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

Form 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2012

OR

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to .

Commission file number: 001-33492

CVR ENERGY, INC.
(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	**61-1512186** (I.R.S. Employer Identification No.)
2277 Plaza Drive, Suite 500 **Sugar Land, Texas** (Address of principal executive offices)	**77479** (Zip Code)

(281) 207-3200
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒	Accelerated filer o	Non-accelerated filer o (Do not check if smaller reporting company.)	Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined by Rule 12b-2 of the Exchange Act). Yes o No ☒

There were 86,831,050 shares of the registrant's common stock outstanding at August 1, 2012.

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For The Quarter Ended June 30, 2012

GLOSSARY OF SELECTED TERMS

The following are definitions of certain terms used in this Form 10-Q.

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 distillate. The 2-1-1 crack spread is expressed in dollars per barrel.

ammonia—Ammonia is a direct application fertilizer and is primarily used as a building block for other nitrogen products for industrial applications and finished fertilizer products.

backwardation market—Market situation in which futures prices are lower in succeeding delivery months. Also known as an inverted market. The opposite of contango market.

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, fluid catalytic cracking unit or FCCU gasoline, ethanol, reformate or butane, among others.

bpd—Abbreviation for barrels per day.

bulk sales—Volume sales through third party pipelines, in contrast to tanker truck quantity sales.

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.

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.

contango market—Market situation in which prices for future delivery are higher than the current or spot market price of the commodity. The opposite of backwardation market.

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, the 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 distillate.

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, such as gasoline, diesel fuel and jet fuel, that are produced by a refinery.

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 petroleum 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.

Magellan—Magellan Midstream Partners L.P., a publicly traded company whose business is the transportation, storage and distribution of refined petroleum products.

MMBtu—One million British thermal units or Btu: a measure of energy. One Btu of heat is required to raise the temperature of one pound of water one degree Fahrenheit.

natural gas liquids—Natural gas liquids, often referred to as NGLs, are both feedstocks used in the manufacture of refined fuels and are products of the refining process. Common NGLs used include propane, isobutane, normal butane and natural gasoline.

NYSE—the New York Stock Exchange.

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.

Partnership IPO—The initial public offering of 22,080,000 common units representing limited partner interests of CVR Partners, LP (the "Partnership"), which closed on April 13, 2011.

plant gate price—The unit price of fertilizer, in dollars per ton, offered on a delivered basis and excluding shipment costs.

petroleum coke (pet coke)—A coal-like substance that is produced during the refining process.

refined products—Petroleum products, such as gasoline, diesel fuel and jet fuel, that are produced by a refinery.

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.

throughput—The volume processed through a unit or a refinery or transported on a pipeline.

turnaround—A periodically required standard procedure to inspect, refurbish, repair and maintain the refinery or nitrogen fertilizer plant assets. This process involves the shutdown and inspection of major processing units and occurs every four to five years for our refineries and every two years for the nitrogen fertilizer plant.

UAN—An aqueous solution of urea and ammonium nitrate used as a fertilizer.

wheat belt—The primary wheat producing region of the United States, which includes Oklahoma, Kansas, North Dakota, South Dakota and Texas.

WCS—Western Canadian Select crude oil, a medium to heavy, sour crude oil, characterized by an American Petroleum Institute gravity ("API gravity") of between 20 and 22 degrees and a sulfur content of approximately 3.3 weight percent.

WTI—West Texas Intermediate crude oil, a light, sweet crude oil, characterized by an API gravity, between 39 and 41 degrees and a sulfur content of approximately 0.4 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 between 30 and 32 degrees and a sulfur content of approximately 2.0 weight percent.

Wynnewood Acquisition—The acquisition by the Company of all the outstanding shares of the Gary-Williams Energy Corporation and its subsidiaries ("GWEC"), which owns the 70,000 bpd Wynnewood, Oklahoma refinery and 2.0 million barrels of storage tanks, on December 15, 2011. GWEC was subsequently converted to Gary-Williams Energy Company, LLC and is now known as Wynnewood Energy Company, LLC.

yield—The percentage of refined products that is produced from crude oil and other feedstocks.

