with a Lender Counterparty and any agreement for Specified Secured Hedge Indebtedness entered into with a Specified Hedge Counterparty, and each of the other agreements, documents and instruments providing for or evidencing any other Obligation, and any other document or instrument executed or delivered at any time in connection with any Obligations, including any intercreditor or joinder agreement among holders of Obligations, to the extent such are effective at the relevant time, as each may be amended, restated, supplemented, modified, renewed or extended from time to time in accordance with the provisions of the Intercreditor Agreement.

"General Intangibles" (i) shall mean all "general intangibles" as defined in Article 9 of the UCC, including "payment intangibles" also as defined in Article 9 of the UCC and (ii) shall include, without limitation, all interest rate or currency protection or hedging arrangements, all tax refunds, all licenses, permits, concessions and authorizations, all Assigned Agreements and all Grantor Intellectual Property (in each case, regardless of whether characterized as general intangibles under the UCC).

“Goods” (i) shall mean all “goods” as defined in Article 9 of the UCC and (ii) shall include, without limitation, all Inventory and Equipment (in each case, regardless of whether characterized as goods under the UCC).

“Grantors” shall have the meaning set forth in the preamble.

“Grantor Intellectual Property” shall have the meaning set forth in Section 4.7(a)(ii) herein.

“Guarantors” shall have the meaning set forth in the recitals.

“Indemnitee” shall mean the Collateral Agent, and its and its Affiliates’ officers, partners, directors, trustees, employees and agents.

“Instruments” shall mean all “instruments” as defined in Article 9 of the UCC.

“Insurance” shall mean (i) all insurance policies covering any or all of the Collateral (regardless of whether the Collateral Agent is the loss payee thereof) and (ii) any key man life insurance policies.

“Intellectual Property” shall mean, collectively, the Copyrights, the Copyright Licenses, the Patents, the Patent Licenses, the Trademarks, the Trademark Licenses, the Trade Secrets, and the Trade Secret Licenses.

“Inventory” shall mean (i) all “inventory” as defined in Article 9 of the UCC and (ii) all goods held for sale or lease or to be furnished under contracts of service or so leased or furnished, all raw materials, work in process, finished goods, and materials used or consumed in the manufacture, packing, shipping, advertising, selling, leasing, furnishing or production of such inventory or otherwise used or consumed in any Grantor’s business; all goods in which any Grantor has an interest in mass or a joint or other interest or right of any kind; and all goods which are returned to or repossessed by any Grantor, all computer programs embedded in any goods and all accessions thereto and products thereof (in each case, regardless of whether characterized as inventory under the UCC).

“Investment Accounts” shall mean the Collateral Account, Securities Accounts, Commodities Accounts and Deposit Accounts.

“Investment Related Property” shall mean: (i) all “investment property” (as such term is defined in Article 9 of the UCC) and (ii) all of the following (regardless of whether classified as investment property under the UCC): all Pledged Equity Interests, Pledged Debt, the Investment Accounts and certificates of deposit.

“Lender” shall have the meaning set forth in the recitals.

“Letter of Credit Right” shall mean “letter-of-credit right” as defined in Article 9 of the UCC.

“Money” shall mean “money” as defined in the UCC.

“Non-Assignable Contract” shall mean any agreement, contract or license to which any Grantor is a party that by its terms purports to restrict or prevent the assignment or granting of a security interest therein (either by its terms or by any federal or state statutory prohibition or otherwise irrespective of whether such prohibition or restriction is enforceable under Section 9-406 through 409 of the UCC).

"Obligations" shall mean all obligations of every nature of each Grantor from time to time owed to the Secured Parties or any of them under the Credit Agreement, the Swap Agreement, Hedge Agreements, agreements for Specified Secured Hedge Indebtedness (in an aggregate amount not to exceed $25,000,000 less the amount of Indebtedness secured by Liens permitted by Section 6.2(u)) and other First Lien Credit Documents, and shall include all interest accrued or accruing (or which would, absent commencement of an Insolvency or Liquidation Proceeding (as defined in the Intercreditor Agreement) accrue) after commencement of an Insolvency or Liquidation Proceeding in accordance with the rate specified in the relevant First Lien Credit Document whether or not the claim for such interest is allowed as a claim in such Insolvency or Liquidation Proceeding, reimbursement of amounts drawn under letters of credit, payments for early termination of the Swap Agreement, Hedge Agreements or agreements for Specified Secured Hedge Indebtedness, fees, expenses, indemnification or otherwise.

"Patent Licenses" shall mean all agreements providing for the granting of any right in or to Patents (whether such Grantor is licensee or licensor thereunder) including, without limitation, each agreement referred to in Schedule 4.7(D) (as such schedule may be amended or supplemented from time to time).

"Patents" shall mean all United States and foreign patents and certificates of invention, or similar industrial property rights, and applications for any of the foregoing, including, but not limited to: (i) each patent and patent application referred to in Schedule 4.7(C) hereto (as such schedule may be amended or supplemented from time to time), (ii) all reissues, divisions, continuations, continuations-in-part, extensions, renewals, and reexaminations thereof, (iii) all rights corresponding thereto throughout the world, (iv) all inventions and improvements described therein, (v) all rights to sue for past, present and future infringements thereof, (vi) all licenses, claims, damages, and proceeds of suit arising therefrom, and (vii) all Proceeds of the foregoing, including, without limitation, licenses, royalties, income, payments, claims, damages, and proceeds of suit.

"Pledge Supplement" shall mean any supplement to this agreement in substantially the form of Exhibit A.

"Pledged Debt" shall mean all Indebtedness owed to such Grantor, including, without limitation, all Indebtedness described on Schedule 4.4(A) under the heading "Pledged Debt" (as such schedule may be amended or supplemented from time to time), issued by the obligors named therein, the instruments evidencing such Indebtedness, and all interest, cash, instruments and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such Indebtedness.

"Pledged Equity Interests" shall mean all Pledged Stock, Pledged LLC Interests, Pledged Partnership Interests and Pledged Trust Interests.

"Pledged LLC Interests" shall mean all interests in any limited liability company including, without limitation, all limited liability company interests listed on Schedule 4.4(A) under the heading "Pledged LLC Interests" (as such schedule may be amended or supplemented from time to time) and the certificates, if any, representing such limited liability company interests and any interest of such Grantor on the books and records of such limited liability company or on the books and records of any securities intermediary pertaining to such interest and all dividends, distributions, cash, warrants, rights, options, instruments, securities and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such limited liability company interests.

"Pledged Partnership Interests" shall mean all interests in any general partnership, limited partnership, limited liability partnership or other partnership including, without limitation, all partnership interests listed on Schedule 4.4(A) under the heading "Pledged Partnership Interests" (as such schedule may be amended or supplemented from time to time) and the certificates, if any, representing such partnership interests and any interest of such Grantor on the books and records of such partnership or on the books and records of any securities intermediary pertaining to such interest and all dividends, distributions, cash, warrants, rights, options, instruments, securities and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such partnership interests.

"Pledged Stock" shall mean all shares of capital stock owned by such Grantor, including, without limitation, all shares of capital stock described on Schedule 4.4(A) under the heading "Pledged Stock" (as such schedule may be amended or supplemented from time to time), and the certificates, if any, representing such shares and any interest of such Grantor in the entries on the books of the issuer of such shares or on the books of any securities intermediary pertaining to such shares, and all dividends, distributions, cash, warrants, rights, options, instruments, securities and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such shares.

"Pledged Trust Interests" shall mean all interests in a Delaware business trust or other trust including, without limitation, all trust interests listed on Schedule 4.4(A) under the heading "Pledged Trust Interests" (as such schedule may be amended or supplemented from time to time) and the certificates, if any, representing such trust interests and any interest of such Grantor on the books and records of such trust or on the books and records of any securities intermediary pertaining to such interest and all dividends, distributions, cash, warrants, rights, options, instruments, securities and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such trust interests.

"Proceeds" shall mean: (i) all "proceeds" as defined in Article 9 of the UCC, (ii) payments or distributions made with respect to any Investment Related Property and (iii) whatever is receivable or received when Collateral or proceeds are sold, exchanged, collected or otherwise disposed of, whether such disposition is voluntary or involuntary.

"Receivables" shall mean all rights to payment, whether or not earned by performance, for goods or other property sold, leased, licensed, assigned or otherwise disposed of, or services rendered or to be rendered, including, without limitation all such rights constituting or evidenced by any Account, Chattel Paper, Instrument, General Intangible or Investment Related Property, together with all of Grantor's rights, if any, in any goods or other property giving rise to such right to payment and all Collateral Support and Supporting Obligations related thereto and all Receivables Records.

"Receivables Records" shall mean (i) all original copies of all documents, instruments or other writings or electronic records or other Records evidencing the Receivables, (ii) all books, correspondence, credit or other files, Records, ledger sheets or cards, invoices, and other papers relating to Receivables, including, without limitation, all tapes, cards, computer tapes, computer discs, computer runs, record keeping systems and other papers and documents relating to the Receivables, whether in the possession or under the control of Grantor or any computer bureau or agent from time to time acting for Grantor or otherwise, (iii) all evidences of the filing of financing statements and the registration of other instruments in connection therewith, and amendments, supplements or other modifications thereto, notices to other creditors or secured parties, and certificates, acknowledgments, or other writings, including, without limitation, lien search reports, from filing or other registration officers, (iv) all credit information, reports and memoranda relating thereto and (v) all other written or nonwritten forms of information related in any way to the foregoing or any Receivable.

"Record" shall have the meaning specified in Article 9 of the UCC.

"Secured Obligations" shall have the meaning assigned in Section 3.1.

"Secured Parties" shall mean the Agents, Lenders, the Swap Counterparty, the Lender Counterparties, and financial institutions who hold obligations consisting of Specified Secured Hedge Indebtedness, such parties, the **"Specified Hedge Counterparties",** and shall include, without limitation, all former Agents, Lenders, the Swap Counterparties, Lender Counterparties and Specified Hedge Counterparties to the extent that any Obligations owing to such Persons were incurred while such Persons were Agents, Lenders, Swap Counterparties, Lender Counterparties or Specified Hedge Counterparties and such Obligations have not been paid or satisfied in full.

"Securities" shall mean any stock, shares, partnership interests, voting trust certificates, certificates of interest or participation in any profit-sharing agreement or arrangement, options, warrants, bonds, debentures, notes, or other evidences of indebtedness, secured or unsecured, convertible, subordinated or otherwise, or in general any instruments commonly known as "securities" or any certificates of interest, shares or participations in temporary or interim certificates for the purchase or acquisition of, or any right to subscribe to, purchase or acquire, any of the foregoing.

"Securities Accounts" (i) shall mean all "securities accounts" as defined in Article 8 of the UCC and (ii) shall include, without limitation, all of the accounts listed on Schedule 4.4(A) under the heading "Securities Accounts" (as such schedule may be amended or supplemented from time to time).

"Specified Hedge Counterparties" shall have the meaning specified in the definition of Secured Parties.

"Supporting Obligation" shall mean all "supporting obligations" as defined in Article 9 of the UCC.

"Swap Counterparty" shall mean J. Aron & Company.

"Tax Code" shall mean the United States Internal Revenue Code of 1986, as amended from time to time.

"Trademark Licenses" shall mean any and all agreements providing for the granting of any right in or to Trademarks (whether such Grantor is licensee or licensor thereunder) including, without limitation, each agreement referred to in Schedule 4.7(F) (as such schedule may be amended or supplemented from time to time).

"Trademarks" shall mean all United States, and foreign trademarks, trade names, corporate names, company names, business names, fictitious business names, Internet domain names, service marks, certification marks, collective marks, logos, other source or business identifiers, designs and general intangibles of a like nature, all registrations and applications for any of the foregoing including, but not limited to: (i) the registrations and applications referred to in Schedule 4.7(E) (as such schedule may be amended or supplemented from time to time), (ii) all extensions or renewals of any of the foregoing, (iii) all of the goodwill of the business connected with the use of and symbolized by the foregoing, (iv) the right to sue for past, present and future infringement or dilution of any of the foregoing or for any injury to goodwill, and (v) all Proceeds of the foregoing, including, without limitation, licenses, royalties, income, payments, claims, damages, and proceeds of suit.

"Trade Secret Licenses" shall mean any and all agreements providing for the granting of any right in or to Trade Secrets (whether such Grantor is licensee or licensor thereunder) including, without limitation, each agreement referred to in Schedule 4.7(G) (as such schedule may be amended or supplemented from time to time).

"Trade Secrets" shall mean all trade secrets and all other confidential or proprietary information and know-how whether or not such Trade Secret has been reduced to a writing or other tangible form, including all documents and things embodying, incorporating, or referring in any way to such Trade Secret, including but not limited to: (i) the right to sue for past, present and future misappropriation or other violation of any Trade Secret, and (ii) all Proceeds of the foregoing, including, without limitation, licenses, royalties, income, payments, claims, damages, and proceeds of suit.

"UCC" shall mean the Uniform Commercial Code as in effect from time to time in the State of New York or, when the context implies, the Uniform Commercial Code as in effect from time to time in any other applicable jurisdiction.

"United States" shall mean the United States of America.

1.2 Definitions; Interpretation. All capitalized terms used herein (including the preamble and recitals hereto) and not otherwise defined herein shall have the meanings ascribed thereto in the Credit Agreement or, if not defined therein, in the UCC. References to "Sections," "Exhibits" and "Schedules" shall be to Sections, Exhibits and Schedules, as the case may be, of this Agreement unless otherwise specifically provided. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose or be given any substantive effect. Any of the terms defined herein may, unless the context otherwise requires, be used in the singular or the plural, depending on the reference. The use herein of the word "include" or "including", when following any general statement, term or matter, shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not nonlimiting language (such as "without limitation" or "but not limited to" or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that fall within the broadest possible scope of such general statement, term or matter. If any conflict or inconsistency exists between this Agreement and the Credit Agreement, the Credit Agreement shall govern. All references herein to provisions of the UCC shall include all successor provisions under any subsequent version or amendment to any Article of the UCC.

SECTION 2. GRANT OF SECURITY.

2.1 Continuing Grant of Security. Notwithstanding the amendment and restatement of the Existing Credit Agreement, each Existing Grantor hereby confirms that the Existing Security Agreement and all Collateral (as defined in the Existing Security Agreement) encumbered thereby will continue to secure to the fullest extent permitted under applicable laws the payment and performance of its Secured Obligations whether now or hereafter existing under or in respect of the Credit Agreement. The parties also hereby amend and restate the grant of security interest in its entirety as set forth in Section 2.2 below.

2.2 Grant of Security. Each Grantor hereby grants to the Collateral Agent a security interest in and continuing lien on all of such Grantor's right, title and interest in, to and under all personal property of such Grantor including, but not limited to the following, in each case whether now owned or existing or hereafter acquired or arising and wherever located (all of which, except as provided in Section 2.3, being hereinafter collectively referred to as the **"Collateral"**):

(a) Accounts;

(b) Chattel Paper;

(c) Documents;

(d) General Intangibles;

(e) Goods;

(f) Instruments;

(g) Insurance;

(h) Intellectual Property;

(i) Investment Related Property;

(j) Letter of Credit Rights;

(k) Money;

(l) Receivables and Receivable Records;

(m) Commercial Tort Claims;

(n) to the extent not otherwise included above, all Collateral Records, Collateral Support and Supporting Obligations relating to any of the foregoing; and

(o) to the extent not otherwise included above, all Proceeds, products, accessions, rents and profits of or in respect of any of the foregoing.

2.3 Certain Limited Exclusions. Notwithstanding anything herein to the contrary, in no event shall the Collateral include or the security interest granted under Section 2.2 hereof attach to (a) any Intellectual Property, lease, license, contract, property rights or agreement to which any Grantor is a party or any of its rights or interests thereunder if and for so long as the grant of such security interest shall constitute or result in (i) the abandonment, invalidation or unenforceability of any right, title or interest of any Grantor therein or (ii) in a breach or termination pursuant to the terms of, or a default under, any such lease, license, contract property rights or agreement (other than to the extent that any such term would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the UCC (or any successor provision or provisions) of any relevant jurisdiction or any other applicable law (including the Bankruptcy Code) or principles of equity), provided however that the Collateral shall include and such security interest shall attach immediately at such time as the condition causing such abandonment, invalidation or unenforceability shall be remedied and to the extent severable, shall attach immediately to any portion of such Lease, license, contract, property rights or agreement that does not result in any of the consequences specified in (i) or (ii) above; or (b) in any of the outstanding capital stock of a Controlled Foreign Corporation in excess of 65% of the voting power of all classes of capital stock of such Controlled Foreign Corporation entitled to vote; provided that immediately upon the amendment of the Tax Code to allow the pledge of a greater percentage of the voting power of capital stock in a Controlled Foreign Corporation without adverse tax consequences, the Collateral shall include, and the security interest granted by each Grantor shall attach to, such greater percentage of capital stock of each Controlled Foreign Corporation or (c) with respect to perfection only, any item of personal property as to which the Collateral Agent shall determine in its reasonable discretion after consultation with the Company that the costs of perfecting a security interest in such item are excessive in relation to the value of such security being perfected thereby.

SECTION 3. SECURITY FOR OBLIGATIONS; GRANTORS REMAIN LIABLE.

3.1 Security for Obligations. This Agreement secures, and the Collateral is collateral security for, the prompt and complete payment or performance in full when due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise (including the payment of amounts that would become due but for the operation of the automatic stay under Section 362(a) of the Bankruptcy Code, 11 U.S.C. §362(a) (and any successor provision thereof)), of all Obligations with respect to every Grantor (the **"Secured Obligations"**).

3.2 Continuing Liability Under Collateral. Notwithstanding anything herein to the contrary, (i) each Grantor shall remain liable for all obligations under the Collateral and nothing contained herein is intended or shall be a delegation of duties to the Collateral Agent or any Secured Party, (ii) each Grantor shall remain liable under each of the agreements included in the Collateral, including, without limitation, any agreements relating to Pledged Partnership Interests or Pledged LLC Interests, to perform all of the obligations undertaken by it thereunder all in accordance with and pursuant to the terms and provisions thereof and neither the Collateral Agent nor any Secured Party shall have any obligation or liability under any of such agreements by reason of or arising out of this Agreement or any other document related thereto nor shall the Collateral Agent nor any Secured Party have any obligation to make any inquiry as to the nature or sufficiency of any payment received by it or have any obligation to take any action to collect or enforce any rights under any agreement included in the Collateral, including, without limitation, any agreements relating to Pledged Partnership Interests or Pledged LLC Interests, and (iii) the exercise by the Collateral Agent of any of its rights hereunder shall not release any Grantor from any of its duties or obligations under the contracts and agreements included in the Collateral.

SECTION 4. REPRESENTATIONS AND WARRANTIES AND COVENANTS.

4.1 Generally.

(a) Representations and Warranties. Each Grantor hereby represents and warrants, on the Effective Date and on each Credit Date, that:

(i) it owns the Collateral purported to be owned by it or otherwise has the rights it purports to have in each item of Collateral and, as to all Collateral whether now existing or hereafter acquired, will, except as permitted by the Credit Agreement, continue to own or have such rights in each item of the Collateral, in each case free and clear of any and all Liens, rights or claims of all other Persons other than Permitted Liens;

(ii) it has indicated on Schedule 4.1(A) (as such schedule may be amended or supplemented from time to time): (w) the type of organization of such Grantor, (x) the jurisdiction of organization of such Grantor and (y) its organizational identification number, if any;

(iii) the full legal name of such Grantor is as set forth on Schedule 4.1(A) (as such schedule may be amended or supplemented from time to time) and it has not done in the last five (5) years, and does not do, business under any other name (including any trade-name or fictitious business name) except for those names set forth on Schedule 4.1(B) (as such schedule may be amended or supplemented from time to time);

(iv) except as provided on Schedule 4.1(C) (as such schedule may be amended or supplemented from time to time), it has not changed its name, jurisdiction of organization (or principal residence if such Grantor is a natural person) or its corporate structure in any way (e.g., by merger, consolidation, change in corporate form or otherwise) within the past five (5) years;

(v) except in connection with Permitted Liens, it has not within the last five (5) years become bound (whether as a result of merger or otherwise) as debtor under a security agreement entered into by another Person, which has not heretofore been terminated;

(vi) (u) upon the filing of all UCC financing statements naming each Grantor as “debtor” and the Collateral Agent as “secured party” and describing the Collateral in the filing offices set forth opposite such Grantor’s name on Schedule 4.1(E) hereof (as such schedule may be amended or supplemented from time to time), (v) upon delivery of all Instruments, Chattel Paper and certificated Pledged Equity Interests and Pledged Debt, (w) upon sufficient identification of Commercial Tort Claims, (x) upon execution of a control agreement establishing the Collateral Agent’s “control” (within the meaning of Section 8-106, 9-106 or 9-104 of the UCC, as applicable) with respect to any Investment Account (other than Exempt Deposit Accounts or Exempt Securities Accounts), (y) upon consent of the issuer with respect to Letter of Credit Rights, and (z) to the extent not subject to Article 9 of the UCC, upon recordation of the security interests in registered or applied for Grantor Intellectual Property (other than any foreign Intellectual Property, to the extent such foreign Intellectual Property cannot be perfected in the United States) in the applicable intellectual property registries, including but not limited to the United States Patent and Trademark Office and the United States Copyright Office, the security interests granted to the Collateral Agent hereunder constitute valid and perfected (it being understood and agreed that the Exempt Deposit Accounts and Exempt Securities Accounts will not be perfected by execution of a control agreement) first priority Liens (subject in the case of priority only to Permitted Liens and to the rights of the United States government (including any agency or department thereof) with respect to United States government Receivables) on all of the Collateral;

(vii) all material actions and consents, including all material filings, notices, registrations and recordings necessary for the exercise by the Collateral Agent of the voting or other rights provided for in this Agreement or the exercise of remedies in respect of the Collateral have been made or obtained;

(viii) other than the financing statements filed in favor of the Collateral Agent, no effective UCC financing statement, fixture filing or other instrument similar in effect under any applicable law covering all or any part of the Collateral is on file in any filing or recording office except for (x) financing statements for which proper termination statements have been delivered to the Collateral Agent for filing and (y) financing statements filed in connection with Permitted Liens;

(ix) except as could not result in a Material Adverse Effect, no authorization, approval or other action by, and no notice to or filing with, any Governmental Authority or regulatory body that has not been made or obtained is required for either (i) the pledge or grant by any Grantor of the Liens purported to be created in favor of the Collateral Agent hereunder or (ii) the exercise by Collateral Agent of any rights or remedies in respect of any Collateral (whether specifically granted or created hereunder or created or provided for by applicable law), except (A) for the filings contemplated by clause (vii) above and (B) as may be required, in connection with the disposition of any Investment Related Property, by laws generally affecting the offering and sale of Securities;

(x) none of the Collateral constitutes, or is the Proceeds of, “farm products” (as defined in the UCC);

(xi) it does not own any “as extracted collateral” (as defined in the UCC) or any timber to be cut; and

(xii) such Grantor has been duly organized as an entity of the type as set forth opposite such Grantor’s name on Schedule 4.1(A) (as such schedule may be amended or supplemented from time to time) solely under the laws of the jurisdiction as set forth opposite such Grantor’s name on Schedule 4.1(A) and remains duly existing as such. Such Grantor has not filed any certificates of domestication, transfer or continuance in any other jurisdiction.

(b) Covenants and Agreements. Each Grantor hereby covenants and agrees that until the payment in full of all Obligations (other than unmatured contingent obligations), the cancellation or termination of all Commitments, the expiration or termination of the Swap Agreement, all Hedge Agreements and all agreements for Specified Secured Hedge Indebtedness and the cancellation or expiration of all outstanding Letters of Credit:

(i) except for the security interest created by this Agreement, it shall not create or suffer to exist any Lien upon or with respect to any of the Collateral, except Permitted Liens, and, except where the failure to do so could not be reasonably expected to have a Material Adverse Effect, such Grantor shall defend the Collateral against all Persons at any time claiming any interest therein;

(ii) it shall not produce, use or permit any Collateral to be used unlawfully or in violation of any provision of this Agreement or, except where the failure to do so could not be reasonably expected to have a Material Adverse Effect, any applicable statute, regulation or ordinance or any policy of insurance covering the Collateral;

(iii) it shall not change such Grantor's name, identity, corporate structure (e.g., by merger, consolidation, change in corporate form or otherwise) sole place of business (or principal residence if such Grantor is a natural person), chief executive office, type of organization or jurisdiction of organization or establish any trade names unless it shall, promptly after such change, and in no event later than 15 days after such change (a) notify the Collateral Agent in writing, by executing and delivering to the Collateral Agent a completed Pledge Supplement, substantially in the form of Exhibit A attached hereto, together with all Supplements to Schedules thereto, identifying such new name, identity, corporate structure, sole place of business (or principal residence if such Grantor is a natural person), chief executive office, jurisdiction of organization or trade name and providing such other information in connection therewith as the Collateral Agent may reasonably request and (b) take all actions necessary to maintain the continuous validity, perfection and the same or better priority of the Collateral Agent's security interest in the Collateral intended to be granted and agreed to hereby; and

(iv) it shall not sell, transfer or assign (by operation of law or otherwise) any Collateral except as otherwise permitted in accordance with the Credit Agreement.

4.2 Equipment and Inventory.

(a) Representations and Warranties. Each Grantor represents and warrants, on the Effective Date and on each Credit Date, that:

(i) to the best knowledge of such Grantor, all of the Equipment and Inventory included in the Collateral with a book value in excess of $5,000,000 is kept for the past four (4) years only at the locations specified in Schedule 4.2 (as such schedule may be amended or supplemented from time to time); and

(ii) except as set forth in Schedule 4.2 (as such schedule may be amended or supplemented from time to time), none of the Inventory or Equipment with a book value in excess of $5,000,000 is in the possession of an issuer of a negotiable document (as defined in Section 7-104 of the UCC) therefor or otherwise in the possession of a bailee or a warehouseman.

(b) Covenants and Agreements. Each Grantor covenants and agrees that until payment in full of all Obligations (other than unmatured contingent obligations), the cancellation or termination of all Commitments, the expiration or termination of the Swap

Agreement, all Hedge Agreements and all agreements for Specified Secured Hedge Indebtedness and the cancellation or expiration of all outstanding Letters of Credit:

(i) it shall keep the Equipment, Inventory and any Documents evidencing any Equipment and Inventory with a book value in excess of $5,000,000 in the locations specified on Schedule 4.2 (as such schedule may be amended or supplemented from time to time) unless it shall have taken all actions, if any, necessary to maintain the continuous validity, perfection and the same or better priority of the Collateral Agent's security interest in the Collateral intended to be granted and agreed to hereby, or to enable the Collateral Agent to exercise and enforce its rights and remedies hereunder, with respect to such Equipment and Inventory;

(ii) it shall not deliver any Document evidencing any Equipment and Inventory to any Person other than the issuer of such Document to claim the Goods evidenced therefor or the Collateral Agent;

(iii) if any Equipment or Inventory in the amount in excess of $5,000,000 is in possession or control of any third party, each Grantor shall join with the Collateral Agent in notifying the third party of the Collateral Agent's security interest and shall use its commercially reasonable efforts to obtain an acknowledgment from the third party that it is holding such Equipment and Inventory for the benefit of the Collateral Agent; and

(iv) with respect to any item of Equipment which is covered by a certificate of title under a statute of any jurisdiction under the law of which indication of a security interest on such certificate is required as a condition of perfection thereof, upon the reasonable request of the Collateral Agent, (A) provide information with respect to any such Equipment in excess of $1,000,000 individually or $5,000,000 in the aggregate, (B) execute and file with the registrar of motor vehicles or other appropriate authority in such jurisdiction an application or other document requesting the notation or other indication of the security interest created hereunder on such certificate of title, and (C) deliver to the Collateral Agent copies of all such applications or other documents filed during such calendar quarter and copies of all such certificates of title issued during such calendar quarter indicating the security interest created hereunder in the items of Equipment covered thereby.

4.3 Receivables.

(a) Representations and Warranties. Each Grantor represents and warrants, on the Effective Date and on each Credit Date, that:

(i) to its knowledge, each Receivable owing by any single Account Debtor with value in excess of $5,000,000 (a) is and will be the legal, valid and binding obligation of the Account Debtor in respect thereof, representing an unsatisfied obligation of such Account Debtor, (b) is and will be enforceable in accordance with its terms, (c) is not and will not be subject to any setoffs, defenses, taxes, counterclaims (except with respect to refunds, returns and allowances in the ordinary course of business with respect to damaged merchandise) and (d) is and will be in compliance with all applicable laws, whether federal, state, local or foreign;

(ii) none of the Account Debtors in respect of any Receivable in excess of $1,000,000 individually or $5,000,000 in the aggregate is the government of the United States, any agency or instrumentality thereof, any state or municipality or any foreign sovereign. No Receivable in excess of $1,000,000 individually or $5,000,000 in the aggregate requires the consent of the Account Debtor in respect thereof in connection with the pledge hereunder, except any consent which has been obtained; and

(iii) no Receivable in excess of $1,000,000 individually or $5,000,000 in the aggregate is evidenced by, or constitutes, an Instrument or Chattel Paper which has not been delivered to, or otherwise subjected to the control of, the Collateral Agent to the extent required by, and in accordance with Section 4.3(c).

(b) Covenants and Agreements: Each Grantor covenants and agrees that until payment in full of all Obligations (other than unmatured contingent obligations), the cancellation or termination of all Commitments, the expiration or termination of the Swap Agreement, all Hedge Agreements and all agreements for Specified Secured Hedge Indebtedness and the cancellation or expiration of all outstanding Letters of Credit:

(i) it shall perform in all material respects all of its obligations with respect to the Receivables, except as could not reasonably be expected to have Material Adverse Effect;

(ii) it shall not amend, modify, terminate or waive any provision of any Receivable in any manner which could reasonably be expected to have a Material Adverse Effect. Other than in the ordinary course of business as generally conducted by it on and prior to the date hereof and, except as otherwise provided in subsection (v) below, following an Event of Default, such Grantor shall not (w) grant any extension or renewal of the time of payment of any Receivable, (x) compromise or settle any dispute, claim or legal proceeding with respect to any Receivable for less than the total unpaid balance thereof, (y) release, wholly or partially, any Person liable for the payment thereof, or (z) allow any credit or discount thereon;

(iii) except as otherwise provided in this subsection, each Grantor shall during the continuance of an Event of Default take such action as such Grantor or the Collateral Agent may deem reasonably necessary to exercise all material rights it may have under Receivables. Notwithstanding the foregoing, the Collateral Agent shall have the right at any time during the continuance of an Event of Default to notify, or require any Grantor to notify, any Account Debtor of the Collateral Agent's security interest in the Receivables and any Supporting Obligation and, in addition, at any time following the occurrence and during the continuation of an Event of Default, the Collateral Agent may: (1) direct the Account Debtors under any Receivables to make payment of all amounts due or to become due to such Grantor thereunder directly to the Collateral Agent; (2) notify, or require any Grantor to notify, each Person maintaining a lockbox or similar arrangement to which Account Debtors under any Receivables have been directed to make payment to remit all amounts representing collections on checks and other payment items from time to time sent to or deposited in such lockbox or other arrangement directly to the Collateral Agent; and (3) enforce, at the expense of such Grantor, collection of any such Receivables and to adjust, settle or compromise the amount or payment thereof, in the same manner and to the same extent as such Grantor might have done. If the Collateral Agent notifies any Grantor that it has elected to collect the Receivables in accordance with the preceding sentence, any payments of Receivables received by such Grantor shall be forthwith (and in any event within two (2) Business Days) deposited by such Grantor in the exact form received, duly indorsed by such Grantor to the Collateral Agent if required, in the Collateral Account maintained under the sole dominion and control of the Collateral Agent, and until so turned over, all amounts and proceeds (including checks and other instruments) received by such Grantor in respect of the Receivables, any Supporting Obligation or Collateral Support shall be received in trust for the benefit of the Collateral Agent hereunder and shall be segregated from other funds of such Grantor and, subject to paragraph (i) above, such Grantor shall not adjust, settle or compromise the amount or payment of any Receivable, or release wholly or partly any Account Debtor or obligor thereof, or allow any credit or discount thereon; and

(iv) it shall use its commercially reasonable efforts to keep in full force and effect any Supporting Obligation or Collateral Support relating to any Receivable.

(c) Delivery and Control of Receivables. With respect to any Receivables in excess of $1,000,000 individually or $5,000,000 in the aggregate that is evidenced by, or constitutes, Chattel Paper or Instruments, each Grantor shall cause each originally executed copy thereof to be delivered to the Collateral Agent (or its agent or designee) appropriately indorsed to the Collateral Agent or indorsed in blank: (i) with respect to any such Receivables in existence on the date hereof, on or prior to the date hereof and (ii) with respect to any such Receivables hereafter arising, within ten (10) Business Days of such Grantor acquiring rights therein. With respect to any Receivables in excess of $1,000,000 individually or $5,000,000 in the aggregate which would constitute “electronic chattel paper” under Article 9 of the UCC, each Grantor shall take all steps necessary to give the Collateral Agent control over such Receivables (within the meaning of Section 9-105 of the UCC): (i) with respect to any such Receivables in existence on the date hereof, on or prior to the date hereof and (ii) with respect to any such Receivables hereafter arising, within ten (10) days of such Grantor acquiring rights therein. Any Receivable not otherwise required to be delivered or subjected to the control of the Collateral Agent in accordance with this subsection (c) shall be delivered or subjected to such control upon request of the Collateral Agent during the continuance of an Event of Default.

4.4 Investment Related Property.

4.4.1 Investment Related Property Generally

(a) Covenants and Agreements. Each Grantor covenants and agrees that until payment in full of all Obligations (other than unmatured contingent obligations), the cancellation or termination of all Commitments, the expiration or termination of the Swap Agreement, all Hedge Agreements and all agreements for Specified Secured Hedge Indebtedness and the cancellation or expiration of all outstanding Letters of Credit:

(i) in the event it acquires rights in any Investment Related Property, with a value in excess of $1,000,000 (except with respect to Pledged Equity Interests) after the date hereof, it shall deliver to the Collateral Agent a completed Pledge Supplement, substantially in the form of Exhibit A attached hereto, together with all Supplements to Schedules thereto, reflecting such new Investment Related Property and all other Investment Related Property. Notwithstanding the foregoing, it is understood and agreed that the security interest of the Collateral Agent shall attach to all Investment Related Property immediately upon any Grantor’s acquisition of rights therein and shall not be affected by the failure of any Grantor to deliver a supplement to Schedule 4.4 as required hereby;

(ii) except as provided in the next sentence, in the event such Grantor receives any dividends, interest or distributions on any Investment Related Property, or any securities or other property upon the merger, consolidation, liquidation or dissolution of any issuer of any Investment Related Property, then (a) such dividends, interest or distributions and securities or other property shall be included in the definition of Collateral without further action and (b) such Grantor shall within ten (10) Business Days take all steps, if any, necessary or advisable to ensure the validity, perfection, priority and, if applicable, control of the Collateral Agent over such Investment Related Property (including, without limitation, delivery thereof to the Collateral Agent) and pending any such action such Grantor shall be deemed to hold such dividends, interest, distributions, securities or other property in trust for the benefit of the Collateral Agent and shall segregate such dividends, distributions, Securities or other property from all other property of such Grantor. Notwithstanding the foregoing, so long as no Event of Default shall have occurred and be continuing, the Collateral Agent authorizes each Grantor to retain all cash dividends and distributions and all payments of interest and principal; and

(iii) each Grantor consents to the grant by each other Grantor of a Security Interest in all Investment Related Property to the Collateral Agent.

(b) Delivery and Control.

(i) Each Grantor agrees that with respect to any Investment Related Property in which it currently has rights and which is included in the Collateral it shall comply with the provisions of this Section 4.4.1(b) on or before the Credit Date and with respect to any Investment Related Property hereafter acquired by such Grantor and which is included in the Collateral, it shall comply with the provisions of this Section 4.4.1(b) within (10) Business Days upon acquiring rights therein, in each case in form and substance reasonably satisfactory to the Collateral Agent. With respect to any Investment Related Property that is represented by a certificate or that is an "instrument" with the value in excess of $1,000,000 (other than any Investment Related Property credited to a Securities Account) and which is included in the Collateral, it shall cause such certificate or instrument to be delivered to the Collateral Agent, indorsed in blank by an "effective indorsement" (as defined in Section 8-107 of the UCC), regardless of whether such certificate constitutes a "certificated security" for purposes of the UCC. With respect to any Investment Related Property that is an "uncertificated security" for purposes of the UCC (other than any "uncertificated securities" credited to a Securities Account) and which is included in the Collateral, it shall cause the issuer of such uncertificated security to either (i) register the Collateral Agent as the registered owner thereof on the books and records of the issuer or (ii) execute an agreement substantially in the form of Exhibit B hereto, pursuant to which such issuer agrees to comply with the Collateral Agent's instructions with respect to such uncertificated security (such instructions only to be given upon an Event of Default that is continuing in accordance with Section 7 hereof) without further consent by such Grantor.

(c) Voting and Distributions.

(i) So long as no Event of Default shall have occurred and be continuing:

(1) except as otherwise provided under the covenants and agreements relating to Investment Related Property in this Agreement or elsewhere herein or in the First Lien Credit Documents, each Grantor shall be entitled to exercise or refrain from exercising any and all voting and other consensual rights pertaining to the Investment Related Property or any part thereof for any purpose not inconsistent with the terms of this Agreement or the First Lien Credit Documents;

(2) the Collateral Agent, at Grantor's expense, shall promptly execute and deliver (or cause to be executed and delivered) to each Grantor all proxies, and other instruments as such Grantor may from time to time reasonably request for the purpose of enabling such Grantor with respect to Collateral registered in the name of the Collateral Agent to exercise the voting and other consensual rights when and to the extent which it is entitled to exercise pursuant to clause (1) above and receive and retain dividends and other payments to the extent which it is entitled pursuant to Section 4.41(a)(ii) above; and

(3) Upon the occurrence and during the continuation of an Event of Default:

(A) all rights of each Grantor to exercise or refrain from exercising the voting and other consensual rights which it would otherwise be entitled to exercise pursuant hereto shall cease and all such rights shall thereupon become vested in the Collateral Agent who shall thereupon have the sole right to exercise such voting and other consensual rights; and

(B) in order to permit the Collateral Agent to exercise the voting and other consensual rights which it may be entitled to exercise pursuant hereto and to receive all dividends and other distributions which it may be entitled to receive hereunder: (1) each Grantor shall promptly execute and deliver (or cause to be executed and delivered) to the Collateral Agent all proxies, dividend payment orders and other instruments as the Collateral Agent may from time to time reasonably request and (2) each Grantor acknowledges that the Collateral Agent may utilize the power of attorney set forth in Section 6.1.

4.4.2 Pledged Equity Interests

(a) Representations and Warranties. Each Grantor hereby represents and warrants, on the Effective Date and on each Credit Date, that:

(i) Schedule 4.4(A) (as such schedule may be amended or supplemented from time to time) sets forth under the headings "Pledged Stock, "Pledged LLC Interests," "Pledged Partnership Interests" and "Pledged Trust Interests," respectively, all of the Pledged Stock, Pledged LLC Interests, Pledged Partnership Interests and Pledged Trust Interests owned by any Grantor and such Pledged Equity Interests constitute the percentage of issued and outstanding shares of stock, percentage of membership interests, percentage of partnership interests or percentage of beneficial interest of the respective issuers thereof indicated on such Schedule;

(ii) it is the record and beneficial owner of the Pledged Equity Interests free of all Liens, rights or claims of other Persons other than Permitted Liens;

(iii) without limiting the generality of Section 4.1(a)(v), no consent of any Person including any other general or limited partner, any other member of a limited liability company, any other shareholder or any other trust beneficiary is necessary in connection with the creation, perfection or first priority status of the security interest of the Collateral Agent in any Pledged Equity Interests or the exercise by the Collateral Agent of the voting or other rights provided for in this Agreement or the exercise of remedies in respect thereof;

(iv) none of the Pledged LLC Interests nor Pledged Partnership Interests are or represent interests in issuers that: (a) are registered as investment companies or (b) are dealt in or traded on securities exchanges or markets; and

(v) except as otherwise set forth on Schedule 4.4(C), none of the Pledged LLC Interests and Pledged Partnership Interests are or represent interests in issuers that have opted to be treated as securities under the uniform commercial code of any jurisdiction.

(b) Covenants and Agreements. Each Grantor covenants and agrees that until payment in full of all Obligations (other than unmatured contingent obligations), the cancellation or termination of all Commitments, the expiration or termination of the Swap Agreement, all Hedge Agreements and all agreements for Specified Secured Hedge Indebtedness and the cancellation or expiration of all outstanding Letters of Credit:

(i) unless otherwise permitted under the Credit Agreement or without the prior written consent of the Collateral Agent, it shall not vote to enable or take any other action to: (a) amend or terminate any partnership agreement, limited liability company agreement, certificate of incorporation, by-laws or other organizational documents in any way that would reasonably be expected to cause a Material Adverse Effect or materially adversely affects the validity, perfection or priority of the Collateral Agent's security interest in any Investment Related Property, (b) permit any issuer of any Pledged Equity Interest to dispose of all or a material portion of their assets, (c) waive any default under or breach of any terms of organizational document relating to the issuer of any Pledged Equity Interest or the terms of any Pledged Debt, or (d) cause any issuer of any Pledged Partnership Interests or Pledged LLC Interests which are not securities (for purposes of the UCC) on the date hereof to elect or otherwise take any action to cause such Pledged Partnership Interests or Pledged LLC Interests to be treated as securities for purposes of the UCC, unless such Grantor shall promptly notify the Collateral Agent in writing of any such election or action and, in such event, shall take all steps necessary or advisable to establish the Collateral Agent's "control" thereof;

(ii) Except as otherwise permitted under the First Lien Credit Documents, without the prior written consent of the Collateral Agent, it shall not permit any issuer of any Pledged Equity Interest included in the Collateral to merge or consolidate unless the covenants of the First Lien Credit Documents are complied with; and

(iii) each Grantor consents to the grant by each other Grantor of a security interest in all Investment Related Property to the Collateral Agent and, without limiting the foregoing, consents following an Event of Default that is continuing to the transfer of any Pledged Partnership Interest and any Pledged LLC Interest to the Collateral Agent or its nominee following an Event of Default and to the substitution of the Collateral Agent or its nominee as a partner in any partnership or as a member in any limited liability company with all the rights and powers related thereto.

4.4.3 Pledged Debt

(a) Representations and Warranties. Each Grantor hereby represents and warrants, on the Effective Date and each Credit Date, that Schedule 4.4 (as such schedule may be amended or supplemented from time to time) sets forth under the heading "Pledged Debt" all of the Pledged Debt owned by any Grantor and included in the Collateral; to its knowledge, all of such Pledged Debt has been duly authorized, authenticated or issued, and delivered and is the legal, valid and binding obligation of the issuers thereof and is not in default and constitutes all of the issued and outstanding inter-company Indebtedness; and

(b) Covenants and Agreements. Each Grantor covenants and agrees that until payment in full of all Obligations (other than unmatured contingent obligations), the cancellation or termination of all Commitments, the expiration or termination of the Swap Agreement, all Hedge Agreements and all agreements for Specified Secured Hedge Indebtedness and the cancellation or expiration of all outstanding Letters of Credit, it shall notify the Collateral Agent of any default under any Pledged Debt that has caused, either in any individual case or in the aggregate, a Material Adverse Effect.