PART I. FINANCIAL INFORMATION

ITEM 1. *FINANCIAL STATEMENTS*

CVR ENERGY, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

	June 30, 2012	December 31, 2011
	(unaudited)	
	(in thousands, except share data)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 692,588	$ 388,328
Accounts receivable, net of allowance for doubtful accounts of $1,370 and $1,282, respectively	214,296	182,619
Inventories	514,309	636,221
Prepaid expenses and other current assets	64,805	117,509
Insurance receivable	1,926	1,939
Deferred income taxes	26,063	—
Income tax receivable	—	30,167
Total current assets	1,513,987	1,356,783
Property, plant, and equipment, net of accumulated depreciation	1,701,305	1,672,961
Intangible assets, net	297	312
Goodwill	40,969	40,969
Deferred financing costs, net	17,437	20,319
Insurance receivable	4,076	4,076
Other long-term assets	6,643	23,871
Total assets	$ 3,284,714	$ 3,119,291
LIABILITIES AND EQUITY		
Current liabilities:		
Note payable and capital lease obligations	$ 3,309	$ 9,880
Accounts payable	426,818	466,559
Personnel accruals	39,774	20,849
Accrued taxes other than income taxes	36,316	35,147
Income taxes payable	30,840	2,400
Due to parent	28,335	—
Deferred income taxes	—	9,271
Deferred revenue	4,375	9,026
Other current liabilities	39,723	34,427
Total current liabilities	609,490	587,559
Long-term liabilities:		
Long-term debt and capital lease obligations, net of current portion	851,911	853,903
Accrued environmental liabilities, net of current portion	1,373	1,459
Deferred income taxes	380,139	357,473
Other long-term liabilities	20,947	19,194
Total long-term liabilities	1,254,370	1,232,029
Commitments and contingencies		
Equity:		
CVR stockholders' equity:		
Common stock $0.01 par value per share, 350,000,000 shares authorized, 86,929,660 and 86,906,760 shares issued as of June 30, 2012 and December 31, 2011, respectively	869	869
Additional paid-in-capital	582,735	587,199
Retained earnings	696,387	566,855
Treasury stock, 98,610 shares as of June 30, 2012 and December 31, 2011, respectively, at cost	(2,303)	(2,303)
Accumulated other comprehensive income, net of tax	(1,216)	(1,008)
Total CVR stockholders' equity	1,276,472	1,151,612
Noncontrolling interest	144,382	148,091
Total equity	1,420,854	1,299,703
Total liabilities and equity	$ 3,284,714	$ 3,119,291

See accompanying notes to the condensed consolidated financial statements.

CVR ENERGY, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
	(unaudited) (in thousands, except share data)			
Net sales	$ 2,308,318	$ 1,447,716	$ 4,276,949	$ 2,614,981
Operating costs and expenses:				
Cost of product sold (exclusive of depreciation and amortization)	1,874,210	1,123,375	3,509,365	2,060,197
Direct operating expenses (exclusive of depreciation and amortization)	94,099	66,207	209,613	134,641
Insurance recovery—business interruption	—	—	—	(2,870)
Selling, general and administrative expenses (exclusive of depreciation and amortization)	72,047	18,171	117,389	51,433
Depreciation and amortization	32,190	22,043	64,302	44,054
Total operating costs and expenses	2,072,546	1,229,796	3,900,669	2,287,455
Operating income	235,772	217,920	376,280	327,526
Other income (expense):				
Interest expense and other financing costs	(18,974)	(14,205)	(38,227)	(27,395)
Interest income	133	211	223	485
Realized gain (loss) on derivatives, net	(8,069)	483	(27,155)	(18,364)
Unrealized gain (loss) on derivatives, net	46,886	6,449	(81,281)	3,190
Loss on extinguishment of debt	—	(170)	—	(2,078)
Other income, net	709	246	826	477
Total other income (expense)	20,685	(6,986)	(145,614)	(43,685)
Income before income taxes	256,457	210,934	230,666	283,841
Income tax expense	91,099	76,738	81,353	103,857
Net income	165,358	134,196	149,313	179,984
Less: Net income attributable to noncontrolling interest	10,624	9,331	19,781	9,331
Net income attributable to CVR Energy stockholders	$ 154,734	$ 124,865	$ 129,532	$ 170,653
Basic earnings per share	$ 1.78	$ 1.44	$ 1.49	$ 1.97
Diluted earnings per share	$ 1.75	$ 1.42	$ 1.46	$ 1.94
Weighted-average common shares outstanding:				
Basic	86,821,224	86,422,881	86,814,687	86,418,356
Diluted	88,454,006	87,789,351	88,464,347	87,786,288

See accompanying notes to the condensed consolidated financial statements.

CVR ENERGY, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Three Months Ended June 30, 2012	Three Months Ended June 30, 2011	Six Months Ended June 30, 2012	Six Months Ended June 30, 2011
	(unaudited) (in thousands)			
Net income	$ 165,358	$ 134,196	$ 149,313	$ 179,984
Other comprehensive income (loss):				
Unrealized gain (loss) on available-for-sale securities, net of tax of $0 and $0	1	—	2	(1)
Change in fair value of interest rate swap, net of tax of $(202) $0, $(264) and $0	(524)	—	(697)	—
Reclass of gain/loss to income on settlement of interest rate swap, net of tax of $67, $0, $128 and $0	167	—	337	—
Total other comprehensive income (loss)	(356)	—	(358)	(1)
Comprehensive income	165,002	134,196	148,955	179,983
Less: Comprehensive income attributable to noncontrolling interest	10,475	9,331	19,631	9,331
Comprehensive income attributable to CVR stockholders	$ 154,527	$ 124,865	$ 129,324	$ 170,652

See accompanying notes to condensed consolidated financial statements.

CVR ENERGY, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Common Stockholders								
	Shares Issued	$0.01 Par Value Common Stock	Additional Paid-In Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income (loss)	Total CVR Stockholders' Equity	Noncontrolling Interest	Total Equity
	(unaudited) (in thousands, except share data)								
Balance at December 31, 2011	86,906,760	$ 869	$ 587,199	$ 566,855	$ (2,303)	$ (1,008)	$ 1,151,612	$ 148,091	$ 1,299,703
Distributions to noncontrolling interest holders	—	—	—	—	—	—	—	(24,565)	(24,565)
Share-based compensation	—	—	5,148	—	—	—	5,148	1,225	6,373
Modification and reclassification of equity share-based compensation award to a liability based award	—	—	(9,924)	—	—	—	(9,924)	—	(9,924)
Excess tax benefit from share-based compensation	—	—	(12)	—	—	—	(12)	—	(12)
Exercise of stock options	22,900	—	413	—	—	—	413	—	413
Redemption of common units	—	—	(89)	—	—	—	(89)	—	(89)
Net income	—	—	—	129,532	—	—	129,532	19,781	149,313
Net unrealized gain on available-for-sale securities, net of tax	—	—	—	—	—	2	2	—	2
Net loss on interest rate swaps, net of tax	—	—	—	—	—	(210)	(210)	(150)	(360)
Balance at June 30, 2012	86,929,660	$ 869	$ 582,735	$ 696,387	$ (2,303)	$ (1,216)	$ 1,276,472	$ 144,382	$ 1,420,854

See accompanying notes to condensed consolidated financial statements.

CVR ENERGY, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six Months Ended June 30, 2012	Six Months Ended June 30, 2011
	(unaudited) (in thousands)	
Cash flows from operating activities:		
Net income	$ 149,313	$ 179,984
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	64,302	44,054
Allowance for doubtful accounts	88	164
Amortization of deferred financing costs	3,913	2,084
Amortization of original issue discount	270	255
Amortization of original issue premium	(1,741)	—
Deferred income taxes	(12,479)	8,122
Excess tax benefit from share-based compensation	(12)	—
Loss on disposition of assets	872	2,177
Loss on extinguishment of debt	—	2,078
Share-based compensation	21,922	21,220
Unrealized (gain) loss on derivatives, net	81,281	(3,190)
Changes in assets and liabilities:		
Accounts receivable	(31,220)	(18,147)
Inventories	121,912	(68,774)
Prepaid expenses and other current assets	(9,485)	(13,847)
Insurance receivable	13	(8,969)
Business interruption insurance proceeds	—	2,870
Other long-term assets	(1,596)	(970)
Accounts payable	(27,583)	5,187
Due to parent	28,335	—
Accrued income taxes	58,607	30,139
Deferred revenue	(4,651)	(15,697)
Other current liabilities	(6,108)	(19,226)
Accrued environmental liabilities	(86)	(755)
Other long-term liabilities	1	13,878
Net cash provided by operating activities	435,868	162,637
Cash flows from investing activities:		
Capital expenditures	(105,159)	(20,979)
Proceeds from sale of assets	363	33
Insurance proceeds for UAN reactor rupture	—	225
Net cash used in investing activities	(104,796)	(20,721)
Cash flows from financing activities:		
Principal payments on long-term debt	(115)	(2,700)
Payment of capital lease obligations	(452)	(4,855)
Payment of financing costs	(2,016)	(10,498)
Purchase of managing general partner interest and incentive distribution rights	—	(26,001)
Proceeds from issuance of CVR Partners long-term debt	—	125,000
Proceeds from CVR Partners initial public offering, net of offering costs	—	325,136
Payment of treasury stock	—	(70)
Exercise of stock options	413	—
Redemption of common units	(89)	—
Excess tax benefit of share-based compensation	12	—
Distribution to CVR Partners' noncontrolling interest holders	(24,565)	—
Net cash (used in) provided by financing activities	(26,812)	406,012
Net cash increase in cash and cash equivalents	304,260	547,928
Cash and cash equivalents, beginning of period	388,328	200,049
Cash and cash equivalents, end of period	$ 692,588	$ 747,977
Supplemental disclosures		
Cash paid for income taxes, net of refunds (received)	$ 6,894	$ 47,846
Cash paid for interest net of capitalized interest of $4,306 and $939 in 2012 and 2011, respectively	$ 36,042	$ 24,333
Non-cash investing and financing activities:		
Accrual of construction in progress additions	$ (12,155)	$ 4,985

See accompanying notes to the condensed consolidated financial statements.

CVR ENERGY, INC. AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2012

(unaudited)

(1) Organization and History of the Company and Basis of Presentation

Organization

The "Company" or "CVR" are used in this report to refer to CVR Energy, Inc. and, unless the context otherwise requires, its subsidiaries.

The Company, through its wholly-owned subsidiaries, acts as an independent petroleum refiner and marketer of high value transportation fuels in the mid-continental United States. In addition, the Company, through its majority-owned subsidiaries, owns the general partner and a majority of the common units of CVR Partners, LP, an independent producer and marketer of upgraded nitrogen fertilizer products in North America. The Company's operations include two business segments: the petroleum segment and the nitrogen fertilizer segment.

CVR's common stock is listed on the New York Stock Exchange under the symbol "CVI." On May 7, 2012, Carl C. Icahn and certain of his affiliates (collectively, "Icahn") announced that they had acquired control of CVR pursuant to a tender offer for all of the Company's common stock. As of June 30, 2012, Icahn owned approximately 82% of all outstanding shares. Prior to Icahn's acquisition, the Company was owned 100% by the public. See further discussion at Note 3 ("Change of Control").

As of December 31, 2010, approximately 40% of its outstanding shares were beneficially owned by GS Capital Partners V, L.P. and related entities ("GS" or "Goldman Sachs Funds") and Kelso Investment Associates VII, L.P. and related entities ("Kelso" or "Kelso Funds"). On February 8, 2011, GS and Kelso completed a registered public offering, whereby GS sold into the public market its remaining ownership interests in CVR and Kelso substantially reduced its interest in the Company. On May 26, 2011, Kelso completed a registered public offering, whereby Kelso sold into the public market its remaining ownership interest in CVR Energy.