4.4.4 Investment Accounts

(a) Representations and Warranties. Each Grantor hereby represents and warrants, on the Effective Date and immediately after the payment in full of all obligations outstanding under the Existing Credit Agreement, and on each Credit Date, that:

(i) Schedule 4.4 hereto (as such schedule may be amended or supplemented from time to time) sets forth under the headings "Securities Accounts" and "Commodities Accounts", respectively, all of the Securities Accounts and Commodities Accounts in which each Grantor has an interest and that is included in the Collateral. Each Grantor is the sole entitlement holder of each such Securities Account and Commodity Account, and such Grantor has not consented to, and is not otherwise aware of, any Person (other than the Collateral Agent pursuant hereto) having "control" (within the meanings of Sections 8-106 and 9-106 of the UCC) over, or any other interest in, any such Securities Account or Commodity Account or securities or other property credited thereto;

(ii) Schedule 4.4 hereto (as such schedule may be amended or supplemented from time to time) sets forth under the headings "Deposit Accounts" all of the Deposit Accounts in which each Grantor has an interest and that is included in the Collateral. Each Grantor is the sole account holder of each such Deposit Account and such Grantor has not consented to, and is not otherwise aware of, any Person (other than the Collateral Agent pursuant hereto) having either sole dominion and control (within the meaning of common law) or "control" (within the meanings of Section 9-104 of the UCC) over, or any other interest in, any such Deposit Account or any money or other property deposited therein; and

(iii) Each Grantor has taken all actions necessary, including those specified in Section 4.4.4(c), to: (a) establish Collateral Agent's "control" (within the meanings of Sections 8-106 and 9-106 of the UCC) over any portion of the Investment Related Property constituting Certificated Securities, Uncertificated Securities, Securities Accounts (other than Exempt Securities Accounts), Securities Entitlements or Commodities Accounts (each as defined in the UCC) (other than the Exempt Securities Accounts); (b) establish the Collateral Agent's "control" (within the meaning of Section 9-104 of the UCC) over all Deposit Accounts (other than the Exempt Deposit Accounts); and (c) deliver all Instruments to the Collateral Agent.

(b) Covenant and Agreement. Each Grantor covenants and agrees that until payment in full of all Obligations (other than unmatured contingent obligations), the cancellation or termination of all Commitments, the expiration or termination of the Swap Agreement, all Hedge Agreements and all agreements for Specified Secured Hedge Indebtedness and the cancellation or expiration of all outstanding Letters of Credit, it shall not permit any Investment Account with assets in excess of $1,000,000 to exist unless a control agreement with respect to any such Investment Account has been entered into, or in the case of any Investment Account that exists on the date hereof, has been entered into within 30 days of the date hereof, by the appropriate Grantor, Collateral Agent and securities intermediary or depository institution at which such successor or replacement account is to be maintained in accordance with the provisions of Section 4.4.4(c).

(c) Delivery and Control

(i) With respect to any Investment Related Property consisting of Securities Accounts (other than Exempt Securities Accounts) or Securities Entitlements with balance in excess of $1,000,000 individually and $5,000,000 in the aggregate, it shall cause the securities intermediary maintaining such Securities Account or Securities Entitlement to enter into, within 30 days after the opening of such Securities Account, an agreement substantially in the form of Exhibit C hereto pursuant to which it shall agree to comply with the Collateral Agent's "entitlement orders" without further consent by such Grantor. With respect to any Investment Related Property that is a "Deposit Account," (other than the Exempt Deposit Accounts) it shall cause the depositary institution maintaining such account to enter into, within 30 days after the opening of such Deposit Account, an agreement substantially in the form of Exhibit D hereto or otherwise reasonably satisfactory to the Collateral Agent, pursuant to which the Collateral Agent shall have both sole dominion and control over such Deposit Account (within the meaning of the common law) and "control" (within the meaning of Section 9-104 of the UCC) over such Deposit Account. Each Grantor shall have entered into such control agreement or agreements with respect to: (i) any Securities Accounts (other than Exempt Securities Accounts), Securities Entitlements or Deposit Accounts (other than the Exempt Deposit Accounts) that exist on the Credit Date, as of or prior to the Credit Date and (ii) any Securities Accounts (other than Exempt Securities Accounts), Securities Entitlements or Deposit Accounts (other than the Exempt Deposit Accounts) that are created or acquired after the Credit Date, as of or prior to the deposit or transfer of any such Securities Entitlements or funds, whether constituting moneys or investments, into such Securities Accounts or Deposit Accounts.

In addition to the foregoing, if any issuer of any Investment Related Property, with a value in excess of $1,000,000 individually and $5,000,000 in the aggregate, is located in a jurisdiction outside of the United States, each Grantor shall take such additional actions, including, without limitation, causing the issuer to register the pledge on its books and records or making such filings or recordings, in each case as may be necessary under the laws of such issuer's jurisdiction to insure the validity, perfection and priority of the security interest of the Collateral Agent. Upon the occurrence and during the continuance of an Event of Default, the Collateral Agent shall have the right, without notice to any Grantor, to transfer all or any portion of the Investment Related Property to its name or the name of its nominee or agent. In addition, the Collateral Agent shall have the right at any time, without notice to any Grantor, to exchange any certificates or instruments representing any Investment Related Property for certificates or instruments of smaller or larger denominations.

4.5 Material Contracts.

Covenants and Agreements. Each Grantor covenants and agrees that until payment in full of all Obligations (other than unmatured contingent obligations), the cancellation or termination of all Commitments, the expiration or termination of the Swap Agreement, all Hedge Agreements and all agreements for Specified Secured Hedge Indebtedness and the cancellation or expiration of all outstanding Letters of Credit:

(i) in addition to any rights under the Section of this Agreement relating to Receivables, the Collateral Agent may at any time during the continuance of an Event of Default notify, or require any Grantor to so notify, the counterparty on any Material Contract of the security interest of the Collateral Agent therein. In addition, after the occurrence and during the continuance of an Event of Default, the Collateral Agent may upon written notice to the applicable Grantor, notify, or require any Grantor to notify, the counterparty to make all payments under the Material Contracts directly to the Collateral Agent; and

(ii) each Grantor shall, within thirty (30) days after entering into any Non-Assignable Contract that is a Material Contract after the Effective Date, request in writing the consent of the counterparty or counterparties to such Non-Assignable Contract pursuant to the terms of such Non-Assignable Contract or applicable law to the assignment or granting of a security interest in such Non-Assignable Contract to Secured Party and use its best efforts to obtain such consent as soon as practicable thereafter.

4.6 Letter of Credit Rights.

(a) Representations and Warranties. Each Grantor hereby represents and warrants, on the Effective Date and on each Credit Date, that:

(i) all material letters of credit to which such Grantor has rights is listed on Schedule 4.6 (as such schedule may be amended or supplemented from time to time) hereto; and

(ii) it has obtained the consent of each issuer of any letter of credit in excess of $1,000,000 in the aggregate to the assignment of the proceeds of the letter of credit to the Collateral Agent in accordance with Section 4.6(b); provided, however, that with respect to any letters of credit in existence on the Effective Date, such consent shall be obtained within 30 days following the Effective Date.

(b) Covenants and Agreements. Each Grantor covenants and agrees that until payment in full of all Obligations (other than unmatured contingent obligations), the cancellation or termination of all Commitments, the expiration or termination of the Swap Agreement, all Hedge Agreements and all agreements for Specified Secured Hedge Indebtedness and the cancellation or expiration of all outstanding Letters of Credit, with respect to any letter of credit in excess of $1,000,000 in the aggregate hereafter arising, it shall use commercially reasonable efforts to obtain the consent of the issuer thereof to the assignment of the proceeds of the letter of credit to the Collateral Agent and shall deliver to the Collateral Agent a completed Pledge Supplement, substantially in the form of Exhibit A attached hereto, together with all Supplements to Schedules thereto.

4.7 Intellectual Property.

(a) Representations and Warranties. Except as disclosed in Schedule 4.7(H) (as such schedule may be amended or supplemented from time to time), each Grantor hereby represents and warrants, on the Effective Date and on each Credit Date, that:

(i) Schedule 4.7 (as such schedule may be amended or supplemented from time to time) sets forth a true and complete list of (i) all United States, state and foreign registrations of and applications for Patents, Trademarks, and Copyrights owned by each Grantor and (ii) all Patent Licenses, Trademark Licenses, Trade Secret Licenses and Copyright Licenses material to the business of such Grantor;

(ii) it is the sole and exclusive owner of the entire right, title, and interest in or is a licensee to all Intellectual Property listed on Schedule 4.7 (as such schedule may be amended or supplemented from time to time) ("Grantor Intellectual Property"), and owns or has the valid right to use all other Intellectual Property used in or necessary to conduct its business, free and clear of all Liens, claims, encumbrances and licenses, except for Permitted Liens and the licenses set forth on Schedule 4.7(B), (D), (F) and (G) (as each may be amended or supplemented from time to time);

(iii) all Grantor Intellectual Property is subsisting and has not been adjudged invalid or unenforceable, in whole or in part except as could not reasonably be expected to have Material Adverse Effect, and each Grantor has performed all acts and has paid all renewal, maintenance, and other fees and taxes required to maintain each and every registration and application of Grantor Intellectual Property in full force and effect as reasonably necessary for the conduct of the business and except as could not reasonably be expected to have a Material Adverse Effect;

(iv) no holding, decision, or judgment has been rendered in any action or proceeding before any court or administrative authority challenging the validity of, such Grantor's right to register, or such Grantor's rights to own or use, any Grantor Intellectual Property except as could not reasonably be expected to have a Material Adverse Effect and no such action or proceeding is pending or, to the best of such Grantor's knowledge, threatened;

(v) all registrations and applications for Grantor Intellectual Property are standing in the name of a Grantor, and none of the Grantor Intellectual Property has been licensed by any Grantor to any Affiliate or third party, except as disclosed in Schedule 4.7(B), (D), (F), or (G) (as each may be amended or supplemented from time to time);

(vi) the conduct of each Grantor's business does not infringe upon or otherwise violate any trademark, patent, copyright, trade secret or other intellectual property right owned or controlled by a third party except as could not reasonably be expected to have a Material Adverse Effect; to Grantor's knowledge, no claim has been made that the use of any Intellectual Property owned, licensed or used by Grantor violates the asserted rights of any third party except as could not reasonably be expected to have a Material Adverse Effect;

(vii) to the best of each Grantor's knowledge, no third party is infringing upon or otherwise violating any rights in any Intellectual Property owned or used by such Grantor in any respect that could reasonably be expected to have a Material Adverse Effect;

(viii) no settlement or consents, covenants not to sue, nonassertion assurances, or releases have been entered into by Grantor or to which Grantor is bound that adversely affect Grantor's rights to own or use any Grantor Intellectual Property except as could not reasonably be expected to have a Material Adverse Effect; and

(ix) except in connection with Permitted Liens or as otherwise permitted under the First Lien Credit Documents, each Grantor has not made a previous assignment, sale, transfer or agreement constituting a present or future assignment, sale, transfer or agreement of any Grantor Intellectual Property that has not been terminated or released. There is no effective financing statement or other document or instrument now executed, or on file or recorded in any public office, granting a security interest in or otherwise encumbering any part of the Grantor Intellectual Property, other than in favor of the Collateral Agent or Permitted Liens.

(b) Covenants and Agreements. Each Grantor covenants and agrees that until payment in full of all Obligations (other than unmatured contingent obligations), the cancellation or termination of all Commitments, the expiration or termination of the Swap Agreement, all Hedge Agreements and all agreements for Specified Secured Hedge Indebtedness and the cancellation or expiration of all outstanding Letters of Credit:

(i) it shall not do any act or omit to do any act whereby any of the Grantor Intellectual Property which is material to the business of Grantor may lapse, or become abandoned, dedicated to the public, or unenforceable, or which would adversely affect the validity, grant, or enforceability of the security interest granted therein except to the extent a particular item of Intellectual Property is no longer material or necessary to the business of such Grantor or that the same could not reasonably be expected to have a Material Adverse Effect;

(ii) it shall, within a reasonable time from the creation or acquisition of any Copyrightable work the registration of which is material to the business of Grantor, apply to register the Copyright in the United States Copyright Office where warranted in the Grantor's reasonable business judgment, except where the failure to do the same could not reasonably be expected to have a Material Adverse Effect;

(iii) it shall (within a reasonable time after any Grantor obtains knowledge thereof) notify the Collateral Agent if it knows that any item of the Grantor Intellectual Property that is material to the business of any Grantor has become (a) abandoned or dedicated to the public or placed in the public domain, (b) invalid or unenforceable, or (c) subject to any material adverse determination or development (including the institution of proceedings) in any action or proceeding in the United States Patent and Trademark Office, the United States Copyright Office, any state registry or any court;

(iv) it shall, where warranted in Grantor's reasonable business judgment, take all reasonable steps in the United States Patent and Trademark Office, the United States Copyright Office or any state registry to pursue any application and maintain any registration of each Trademark, Patent, and Copyright owned by any Grantor and material to its business which is now or shall become included in the Grantor Intellectual Property including, but not limited to, those items on Schedule 4.7(A), (C) and (E) (as each may be amended or supplemented from time to time);

(v) it shall (within a reasonable time after any Grantor obtains knowledge thereof) report to the Collateral Agent (i) the filing of any application to register any material Intellectual Property with the United States Patent and Trademark Office, the United States Copyright Office, or any state registry (whether such application is filed by such Grantor or through any agent, employee, licensee, or designee thereof) and (ii) the registration of any material Intellectual Property by any such office, in each case by executing and delivering to the Collateral Agent a completed Pledge Supplement, substantially in the form of Exhibit A attached hereto, together with all Supplements to Schedules thereto;

(vi) it shall, promptly upon the reasonable request of the Collateral Agent, execute and deliver to the Collateral Agent any document required to acknowledge, confirm, register, record, or perfect the Collateral Agent's interest in any part of the Grantor Intellectual Property, whether now owned or hereafter acquired; and

(vii) after the occurrence and during the continuance of an Event of Default, it shall continue to collect, at its own expense, all amounts due or to become due to such Grantor in respect of the Grantor Intellectual Property or any portion thereof. In connection with such collections, each Grantor may take (and, at the Collateral Agent's reasonable direction, shall take) such action as such Grantor or, after the occurrence and during the continuance of an Event of Default, the Collateral Agent may deem reasonably necessary or advisable to enforce collection of such amounts. Notwithstanding the foregoing, the Collateral Agent shall have the right at any time, to notify, or require any Grantor to notify, any obligors with respect to any such amounts of the existence of the security interest created hereby.

4.8 Commercial Tort Claims

(a) Representations and Warranties. Each Grantor hereby represents and warrants, on the Effective Date and on each Credit Date, that Schedule 4.8 (as such schedule may be amended or supplemented from time to time) sets forth all Commercial Tort Claims of each Grantor in excess of $1,000,000 individually or $5,000,000 in the aggregate; and

(b) Covenants and Agreements. Each Grantor covenants and agrees that until payment in full of all Obligations (other than unmatured contingent obligations), the cancellation or termination of all Commitments, the expiration or termination of the Swap Agreement, all Hedge Agreements and all agreements for Specified Secured Hedge Indebtedness and the cancellation or expiration of all outstanding Letters of Credit, with respect to any

Commercial Tort Claim in excess of $1,000,000 individually or $5,000,000 in the aggregate hereafter arising it shall deliver to the Collateral Agent a completed Pledge Supplement, substantially in the form of Exhibit A attached hereto, together with all Supplements to Schedules thereto, identifying such new Commercial Tort Claims.

SECTION 5. ACCESS; RIGHT OF INSPECTION AND FURTHER ASSURANCES; ADDITIONAL GRANTORS.

5.1 Access; Right of Inspection. The Collateral Agent shall at all reasonable times with reasonable notice have full and free access during normal business hours and without unreasonable interruption of business to all the books, correspondence and records of each Grantor, and the Collateral Agent and its representatives may examine the same, take extracts therefrom and make photocopies thereof, and each Grantor agrees to render to the Collateral Agent, at such Grantor's cost and expense, such clerical and other assistance as may be reasonably requested with regard thereto. The Collateral Agent and its representatives shall at all reasonable times with reasonable notice also have the right during normal business hours and without unreasonable interruption of business to enter any premises of each Grantor and inspect any property of each Grantor where any of the Collateral of such Grantor granted pursuant to this Agreement is located for the purpose of inspecting the same, observing its use or otherwise protecting its interests therein.

5.2 Further Assurances.

(a) Each Grantor agrees that from time to time, at the expense of such Grantor, that it shall promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary and that the Collateral Agent may reasonably request, in order to create and/or maintain the validity, perfection or priority of and protect any security interest granted hereby or to enable the Collateral Agent to exercise and enforce its rights and remedies hereunder with respect to any Collateral. Without limiting the generality of the foregoing, each Grantor shall:

(i) file such financing or continuation statements, or amendments thereto, and execute and deliver such other agreements, instruments, endorsements, powers of attorney or notices, as may be necessary and as the Collateral Agent may reasonably request, in order to perfect and preserve the security interests granted or purported to be granted hereby;

(ii) take all actions necessary to ensure the recordation of appropriate evidence of the liens and security interest granted hereunder in the Grantor Intellectual Property with any intellectual property registry in the United States in which said Grantor Intellectual Property is registered or in which an application for registration is pending including, without limitation, the United States Patent and Trademark Office, the United States Copyright Office, the various Secretaries of State;

(iii) at any reasonable time, upon request by the Collateral Agent, assemble the Collateral and allow inspection of the Collateral by the Collateral Agent, or persons designated by the Collateral Agent; and

(iv) at the Collateral Agent's request, appear in and defend any action or proceeding that may affect such Grantor's title to or the Collateral Agent's security interest in all or any part of the Collateral.

(b) Each Grantor hereby authorizes the Collateral Agent to file a Record or Records, including, without limitation, financing or continuation statements, and amendments thereto, in any jurisdictions and with any filing offices as the Collateral Agent may determine, in its sole discretion, are necessary or advisable to perfect the security interest granted to the Collateral Agent herein. Such financing statements may describe the Collateral in the same manner as described herein or may contain an indication or description of collateral that describes such property in any other manner as the Collateral Agent may determine, in its sole discretion, is necessary, advisable or prudent to ensure the perfection of the security interest in the Collateral granted to the Collateral Agent herein, including, without limitation, describing such property as "all assets" or "all personal property, whether now owned or hereafter acquired." Each Grantor shall furnish to the Collateral Agent from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as the Collateral Agent may reasonably request, all in reasonable detail.

(c) Each Grantor hereby authorizes the Collateral Agent to modify this Agreement after obtaining such Grantor's approval of or signature to such modification by amending Schedule 4.7 (as such schedule may be amended or supplemented from time to time) to include reference to any right, title or interest in any existing Grantor Intellectual Property or any Grantor Intellectual Property acquired or developed by any Grantor after the execution hereof or to delete any reference to any right, title or interest in any Intellectual Property in which any Grantor no longer has or claims any right, title or interest.

5.3 Additional Grantors. From time to time subsequent to the date hereof, additional Persons may become parties hereto as additional Grantors (each, an "Additional Grantor"), by executing a Counterpart Agreement. Upon delivery of any such counterpart agreement to the Collateral Agent, notice of which is hereby waived by Grantors, each Additional Grantor shall be a Grantor and shall be as fully a party hereto as if Additional Grantor were an original signatory hereto. Each Grantor expressly agrees that its obligations arising hereunder shall not be affected or diminished by the addition or release of any other Grantor hereunder, nor by any election of Collateral Agent not to cause any Subsidiary of Company to become an Additional Grantor hereunder. This Agreement shall be fully effective as to any Grantor that is or becomes a party hereto regardless of whether any other Person becomes or fails to become or ceases to be a Grantor hereunder.

SECTION 6. COLLATERAL AGENT APPOINTED ATTORNEY-IN-FACT.

6.1 Power of Attorney. Each Grantor hereby irrevocably appoints the Collateral Agent (such appointment being coupled with an interest) as such Grantor's attorney-in-fact, with full authority in the place and stead of such Grantor and in the name of such Grantor, the Collateral Agent or otherwise, from time to time in the Collateral Agent's discretion to take any action and to execute any instrument that the Collateral Agent may deem reasonably necessary or advisable to accomplish the purposes of this Agreement, including, without limitation, the following:

(a) upon the occurrence and during the continuance of any Event of Default, to obtain and adjust insurance required to be maintained by such Grantor or paid to the Collateral Agent pursuant to the Credit Agreement;

(b) upon the occurrence and during the continuance of any Event of Default, to ask for, demand, collect, sue for, recover, compound, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the Collateral;

(c) upon the occurrence and during the continuance of any Event of Default, to receive, endorse and collect any drafts or other instruments, documents and chattel paper in connection with clause (b) above;

(d) upon the occurrence and during the continuance of any Event of Default, to file any claims or take any action or institute any proceedings that the Collateral Agent may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce the rights of the Collateral Agent with respect to any of the Collateral;

(e) to prepare and file any UCC financing statements against such Grantor as debtor;

(f) to prepare, sign, and file for recordation in any United States intellectual property registry, appropriate evidence of the lien and security interest granted herein in the Grantor Intellectual Property in the name of such Grantor as debtor;

(g) upon the occurrence and during the continuance of an Event of Default, to take or cause to be taken all actions necessary to perform or comply or cause performance or compliance with the terms of this Agreement, including, without limitation, access to pay or discharge taxes or Liens (other than Permitted Liens) levied or placed upon or threatened against the Collateral, the legality or validity thereof and the amounts necessary to discharge the same to be determined by the Collateral Agent in its sole discretion, any such payments made by the Collateral Agent to become obligations of such Grantor to the Collateral Agent, due and payable immediately without demand; and

(h) upon the occurrence and during the continuance of an Event of Default, generally to sell, transfer, pledge, make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though the Collateral Agent were the absolute owner thereof for all purposes, and to do, at the Collateral Agent's option and such Grantor's expense, at any time or from time to time, all acts and things that the Collateral Agent deems reasonably necessary to protect, preserve or realize upon the Collateral and the Collateral Agent's security interest therein in order to effect the intent of this Agreement, all as fully and effectively as such Grantor might do.

6.2 No Duty on the Part of Collateral Agent or Secured Parties. The powers conferred on the Collateral Agent hereunder are solely to protect the interests of the Secured Parties in the Collateral and shall not impose any duty upon the Collateral Agent or any Secured Party to exercise any such powers. The Collateral Agent and the Secured Parties shall be accountable only for amounts that they actually receive as a result of the exercise of such powers, and neither they nor any of their officers, directors, employees or agents shall be responsible to any Grantor for any act or failure to act hereunder, except for their own gross negligence or willful misconduct.

SECTION 7. REMEDIES.