On December 15, 2011, CVR acquired all of the issued and outstanding shares of Gary-Williams Energy Corporation (subsequently converted to Gary-Williams Energy Company, LLC or "GWEC" and now known as Wynnewood Energy Company, LLC) for a preliminary purchase price of $592.3 million. In March 2012, the final purchase price was determined to be $593.4 million. The increase of $1.1 million was a result of further discussions and review of the working capital and the associated post closing statements. Assets acquired include a 70,000 bpd refinery in Wynnewood, Oklahoma and approximately 2.0 million barrels of company-owned storage tanks. See Note 4 ("Wynnewood Acquisition") for additional information regarding the Wynnewood Acquisition.

CVR Partners, LP

In conjunction with the consummation of CVR's initial public offering in 2007, CVR transferred Coffeyville Resources Nitrogen Fertilizers, LLC ("CRNF"), its nitrogen fertilizer business, to CVR Partners, LP, a Delaware limited partnership ("CVR Partners" or the "Partnership"), which at the time was a newly created limited partnership, in exchange for a managing general partner interest ("managing GP interest"), a special general partner interest ("special GP interest," represented by special GP units) and a de minimis limited partner interest ("LP interest," represented by special LP units). CVR concurrently sold the managing GP interest, including the associated incentive distribution rights ("IDRs"), to Coffeyville Acquisition III LLC ("CALLC III"), an entity owned by CVR's then

CVR ENERGY, INC. AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

June 30, 2012

(unaudited)

(1) Organization and History of the Company and Basis of Presentation (Continued)

controlling stockholders and senior management, for $10.6 million. On April 13, 2011, the Partnership completed its initial public offering (the "Partnership IPO"), selling 22,080,000 common units at $16.00 per unit. The common units trade on the New York Stock Exchange under the symbol "UAN". In connection with the Partnership IPO, the IDRs were purchased by the Partnership for $26.0 million and subsequently extinguished. In addition, the noncontrolling interest representing the managing GP interest was purchased by Coffeyville Resources, LLC ("CRLLC"), a subsidiary of CVR for a nominal amount. The consideration for the IDRs was paid to the owners of CALLC III, which included the Goldman Sachs Funds, the Kelso Funds and members of CVR senior management. In connection with the Partnership IPO, the Company recorded a noncontrolling interest for the common units sold into the public market which represented an approximately 30% interest in the Partnership at the time of the Partnership IPO. The Company's noncontrolling interest reflected on the condensed consolidated balance sheet of CVR is impacted by the net income of, and distributions from, the Partnership.

At June 30, 2012, the Partnership had 73,043,356 common units outstanding, consisting of 22,123,356 common units owned by the public, representing approximately 30% of the total Partnership units, and 50,920,000 common units owned by CRLLC, representing approximately 70% of the total Partnership units. In addition, CRLLC owns 100% of the Partnership's general partner, CVR GP, LLC, which only holds a non-economic general partner interest.

In connection with the Partnership IPO, the Partnership's limited partner interests were converted into common units, the Partnership's special general partner interests were converted into common units, and the Partnership's special general partner was merged with and into CRLLC, with CRLLC continuing as the surviving entity. In addition, as discussed above, the managing general partner sold its IDRs to the Partnership for $26.0 million, these interests were extinguished, and CALLC III sold the managing general partner to CRLLC for a nominal amount. As a result of the Partnership IPO, the Partnership has two types of partnership interests outstanding:

- common units representing limited partner interests; and
- a general partner interest, which is not entitled to any distributions, and which is held by the Partnership's general partner.

The Partnership has adopted a policy pursuant to which the Partnership will distribute all of the available cash it generates each quarter. The available cash for each quarter will be determined by the board of directors of the Partnership's general partner following the end of such quarter. The partnership agreement does not require that the Partnership make cash distributions on a quarterly basis or at all, and the board of directors of the general partner of the Partnership can change the Partnership's distribution policy at any time.

The Partnership is operated by CVR's senior management (together with other officers of the general partner) pursuant to a services agreement among CVR, the general partner and the Partnership. The Partnership's general partner, CVR GP, LLC, manages the operations and activities of the Partnership, subject to the terms and conditions specified in the partnership agreement. The operations of the general partner in its capacity as general partner are managed by its board of directors. Actions by the general partner that are made in its individual capacity will be made by

CVR ENERGY, INC. AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

June 30, 2012

(unaudited)

(1) Organization and History of the Company and Basis of Presentation (Continued)

CRLLC as the sole member of the general partner and not by the board of directors of the general partner. The general partner is not elected by the common unitholders and is not subject to re-election on a regular basis. The officers of the general partner manage the day-to-day affairs of the business of the Partnership. CVR, the Partnership, their respective subsidiaries and the general partner are parties to a number of agreements which regulate certain business relations between them. Certain of these agreements were amended in connection with the Partnership IPO.

On February 13, 2012, CVR announced its intention to sell a portion of its investment in the Partnership and use the proceeds to pay a special dividend to holders of its common stock and to strengthen the balance sheet. The Partnership filed a registration statement with the SEC on March 6, 2012, as amended on April 2, 2012. On May 15, 2012, the Partnership withdrew the registration statement.

Basis of Consolidation

The accompanying condensed consolidated financial statements include the accounts of CVR Energy, Inc. and its majority-owned direct and indirect subsidiaries, including the Partnership and its subsidiary. All intercompany accounts and transactions have been eliminated in consolidation. The ownership interests of noncontrolling investors in its subsidiaries are recorded as noncontrolling interest. Certain prior year amounts have been reclassified to conform to current year presentation.

The Partnership is consolidated on the Company's financial statements based upon the fact that the general partner is owned by CRLLC, a wholly-owned subsidiary of CVR; and, therefore, CVR has the ability to control the activities of the Partnership. Additionally, the Partnership's general partner manages the operations and activities of the Partnership, subject to the terms and conditions specified in the partnership agreement. The operations of the general partner in its capacity as general partner are managed by its board of directors. The limited rights of the common unitholders of the Partnership are demonstrated by the fact that the common unitholders have no right to elect the general partner or the general partner's directors on an annual or other continuing basis. The general partner can only be removed by a vote of the holders of at least $66^2/3$% of the outstanding common units, including any common units owned by the general partner and its affiliates (including CRLLC, a wholly-owned subsidiary of CVR) voting together as a single class. Actions by the general partner that are made in its individual capacity will be made by CRLLC as the sole member of the general partner and not by the board of directors of the general partner. The officers of the general partner manage the day-to-day affairs of the business. The majority of the officers of the general partner are also officers of CVR. Based upon the general partner's role and rights as afforded by the partnership agreement and the limited rights afforded to the limited partners, the condensed consolidated financial statements of CVR will include the assets, liabilities, cash flows, revenues and expenses of the Partnership.

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 ("SEC"). The condensed

(1) Organization and History of the Company and Basis of Presentation (Continued)

consolidated financial statements include the accounts of CVR and its majority-owned direct and indirect subsidiaries. The ownership interests of noncontrolling investors in its subsidiaries are recorded as a noncontrolling interest included as a separate component of equity for all periods presented. All intercompany account balances and transactions have been eliminated in consolidation. Certain information and footnotes required for complete financial statements under GAAP have been condensed or omitted pursuant to SEC rules and regulations. These unaudited condensed consolidated financial statements should be read in conjunction with the December 31, 2011 audited consolidated financial statements and notes thereto included in CVR's Annual Report on Form 10-K for the year ended December 31, 2011, which was filed with the SEC on February 29, 2012.

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 of the Company as of June 30, 2012 and December 31, 2011, the results of operations for the three and six months ended June 30, 2012 and 2011, comprehensive income for the three and six months ended June 30, 2012 and 2011, changes in equity for the six months ended June 30, 2012 and cash flows for the six months ended June 30, 2012 and 2011.

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 ended December 31, 2012 or any other interim period. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

The Company evaluated subsequent events, if any, that would require an adjustment or would require disclosure to the Company's condensed consolidated financial statements through the date of issuance of these condensed consolidated financial statements.

(2) Recent Accounting Pronouncements

In May 2011, the FASB issued Accounting Standards Update ("ASU") No. 2011-04, *"Fair Value Measurements (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRS,"* ("ASU 2011-04"). ASU 2011-04 changes the wording used to describe many of the requirements in U.S. GAAP for measuring fair value and for disclosing information about fair value measurements to ensure consistency between U.S. GAAP and International Financial Reporting Standards ("IFRS"). ASU 2011-04 also expands the disclosures for fair value measurements that are estimated using significant unobservable (Level 3) inputs. This new guidance is to be applied prospectively. The provisions of ASU 2011-04 are effective for interim and annual periods beginning after December 15, 2011. The Company adopted this ASU as of January 1, 2012. The adoption of this standard did not impact the condensed consolidated financial statement footnote disclosures.

In June 2011, the FASB issued ASU No. 2011-05, "*Comprehensive Income (ASC Topic 220): Presentation of Comprehensive Income*," ("ASU 2011-05") which amends current comprehensive income

(2) Recent Accounting Pronouncements (Continued)

guidance. This ASU eliminates the option to present the components of other comprehensive income as part of the statement of stockholders' equity. Instead, the Company must report comprehensive income in either a single continuous statement of comprehensive income which contains two sections, net income and other comprehensive income, or in two separate but consecutive statements. In December 2011, the FASB issued Accounting Standards Update 2011-12 which defers the requirement in ASU 2011-05 that companies present reclassification adjustments for each component of accumulated other comprehensive income in both net income and other comprehensive income on the face of the financial statements. Both amendments are effective for interim and annual periods beginning after December 15, 2011 and should be applied retrospectively. The Company adopted both ASUs as of January 1, 2012. The adoption of this standard expanded the Company's condensed consolidated financial statements and related footnote disclosures.

In December 2011, the FASB issued ASU No. 2011-11, *"Disclosures about Offsetting Assets and Liabilities"* ("ASU 2011-11"). ASU 2011-11 retains the existing offsetting requirements and enhances the disclosure requirements to allow investors to better compare financial statements prepared under U.S. GAAP with those prepared under IFRS. This new guidance is to be applied retrospectively. ASU 2011-11 will be effective for interim and annual periods beginning January 1, 2013. The Company believes this standard will expand our condensed consolidated financial statement footnote disclosures.