7.1 Generally.

(a) If any Event of Default shall have occurred and be continuing, the Collateral Agent may, subject to the terms of and in the manner contemplated by the Intercreditor Agreement, exercise in respect of the Collateral, in addition to all other rights and remedies provided for herein or otherwise available to it at law or in equity, all the rights and remedies of the Collateral Agent on default under the UCC (whether or not the UCC applies to the affected Collateral) to collect, enforce or satisfy any Secured Obligations then owing, whether by acceleration or otherwise, and also may pursue any of the following separately, successively or simultaneously:

(i) require any Grantor to, and each Grantor hereby agrees that it shall at its expense and promptly upon request of the Collateral Agent forthwith, assemble all or part of the Collateral as directed by the Collateral Agent and make it available to the Collateral Agent at a place to be designated by the Collateral Agent that is reasonably convenient to both parties;

(ii) enter onto the property where any Collateral is located and take possession thereof with or without judicial process;

(iii) prior to the disposition of the Collateral, store, process, repair or recondition the Collateral or otherwise prepare the Collateral for disposition in any manner to the extent the Collateral Agent deems appropriate; and

(iv) without notice except as specified below or under the UCC, sell, assign, lease, license (on an exclusive or nonexclusive basis) or otherwise dispose of the Collateral or any part thereof in one or more parcels at public or private sale, at any of the Collateral Agent's offices or elsewhere, for cash, on credit or for future delivery, at such time or times and at such price or prices and upon such other terms as the Collateral Agent may deem commercially reasonable.

(b) The Collateral Agent or any Secured Party may be the purchaser of any or all of the Collateral at any public or private (to the extent to the portion of the Collateral being privately sold is of a kind that is customarily sold on a recognized market or the subject of widely distributed standard price quotations) sale in accordance with the UCC and the Collateral Agent, as collateral agent for and representative of the Secured Parties, shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any such sale made in accordance with the UCC, to use and apply any of the Secured Obligations as a credit on account of the purchase price for any Collateral payable by the Collateral Agent at such sale. Each purchaser at any such sale shall hold the property sold absolutely free from any claim or right on the part of any Grantor, and each Grantor hereby waives (to the extent permitted by applicable law) all rights of redemption, stay and/or appraisal which it now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted. Each Grantor agrees that, to the extent notice of sale shall be required by law, at least ten (10) days notice to such Grantor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. The Collateral Agent shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. The Collateral Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. Each Grantor agrees that it would not be commercially unreasonable for the Collateral Agent to dispose of the Collateral or any portion thereof by using Internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capability of doing so, or that match buyers and sellers of assets. Each Grantor hereby waives any claims against the Collateral Agent arising by reason of the fact that the price at which any Collateral may have been sold at such a private sale was less than the price which might have been obtained at a public sale, even if the Collateral Agent accepts the first offer received and does not offer such Collateral to more than one offeree, provided this section shall not restrict the operation of Section 9-615(f) of the UCC. If the proceeds of any sale or other disposition of the Collateral are insufficient to pay all the Secured Obligations, Grantors shall be liable for the deficiency and the fees of any attorneys employed by the Collateral Agent to collect such deficiency. Each Grantor further agrees that a breach of any of the covenants contained in this Section will cause irreparable injury to the Collateral Agent, that the Collateral Agent has no adequate remedy at law in respect of such breach and, as a consequence, that each and every covenant contained in this Section shall be specifically enforceable against such Grantor, and such Grantor hereby waives and agrees not to assert any defenses against an action for specific performance of such covenants except for a defense that no default has occurred giving rise to the Secured Obligations becoming due and payable prior to their stated maturities. Nothing in this Section shall in any way alter the rights of the Collateral Agent hereunder.

(c) The Collateral Agent may sell the Collateral without giving any warranties as to the Collateral. The Collateral Agent may specifically disclaim or modify any warranties of title or the like. This procedure will not be considered to adversely affect the commercial reasonableness of any sale of the Collateral.

(d) The Collateral Agent shall have no obligation to marshal any of the Collateral.

7.2 Application of Proceeds. Except as expressly provided elsewhere in this Agreement, and subject to the terms of the Intercreditor Agreement, all proceeds received by the Collateral Agent in respect of any sale, any collection from, or other realization upon all or any part of the Collateral shall be applied in full or in part by the Collateral Agent against, the Secured Obligations in the following order of priority: first, to the payment of all costs and expenses of such sale, collection or other realization, including reasonable compensation to the Collateral Agent and its agents and counsel, and all other expenses, liabilities and advances made or incurred by the Collateral Agent in connection therewith, and all amounts for which the Collateral Agent is entitled to indemnification hereunder (in its capacity as the Collateral Agent and not as a Lender) and all advances made by the Collateral Agent hereunder for the account of the applicable Grantor, and to the payment of all costs and expenses paid or incurred by the Collateral Agent in connection with the exercise of any right or remedy hereunder or under the Credit Agreement, all in accordance with the terms hereof or thereof; second, to the extent of any excess of such proceeds, to the payment of all other Secured Obligations for the ratable benefit of the Secured Parties; and third, to the extent of any excess of such proceeds, to the payment to or upon the order of such Grantor or to whosoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

7.3 Sales on Credit. If Collateral Agent sells any of the Collateral upon credit, Grantor will be credited only with payments actually made by purchaser and received by Collateral Agent and applied to indebtedness of the purchaser. In the event the purchaser fails to pay for the Collateral, Collateral Agent may resell the Collateral and Grantor shall be credited with proceeds of the sale.

7.4 Deposit Accounts.

If any Event of Default shall have occurred and be continuing, the Collateral Agent may apply the balance from any Deposit Account (other than the Exempt Deposit Accounts) or instruct the bank at which any Deposit Account (other than the Exempt Deposit Accounts) is maintained to pay the balance of any Deposit Account (other than the Exempt Deposit Accounts) to or for the benefit of the Collateral Agent.

7.5 Investment Related Property.

Each Grantor recognizes that, by reason of certain prohibitions contained in the Securities Act and applicable state securities laws, the Collateral Agent may be compelled, with respect to any sale of all or any part of the Investment Related Property conducted without prior registration or qualification of such Investment Related Property under the Securities Act and/or such state securities laws, to limit purchasers to those who will agree, among other things, to acquire the Investment Related Property for their own account, for investment and not with a view to the distribution or resale thereof. Each Grantor acknowledges that any such private sale may be at prices and on terms less favorable than those obtainable through a public sale without such restrictions (including a public offering made pursuant to a registration statement under the Securities Act) and, notwithstanding such circumstances, each Grantor agrees that any such private sale shall be deemed to have been made in a commercially reasonable manner and that the Collateral Agent shall have no obligation to engage in public sales and no obligation to delay the sale of any Investment Related Property for the period of time necessary to permit the issuer thereof to register it for a form of public sale requiring registration under the Securities Act or under applicable state securities laws, even if such issuer would, or should, agree to so register it. If the Collateral Agent determines to exercise its right to sell any or all of the Investment Related Property, upon written request, each Grantor shall and shall cause each issuer of any Pledged Stock to be sold hereunder, each partnership and each limited liability company from time to time to furnish to the Collateral Agent all such information as the Collateral Agent may request in order to determine the number and nature of interest, shares or other instruments included in the Investment Related Property which may be sold by the Collateral Agent in exempt transactions under the Securities Act and the rules and regulations of the Securities and Exchange Commission thereunder, as the same are from time to time in effect.

7.6 Intellectual Property.

(a) Anything contained herein to the contrary notwithstanding, upon the occurrence and during the continuation of an Event of Default:

(i) the Collateral Agent shall have the right (but not the obligation) to bring suit or otherwise commence any action or proceeding in the name of any Grantor, the Collateral Agent or otherwise, in the Collateral Agent's sole discretion, to enforce any Grantor Intellectual Property, in which event such Grantor shall, at the request of the Collateral Agent, do any and all lawful acts and execute any and all documents reasonably required by the Collateral Agent in aid of such enforcement and such Grantor shall, upon demand, reimburse and indemnify the Collateral Agent as provided in Section 11 hereof in connection with the exercise of its rights under this Section, and, to the extent that the Collateral Agent shall elect not to bring suit to enforce any Grantor Intellectual Property as provided in this Section, each Grantor agrees to use commercially reasonable measures to the extent necessary, whether by action, suit, proceeding or otherwise, to prevent the infringement or other violation of any of such Grantor's rights in any Grantor Intellectual Property that is material to its business by others and for that purpose agrees to diligently maintain any action, suit or proceeding against any Person so infringing as shall be necessary to prevent such infringement or violation;

(ii) upon written demand from the Collateral Agent, each Grantor shall grant, assign, convey or otherwise transfer to the Collateral Agent or such Collateral Agent's designee all of such Grantor's right, title and interest in and to the Grantor Intellectual Property and shall execute and deliver to the Collateral Agent such documents as are necessary or appropriate to carry out the intent and purposes of this Agreement;

(iii) each Grantor agrees that such an assignment and/or recording shall be applied to reduce the Secured Obligations outstanding only to the extent that the Collateral Agent (or any Secured Party) receives cash proceeds in respect of the sale of, or other realization upon, the Grantor Intellectual Property; and

(iv) the Collateral Agent shall have the right to notify, or require each Grantor to notify, any obligors with respect to amounts due or to become due to such Grantor in respect of the Grantor Intellectual Property, of the existence of the security interest created herein, to direct such obligors to make payment of all such amounts directly to the Collateral Agent, and, upon such notification and at the expense of such Grantor, to enforce collection of any such amounts and to adjust, settle or compromise the amount or payment thereof, in the same manner and to the same extent as such Grantor might have done;

(1) all amounts and proceeds (including checks and other instruments) received by Grantor in respect of amounts due to such Grantor in respect of the Collateral or any portion thereof shall be received in trust for the benefit of the Collateral Agent hereunder, shall be segregated from other funds of such Grantor and shall be forthwith paid over or delivered to the Collateral Agent in the same form as so received (with any necessary endorsement) to be held as cash Collateral and applied as provided by Section 7.7 hereof; and

(2) Grantor shall not adjust, settle or compromise the amount or payment of any such amount or release wholly or partly any obligor with respect thereto or allow any credit or discount thereon.

(b) If (i) an Event of Default shall have occurred and, by reason of cure, waiver, modification, amendment or otherwise, no longer be continuing, (ii) no other Event of Default shall have occurred and be continuing, (iii) an assignment or other transfer to the Collateral Agent of any rights, title and interests in and to the Grantor Intellectual Property shall have been previously made and shall have become absolute and effective, and (iv) the Secured Obligations shall not have become immediately due and payable, upon the written request of any Grantor, the Collateral Agent shall promptly execute and deliver to such Grantor, at such Grantor's sole cost and expense, such assignments or other transfer as may be necessary to reassign to such Grantor any such rights, title and interests as may have been assigned to the Collateral Agent as aforesaid, subject to any disposition thereof that may have been made by the Collateral Agent; provided, after giving effect to such reassignment, the Collateral Agent's security interest granted pursuant hereto, as well as all other rights and remedies of the Collateral Agent granted hereunder, shall continue to be in full force and effect; and provided further, the rights, title and interests so reassigned shall be free and clear of any other Liens granted by or on behalf of the Collateral Agent and the Secured Parties.

(c) Solely for the purpose of enabling the Collateral Agent to exercise rights and remedies under this Section 7 after an Event of Default and at such time as the Collateral

Agent shall be lawfully entitled to exercise such rights and remedies, each Grantor hereby grants to the Collateral Agent, to the extent it has the right to do so, an irrevocable, nonexclusive license (exercisable without payment of royalty or other compensation to such Grantor), subject, in the case of Trademarks, to sufficient rights to quality control and inspection in favor of such Grantor to avoid the risk of invalidation of said Trademarks, to use, operate under, license, or sublicense any Intellectual Property now owned or hereafter acquired by such Grantor, and wherever the same may be located.

7.7 Cash Proceeds. In addition to the rights of the Collateral Agent specified in Section 4.3 with respect to payments of Receivables, all proceeds of any Collateral received by any Grantor consisting of cash, checks and other non-cash items (collectively, "**Cash Proceeds**") shall be held by such Grantor in trust for the Collateral Agent, segregated from other funds of such Grantor, and shall, forthwith upon receipt by such Grantor, unless otherwise provided pursuant to Section 4.4(a)(ii), be turned over to the Collateral Agent in the exact form received by such Grantor (duly indorsed by such Grantor to the Collateral Agent, if required) and held by the Collateral Agent in the Collateral Account. Any Cash Proceeds received by the Collateral Agent (whether from a Grantor or otherwise): (i) if no Event of Default shall have occurred and be continuing, shall be held by the Collateral Agent for the ratable benefit of the Secured Parties, as collateral security for the Secured Obligations (whether matured or unmatured) and (ii) if an Event of Default shall have occurred and be continuing, may, in the sole discretion of the Collateral Agent, (A) be held by the Collateral Agent for the ratable benefit of the Secured Parties, as collateral security for the Secured Obligations (whether matured or unmatured) and/or (B) then or at any time thereafter may be applied by the Collateral Agent against the Secured Obligations then due and owing.

SECTION 8. COLLATERAL AGENT.

The Collateral Agent has been appointed to act as Collateral Agent hereunder by Lenders, the Swap Counterparty and each Specified Hedge Counterparty, if any, and, by their acceptance of the benefits hereof, the other Secured Parties. The Collateral Agent shall be obligated, and shall have the right hereunder, to make demands, to give notices, to exercise or refrain from exercising any rights, and to take or refrain from taking any action (including, without limitation, the release or substitution of Collateral), solely in accordance with this Agreement and the other First Lien Credit Documents. In furtherance of the foregoing provisions of this Section, each Secured Party, by its acceptance of the benefits hereof, agrees that it shall have no right individually to realize upon any of the Collateral hereunder, it being understood and agreed by such Secured Party that all rights and remedies hereunder may be exercised solely by the Collateral Agent for the benefit of Secured Parties in accordance with the terms of this Section. Collateral Agent may resign at any time by giving thirty (30) days' prior written notice thereof to Lenders and the Grantors, and Collateral Agent may be removed at any time with or without cause by an instrument or concurrent instruments in writing delivered to the Grantors and Collateral Agent signed by the Company and the Required First Lien Creditors. Upon any such notice of resignation or any such removal, Required First Lien Creditors shall have the right, upon five (5) Business Days' notice to the Administrative Agent, to appoint a successor Collateral Agent with the consent of the Company (not to be unreasonably withheld) (provided that no such consent would be required during the continuance of any Event of Default). Upon the acceptance of any appointment as Collateral Agent hereunder by a successor Collateral Agent, that successor Collateral Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring or removed Collateral Agent under this Agreement, and the retiring or removed Collateral Agent under this Agreement shall promptly (i) transfer to such successor Collateral Agent all sums, Securities and other items of Collateral held hereunder, together with all records and other documents necessary or appropriate in connection with the performance of the duties of the successor Collateral Agent under this Agreement, and (ii) execute and deliver to such successor Collateral Agent or otherwise authorize the filing of such amendments to financing statements, and take such other actions, as may be necessary or appropriate in connection with the assignment to such successor Collateral Agent of the security interests created hereunder, whereupon such retiring or removed Collateral Agent shall be discharged from its duties and obligations under this Agreement. After any retiring or removed Collateral Agent's resignation or removal hereunder as the Collateral Agent, the provisions of this Agreement shall inure to its benefit as to any actions taken or omitted to be taken by it under this Agreement while it was the Collateral Agent hereunder.

SECTION 9. CONTINUING SECURITY INTEREST; TRANSFER OF LOANS; RELEASES.

This Agreement shall create a continuing security interest in the Collateral and shall remain in full force and effect until the payment in full of all Secured Obligations, the cancellation or termination of the Commitments, the expiration or termination of the Swap Agreement, all Hedge Agreements and all agreements for Specified Secured Hedge Indebtedness, and the cancellation or expiration of all outstanding Letters of Credit, be binding upon each Grantor, its successors and assigns, and inure, together with the rights and remedies of the Collateral Agent hereunder, to the benefit of the Collateral Agent and its successors, transferees and assigns. Each of the parties hereto agrees that this Agreement as amended as of the date hereof supersedes the Agreement as executed on June 24, 2005. Without limiting the generality of the foregoing, but subject to the terms of the Credit Agreement, any Lender may assign or otherwise transfer any Loans held by it to any other Person, and such other Person shall thereupon become vested with all the benefits in respect thereof granted to Lenders herein or otherwise. Upon the payment in full of all Secured Obligations, the cancellation or termination of the Commitments, the expiration or termination of the Swap Agreement, all Hedge Agreements and all agreements for Specified Secured Hedge Indebtedness, and the cancellation or expiration of all outstanding Letters of Credit, the security interest granted hereby shall automatically terminate hereunder and of record and all rights to the Collateral shall revert to Grantors. Upon any such termination the Collateral Agent shall, at Grantors' expense, execute and deliver to Grantors or otherwise authorize the filing of such documents as Grantors shall reasonably request, including financing statement amendments to evidence such termination. Upon any disposition of property including Capital Stock of a Grantor permitted by the First Lien Credit Documents, the Liens granted herein shall be deemed to be automatically released and such property shall automatically revert to the applicable Grantor, or such Grantor shall be automatically released, as the case may be, in each case, with no further action on the part of any Person. The Collateral Agent shall, at Grantor's expense, execute and deliver or otherwise authorize the filing of such documents as Grantors shall reasonably request, in form and substance reasonably satisfactory to the Collateral Agent, including financing statement amendments to evidence such release.

SECTION 10. RIGHTS UNDER HEDGE AGREEMENTS; RIGHTS OF HOLDERS OF SPECIFIED SECURED HEDGE INDEBTEDNESS.

Neither this Agreement, nor any other Credit Document nor any Hedge Agreement will create (or be deemed to create) in favor of any Lender Counterparty that is a party thereto or any Specified Hedge Counterparty any rights in connection with the management or release of any Collateral or of the obligations of any Guarantor under the Credit Documents except as expressly provided in Section 9 of this Agreement.

SECTION 11. STANDARD OF CARE; COLLATERAL AGENT MAY PERFORM.

The powers conferred on the Collateral Agent hereunder are solely to protect its interest in the Collateral and shall not impose any duty upon it to exercise any such powers. Except for the exercise of reasonable care in the custody of any Collateral in its possession and the accounting for moneys actually received by it hereunder, the Collateral Agent shall have no duty as to any Collateral or as to the taking of any necessary steps to preserve rights against prior parties or any other rights pertaining to any Collateral. The Collateral Agent shall be deemed to have exercised reasonable care in the custody and preservation of Collateral in its possession if such Collateral is accorded treatment substantially equal to that which the Collateral Agent accords its own property. Neither the Collateral Agent nor any of its directors, officers, employees or agents shall be liable for failure to demand, collect or realize upon all or any part of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of any Grantor or otherwise. If any Grantor fails to perform any agreement contained herein, the Collateral Agent may itself perform, or cause performance of, such agreement, and the expenses of the Collateral Agent incurred in connection therewith shall be payable by each Grantor under Section 10.2 of the Credit Agreement.

SECTION 12. MISCELLANEOUS.

Any notice required or permitted to be given under this Agreement shall be given in accordance with Section 10.1 of the Credit Agreement. No failure or delay on the part of the Collateral Agent in the exercise of any power, right or privilege hereunder or under any other First Lien Credit Document shall impair such power, right or privilege or be construed to be a waiver of any default or acquiescence therein, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other power, right or privilege. All rights and remedies existing under this Agreement and the other First Lien Credit Documents are cumulative to, and not exclusive of, any rights or remedies otherwise available. In case any provision in or obligation under this Agreement shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby. All covenants hereunder shall be given independent effect so that if a particular action or condition is not permitted by any of such covenants, the fact that it would be permitted by an exception to, or would otherwise be within the limitations of, another covenant shall not avoid the occurrence of a Default or an Event of Default if such action is taken or condition exists. This Agreement shall be binding upon and inure to the benefit of the Collateral Agent and Grantors and their respective successors and permitted assigns. Except as permitted under the First Lien Credit Documents, no Grantor shall, without the prior written consent of the Collateral Agent given in accordance with the Credit Agreement and the Swap Agreement, assign any right, duty or obligation hereunder. This Agreement and the other First Lien Credit Documents embody the entire agreement and understanding between Grantors and the Collateral Agent and supersede all prior agreements and understandings between such parties relating to the subject matter hereof and thereof. Accordingly, the First Lien Credit Documents may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties. There are no unwritten oral agreements between the parties. This Agreement may be executed in one or more counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument; signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document.

THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO ITS CONFLICTS OF LAW PROVISIONS THAT WOULD REQUIRE APPLICATION OF LAWS OF ANOTHER STATE.

IN WITNESS WHEREOF, each Grantor and the Collateral Agent have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

COFFEYVILLE RESOURCES, LLC

By: /s/ James T. Rens
Name: James T. Rens
Title: Chief Financial Officer

CL JV HOLDINGS, LLC

By: /s/ James T. Rens
Name: James T. Rens
Title: Chief Financial Officer

COFFEYVILLE PIPELINE, INC.

By: /s/ James T. Rens
Name: James T. Rens
Title: Chief Financial Officer

COFFEYVILLE REFINING AND MARKETING, INC.

By: /s/ James T. Rens
Name: James T. Rens
Title: Chief Financial Officer

COFFEYVILLE NITROGEN FERTILIZERS, INC.

By: /s/ James T. Rens
Name: James T. Rens
Title: Chief Financial Officer

COFFEYVILLE CRUDE TRANSPORTATION, INC.

By: /s/ James T. Rens
Name: James T. Rens
Title: Chief Financial Officer

COFFEYVILLE TERMINAL, INC.