(3) Change of Control

On April 18, 2012, IEP Energy LLC ("IEP Energy"), a majority owned subsidiary of Icahn Enterprises, L.P. ("Icahn Enterprises"), and certain other affiliates of Icahn Enterprises and Carl C. Icahn (collectively, the "IEP Parties"), entered into a Transaction Agreement (the "Transaction Agreement") with CVR, with respect to IEP Energy's tender offer (the "Offer") to purchase all of the issued and outstanding shares of CVR's common stock for a price of $30 per share in cash, without interest, less any applicable withholding taxes, plus one non-transferable contingent payment right for each share of CVR common stock (the "CCP"), which represents the contractual right to receive an additional cash payment per share if a definitive agreement for the sale of CVR is executed on or prior to August 18, 2013 and such transaction closes.

The Offer expired on May 4, 2012. On May 7, 2012, the IEP Parties announced the results of the Offer. A total of 48,112,317 shares of CVR's common stock were validly tendered in the Offer. As all of the terms and conditions of the Offer had been satisfied, IEP Energy accepted for payment all of the tendered shares, which represented approximately 55% of the outstanding shares of CVR's common stock. Following the purchase of these shares, the IEP Parties owned approximately 70% of the outstanding shares of CVR's common stock. Subsequent to the expiration of the Offer on May 4, 2012, IEP Energy extended the Offer through May 18, 2012. As a result of the extension of the Offer and subsequent additional purchases of CVR's common stock by IEP Energy, the IEP Parties increased their ownership in CVR. As of June 30, 2012, IEP Energy owned approximately 82% of CVR's outstanding common stock.

(3) Change of Control (Continued)

Pursuant to the Transaction Agreement, for a period of 60 days CVR Energy solicited proposals or offers from third parties to acquire CVR Energy. The 60 day period began on May 24, 2012 and ended on July 23, 2012 without any qualifying offers.

Pursuant to the Transaction Agreement, all employee restricted stock awards ("awards") that vest in 2012 will vest in accordance with the current vesting terms and upon vesting will receive the offer price of $30 per share in cash plus one CCP. For all such awards that vest in accordance with their terms in 2013, 2014 and 2015, the holders of the awards will receive the lesser of the offer price or the appraised value of the shares at the time of vesting. Additional share-based compensation was incurred due to the modification of the awards and the fair value upon the date of modification. For awards vesting subsequent to 2012, the awards will be remeasured at each subsequent reporting date until they vest. See further discussion at Note 5 ("Share-Based Compensation").

(4) Wynnewood Acquisition

On December 15, 2011, the Company completed the acquisition of all the issued and outstanding shares of GWEC, including its two wholly-owned subsidiaries (the "Wynnewood Acquisition") from The Gary-Williams Company, Inc. (the "Seller"). The preliminary purchase price of $592.3 million, as recorded at December 31, 2011, was increased by $1.1 million in March 2012 as a result of further discussions and review of the working capital and associated post closing statement provided to the Seller. The adjusted purchase price allocation resulted in immaterial differences to property, plant & equipment in the Condensed Consolidated Balance Sheet. The Company received settlement in the second quarter of 2012 of approximately $14.7 million associated with cash paid at closing for estimated working capital in excess of actual working capital.

For the three months and six months ended June 30, 2012, the Company incurred approximately $4.6 million and $8.3 million, respectively, of transaction fees and integration expenses that are included in selling, general and administrative expense in the Condensed Consolidated Statement of Operations. These costs primarily relate to accounting and other professional consulting fees incurred associated with post closing transaction matters and continued integration of various processes, policies, technologies and systems of GWEC.

(5) Share-Based Compensation

Prior to CVR's initial public offering, CVR's subsidiaries were held and operated by Coffeyville Acquisition LLC ("CALLC"). Management of CVR held an equity interest in CALLC. CALLC issued non-voting override units to certain management members who held common units of CALLC. There were no required capital contributions for the override operating units. In connection with CVR's initial public offering in October 2007, CALLC was split into two entities: CALLC and Coffeyville Acquisition II LLC ("CALLC II"). In connection with this split, management's equity interest in CALLC, including both their common units and non-voting override units, was split so that half of management's equity interest was in CALLC and half was in CALLC II. In addition, in connection with the transfer of the managing general partner of the Partnership to CALLC III in October 2007, CALLC III issued non-voting override units to certain management members of CALLC III.

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(5) Share-Based Compensation (Continued)

CVR, CALLC and CALLC II account for share-based compensation in accordance with standards issued by the FASB regarding the treatment of share-based compensation, as well as guidance regarding the accounting for share-based compensation granted to employees of an equity method investee. CVR was allocated non-cash share-based compensation expense from CALLC, CALLC II and CALLC III.

In February 2011, CALLC and CALLC II sold 11,759,023 shares and 15,113,254 shares, respectively, of CVR's common stock pursuant to a registered public offering. In May 2011, CALLC sold 7,988,179 shares of CVR's common stock pursuant to a registered public offering.

As a result, CALLC and CALLC II ceased to be stockholders of the Company. Subsequent to CALLC II's divestiture of its ownership interest in the Company in February 2011 and CALLC's divestiture of its ownership interest in the Company in May 2011, no additional share-based compensation expense has been incurred with respect to override units and phantom units after each respective divestiture date. The final fair values of the override units of CALLC and CALLC II were derived based upon the values resulting from the proceeds received in connection with each entity's respective divestiture of its ownership in CVR. These values were utilized to determine the related compensation expense for the unvested units.

The final fair value of the CALLC III override units was derived based upon the value resulting from the proceeds received by the general partner upon the purchase of the IDR's by the Partnership. These proceeds were subsequently distributed to the owners of CALLC III which includes the override unitholders. This value was utilized to determine the related compensation expense for the unvested units. No additional share-based compensation has been or will be incurred with respect to override units of CALLC III subsequent to June 30, 2011 due to the complete distribution of the value prior to July 1, 2011.

The following table provides key information for the share-based compensation plans related to the override units of CALLC, CALLC II and CALLC III.

Award Type	Benchmark Value (per Unit)	Original Awards Issued	Grant Date	Compensation Expense Increase (Decrease) for the Three Months Ended June 30, 2011	Compensation Expense Increase (Decrease) for the Six Months Ended June 30, 2011
				(in thousands)	
Override Value Units	$ 11.31	1,839,265	June 2005	$ (27)	$ 4,960
Override Value Units	$ 34.72	144,966	December 2006	(64)	451
Override Units	$ 10.00	642,219	February 2008	49	184
Total				$ (42)	$ 5,595

Due to the divestiture of all ownership in CVR by CALLC and CALLC II and due to the purchase of the IDRs from the general partner and the distribution to CALLC III, there is no associated unrecognized compensation expense as of June 30, 2012.

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June 30, 2012

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(5) Share-Based Compensation (Continued)

Phantom Unit Appreciation Plans

CVR, through a wholly-owned subsidiary, has two Phantom Unit Appreciation Plans (the "Phantom Unit Plans") 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 has rights to receive distributions when holders of override operating units of CALLC and CALLC II receive distributions. Holders of performance phantom points have rights to receive distributions when holders of override value units of CALLC and CALLC II receive distributions. There are no other rights or guarantees and the plans expire on July 25, 2015, or at the discretion of the compensation committee of the board of directors. In November 2010, CALLC and CALLC II sold common shares of CVR through a registered offering. As a result of this offering, the Company made a payment to phantom unit holders totaling approximately $3.6 million. In November 2009, CALLC II completed a sale of common shares of CVR through a registered offering. As a result of this sale, the Company made a payment to phantom unit holders totaling approximately $0.9 million. As described above, in February 2011, CALLC and CALLC II completed a sale of CVR common stock pursuant to a registered public offering. As a result of this offering, the Company made a payment to phantom unitholders of approximately $20.1 million in the first quarter of 2011. As described above, in May 2011, CALLC completed an additional sale of CVR common stock pursuant to a registered public offering. As a result of this offering, the Company made a payment to phantom unitholders of approximately $9.2 million in the second quarter of 2011. Due to the divestiture of all ownership of CVR by CALLC and CALLC II in 2011 and the associated payments to the holders of service and phantom performance points, there is no unrecognized compensation expense at June 30, 2012. Compensation expense for the three months ended June 30, 2012 and 2011 related to the Phantom Unit Plans was approximately $0.0 and $0.7 million, respectively. Compensation expense for the six months ended June 30, 2012 and 2011 related to the Phantom Unit Plans was approximately $0.0 and $10.6 million, respectively.

Long-Term Incentive Plan

CVR has a Long-Term Incentive Plan ("LTIP"), which permits the grant of options, stock appreciation rights, non-vested shares, non-vested share units, dividend equivalent rights, share awards and performance awards (including performance share units, performance units and performance-based restricted stock). As of June 30, 2012, only restricted shares of CVR common stock and stock options had been granted under the LTIP. Individuals who are eligible to receive awards and grants under the LTIP include the Company's employees, officers, consultants, advisors and directors. A summary of the principal features of the LTIP is provided below.

Stock Options

In May 2012, all outstanding stock options equaling an equivalent of 22,900 common shares were exercised. No unexercised stock options remain as of the second quarter 2012.

(5) Share-Based Compensation (Continued)

Restricted Stock

A summary of restricted stock grant activity and changes during the six months ended June 30, 2012 is presented below:

	Shares	Weighted-Average Grant-Date Fair Value
Non-vested at January 1, 2012	1,634,154	$ 14.61
Granted	44,662	21.58
Vested	(85,349)	10.92
Forfeited	(19,333)	10.21
Non-vested at June 30, 2012	1,574,134	$ 15.06

Through the LTIP, restricted shares have been granted to employees of the Company. Prior to the change of control as discussed in Note 3, the restricted shares, when granted, were valued at the closing market price of CVR's common stock on the date of issuance and amortized to compensation expense on a straight-line basis over the vesting period of the stock. These shares generally vest over a three-year period.

The change of control and related Transaction Agreement discussed in Note 3 triggered a modification to the LTIP. Pursuant to the Transaction Agreement, all employee restricted stock awards that vest in 2012 will vest in accordance with the current vesting terms and upon vesting will receive the offer price of $30 per share in cash plus one CCP. For all such awards that vest in accordance with their terms in 2013, 2014 and 2015, the holders of the awards will receive the lesser of the offer price or the appraised value of the shares at the time of vesting. As a result of the modification, additional share-based compensation of approximately $12.4 million was incurred to revalue the unvested shares to the fair value upon the date of modification. For awards vesting subsequent to 2012, the awards will be remeasured at each subsequent reporting date until they vest. As a result of the modification of the awards, the classification changed from equity awards to liability awards.