By: /s/ James T. Rens
Name: James T. Rens
Title: Chief Financial Officer

COFFEYVILLE RESOURCES PIPELINE, LLC

By: /s/ James T. Rens
Name: James T. Rens
Title: Chief Financial Officer

COFFEYVILLE RESOURCES REFINING AND MARKETING, LLC

By: /s/ James T. Rens
Name: James T. Rens
Title: Chief Financial Officer

COFFEYVILLE RESOURCES NITROGEN FERTILIZERS, LLC

By: /s/ James T. Rens
Name: James T. Rens
Title: Chief Financial Officer

COFFEYVILLE RESOURCES CRUDE TRANSPORTATION, LLC

By: /s/ James T. Rens
Name: James T. Rens
Title: Chief Financial Officer

COFFEYVILLE RESOURCES TERMINAL, LLC

By: /s/ James T. Rens
Name: James T. Rens
Title: Chief Financial Officer

CREDIT SUISSE,
CAYMAN ISLANDS BRANCH,
as the Collateral Agent

By: /s/ Thomas R. Cantello
Name: Thomas R. Cantello
Title: Vice President

By: /s/ Denise Alvarez
Name: Denise Alvarez
Title: Associate

SCHEDULE 4.1
TO AMENDED AND RESTATED PLEDGE AND SECURITY AGREEMENT

GENERAL INFORMATION

(A) Full Legal Name, Type of Organization, Jurisdiction of Organization, Chief Executive Office/Sole Place of Business (or Residence if Grantor is a Natural Person) and Organizational Identification Number of each Grantor:

Full Legal Name	Type of Organization	Jurisdiction of Organization	Chief Executive Office/Sole Place of Business (or Residence if Grantor is a Natural Person)	Organization I.D.#

(B) Other Names (including any Trade-Name or Fictitious Business Name) under which each Grantor has conducted business for the past five (5) years:

Full Legal Name	Trade Name or Fictitious Business Name

(C) Changes in Name, Jurisdiction of Organization, Chief Executive Office or Sole Place of Business (or Principal Residence if Grantor is a Natural Person) and Corporate Structure within past five (5) years:

Name of Grantor	Date of Change	Description of Change

(D) Agreements pursuant to which any Grantor is found as debtor within past five (5) years:

Name of Grantor	Description of Agreement

(E) Financing Statements:

Name of Grantor	Filing Jurisdiction(s)

Name of Grantor	Location of Equipment and Inventory

INVESTMENT RELATED PROPERTY

(A) Pledged Stock:

Grantor	Stock Issuer	Class of Stock	Certificated (Y/N)	Stock Certificate No.	Par Value	No. of Pledged Stock	% of Outstanding Stock of the Stock Issuer

Pledged LLC Interests:

Grantor	Limited Liability Company	Certificated (Y/N)	Certificate No. (if any)	No. of Pledged Units	% of Outstanding LLC Interests of the Limited Liability Company

Pledged Partnership Interests:

Grantor	Partnership	Type of Partnership Interests (e.g., general or limited)	Certificated (Y/N)	Certificate No. (if any)	% of Outstanding Partnership Interests of the Partnership

Pledged Trust Interests:

Grantor	Trust	Class of Trust Interests	Certificated (Y/N)	Certificate No. (if any)	% of Outstanding Trust Interests of the Trust

Pledged Debt:

Grantor	Issuer	Original Principal Amount	Outstanding Principal Balance	Issue Date	Maturity Date

Securities Account:

Grantor	Share of Securities Intermediary	Account Number	Account Name

Commodities Accounts:

Grantor	Name of Commodities Intermediary	Account Number	Account Name

Deposit Accounts:

Grantor	Name of Depositary Bank	Account Number	Account Name

(B)

Name of Grantor	Date of Acquisition	Description of Acquisition

(C)

Name of Grantor	Name of Issuer of Pledged LLC Interest/Pledged Partnership Interest

SCHEDULE 4.6
TO AMENDED AND RESTATED PLEDGE AND SECURITY AGREEMENT

Name of Grantor	Description of Letters of Credit

INTELLECTUAL PROPERTY

(A) Copyrights

(B) Copyright Licenses

(C) Patents

(D) Patent Licenses

(E) Trademarks

(F) Trademark Licenses

(G) Trade Secret Licenses

(H) Intellectual Property Exceptions

SCHEDULE 4.8
TO AMENDED AND RESTATED PLEDGE AND SECURITY AGREEMENT

Name of Grantor	Commercial Tort Claims

PLEDGE SUPPLEMENT

This **PLEDGE SUPPLEMENT**, dated ___/___/20___, is delivered by **[NAME OF GRANTOR]** a **[NAME OF STATE OF INCORPORATION] [**Corporation**]** (the **"Grantor"**) pursuant to the Amended and Restated First Lien Pledge Security Agreement, dated as of December [___], 2006 (as it may be from time to time amended, restated, modified or supplemented, the "**Security Agreement**"), among COFFEYVILLE RESOURCES, LLC, the other Grantors named therein, and **[FIRST LIEN COLLATERAL AGENT]**, as the Collateral Agent. Capitalized terms used herein not otherwise defined herein shall have the meanings ascribed thereto in the Security Agreement.

Grantor hereby confirms the grant to the Collateral Agent set forth in the Security Agreement of, and does hereby grant to the Collateral Agent, a security interest in all of Grantor's right, title and interest in and to all Collateral to secure the Secured Obligations, in each case whether now or hereafter existing or in which Grantor now has or hereafter acquires an interest and wherever the same may be located. Grantor represents and warrants that the attached Supplements to Schedules accurately and completely set forth all additional information required pursuant to the Security Agreement and hereby agrees that such Supplements to Schedules shall constitute part of the Schedules to the Security Agreement.

IN WITNESS WHEREOF, Grantor has caused this Pledge Supplement to be duly executed and delivered by its duly authorized officer as of ___/___/20___.

[NAME OF GRANTOR]

By: ______________________________
Name:
Title:

SUPPLEMENT TO SCHEDULE 4.1
TO AMENDED AND RESTATED PLEDGE AND SECURITY AGREEMENT

Additional Information:

(A) Full Legal Name, Type of Organization, Jurisdiction of Organization, Chief Executive Office/Sole Place of Business (or Residence if Grantor is a Natural Person) and Organizational Identification Number of each Grantor:

Full Legal Name	Type of Organization	Jurisdiction of Organization	Chief Executive Office/Sole Place of Business (or Residence if Grantor is a Natural Person)	Organization I.D.#

(B) Other Names (including any Trade-Name or Fictitious Business Name) under which each Grantor has conducted business for the past five (5) years:

Full Legal Name	Trade Name or Fictitious Business Name

(C) Changes in Name, Jurisdiction of Organization, Chief Executive Office or Sole Place of Business (or Principal Residence if Grantor is a Natural Person) and Corporate Structure within past five (5) years:

Name of Grantor	Date of Change	Description of Change

(D) Agreements pursuant to which any Grantor is found as debtor within past five (5) years:

Name of Grantor	Description of Agreement

(E) Financing Statements:

Name of Grantor	Filing Jurisdiction(s)

SUPPLEMENT TO SCHEDULE 4.2
TO AMENDED AND RESTATED PLEDGE AND SECURITY AGREEMENT

Additional Information:

Name of Grantor	Location of Equipment and Inventory

SUPPLEMENT TO SCHEDULE 4.4
TO AMENDED AND RESTATED PLEDGE AND SECURITY AGREEMENT

Additional Information:

(A)

Pledged Stock:

Pledged Partnership Interests:

Pledged LLC Interests:

Pledged Trust Interests:

Pledged Debt:

Securities Account:

Commodities Accounts:

Deposit Accounts:

(B)

Name of Grantor	Date of Acquisition	Description of Acquisition

(C)

Name of Grantor	Name of Issuer of Pledged LLC Interest/Pledged Partnership Interest

EXHIBIT A-4

SUPPLEMENT TO SCHEDULE 4.5
TO AMENDED AND RESTATED PLEDGE AND SECURITY AGREEMENT

Additional Information:

Name of Grantor	Description of Material Contract

EXHIBIT A-5

Additional Information:

Name of Grantor	Description of Letters of Credit

Additional Information:

(A) Copyrights

(B) Copyright Licenses

(C) Patents

(D) Patent Licenses

(E) Trademarks

(F) Trademark Licenses

(G) Trade Secret Licenses

(H) Intellectual Property Exceptions

Additional Information:

Name of Grantor	Commercial Tort Claims

UNCERTIFICATED SECURITIES CONTROL AGREEMENT

This Uncertificated Securities Control Agreement dated as of __________, 200___ (this **"Agreement"**), among __________ (the "**Pledgor**"), **[FIRST LIEN COLLATERAL AGENT]**, in its capacity as collateral agent for the First Lien Claimholders (as defined in the Intercreditor Agreement referenced below, including its successors and assigns from time to time, the **"First Lien Collateral Agent"**), and **[SECOND LIEN COLLATERAL AGENT]** in its capacity as Collateral Agent for the Second Lien Claimholders (as defined in the Intercreditor Agreement referenced below, including its successors and assigns from time to time, the "**Second Lien Collateral Agent**", and together with the First Lien Collateral Agent, the **"Collateral Agents"**), and __________, a __________ corporation (the "**Issuer**"). Capitalized terms used but not defined herein shall have the meaning assigned in the Intercreditor Agreement dated December [___], 2006 (as amended, restated, supplemented or otherwise modified from time to time, the **"Intercreditor Agreement"**) among COFFEYVILLE RESOURCES, LLC (**"Borrower"**), J. Aron & Company, including its successors and assigns from time to time **("J. Aron"**), and the Collateral Agents. All references herein to the "**UCC**" shall mean the Uniform Commercial Code as in effect in the State of New York.

Section 1. Priority of Lien. Pursuant to that certain Amended and Restated First Lien Pledge and Security Agreement dated as of December [___], 2006 (as amended, restated, supplemented or otherwise modified from time to time, the "**First Lien Security Agreement**"), among the Pledgor, the other grantors party thereto and the First Lien Collateral Agent, and that certain Second Lien Pledge and Security Agreement dated as of June 24, 2005, and amended as of July 8, 2005 (as amended, restated, supplemented or otherwise modified from time to time, the "**Second Lien Security Agreement**"; and together with the First Lien Security Agreement, the "**Security Agreements**"), among the Pledgor, the other grantors party thereto and the Second Lien Collateral Agent, the Pledgor has granted a security interest in all of the Pledgor's rights in the Pledged Shares referred to in Section 2 below to each of the First Lien Collateral Agent and the Second Lien Collateral Agent, respectively. The First Lien Collateral Agent and Second Lien Collateral Agent, the Pledgor and the Issuer are entering into this Agreement to perfect each of the First Lien Collateral Agent, and the Second Lien Collateral Agent's security interest in such Pledged Shares. As between the First Lien Collateral Agent and the Second Lien Collateral Agent, the First Lien Collateral Agent shall have a first priority security interest in such Pledged Shares and the Second Lien Collateral Agent shall have a second priority security interest in such Pledged Shares in accordance with the Intercreditor Agreement. The Issuer hereby acknowledges that it has received notice of the security interests of the First Lien Collateral Agent and the Second Lien Collateral Agent in such Pledged Shares and hereby acknowledges and consents to such liens.

Section 2. Registered Ownership of Shares. The Issuer hereby confirms and agrees that as of the date hereof the Pledgor is the registered owner of __________ [shares][membership interests][partnership interests][other equivalents of capital stock of a corporation] of [capital stock of] the Issuer (the "**Pledged Shares**") and the Issuer shall not change the registered owner of the Pledged Shares without the prior written consent of the Collateral Agents.

Section 3. Instructions. If at any time the Issuer shall receive instructions originated by the First Lien Collateral Agent relating to the Pledged Shares, the Issuer shall comply with such instructions without further consent by the Pledgor or any other person. If at any time the Issuer shall receive instructions originated by the Second Lien Collateral Agent relating to the Pledged Shares, the Issuer shall comply with such instructions without further consent by the Pledgor or any other person; provided that, prior to receipt by the Issuer of a Notice of Termination of First Lien Obligations in the form of Exhibit A attached hereto (**"Notice of Termination of First Lien Obligations"**), in the event the Issuer receives conflicting instructions from the Collateral Agents, the Second Lien Collateral Agent hereby instructs the Issuer to comply with the instructions of the First Lien Collateral Agent; and provided further that the Second Lien Collateral Agent shall not give any such instructions other than in accordance with Section 3 of the Intercreditor Agreement. If the Pledgor is otherwise entitled to issue instructions and such instructions conflict with any instructions issued by the First Lien Collateral Agent or the Second Lien Collateral Agent (either with the consent of the First Lien Collateral Agent or following the receipt by Issuer or a Notice of Termination of First Lien Obligations), if applicable, the Issuer shall follow the instructions issued by the applicable Collateral Agent.

Section 4. Additional Representations and Warranties of the Issuer. The Issuer hereby represents and warrants to the Collateral Agents:

(a) It has not entered into, and until the termination of this agreement will not enter into, any agreement with any other person relating the Pledged Shares pursuant to which it has agreed to comply with instructions issued by such other person.

(b) It has not entered into, and until the termination of this agreement will not enter into, any agreement with the Pledgor or the Collateral Agents purporting to limit or condition the obligation of the Issuer to comply with Instructions as set forth in Section 3 hereof.

(c) Except for the security interests of the Collateral Agents and of the Pledgor in the Pledged Shares, the Issuer does not know of any security interest in the Pledged Shares. If any person asserts any lien, encumbrance or adverse claim (including any writ, garnishment, judgment, warrant of attachment, execution or similar process) against the Pledged Shares, the Issuer will promptly notify the Collateral Agents and the Pledgor thereof.

(d) This Uncertificated Securities Control Agreement is the valid and legally binding obligation of the Issuer.

Section 5. Choice of Law. This Agreement shall be governed by the laws of the State of New York.

Section 6. Conflict with Other Agreements. In the event of any conflict between this Agreement (or any portion thereof) and any other agreement now existing or hereafter entered into, the terms of this Agreement shall prevail. No amendment or modification of this Agreement or waiver of any right hereunder shall be binding on any party hereto unless it is in writing and is signed by all of the parties hereto.

Section 7. Voting Rights. Until such time as the Collateral Agents shall otherwise instruct the Issuer in writing, the Pledgor shall have the right to vote the Pledged Shares.

Section 8. Successors; Assignment. The terms of this Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective successors and assigns. Each Collateral Agent may assign its rights hereunder only with the express written consent of the Issuer and by sending written notice of such assignment to the Pledgor.

Section 9. Indemnification of Issuer. The Pledgor and the Collateral Agents hereby agree that (a) the Issuer is released from any and all liabilities to the Pledgor and the Collateral Agent arising from the terms of this Agreement and the compliance of the Issuer with the terms hereof, except to the extent that such liabilities arise from the Issuer's negligence and (b) the Pledgor, its successors and assigns shall at all times indemnify and save harmless the Issuer from and against any and all claims, actions and suits of others arising out of the terms of this Agreement or the compliance of the Issuer with the terms hereof, except to the extent that such arises from the Issuer's negligence, and from and against any and all liabilities, losses, damages, costs, charges, counsel fees and other expenses of every nature and character arising by reason of the same, until the termination of this Agreement.

Section 10. Notices. Any notice, request or other communication required or permitted to be given under this Agreement shall be in writing and deemed to have been properly given when delivered in person, or when sent by telecopy or other electronic means and electronic confirmation of error free receipt is received or two (2) days after being sent by certified or registered United States mail, return receipt requested, postage prepaid, addressed to the party at the address set forth below.

Pledgor:	**[INSERT ADDRESS]** Attention: Telecopier:
First Lien Collateral Agent:	**[INSERT ADDRESS]** Attention: Telecopier:
Second Lien Collateral Agent:	**[INSERT ADDRESS]** Attention: Telecopier:
Issuer:	**[INSERT ADDRESS]** Attention: Telecopier:

Any party may change its address for notices in the manner set forth above.

Section 11. Termination. The obligations of the Issuer to the Collateral Agents pursuant to this Control Agreement shall continue in effect until the security interests of both Collateral Agents in the Pledged Shares have been terminated pursuant to the terms of the Security Agreements and each Collateral Agent has notified the Issuer of such termination in writing. Each Collateral Agent agrees to provide a Notice of Termination in substantially the form of Exhibit B hereto to the Issuer upon the request of the Pledgor on or after the termination of such Collateral Agent's security interest in the Pledged Shares pursuant to the terms of the applicable Security Agreement. The termination of this Control Agreement shall not terminate the Pledged Shares or alter the obligations of the Issuer to the Pledgor pursuant to any other agreement with respect to the Pledged Shares.

Section 12. Counterparts. This Agreement may be executed in any number of counterparts, all of which shall constitute one and the same instrument, and any party hereto may execute this Agreement by signing and delivering one or more counterparts.

IN WITNESS WHEREOF, the parties hereto have caused this Uncertificated Securities Control Agreement to be executed as of the date first above written by their respective officers thereunto duly authorized.

[NAME OF PLEDGOR]

By: ________________________
Name:
Title:

[FIRST LIEN COLLATERAL AGENT].
as First Lien Collateral Agent

By: ________________________
Name:
Title:

[SECOND LIEN COLLATERAL AGENT].
as Second Lien Collateral Agent

By: ________________________
Name:
Title

[NAME OF ISSUER]

By: ________________________
Name:
Title:

EXHIBIT A
TO UNCERTIFICATED SECURITIES CONTROL AGREEMENT

[Letterhead of First Lien Collateral Agent]

NOTICE OF TERMINATION OF FIRST LIEN OBLIGATIONS

[Name of Financial Institution]
[Address]

[Name of Second Lien Collateral Agent]
[Address]

Attention:

Re: Uncertificated Securities Control Agreement dated as of _______, 200_ (as amended, restated, supplemented or otherwise modified from time to time, the **"Control Agreement"**) by and among [NAME OF PLEDGOR], [NAME OF FIRST LIEN COLLATERAL AGENT], as First Lien Collateral Agent (in such capacity, the **"First Lien Collateral Agent"**), [NAME OF SECOND LIEN COLLATERAL AGENT], as Second Lien Collateral Agent (in such capacity, the **"Second Lien Collateral Agent"**) and [NAME OF FINANCIAL INSTITUTION] re: Pledged Shares issued by [NAME OF ISSUER].

Ladies and Gentlemen:

You are hereby notified that there has been a Discharge of First Lien Obligations.

Capitalized terms used but not defined herein shall have the meanings set forth in the Control Agreement.

Sincerely,

[NAME OF FIRST LIEN COLLATERAL AGENT]
as First Lien Collateral Agent

By: ______________________________
Name:
Title:

Cc: [PLEDGOR]

EXHIBIT B
TO UNCERTIFICATED SECURITIES CONTROL AGREEMENT

[Letterhead of First/Second Lien Collateral Agent]

[Date]

[Name and Address of Issuer]

Attention: ____________________

Re: Termination of Control Agreement

You are hereby notified that the Uncertificated Securities Control Agreement between you, [the Pledgor] and the undersigned (a copy of which is attached) is terminated and you have no further obligations to the undersigned pursuant to such Agreement. Notwithstanding any previous instructions to you, you are hereby instructed to accept all future directions with respect to Pledged Shares (as defined in the Uncertificated Control Agreement) from [the Pledgor]. This notice terminates any obligations you may have to the undersigned with respect to the Pledged Shares, however nothing contained in this notice shall alter any obligations which you may otherwise owe to [the Pledgor] pursuant to any other agreement.

You are instructed to deliver a copy of this notice by facsimile transmission to [insert name of Pledgor].

Very truly yours,

[NAME OF FIRST/SECOND LIEN
COLLATERAL AGENT]
as First/Second Lien Collateral Agent

By: ______________________________
Name:
Title:

SECURITIES ACCOUNT CONTROL AGREEMENT

This Securities Account Control Agreement dated as of __________, 200___ (this "**Agreement**") among ____________________ (the "**Debtor**"), [NAME OF FIRST LIEN COLLATERAL AGENT], in its capacity as collateral agent for the First Lien Claimholders (as defined in the Intercreditor Agreement referenced below, including its successors and assigns from time to time, the "**First Lien Collateral Agent**"), [NAME OF SECOND LIEN COLLATERAL AGENT], in its capacity as collateral agent for the Second Lien Claimholders (as defined in the Intercreditor Agreement referenced below, including its successors and assigns from time to time, the "**Second Lien Collateral Agent**", and together with the First Lien Collateral Agent, the **"Collateral Agents"**), and __________, in its capacity as a "securities intermediary" as defined in Section 8-102 of the UCC (in such capacity, the "**Securities Intermediary**"). Capitalized terms used but not defined herein shall have the meaning assigned in the Intercreditor Agreement dated December [___], 2006 (as amended, restated, supplemented or otherwise modified from time to time, the **"Intercreditor Agreement"**) among COFFEYVILLE RESOURCES, LLC (**"Borrower"**), J. Aron & Company, including its successors and assigns from time to time **("J. Aron"**), and the Collateral Agents. All references herein to the "**UCC**" shall mean the Uniform Commercial Code as in effect in the State of New York.

Section 1. Priority of Lien. Pursuant to that certain Amended and Restated First Lien Pledge and Security Agreement dated as of December [___], 2006 (as amended, restated, supplemented or otherwise modified from time to time, the "**First Lien Security Agreement**"), among the Debtor, the other grantors party thereto and the First Lien Collateral Agent, and that certain Second Lien Pledge and Security Agreement dated as of June 24, 2005, and amended as of July 8, 2005 (as amended, restated, supplemented or otherwise modified from time to time, the "**Second Lien Security Agreement**"; and together with the First Lien Security Agreement, the "**Security Agreements**"), among the Debtor, the other grantors party thereto and the Second Lien Collateral Agent, the Debtor has granted a security interest in all of the Debtor's rights in the Securities Account referred to in Section 2 below to each of the First Lien Collateral Agent and the Second Lien Collateral Agent, respectively. The First Lien Collateral Agent and Second Lien Collateral Agent, the Debtor and the Securities Intermediary are entering into this Agreement to perfect each of the First Lien Collateral Agent, and the Second Lien Collateral Agent's security interest in such Securities Account. As between the First Lien Collateral Agent and the Second Lien Collateral Agent, the First Lien Collateral Agent shall have a first priority security interest in such Securities Account and the Second Lien Collateral Agent shall have a second priority security interest in such Securities Account in accordance with the Intercreditor Agreement. The Securities Intermediary hereby acknowledges that it has received notice of the security interests of the First Lien Collateral Agent and the Second Lien Collateral Agent in such Securities Account and hereby acknowledges and consents to such liens.

Section 2. Establishment of Securities Account. The Securities Intermediary hereby confirms and agrees that:

(a) The Securities Intermediary has established account number **[IDENTIFY ACCOUNT NUMBER]** in the name "**[IDENTIFY EXACT TITLE OF ACCOUNT]**" (such account and any successor account, the "**Securities Account**") and the Securities Intermediary shall not change the name or account number of the Securities Account without the prior written consent of (i) prior to delivery of a Notice of Termination of First Lien Obligations in the form of Exhibit A attached hereto ("**Notice of Termination of First Lien Obligations**"), the First Lien Collateral Agent, (ii) subsequent to delivery of a Notice of Termination of First Lien Obligations, the Second Lien Collateral Agent, and (iii) prior to delivery pursuant to Section 9(a) of a Notice of Sole Control in substantially the form set forth in Exhibit B attached hereto ("**Notice of Sole Control**"), the Debtor;

(b) All securities or other property underlying any financial assets credited to the Securities Account shall be registered in the name of the Securities Intermediary, indorsed to the Securities Intermediary or in blank or credited to another securities account maintained in the name of the Securities Intermediary and in no case will any financial asset credited to the Securities Account be registered in the name of the Debtor, payable to the order of the Debtor or specially indorsed to the Debtor except to the extent the foregoing have been specially indorsed to the Securities Intermediary or in blank;

(c) All property delivered to the Securities Intermediary pursuant to the Security Agreement will be promptly credited to the Securities Account; and

(d) The Securities Account is a "securities account" within the meaning of Section 8-501 of the UCC.

Section 3. "Financial Assets" Election. The Securities Intermediary hereby agrees that each item of property (including, without limitation, any investment property, financial asset, security, instrument, general intangible or cash) credited to the Securities Account shall be treated as a "financial asset" within the meaning of Section 8-102(a)(9) of the UCC.

Section 4. Control of the Securities Account. If at any time the Securities Intermediary shall receive any order from the First Lien Collateral Agent directing transfer or redemption of any financial asset relating to the Securities Account, the Securities Intermediary shall comply with such entitlement order without further consent by the Debtor or any other person. If at any time the Securities Intermediary shall receive any entitlement order from the Second Lien Collateral Agent directing transfer or redemption of any financial asset relating to the Securities Account, the Securities Intermediary shall comply with such entitlement order without further consent by the Debtor or any other person; provided that, prior to receipt by the Securities Intermediary of a Notice of Termination of First Lien Obligations, the Securities Intermediary shall not comply with any entitlement order issued by the Second Lien Collateral Agent without the consent of the First Lien Collateral Agent; and provided further that the Second Lien Collateral Agent shall not issue any entitlement orders other than in accordance with Section 3 of the Intercreditor Agreement. The Securities Intermediary shall comply with entitlement orders from the Debtor directing transfer or redemption of any financial asset relating to the Securities Account until such time as the Securities Intermediary has received a Notice of Sole Control delivered pursuant to Section 9(a). Until such time as the Securities Intermediary has received a Notice of Sole Control delivered under Section 9(a), the Securities Intermediary shall be entitled to distribute to the Debtor all income on the financial assets in the Securities Account. If the Debtor is otherwise entitled to issue entitlement orders and such orders conflict with any entitlement order issued by the First Lien Collateral Agent or the Second Lien Collateral Agent (following the receipt by Financial Institution of a Notice of Termination of First Lien

Obligations), the Securities Intermediary shall follow the orders issued by the applicable Collateral Agent.

Section 5. Subordination of Lien; Waiver of Set-Off. In the event that the Securities Intermediary has or subsequently obtains by agreement, by operation of law or otherwise a security interest in the Securities Account or any security entitlement credited thereto, the Securities Intermediary hereby agrees that such security interest shall be subordinate to the security interests of the Collateral Agents. The financial assets and other items deposited to the Securities Account will not be subject to deduction, set-off, banker's lien, or any other right in favor of any person other than the Collateral Agents (except that the Securities Intermediary may set off (i) all amounts due to the Securities Intermediary in respect of customary fees and expenses for the routine maintenance and operation of the Securities Account and (ii) the face amount of any checks which have been credited to such Securities Account but are subsequently returned unpaid because of uncollected or insufficient funds).

Section 6. Choice of Law. This Agreement and the Securities Account shall each be governed by the laws of the State of New York. Regardless of any provision in any other agreement, for purposes of the UCC, New York shall be deemed to be the Securities Intermediary's jurisdiction (within the meaning of Section 8-110 of the UCC) and the Securities Account (as well as the securities entitlements related thereto) shall be governed by the laws of the State of New York.

Section 7. Conflict with Other Agreements.

(a) In the event of any conflict between this Agreement (or any portion thereof) and any other agreement now existing or hereafter entered into, the terms of this Agreement shall prevail;

(b) No amendment or modification of this Agreement or waiver of any right hereunder shall be binding on any party hereto unless it is in writing and is signed by all of the parties hereto;

(c) The Securities Intermediary hereby confirms and agrees that:

(i) There are no other control agreements entered into between the Securities Intermediary and the Debtor with respect to the Securities Account;

(ii) It has not entered into, and until the termination of this Agreement, will not enter into, any agreement with any other person relating to the Securities Account and/or any financial assets credited thereto pursuant to which it has agreed to comply with entitlement orders (as defined in Section 8-102(a)(8) of the UCC) of such other person; and

(iii) It has not entered into, and until the termination of this Agreement, will not enter into, any agreement with the Debtor or either Collateral Agent purporting to limit or condition the obligation of the Securities Intermediary to comply with entitlement orders as set forth in Section 4 hereof.

Section 8. Adverse Claims. Other than the security interests of the Collateral Agents in the Securities Account, the Securities Intermediary does not know of any security interest in the Securities Account or in any "financial asset" (as defined in Section 8-102(a) of the UCC) credited thereto. If any person asserts any lien, encumbrance or adverse claim (including any writ, garnishment, judgment, warrant of attachment, execution or similar process) against the Securities Account or in any financial asset carried therein, the Securities Intermediary will promptly notify the Collateral Agents and the Debtor thereof.

Section 9. Maintenance of Securities Account. In addition to, and not in lieu of, the obligation of the Securities Intermediary to honor entitlement orders as agreed in Section 4 hereof, the Securities Intermediary agrees to maintain the Securities Account as follows:

(a) Notice of Sole Control. If at any time the First Lien Collateral Agent or, after delivery of a Notice of Termination of First Lien Obligations, the Second Lien Collateral Agent, as the case may be, delivers to the Securities Intermediary a Notice of Sole Control in substantially the form set forth in Exhibit B hereto, the Securities Intermediary agrees that after receipt of such notice, it will take all instruction with respect to the Securities Account solely from the appropriate Collateral Agent.

(b) Voting Rights. Until such time as the Securities Intermediary receives a Notice of Sole Control pursuant to subsection (a) of this Section 8, the Debtor shall direct the Securities Intermediary with respect to the voting of any financial assets credited to the Securities Account.

(c) Permitted Investments. Until such time as the Securities Intermediary receives a Notice of Sole Control signed by the applicable Collateral Agent, the Debtor shall direct the Securities Intermediary with respect to the selection of investments to be made for the Securities Account; provided, however, that the Securities Intermediary shall not honor any instruction to purchase any investments other than investments of a type described on Exhibit C hereto.

(d) Statements and Confirmations. The Securities Intermediary will promptly send copies of all statements, confirmations and other correspondence concerning the Securities Account and/or any financial assets credited thereto simultaneously to each of the Debtor and the Collateral Agents at the address for each set forth in Section 13 of this Agreement.

(e) Tax Reporting. All items of income, gain, expense and loss recognized in the Securities Account shall be reported to the Internal Revenue Service and all state and local taxing authorities under the name and taxpayer identification number of the Debtor.

Section 10. Representations, Warranties and Covenants of the Securities Intermediary. The Securities Intermediary hereby makes the following representations, warranties and covenants:

(a) The Securities Account has been established as set forth in Section 1 above and such Securities Account will be maintained in the manner set forth herein until termination of this Agreement; and

(b) This Agreement is the valid and legally binding obligation of the Securities Intermediary.

Section 11. Indemnification of Securities Intermediary. The Debtor and the Collateral Agents hereby agree that (a) the Securities Intermediary is released from any and all liabilities to the Debtor and the Collateral Agents arising from the terms of this Agreement and the compliance of the Securities Intermediary with the terms hereof, except to the extent that such liabilities arise from the Securities Intermediary's negligence and (b) the Debtor, its successors and assigns shall at all times indemnify and save harmless the Securities Intermediary from and against any and all claims, actions and suits of others arising out of the terms of this Agreement or the compliance of the Securities Intermediary with the terms hereof, except to the extent that such arises from the Securities Intermediary's negligence, and from and against any and all liabilities, losses, damages, costs, charges, counsel fees and other expenses of every nature and character arising by reason of the same, until the termination of this Agreement.

Section 12. Successors; Assignment. The terms of this Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective successors and assigns. Each Collateral Agent may assign its rights hereunder only with the express written consent of the Securities Intermediary and by sending written notice of such assignment to the Debtor.

Section 13. Notices. Any notice, request or other communication required or permitted to be given under this Agreement shall be in writing and deemed to have been properly given when delivered in person, or when sent by telecopy or other electronic means and electronic confirmation of error free receipt is received or two (2) days after being sent by certified or registered United States mail, return receipt requested, postage prepaid, addressed to the party at the address set forth below.

Debtor:	**[INSERT ADDRESS]** Attention: Telecopier:
First Lien Collateral Agent:	**[INSERT ADDRESS]** Attention: Telecopier:
Second Lien Collateral Agent:	**[INSERT ADDRESS]** Attention: Telecopier:
Securities Intermediary:	**[INSERT ADDRESS]** Attention: Telecopier:

Any party may change its address for notices in the manner set forth above.

Section 14. Termination. The obligations of the Securities Intermediary to the Collateral Agents pursuant to this Agreement shall continue in effect until the security interest of both Collateral Agents in the Securities Account has been terminated pursuant to the terms of the Security Agreements and the applicable Collateral Agent has notified the Securities Intermediary of such termination in writing. The applicable Collateral Agent agrees to provide Notice of Termination in substantially the form of Exhibit D hereto to the Securities Intermediary upon the request of the Debtor on or after the termination of such Collateral Agent's security interest in the Securities Account pursuant to the terms of the applicable Security Agreement. The termination of this Agreement shall not terminate the Securities Account or alter the obligations of the Securities Intermediary to the Debtor pursuant to any other agreement with respect to the Securities Account.

Section 15. Counterparts. This Agreement may be executed in any number of counterparts, all of which shall constitute one and the same instrument, and any party hereto may execute this Agreement by signing and delivering one or more counterparts.

IN WITNESS WHEREOF, the parties hereto have caused this Securities Account Control Agreement to be executed as of the date first above written by their respective officers thereunto duly authorized.

[NAME OF DEBTOR]

By: ____________________
Name:
Title:

[NAME OF FIRST LIEN COLLATERAL AGENT]
as First Lien Collateral Agent

By: ____________________
Name:
Title:

[NAME OF SECOND LIEN COLLATERAL AGENT]
as Second Lien Collateral Agent

By: ____________________
Name:
Title:

[NAME OF SECURITIES INTERMEDIARY]
as Securities Intermediary

By: ____________________
Name:
Title:

EXHIBIT A
TO SECURITIES ACCOUNT CONTROL AGREEMENT

NOTICE OF TERMINATION OF FIRST LIEN OBLIGATIONS

[Name of Financial Institution]
[Address]

[NAME OF SECOND LIEN COLLATERAL AGENT]
[ADDRESS]

Re: Securities Account Control Agreement dated as of_____, 200__ (as amended, restated, supplemented or otherwise modified from time to time, the **"Control Agreement"**) by and among [NAME OF DEBTOR] (the **"Company"**), [NAME OF FIRST LIEN COLLATERAL AGENT], as First Lien Collateral Agent (in such capacity, the **"First Lien Collateral Agent"**), [NAME OF SECOND LIEN COLLATERAL AGENT], as Second Lien Collateral Agent (in such capacity, the **"Second Lien Collateral Agent"**) and [NAME OF FINANCIAL INSTITUTION] re securities account number __________ and all financial assets credited thereto (the **"Account"**).

Ladies and Gentlemen:

You are hereby notified that there has been a Discharge of First Lien Obligations. You are hereby instructed that you may comply with entitlement orders originated by the Second Lien Collateral Agent directing transfer or redemption of any financial asset relating to the Account without our consent, the consent of the Company or the consent of any other person.

Capitalized terms used but not defined herein shall have the meanings set forth in the Control Agreement.

Sincerely,

[NAME OF FIRST LIEN COLLATERAL AGENT]
as First Lien Collateral Agent

By: ______________________________
Name:
Title:

Cc: [Debtor]

EXHIBIT B
TO SECURITIES ACCOUNT CONTROL AGREEMENT

[Letterhead of First/Second Lien Collateral Agent]

[Date]

[Name and Address of Securities Intermediary]

Attention:

Re: **Notice of Sole Control**

Ladies and Gentlemen:

As referenced in the Securities Account Control Agreement dated as of ___, 200___ among **[NAME OF THE DEBTOR]**, you and the undersigned (a copy of which is attached), we hereby give you notice of our sole control over securities account number **__________** (the "**Securities Account**") and all financial assets credited thereto. You are hereby instructed not to accept any direction, instructions or entitlement orders with respect to the Securities Account or the financial assets credited thereto from any person other than the undersigned, unless otherwise ordered by a court of competent jurisdiction.

You are instructed to deliver a copy of this notice by facsimile transmission to **[NAME OF THE DEBTOR]**.

Very truly yours,

[NAME OF FIRST/SECOND LIEN COLLATERAL AGENT]
as First/Second Lien Collateral Agent

By: ______________________________
Name:
Title:

cc: **[NAME OF THE DEBTOR]**

Permitted Investments

[TO COME]

EXHIBIT D
TO SECURITIES ACCOUNT CONTROL AGREEMENT

[Letterhead of First/Second Lien Collateral Agent]

[Date]

[Name and Address of Securities Intermediary]

Attention:

Re: **Termination of Securities Account Control Agreement**

You are hereby notified that the Securities Account Control Agreement dated as of ___, 200___ among you, **[NAME OF THE DEBTOR]** and the undersigned (a copy of which is attached) is terminated and you have no further obligations to the undersigned pursuant to such Agreement. Notwithstanding any previous instructions to you, you are hereby instructed to accept all future directions with respect to account number(s) from **[NAME OF THE DEBTOR]**. This notice terminates any obligations you may have to the undersigned with respect to such account, however nothing contained in this notice shall alter any obligations which you may otherwise owe to **[NAME OF THE DEBTOR]** pursuant to any other agreement.

You are instructed to deliver a copy of this notice by facsimile transmission to **[NAME OF THE DEBTOR]**.

Very truly yours,

[NAME OF FIRST/SECOND LIEN COLLATERAL AGENT]
as First/Second Lien Collateral Agent

By: ______________________________
Name:
Title:

DEPOSIT ACCOUNT CONTROL AGREEMENT

This Deposit Account Control Agreement dated as of __________, 200___ (this "**Agreement**") among __________ (the "**Debtor**"), [NAME OF FIRST LIEN COLLATERAL AGENT], in its capacity as collateral agent for the First Lien Obligations (as defined in the Intercreditor Agreement referenced below, including its successors and assigns from time to time, the "**First Lien Collateral Agent**"), [NAME OF SECOND LIEN COLLATERAL AGENT], in its capacity as Collateral Agent for the Second Lien Obligations (as defined in the Intercreditor Agreement referenced below, including its successors and assigns from time to time, the "**Second Lien Collateral Agent**", and together with the First Lien Collateral Agent, the **"Collateral Agents"**), and __________, in its capacity as a "bank" as defined in Section 9-102 of the UCC (in such capacity, the "**Financial Institution**"). Capitalized terms used herein but not otherwise defined herein shall have the meanings set forth in the Intercreditor Agreement, dated December [___], 2006 (as amended, restated, supplemented or otherwise modified from time to time, the "**Intercreditor Agreement**"), among COFFEYVILLE RESOURCES, LLC (**"Borrower"**), J. Aron & Company, including its successors and assigns from time to time **("J. Aron")**, and the Collateral Agents. All references herein to the "UCC" shall mean the Uniform Commercial Code as in effect in the State of New York.

Section 1. Priority of Lien. Pursuant to that certain Amended and Restated First Lien Pledge and Security Agreement dated as of December [___], 2006 (as amended, restated, supplemented or otherwise modified from time to time, the "**First Lien Security Agreement**"), among the Debtor, the other grantors party thereto and the First Lien Collateral Agent, and that certain Second Lien Pledge and Security Agreement dated as of June 24, 2005, and amended as of July 8, 2005 (as amended, restated, supplemented or otherwise modified from time to time, the "**Second Lien Security Agreement**"; and together with the First Lien Security Agreement, the "**Security Agreements**"), among the Debtor, the other grantors party thereto and the Second Lien Collateral Agent, the Debtor has granted a security interest in all of the Debtor's rights in the Deposit Account referred to in Section 2 below to each of the First Lien Collateral Agent and the Second Lien Collateral Agent, respectively. The First Lien Collateral Agent and Second Lien Collateral Agent, the Debtor and the Financial Institution are entering into this Agreement to perfect each of the First Lien Collateral Agent's, and the Second Lien Collateral Agent's security interest in the Deposit Account. As between the First Lien Collateral Agent and the Second Lien Collateral Agent, the First Lien Collateral Agent shall have a first priority security interest in the Deposit Account and the Second Lien Collateral Agent shall have a second priority security interest in the Deposit Account (which relationship between the Collateral Agents is set forth in the Intercreditor Agreement). The Financial Institution hereby acknowledges that it has received notice of the respective security interests of the First Lien Collateral Agent and the Second Lien Collateral Agent in the Deposit Account and hereby acknowledges and consents to such liens.

Section 2. Establishment of Deposit Account. The Financial Institution hereby confirms and agrees that:

(a) The Financial Institution has established account number **[IDENTIFY ACCOUNT NUMBER]** in the name "**[IDENTIFY EXACT TITLE OF ACCOUNT]**" (such account and any successor account, the "**Deposit Account**") and the Financial Institution shall not change the name or account number of the Deposit Account without the prior written consent of (i) prior to delivery of a Notice of Termination of First Lien Obligations in the form of Exhibit A attached hereto ("**Notice of Termination of First Lien Obligations**"), the First Lien Collateral Agent, (ii) subsequent to delivery of a Notice of Termination of First Lien Obligations, the Second Lien Collateral Agent, (iii) prior to delivery pursuant to Section 8(a) of a Notice of Sole Control in substantially the form set forth in Exhibit B hereto (**"Notice of Sole Control"**), the Debtor; and

(b) The Deposit Account is a "deposit account" within the meaning of Section 9-102(a)(29) of the UCC.

Section 3. Control of the Deposit Account. If at any time the Financial Institution shall receive any instructions originated by the First Lien Collateral Agent directing the disposition of funds in the Deposit Account, the Financial Institution shall comply with such instructions without further consent by the Debtor or any other person. If at any time the Financial Institution shall receive any instructions originated by the Second Lien Collateral Agent directing the disposition of funds in the Deposit Account, the Financial Institution shall comply with such instructions without further consent by the Debtor or any other person; provided that, prior to receipt by the Financial Institution of a Notice of Termination of First Lien Obligations, the Financial Institution shall not comply with instructions originated by the Second Lien Collateral Agent without the consent of the First Lien Collateral Agent; and provided further that the Second Lien Collateral Agent shall not give any such instructions other than in accordance with Section 3 of the Intercreditor Agreement. The Financial Institution shall comply with instructions from the Debtor directing the disposition of funds in the Deposit Account until such time as the Financial Institution has received a Notice of Sole Control delivered pursuant to Section 8(a). If the Debtor is otherwise entitled to issue instructions directing the disposition of funds in the Deposit Account and such instructions conflict with any instructions issued by the First Lien Collateral Agent or the Second Lien Collateral Agent (following the receipt by Financial Institution of a Notice of Termination of First Lien Obligations), the Financial Institution shall follow the instructions issued by the applicable Collateral Agent.

Section 4. Subordination of Lien; Waiver of Set-Off. In the event that the Financial Institution has or subsequently obtains by agreement, by operation of law or otherwise a security interest in the Deposit Account or any funds credited thereto, the Financial Institution hereby agrees that such security interest shall be subordinate to the security interests of the Collateral Agents. Money and other items credited to the Deposit Account will not be subject to deduction, set-off, banker's lien, or any other right in favor of any person other than the Collateral Agents (except that the Financial Institution may set off (i) all amounts due to the Financial Institution in respect of customary fees and expenses for the routine maintenance and operation of the Deposit Account and (ii) the face amount of any checks which have been credited to such Deposit Account but are subsequently returned unpaid because of uncollected or insufficient funds).

Section 5. Choice of Law. This Agreement and the Deposit Account shall each be governed by the laws of the State of New York. Regardless of any provision in any other agreement, for purposes of the UCC, New York shall be deemed to be the Financial Institution's jurisdiction (within the meaning of Section 9-304 of the UCC) and the Deposit Account shall be governed by the laws of the State of New York.

Section 6. Conflict with Other Agreements.

(a) In the event of any conflict between this Agreement (or any portion thereof) and any other agreement now existing or hereafter entered into, the terms of this Agreement shall prevail;

(b) No amendment or modification of this Agreement or waiver of any right hereunder shall be binding on any party hereto unless it is in writing and is signed by all of the parties hereto; and

(c) The Financial Institution hereby confirms and agrees that:

(i) There are no other agreements entered into between the Financial Institution and the Debtor with respect to the Deposit Account;

(ii) It has not entered into, and until the termination of this Agreement, will not enter into, any agreement with any other person relating the Deposit Account and/or any funds credited thereto pursuant to which it has agreed to comply with instructions originated by such persons as contemplated by Section 9-104 of the UCC; and

(iii) It has not entered into, and until the termination of this Agreement, will not enter into, any agreement with the Debtor or either Collateral Agent purporting to limit or condition the obligation of the Financial Institution to comply with instructions orders as set forth in Section 3 hereof.

Section 7. Adverse Claims. Other than the security interests of the Collateral Agents, the Financial Institution does not know of any security interest in the Deposit Account. If any person asserts any lien, encumbrance or adverse claim (including any writ, garnishment, judgment, warrant of attachment, execution or similar process) against the Deposit Account, the Financial Institution will promptly notify the Collateral Agents and the Debtor thereof.

Section 8. Maintenance of Deposit Account. In addition to, and not in lieu of, the obligation of the Financial Institution to honor instructions as set forth in Section 3 hereof, the Financial Institution agrees to maintain the Deposit Account as follows:

(a) Notice of Sole Control. If at any time the First Lien Collateral Agent or the Second Lien Collateral Agent, as the case may be, delivers to the Financial Institution a Notice of Sole Control in substantially the form set forth in Exhibit B hereto, the Financial Institution agrees that after receipt of such notice, it will take all instruction with respect to the Deposit Account solely from the appropriate Collateral Agent, as provided herein;

(b) Statements and Confirmations. The Financial Institution will promptly send copies of all statements, confirmations and other correspondence concerning the Deposit Account simultaneously to each of the Debtor and the Collateral Agents at the address for each set forth in Section 11 of this Agreement; and

(c) Tax Reporting. All interest, if any, relating to the Deposit Account, shall be reported to the Internal Revenue Service and all state and local taxing authorities under the name and taxpayer identification number of the Debtor.

Section 9. Representations, Warranties and Covenants of the Financial Institution. The Financial Institution hereby makes the following representations, warranties and covenants:

(a) The Deposit Account has been established as set forth in Section 1 and such Deposit Account will be maintained in the manner set forth herein until termination of this Agreement; and

(b) This Agreement is the valid and legally binding obligation of the Financial Institution.

Section 10. Indemnification of Financial Institution. The Debtor and the Collateral Agents hereby agree that (a) the Financial Institution is released from any and all liabilities to the Debtor and the Collateral Agents arising from the terms of this Agreement and the compliance of the Financial Institution with the terms hereof, except to the extent that such liabilities arise from the Financial Institution's negligence and (b) the Debtor, its successors and assigns shall at all times indemnify and save harmless the Financial Institution from and against any and all claims, actions and suits of others arising out of the terms of this Agreement or the compliance of the Financial Institution with the terms hereof, except to the extent that such arises from the Financial Institution's negligence, and from and against any and all liabilities, losses, damages, costs, charges, counsel fees and other expenses of every nature and character arising by reason of the same, until the termination of this Agreement.

Section 11. Successors; Assignment. The terms of this Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective successors and assigns. Each Collateral Agent may assign its rights hereunder only with the express written consent of the Financial Institution and by sending written notice of such assignment to the Debtor.

Section 12 Notices. Any notice, request or other communication required or permitted to be given under this Agreement shall be in writing and deemed to have been properly given when delivered in person, or when sent by telecopy or other electronic means and electronic confirmation of error free receipt is received or two (2) days after being sent by certified or registered United States mail, return receipt requested, postage prepaid, addressed to the party at the address set forth below.

Debtor:	**[INSERT ADDRESS]** Attention: Telecopier:
First Lien Collateral Agent:	**[INSERT ADDRESS]** Attention: Telecopier:
Second Lien Collateral Agent:	**[INSERT ADDRESS]** Attention: Telecopier:
Financial Institution:	**[INSERT ADDRESS]** Attention: Telecopier:

Any party may change its address for notices in the manner set forth above.

Section 13. Termination. The obligations of the Financial Institution to the Collateral Agents pursuant to this Agreement shall continue in effect until the security interests of the Collateral Agents in the Deposit Account have been terminated pursuant to the terms of the Security Agreements and the applicable Collateral Agent has notified the Financial Institution of such termination in writing. Each Collateral Agent agrees to provide Notice of Termination in substantially the form of Exhibit A hereto to the Financial Institution upon the request of the Debtor on or after the termination of the applicable Collateral Agent's security interest in the Deposit Account pursuant to the terms of the applicable Security Agreement. The termination of this Agreement shall not terminate the Deposit Account or alter the obligations of the Financial Institution to the Debtor pursuant to any other agreement with respect to the Deposit Account.

Section 14. Counterparts. This Agreement may be executed in any number of counterparts, all of which shall constitute one and the same instrument, and any party hereto may execute this Agreement by signing and delivering one or more counterparts.

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Deposit Account Control Agreement to be executed as of the date first above written by their respective officers thereunto duly authorized.

[DEBTOR]

By: ____________________________
Name:
Title:

[NAME OF FIRST LIEN COLLATERAL AGENT]
as First Lien Collateral Agent

By: ____________________________
Name:
Title:

[NAME OF SECOND LIEN COLLATERAL AGENT]
as Second Lien Collateral Agent

By: ____________________________
Name:
Title:

[NAME OF FINANCIAL INSTITUTION]
as Financial Institution

By: ____________________________
Name:
Title:

EXHIBIT A
TO DEPOSIT ACCOUNT CONTROL AGREEMENT

[Letterhead of the First Lien Collateral Agent]

NOTICE OF TERMINATION OF FIRST LIEN OBLIGATIONS

[Name of Financial Institution]
[Address]

[NAME OF SECOND LIEN COLLATERAL AGENT]
[ADDRESS]

Re: Deposit Account Control Agreement dated as of [______], 200__ (as amended, restated, supplemented or otherwise modified from time to time, the "**Control Agreement**") by and among [NAME OF DEBTOR] (the "Company"), [NAME OF FIRST LIEN COLLATERAL AGENT], as First Lien Collateral Agent (in such capacity, the **"First Lien Collateral Agent"**), [NAME OF SECOND LIEN COLLATERAL AGENT], as Second Lien Collateral Agent (in such capacity, the **"Second Lien Collateral Agent"**) and [NAME OF FINANCIAL INSTITUTION] re deposit account number __________ in the name of __________ (the **"Account"**).

Ladies and Gentlemen:

You are hereby notified that there has been a Discharge of First Lien Obligations. You are hereby instructed that you may comply with instructions issued by the Second Lien Collateral Agent directing disposition of funds in the Account without our consent, the consent of the Company or the consent of any other person.

Capitalized terms used but not defined herein shall have the meanings set forth in the Control Agreement.

Sincerely,

[NAME OF FIRST LIEN COLLATERAL AGENT]
as First Lien Collateral Agent

By: ______________________________
Name:
Title:

Cc: [Debtor]

EXHIBIT B
TO DEPOSIT ACCOUNT CONTROL AGREEMENT

[Letterhead of First/Second Lien Collateral Agent]

[Date]

[Name and Address of Financial Institution]

Attention:

Re: Notice of Sole Control

Ladies and Gentlemen:

As referenced in the Deposit Account Control Agreement dated as of ___, 200___ among [NAME OF THE DEBTOR], you and the undersigned (a copy of which is attached), we hereby give you notice of our sole control over deposit account number __________ (the "**Deposit Account**") and all financial assets credited thereto. You are hereby instructed not to accept any direction, instructions or entitlement orders with respect to the Deposit Account or the financial assets credited thereto from any person other than the undersigned, unless otherwise ordered by a court of competent jurisdiction.

You are instructed to deliver a copy of this notice by facsimile transmission to [NAME OF THE DEBTOR].

Very truly yours,

[NAME OF FIRST/SECOND LIEN COLLATERAL AGENT],
as First/Second Lien Collateral Agent

By: ______________________________
Name:
Title:

cc: [NAME OF THE DEBTOR]

EXHIBIT C
TO DEPOSIT ACCOUNT CONTROL AGREEMENT

[Letterhead of First/Second Lien Collateral Agent]

[Date]

[Name and Address of Financial Institution]

Attention:

Re: Termination of Deposit Account Control Agreement

You are hereby notified that the Deposit Account Control Agreement dated as of ___, 200[_] among [NAME OF THE DEBTOR], you and the undersigned (a copy of which is attached) is terminated and you have no further obligations to the undersigned pursuant to such Agreement. Notwithstanding any previous instructions to you, you are hereby instructed to accept all future directions with respect to account number(s)_____ from [NAME OF THE DEBTOR]. This notice terminates any obligations you may have to the undersigned with respect to such account, however nothing contained in this notice shall alter any obligations which you may otherwise owe to [NAME OF THE DEBTOR] pursuant to any other agreement.

You are instructed to deliver a copy of this notice by facsimile transmission to [NAME OF THE DEBTOR].

Very truly yours,

[NAME OF FIRST/SECOND LIEN COLLATERAL AGENT]
as First/Second Lien Collateral Agent

By: ______________________________
Name:
Title:

Exhibit 10.16

EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT, dated as of July 12, 2005 (the "Employment Agreement"), by and between Coffeyville Resources, LLC, a Delaware limited liability company (the "Company"), and Robert W. Haugen (the "Executive").

WHEREAS, pursuant to the Stock Purchase Agreement, dated as of May 15, 2005 (the "Stock Purchase Agreement"), between Coffeyville Group Holdings, LLC, a Delaware limited liability company ("Seller") and Coffeyville Acquisition LLC, a Delaware limited liability company ("Buyer"), Buyer purchased from Seller all of the issued and outstanding shares of capital stock of Coffeyville Pipeline, Inc., Coffeyville Refining & Marketing, Inc., Coffeyville Nitrogen Fertilizers, Inc., Coffeyville Crude Transportation, Inc. and Coffeyville Terminal, Inc.; and

WHEREAS, the Company and the Executive desire to, effective as of the consummation of the transactions contemplated in the Stock Purchase Agreement, enter into this Employment Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other valid consideration the sufficiency of which is acknowledged, the parties hereto agree as follows:

Section 1. Employment.

1.1. Term. The Company agrees to employ the Executive, and the Executive agrees to be employed by the Company, in each case pursuant to this Employment Agreement, for a period commencing on the "Closing Date" (as such term is defined in the Stock Purchase Agreement) and ending on the earlier of (i) the third (3rd) anniversary of the Closing Date and (ii) the termination of the Executive's employment in accordance with Section 3 hereof (the "Term").

1.2. Duties. During the Term, the Executive shall serve as Executive Vice President – Engineering and Construction of the Company and such other positions as an officer or director of the Company and such affiliates of the Company as the Executive and the board of directors of the Company (the "Board") shall mutually agree from time to time. In such positions, the Executive shall perform such duties, functions and responsibilities during the Term commensurate with the Executive's positions as reasonably directed by the Board.

1.3. Exclusivity. During the Term, the Executive shall devote substantially all of his working time and attention to the business and affairs of the Company, shall faithfully serve the Company, and shall in all material respects conform to and comply with the lawful and reasonable directions and instructions given to him by the Board, consistent with Section 1.2 hereof. During the Term, the Executive shall use his best efforts during his working time to promote and serve the interests of the Company and shall not engage in any other business activity, whether or not such activity shall be engaged in for pecuniary profit. The provisions of this Section 1.3 shall not be construed to prevent the Executive from investing his personal, private assets as a passive investor in such form or manner as will not require any active services on the part of the Executive in the management or operation of the affairs of the companies, partnerships, or other business entities in which any such passive investments are made. Notwithstanding the foregoing, during the Term the Executive shall not engage in any activity related to the construction or operation of ammonia, urea ammonium nitrate or fertilizer plants or facilities anywhere outside of the United States.

Section 2. Compensation.

2.1. Salary. As compensation for the performance of the Executive's services hereunder, during the Term, the Company shall pay to the Executive a salary at an annual rate of Two Hundred Twenty-Five Thousand Dollars ($225,000), payable in accordance with the Company's standard payroll policies, as may be adjusted upward by the Board in its discretion (as adjusted, the "Base Salary").

2.2. Bonus.

(a) Annual Bonus. For each completed fiscal year occurring during the Term, the Executive shall be eligible to receive an annual cash bonus (the "Annual Bonus"). The target Annual Bonus shall be 52% of the Executive's Base Salary as in effect at the beginning of such fiscal year, the actual Annual Bonus to be based upon such individual and/or Company performance criteria established for each such fiscal year by the Board. For 2005, the Executive will be eligible to receive an Annual Bonus under the 2005 Coffeyville Resources, LLC and Affiliated Companies Performance Based Income Sharing Plan (the "2005 Plan") with appropriate adjustments to the performance criteria thereunder to reflect the impact, if any, of the transactions contemplated in the Stock Purchase Agreement. Notwithstanding the foregoing, the Executive shall not be eligible for any pro rata bonus upon termination of the Executive's employment under the 2005 Plan (or any successor plan).

(b) Special Bonus. The Executive shall be eligible to participate in any special bonus program that the Board may implement to reward senior management for extraordinary performance on terms and conditions established by the Board.

2.3. Employee Benefits. During the Term, the Executive shall be eligible to participate in such health, insurance, retirement, and other employee benefit plans and programs of the Company as in effect from time to time on the same basis as other senior executives of the Company.

2.4. Vacation. During the Term, the Executive shall be entitled to paid vacation in accordance with the Company's vacation policy as in effect on the date hereof.

2.5. Business Expenses. The Company shall pay or reimburse the Executive for all commercially reasonable business out-of-pocket expenses that the Executive incurs during the Term in performing his duties under this Employment Agreement upon presentation of documentation and in accordance with the expense reimbursement policy of the Company as approved by the Board and in effect from time to time.

Section 3. Employment Termination.

3.1. Termination of Employment. The Company may terminate the Executive's employment for any reason during the Term, and the Executive may voluntarily terminate his employment for any reason during the Term, in each case (other than a termination by the Company for Cause) at any time upon not less than thirty (30) days' notice to the other party. Upon the termination of the Executive's employment with the Company for any reason (whether during the Term or thereafter), the Executive shall be entitled to any Base Salary earned but unpaid through the date of termination, any earned but unpaid Annual Bonus for completed fiscal years, and any unreimbursed expenses in accordance with Section 2.5 hereof (collectively, the "Accrued Amounts").

3.2. Certain Terminations.

(a) Termination by the Company Other Than For Cause or Disability; Termination by the Executive for Good Reason. If (i) the Executive's employment is terminated by the Company during the Term other than for Cause or Disability or (ii) the Executive resigns for Good Reason, in addition to the Accrued Amounts the Executive shall be entitled to the following payments and benefits: (x) the continuation of his Base Salary at the rate in effect immediately prior to the date of termination for a period of twelve (12) months and (y) the continuation on the same terms as an active employee of medical benefits the Executive would otherwise be eligible to receive as an active employee of the Company for twelve (12) months or until such time as the Executive becomes eligible for medical benefits from a subsequent employer (such payments, the "Severance Payments"). The Company's obligations to make the Severance Payments shall be conditioned upon: (i) the Executive's continued compliance with his obligations under Section 4 of this Employment Agreement and (ii) the Executive's execution, delivery and non-revocation of a valid and enforceable release of claims arising in connection with the Executive's employment and termination of employment with the Company and its affiliates (the "Release") in a form reasonably acceptable to the Company and the Executive. In the event that the Executive breaches any of the covenants set forth in Section 4 of this Employment Agreement, the Executive will immediately return to the Company any portion of the Severance Payments that have been paid to the Executive pursuant to this Section 3.2(a). Subject to Section 3.2(c), the Severance Payments will commence to be paid to the Executive as soon as practicable following the effectiveness of the Release.

(b) Definitions. For purposes of this Section 3.2, the following terms shall have the following meanings:

(1) A termination for "Good Reason" shall mean a termination by the Executive within thirty (30) days following the date on which the Company has engaged in any of the following: (i) the assignment of duties or responsibilities to the Executive that reflect a material diminution of the Executive's position with the Company; (ii) a relocation of the Executive's principal place of employment that increases the Executive's commute by more than fifty (50) miles; or (iii) a reduction in the Executive's Base Salary, other than across-the-board reductions applicable to similarly situated employees of the Company; provided, however, that the Executive must provide the Company with notice promptly following the occurrence of any of foregoing and at least ten (10) business days to cure.

(2) "Cause" shall mean that the Executive has engaged

in any of the following: (i) willful misconduct or breach of fiduciary duty; (ii) intentional failure or refusal to perform reasonably assigned duties after written notice of such willful failure or refusal and the failure or refusal is not corrected within ten (10) business days; (iii) the indictment for, conviction of or entering a plea of guilty or nolo contendere to a crime constituting a felony (other than a traffic violation or other offense or violation outside of the course of employment which does not adversely affect the Company and its affiliates or their reputation or the ability of the Executive to perform his employment-related duties or to represent the Company); provided, however, that (A) if the Executive is terminated for Cause by reason of his indictment pursuant to this clause (iii) and the indictment is subsequently dismissed or withdrawn or the Executive is found to be not guilty in a court of law in connection with such indictment, then the Executive's termination shall be treated for purposes of this Employment Agreement as a termination by the Company other than for Cause, and the Executive will be entitled to receive (without duplication of benefits and to the extent permitted by law and the terms of the then-applicable medical benefit plans) the payments and benefits set forth in Section 3.2(a) following such dismissal, withdrawal or finding, payable in the manner and subject to the conditions set forth in such Section and (B) if such indictment relates to environmental matters and does not allege that the Executive was directly involved in or directly supervised the action(s) forming the basis of the indictment, Cause shall not be deemed to exist under this Employment Agreement by reason of such indictment until the Executive is convicted or enters a plea of guilty or nolo contendere in connection with such indictment; or (iv) material breach of the Executive's covenants in Section 4 of this Employment Agreement or any material written policy of the Company after written notice of such breach and failure by the Executive to correct such breach within ten (10) business days, provided that no notice of, nor opportunity to correct, such breach shall be required hereunder if such breach cannot be cured by the Executive.

(3) "Disability" shall mean the Executive's inability, due to physical or mental ill health, to perform the essential functions of the Executive's job, with or without a reasonable accommodation, for 180 days during any 365 day period irrespective of whether such days are consecutive.

(c) Section 409A. Any payments under Section 2.2 of this Employment Agreement shall be made no later than two and one-half months after the later of the end of the Company's fiscal year in which all conditions entitling the Executive to such payments have been satisfied or the calendar year in which all conditions entitling the Executive to such payments have been satisfied. If the Executive is a "specified employee" for purposes of Section 409A of the Code and the regulations thereunder, any Severance Payments required to be made pursuant to Section 3.2(a) which are subject to Section 409A shall not commence until six (6) months from the date of termination, with the first payment equaling six (6) months of his Base Salary at the rate in effect immediately prior to the date of termination.

3.3. Exclusive Remedy. The foregoing payments upon termination of the Executive's employment shall constitute the exclusive severance payments due the Executive upon a termination of his employment under this Employment Agreement.

3.4. Resignation from All Positions. Upon the termination of the Executive's employment with the Company for any reason, the Executive shall be deemed to have resigned, as of the date of such termination, from all positions he then holds as an officer, director, employee and member of the board (and any committee thereof) of the Company and any of its direct or indirect subsidiaries (collectively, the "Subsidiaries").

3.5. Cooperation. For one (1) year following the termination of the Executive's employment with the Company for any reason, the Executive agrees to reasonably cooperate with the Company upon reasonable request of the Board and to be reasonably available to the Company with respect to matters arising out of the Executive's services to the Company and its Subsidiaries. The Company shall reimburse the Executive for expenses reasonably incurred in connection with such matters as agreed by the Executive and the Board and the Company shall compensate the Executive for such cooperation at an hourly rate based on the Executive's most recent base salary rate assuming two thousand (2,000) working hours per year; provided, that if the Executive is required to spend more than forty (40) hours in any month on Company matters pursuant to this Section 3.5, the Executive and the Board shall mutually agree to an appropriate rate of compensation for the Executive's time over such forty (40) hour threshold.

Section 4. Unauthorized Disclosure; Non-Solicitation; Non-Competition; Proprietary Rights.

4.1. Unauthorized Disclosure. The Executive agrees and understands that in the Executive's position with the Company, the Executive has been and will be exposed to and has and will receive information relating to the confidential affairs of the Company and its affiliates, including, without limitation, technical information, intellectual property, business and marketing plans, strategies, customer information, software, other information concerning the products, promotions, development, financing, expansion plans, business policies and practices of the Company and its affiliates and other forms of information considered by the Company and its affiliates to be confidential and in the nature of trade secrets (including, without limitation, ideas, research and development, know-how, formulas, technical data, designs, drawings, specifications, customer and supplier lists, pricing and cost information and business and marketing plans and proposals) (collectively, the "Confidential Information"); provided, however, that Confidential Information shall not include information which (i) is or becomes generally available to the public not in violation of this Employment Agreement or any written policy of the Company; or (ii) was in the Executive's possession or knowledge on a non-confidential basis prior to such disclosure. The Executive agrees that at all times during the Executive's employment with the Company and thereafter, the Executive shall not disclose such Confidential Information, either directly or indirectly, to any individual, corporation, partnership, limited liability company, association, trust or other entity or organization, including a government or political subdivision or an agency or instrumentality thereof (each a "Person") without the prior written consent of the Company and shall not use or attempt to use any such information in any manner other than in connection with his employment with the Company, unless required by law to disclose such information, in which case the Executive shall provide the Company with written notice of such requirement as far in advance of such anticipated disclosure as possible. This confidentiality covenant has no temporal, geographical or territorial restriction. Upon termination of the Executive's employment with the Company, the Executive shall promptly supply to the Company all property, keys, notes, memoranda, writings, lists, files, reports, customer lists, correspondence, tapes, disks, cards, surveys, maps, logs, machines, technical data and any other tangible product or document which has been produced by, received by or otherwise submitted to the Executive during or prior to the Executive's employment with the Company, and any copies thereof in his (or capable of being reduced to his) possession.

4.2. Non-Competition. By and in consideration of the Company's entering into this Employment Agreement and the payments to be made and benefits to be provided by the Company hereunder, and in further consideration of the Executive's exposure to the Confidential Information of the Company and its affiliates, the Executive agrees that the Executive shall not, during the Executive's employment with the Company (whether during the Term or thereafter) and for a period of twelve (12) months thereafter (the "Restriction Period"), directly or indirectly, own, manage, operate, join, control, be employed by, or participate in the ownership, management, operation or control of, or be connected in any manner with, including, without limitation, holding any position as a stockholder, director, officer, consultant, independent contractor, employee, partner, or investor in, any Restricted Enterprise (as defined below); provided, that in no event shall ownership of one percent (1%) or less of the outstanding securities of any class of any issuer whose securities are registered under the Securities Exchange Act of 1934, as amended, standing alone, be prohibited by this Section 4.2, so long as the Executive does not have, or exercise, any rights to manage or operate the business of such issuer other than rights as a stockholder thereof. For purposes of this paragraph, "Restricted Enterprise" shall mean any Person that is actively engaged in any business which is either (i) in competition with the business of the Company or any of its Subsidiaries conducted during the preceding twelve (12) months (or following the Executive's termination of employment, the twelve (12) months preceding the date of termination of the Executive's employment with the Company) or (ii) proposed to be conducted by the Company or any of its Subsidiaries in the Company's business plan as in effect at that time (or following the Executive's termination of employment, the business plan as in effect as of the date of termination of the Executive's employment with the Company); provided, that (x) with respect to any Person that is actively engaged in the refinery business, a Restricted Enterprise shall only include such a Person that operates or markets in any geographic area in which the Company or any of its Subsidiaries operates or markets with respect to its refinery business and (y) with respect to any Person that is actively engaged in the fertilizer business, a Restricted Enterprise shall only include such a Person that operates or markets in any geographic area in which the Company or any of its Subsidiaries operates or markets with respect to its fertilizer business. During the Restriction Period, upon request of the Company, the Executive shall notify the Company of the Executive's then-current employment status. For the avoidance of doubt, a Restricted Enterprise shall not include any Person or division thereof that is engaged in the business of supplying (but not refining) crude oil or natural gas.

4.3. Non-Solicitation of Employees. During the Restriction Period, the Executive shall not directly or indirectly contact, induce or solicit (or assist any Person to contact, induce or solicit) for employment any person who is, or within twelve (12) months prior to the date of such solicitation was, an employee of the Company or any of its Subsidiaries.

4.4. Non-Solicitation of Customers/Suppliers. During the Restriction Period, the Executive shall not (i) contact, induce or solicit (or assist any Person to contact, induce or solicit) any Person which has a business relationship with the Company or of any of its Subsidiaries in order to terminate, curtail or otherwise interfere with such business relationship or (ii) solicit, other than on behalf of the Company and its Subsidiaries, any Person that the

Executive knows or should have known (x) is a current customer of the Company or any of its Subsidiaries in any geographic area in which the Company or any of its Subsidiaries operates or markets or (y) is a Person in any geographic area in which the Company or any of its Subsidiaries operates or markets with respect to which the Company or any of its Subsidiaries has, within the twelve (12) months prior to the date of such solicitation, devoted more than de minimis resources in an effort to cause such Person to become a customer of the Company or any of its Subsidiaries in that geographic area. For the avoidance of doubt, the foregoing does not preclude the Executive from soliciting, outside of the geographic areas in which the Company or any of its Subsidiaries operates or markets, any Person that is a customer or potential customer of the Company or any of its Subsidiaries in the geographic areas in which it operates or markets.

4.5. Extension of Restriction Period. The Restriction Period shall be tolled for any period during which the Executive is in breach of any of Sections 4.2, 4.3 or 4.4 hereof.

4.6. Proprietary Rights. The Executive shall disclose promptly to the Company any and all inventions, discoveries, and improvements (whether or not patentable or registrable under copyright or similar statutes), and all patentable or copyrightable works, initiated, conceived, discovered, reduced to practice, or made by him, either alone or in conjunction with others, during the Executive's employment with the Company and related to the business or activities of the Company and its affiliates (the "Developments"). Except to the extent any rights in any Developments constitute a work made for hire under the U.S. Copyright Act, 17 U.S.C. § 101 et seq. that are owned ab initio by the Company and/or its applicable affiliate, the Executive assigns all of his right, title and interest in all Developments (including all intellectual property rights therein) to the Company or its nominee without further compensation, including all rights or benefits therefor, including without limitation the right to sue and recover for past and future infringement. The Executive acknowledges that any rights in any developments constituting a work made for hire under the U.S. Copyright Act, 17 U.S.C § 101 et seq. are owned upon creation by the Company and/or its applicable affiliate as the Executive's employer. Whenever requested to do so by the Company, the Executive shall execute any and all applications, assignments or other instruments which the Company shall deem necessary to apply for and obtain trademarks, patents or copyrights of the United States or any foreign country or otherwise protect the interests of the Company and its affiliates therein. These obligations shall continue beyond the end of the Executive's employment with the Company with respect to inventions, discoveries, improvements or copyrightable works initiated, conceived or made by the Executive while employed by the Company, and shall be binding upon the Executive's employers, assigns, executors, administrators and other legal representatives. In connection with his execution of this Employment Agreement, the Executive has informed the Company in writing of any interest in any inventions or intellectual property rights that he holds as of the date hereof. If the Company is unable for any reason, after reasonable effort, to obtain the Executive's signature on any document needed in connection with the actions described in this Section 4.6, the Executive hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as the Executive's agent and attorney in fact to act for and in the Executive's behalf to execute, verify and file any such documents and to do all other lawfully permitted acts to further the purposes of this section with the same legal force and effect as if executed by the Executive.

4.7. Confidentiality of Agreement. Other than with respect to information required to be disclosed by applicable law, the parties hereto agree not to disclose the terms of this Employment Agreement to any Person; provided the Executive may disclose this Employment Agreement and/or any of its terms to the Executive's immediate family, financial advisors and attorneys. Notwithstanding anything in this Section 4.7 to the contrary, the parties hereto (and each of their respective employees, representatives, or other agents) may disclose to any and all Persons, without limitation of any kind, the tax treatment and tax structure of the transactions contemplated by this Employment Agreement, and all materials of any kind (including opinions or other tax analyses) related to such tax treatment and tax structure; provided that this sentence shall not permit any Person to disclose the name of, or other information that would identify, any party to such transactions or to disclose confidential commercial information regarding such transactions.

4.8. Remedies. The Executive agrees that any breach of the terms of this Section 4 would result in irreparable injury and damage to the Company for which the Company would have no adequate remedy at law; the Executive therefore also agrees that in the event of said breach or any threat of breach, the Company shall be entitled to an immediate injunction and restraining order to prevent such breach and/or threatened breach and/or continued breach by the Executive and/or any and all Persons acting for and/or with the Executive, without having to prove damages, in addition to any other remedies to which the Company may be entitled at law or in equity, including, without limitation, the obligation of the Executive to return any Severance Payments made by the Company to the Company. The terms of this paragraph shall not prevent the Company from pursuing any other available remedies for any breach or threatened breach hereof, including, without limitation, the recovery of damages from the Executive. The Executive and the Company further agree that the provisions of the covenants contained in this Section 4 are reasonable and necessary to protect the businesses of the Company and its affiliates because of the Executive's access to Confidential Information and his material participation in the operation of such businesses.

Section 5. Representation.

The Executive represents and warrants that (i) he is not subject to any contract, arrangement, policy or understanding, or to any statute, governmental rule or regulation, that in any way limits his ability to enter into and fully perform his obligations under this Employment Agreement and (ii) he is not otherwise unable to enter into and fully perform his obligations under this Employment Agreement.

Section 6. Withholding.

All amounts paid to the Executive under this Employment Agreement during or following the Term shall be subject to withholding and other employment taxes imposed by applicable law.

Section 7. Effect of Section 280G of the Internal Revenue Code.

7.1. Payment Reduction. Notwithstanding anything contained in this Employment Agreement to the contrary, to the extent that any payment or distribution of any type to or for the Executive by the Company, any affiliate of the Company, any Person who acquires ownership or effective control of the Company or ownership of a substantial portion of the Company's assets (within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended (the "Code") and the regulations thereunder), or any affiliate of such Person, whether paid or payable or distributed or distributable pursuant to the terms of this Employment Agreement or otherwise (the "Payments") is or will be subject to the excise tax imposed under Section 4999 of the Code (the "Excise Tax"), then the Payments shall be reduced (but not below zero) if and to the extent necessary so that no Payments to be made or benefit to be provided to the Executive shall be subject to the Excise Tax; provided, however, that the Company shall use its reasonable best efforts to obtain shareholder approval of the Payments provided for in this Employment Agreement in a manner intended to satisfy requirements of the "shareholder approval" exception to Section 280G of the Code and the regulations promulgated thereunder, such that payment may be made to the Executive of such Payments without the application of an Excise Tax. Unless the Executive shall have given prior written notice to the Company specifying a different order by which to effectuate the reduction, the Company shall reduce or eliminate the Payments (x) by first reducing or eliminating the portion of the Payments which are not payable in cash (other than that portion of the Payments subject to clause (z) hereof), (y) then by reducing or eliminating cash payments (other than that portion of the Payments subject to clause (z) hereof) and (z) then by reducing or eliminating the portion of the Payments (whether payable in cash or not payable in cash) to which Treasury Regulation § 1.280G-1 Q/A 24(c) (or successor thereto) applies, in each case in reverse order beginning with payments or benefits which are to be paid the farthest in time. Any notice given by the Executive pursuant to the preceding sentence shall take precedence over the provisions of any other plan, arrangement or agreement governing the Executive's rights and entitlements to any benefits or compensation.

7.2. Determination of Amount of Reduction. The determination of whether the Payments shall be reduced as provided in Section 7.1 and the amount of such reduction shall be made at the Company's expense by an accounting firm selected by the Company from among the four (4) largest accounting firms in the United States (the "Accounting Firm"). The Accounting Firm shall provide its determination (the "Determination"), together with detailed supporting calculations and documentation, to the Company and the Executive within ten (10) days after the Executive's final day of employment. If the Accounting Firm determines that no Excise Tax is payable by the Executive with respect to the Payments, it shall furnish the Executive with an opinion reasonably acceptable to the Executive that no Excise Tax will be imposed with respect to any such payments and, absent manifest error, such Determination shall be binding, final and conclusive upon the Company and the Executive.

Section 8. Miscellaneous.

8.1. Amendments and Waivers. This Employment Agreement and any of the provisions hereof may be amended, waived (either generally or in a particular instance and either retroactively or prospectively), modified or supplemented, in whole or in part, only by written agreement signed by the parties hereto; provided, that, the observance of any provision of this Employment Agreement may be waived in writing by the party that will lose the benefit of such provision as a result of such waiver. The waiver by any party hereto of a breach of any provision of this Employment Agreement shall not operate or be construed as a further or continuing waiver of such breach or as a waiver of any other or subsequent breach, except as otherwise explicitly provided for in such waiver. Except as otherwise expressly provided herein, no failure on the part of any party to exercise, and no delay in exercising, any right, power or remedy hereunder, or otherwise available in respect hereof at law or in equity, shall operate as a waiver thereof, nor shall any single or partial exercise of such right, power or remedy by such party preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

8.2. Indemnification. To the extent provided in the Amended and Restated Limited Liability Company Agreement of Coffeyville Acquisition LLC, dated as of June 24, 2005, as in effect from time to time, the Company shall indemnify the Executive for losses or damages incurred by the Executive as a result of causes of action arising from the Executive's performance of duties for the benefit of the Company, whether or not the claim is asserted during the Term.

8.3. Assignment. This Employment Agreement, and the Executive's rights and obligations hereunder, may not be assigned by the Executive, and any purported assignment by the Executive in violation hereof shall be null and void.

8.4. Notices. Unless otherwise provided herein, all notices, requests, demands, claims and other communications provided for under the terms of this Employment Agreement shall be in writing. Any notice, request, demand, claim or other communication hereunder shall be sent by (i) personal delivery (including receipted courier service) or overnight delivery service, (ii) facsimile during normal business hours, with confirmation of receipt, to the number indicated, (iii) reputable commercial overnight delivery service courier or (iv) registered or certified mail, return receipt requested, postage prepaid and addressed to the intended recipient as set forth below:

If to the Company:

Coffeyville Resources, LLC
10 E. Cambridge Circle, Suite 250
Kansas City, KS 66103
Attention: General Counsel
Facsimile: (913) 981-0000

with a copy to:

Fried, Frank, Harris, Shriver & Jacobson LLP
One New York Plaza
New York, NY 10004
Attention: Donald P. Carleen, Esq.
Facsimile: (212) 859-4000

If to the Executive:

Robert W. Haugen
5610 Lone Cedar Drive
Kingwood, TX 77478

All such notices, requests, consents and other communications shall be deemed to have been given when received. Any party may change its facsimile number or its address to which notices, requests, demands, claims and other communications hereunder are to be delivered by giving the other parties hereto notice in the manner then set forth.

8.5. Governing Law. This Employment Agreement shall be construed and enforced in accordance with, and the rights and obligations of the parties hereto shall be governed by, the laws of the State of Kansas, without giving effect to the conflicts of law principles thereof. Each of the parties hereto irrevocably and unconditionally consents to submit to the exclusive jurisdiction of the courts of Kansas (collectively, the "Selected Courts") for any action or proceeding relating to this Employment Agreement, agrees not to commence any action or proceeding relating thereto except in the Selected Courts, and waives any forum or venue objections to the Selected Courts.

8.6. Severability. Whenever possible, each provision or portion of any provision of this Employment Agreement, including those contained in Section 4 hereof, will be interpreted in such manner as to be effective and valid under applicable law but the invalidity or unenforceability of any provision or portion of any provision of this Employment Agreement in any jurisdiction shall not affect the validity or enforceability of the remainder of this Employment Agreement in that jurisdiction or the validity or enforceability of this Employment Agreement, including that provision or portion of any provision, in any other jurisdiction. In addition, should a court or arbitrator determine that any provision or portion of any provision of this Employment Agreement, including those contained in Section 4 hereof, is not reasonable or valid, either in period of time, geographical area, or otherwise, the parties hereto agree that such provision should be interpreted and enforced to the maximum extent which such court or arbitrator deems reasonable or valid.

8.7. Entire Agreement. From and after the Closing Date, this Employment Agreement constitutes the entire agreement between the parties hereto, and supersedes all prior representations, agreements and understandings (including any prior course of dealings), both written and oral, between the parties hereto with respect to the subject matter hereof.

8.8. Counterparts. This Employment Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all such counterparts shall together constitute one and the same instrument.

8.9. Binding Effect. This Employment Agreement shall inure to the benefit of, and be binding on, the successors and assigns of each of the parties, including, without limitation, the Executive's heirs and the personal representatives of the Executive's estate and any successor to all or substantially all of the business and/or assets of the Company.

8.10. General Interpretive Principles. The name assigned this Employment Agreement and headings of the sections, paragraphs, subparagraphs, clauses and subclauses of this Employment Agreement are for convenience of reference only and shall not in any way affect the meaning or interpretation of any of the provisions hereof. Words of inclusion shall not be construed as terms of limitation herein, so that references to "include", "includes" and "including" shall not be limiting and shall be regarded as references to non-exclusive and non-characterizing illustrations.

8.11. Mitigation. Notwithstanding any other provision of this Employment Agreement, (a) the Executive will have no obligation to mitigate damages for any breach or termination of this Employment Agreement by the Company, whether by seeking employment or otherwise and (b) except for medical benefits provided pursuant to Section 3.2(a), the amount of any payment or benefit due the Executive after the date of such breach or termination will not be reduced or offset by any payment or benefit that the Executive may receive from any other source.

[signature page follows]

IN WITNESS WHEREOF, the parties have executed this Employment Agreement as of the date first written above.

COFFEYVILLE RESOURCES, LLC

/s/ Robert W. Haugen
Robert W. Haugen

By: /s/ John J. Lipinski
Name: John J. Lipinski
Title: CEO

RECAPITALIZATION AGREEMENT

This RECAPITALIZATION AGREEMENT (the "Agreement") is made as of September 25, 2006, by and among Coffeyville Acquisition LLC, a Delaware limited liability company (the "Company"), Coffeyville Refining & Marketing, Inc., a Delaware corporation ("CRM"), Coffeyville Nitrogen Fertilizers, Inc., a Delaware corporation ("CNF"), and CVR Energy, Inc., a Delaware corporation, ("CVR", and together with the Company, CRM and CNF, the "Parties").

WHEREAS, the Company intends to create a new subsidiary in order to effect the consummation of an initial public offering of such subsidiary's common stock (the "IPO"); and

WHEREAS, in order to enable the Company to cause the consummation of the IPO, the Parties desire to effect a recapitalization ("Recapitalization");

NOW, **THEREFORE**, in consideration of the mutual covenants and agreements herein contained and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

1. **Formation of CVR**.

a. Concurrently with the execution of this Agreement, and as consideration for entering into this Agreement and the transactions contemplated hereby, CVR shall issue to the Company, and the Company shall subscribe for, 100 shares of CVR common stock, par value $0.01.

2. **CRM Merger**.

a. Prior to the consummation of the IPO, the Parties shall cause a newly formed direct subsidiary of CVR ("Merger Sub 1") to merge under and pursuant to the General Corporation Law of the State of Delaware (the "DGCL") with and into CRM, the separate existence of Merger Sub 1 shall cease, and CRM shall continue as the surviving corporation ("CRM Merger").

b. The Parties shall take all actions necessary to cause the consummation of the CRM Merger and the CRM Merger shall become effective upon the later of (i) the filing of the Certificate of Merger with the Secretary of the State of Delaware, or (ii) such other time as set forth in the Certificate of Merger.

3. **CNF Merger**.

a. Prior to the consummation of the IPO, the Parties shall cause a newly formed direct subsidiary of CVR ("Merger Sub 2") to merge under and pursuant to the DGCL with and into CNF, the separate existence of Merger Sub 2 shall cease, and CNF shall continue as the surviving corporation ("CNF Merger").

b. The Parties shall take all actions necessary to cause the consummation of the CNF Merger and the CNF Merger shall become effective upon the later of (i) the filing of the Certificate of Merger with the Secretary of the State of Delaware, or (ii) such other time as set forth in the Certificate of Merger.

4. **CVR Stock Split or Stock Dividend**.

a. Prior to the consummation of the IPO, and in connection with the CNF Merger and the CRM Merger, CVR will effect a stock split or a stock dividend as determined by the officers of CVR and in accordance with the requirements of Delaware law and the officers of CVR and the Parties hereto shall take all actions necessary to consummate such stock split or dividend.

5. **Miscellaneous**.

a. **Successors and Assigns**. This Agreement shall inure to the benefit of the successors and assigns of the Parties.

b. **Governing Law**; **Venue**; **Waiver of Jury Trial**. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware. The Parties agree that any action brought by any party to interpret or enforce any provision of this Agreement shall be brought in, and each party agrees to, and does hereby, submit to the jurisdiction and venue of, the appropriate state or federal court for the district encompassing the Company's principal place of business. Each of the Parties hereby irrevocably and unconditionally waives any and all right to trial by jury in any legal proceeding arising out of or related to this Agreement or the transactions contemplated hereby.

c. **Entire Agreement**. This Agreement constitutes the entire agreement by and among the Parties with respect to the subject matter hereof and supersedes and merges all prior agreements or understandings, whether written or oral.

d. **Severability**. If one or more provisions of this Agreement are held to be unenforceable under applicable law, the Parties agree to renegotiate such provision in good faith. In the event that the Parties cannot reach an agreeable and enforceable replacement for such provision, then (i) such provision shall be excluded from this Agreement, (ii) the balance of the Agreement shall be interpreted as if such provision were so excluded and (iii) the balance of the Agreement shall be enforceable in accordance with its terms.

e. **General Representation and Warranty**. Each Party represents and warrants that it or he has read this Agreement, has consulted with legal counsel of its or his own choosing, and fully understands that the consideration for this Agreement is all the consideration that it or he will receive, that it or he has entered into this Agreement and based on its or his knowledge, judgment and free choice, and that it or he has not acted in reliance on any representation, advice or other action of the other Parties, except as specifically set forth and provided herein.

f. **Counterparts**. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year first above written.

COFFEYVILLE ACQUISITION LLC

By: /s/ John J. Lipinski
Name: John J. Lipinski
Title: CEO

COFFEYVILLE REFINING & MARKETING, INC.

By: /s/ John J. Lipinski
Name: John J. Lipinski
Title: CEO

COFFEYVILLE NITROGEN FERTILIZERS, INC.

By: /s/ John J. Lipinski
Name: John J. Lipinski
Title: CEO

CVR ENERGY, INC.

By: /s/ John J. Lipinski
Name: John J. Lipinski
Title: CEO

EXHIBIT 23.1

Consent of Independent Registered Public Accounting Firm

The Board of Directors
CVR Energy, Inc.:

We consent to the use of our report included herein and to the reference to our firm under the headings "Summary Consolidated Financial Information," "Selected Historical Consolidated Financial Data," and "Experts" in the prospectus.

Our report dated April 24, 2006, except for note 1 which is as of , 2006 contains an explanatory paragraph that states that as discussed in note 1 to the consolidated financial statements, effective March 3, 2004, the Immediate Predecessor acquired the net assets of the Original Predecessor in a business combination accounted for as a purchase, and effective June 24, 2005, the Successor acquired the net assets of the Immediate Predecessor in a business combination accounted for as a purchase. As a result of these acquisitions, the consolidated financial statements for the period after the acquisition are presented on a different cost basis than that for the periods before the acquisitions and, therefore, are not comparable. Our report dated April 24, 2006, except for note 1 which is as of , 2006 also contains an emphasis paragraph that states that as discussed in note 2 to the consolidated financial statements, Farmland Industries, Inc. allocated certain general corporate expense and interest expense to the Predecessor for the year ended December 31, 2003 and for the 62-day period ended March 2, 2004. The allocation of these costs is not necessarily indicative of the costs that would have been incurred if the Company had operated as a stand-alone entity.

/s/ KPMG LLP

Kansas City, Missouri
February 12, 2007

Exhibit 23.3

Consent of Blue, Johnson & Associates, Inc.

To Whom it May Concern:

We hereby consent to the use of our information, as properly attributed to us, in the registration statement on Form S-1 of CVR Energy, Inc. with respect to the following:

1. United States ammonia and UAN demand in Texas, Oklahoma, Kansas, Missouri, Iowa, Nebraska and Minnesota
2. Total United States ammonia and UAN demand in 2005
3. Average annual U.S. Corn Belt ammonia prices ($/ton) from 1990 through 2006
4. Southern Plains ammonia and Corn Belt UAN average prices for the 2002 through 2005 period
5. A statement that Coffeyville's facility is the only operation in North America that utilizes a coke gasification process to produce ammonia
6. Chart comparing ammonia prices (Average Corn Belt fob) and natural gas prices (LA Onshore Bldweek Index) and a statement that natural gas price trends generally correlate with nitrogen fertilizer price trends
7. Data for the Nola Proxy Plant—Ammonia and the Midwest Proxy Plant—Ammonia (from The Sheet 2006-October 6, 2006)

Submitted by:

/s/ Thomas A. Blue

Thomas A. Blue
President
Blue, Johnson & Associates, Inc.
6101 Marble NE, Suite 8
Albuquerque NM 87110
Tel 505-254-2157
Fax 505-254-2159
blueabq@qest.net

January 29, 2007

Exhibit 24.2

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned constitutes and appoints John J. Lipinski, James T. Rens and Edmund S. Gross, and each of them, his true and lawful attorneys-in-fact and agents with full powers of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any or all amendments to this Registration Statement, including post-effective amendments and registration statements filed pursuant to Rule 462(b) and otherwise, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, and hereby ratifies and confirms all his or her said attorneys-in-fact and agents, or any of them, or his substitute or substitutes may lawfully do or cause to be done by virtue thereof.

IN WITNESS WHEREOF, the undersigned has caused this Power of Attorney to be executed as of this 8th day of February, 2007.

/s/ Mark Tomkins

Name: Mark Tomkins