As of June 30, 2012, there was approximately $23.1 million of total unrecognized compensation cost related to restricted shares to be recognized over a weighted-average period of approximately two years. Compensation expense recorded for the three months ended June 30, 2012 and 2011 related to the restricted shares and stock options was approximately $17.3 million and $2.5 million, respectively. Compensation expense recorded for the six months ended June 30, 2012 and 2011 related to the restricted shares and stock options was approximately $20.8 million and $4.7 million, respectively.

CVR Partners Long-Term Incentive Plan

In connection with the Partnership IPO, the board of directors of the general partner adopted the CVR Partners, LP Long-Term Incentive Plan ("CVR Partners LTIP"). Individuals who are eligible to receive awards under the CVR Partners LTIP include employees, officers, consultants and directors of CVR Partners and its general partner and their respective subsidiaries' parents. The CVR Partners

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(5) Share-Based Compensation (Continued)

LTIP provides for the grant of options, unit appreciation rights, distribution equivalent rights, restricted units, phantom units and other unit-based awards, each in respect of common units. The maximum number of common units issuable under the CVR Partners LTIP is 5,000,000.

Through the CVR Partners LTIP, phantom and common units have been awarded to employees of the Partnership and the general partner. Units, when granted, are valued at the closing market price of CVR Partners' common units on the date of issuance and amortized to compensation expense on a straight-line basis over the vesting period of the award. These units generally vest over a three year period. As of June 30, 2012, there was approximately $2.2 million of total unrecognized compensation cost related to the units to be recognized over a weighted-average period of two years. Compensation expense recorded for the three months ended June 30, 2012 and 2011 related to the units was approximately $0.5 million and $0.3 million, respectively. Compensation expense recorded for the six months ended June 30, 2012 and 2011 related to the units was approximately $1.1 million and $0.3 million, respectively.

A summary of the Partnership's unit activity during the six months ended June 30, 2012 is presented below:

	Units	Weighted-Average Grant Date Fair Value
	(in thousands)	
Non-vested at January 1, 2012	164,571	$ 22.99
Granted	—	—
Vested	(16,887)	19.74
Forfeited	—	—
Non-vested at June 30, 2012	147,684	$ 23.36

(6) Inventories

Inventories consisted of the following:

	June 30, 2012	December 31, 2011
	(in thousands)	
Finished goods	$ 243,663	$ 323,315
Raw materials and precious metals	194,478	157,931
In-process inventories	36,986	115,372
Parts and supplies	39,182	39,603
	$ 514,309	$ 636,221

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

June 30, 2012

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(7) Property, Plant, and Equipment

A summary of costs for property, plant, and equipment is as follows:

	June 30, 2012	December 31, 2011
	(in thousands)	
Land and improvements	$ 27,674	$ 26,136
Buildings	37,583	37,289
Machinery and equipment	2,013,055	1,967,269
Automotive equipment	10,618	10,217
Furniture and fixtures	12,844	12,349
Leasehold improvements	1,979	1,445
Railcars	2,496	2,496
Construction in progress	135,006	94,085
	2,241,255	2,151,286
Accumulated depreciation	539,950	478,325
	$ 1,701,305	$ 1,672,961

Capitalized interest recognized as a reduction in interest expense for the three months ended June 30, 2012 and 2011 totaled approximately $2.3 million and $0.8 million. Capitalized interest recognized as a reduction in interest expense for the six months ended June 30, 2012 and 2011 totaled approximately $4.3 million and $0.9 million. Land, building and equipment that are under a capital lease obligation had an original carrying value of approximately $25.1 million and $0.3 million as of June 30, 2012 and 2011. Amortization of assets held under capital leases is included in depreciation expense.

(8) Cost Classifications

Cost of product sold (exclusive of depreciation and amortization) includes cost of crude oil, other feedstocks, blendstocks, pet coke expense and freight and distribution expenses. Cost of product sold excludes depreciation and amortization of approximately $0.9 million and $0.6 million for the three months ended June 30, 2012 and 2011, respectively. For the six months ended June 30, 2012 and 2011, cost of product sold excludes depreciation and amortization of approximately $1.6 million and $1.3 million, respectively.

Direct operating expenses (exclusive of depreciation and amortization) includes direct costs of labor, maintenance and services, energy and utility costs, property taxes, environmental compliance costs, as well as chemicals and catalysts and other direct operating expenses. Direct operating expenses exclude depreciation and amortization of approximately $30.7 million and $20.9 million for the three months ended June 30, 2012 and 2011, respectively. For the six months ended June 30, 2012 and 2011, direct operating expenses exclude depreciation and amortization of approximately $61.5 million and $41.8 million, respectively.

Selling, general and administrative expenses (exclusive of depreciation and amortization) consist primarily of legal expenses, treasury, accounting, marketing, human resources and costs associated with

(8) Cost Classifications (Continued)

maintaining the corporate and administrative office in Texas and the administrative offices in Kansas and Oklahoma. Selling, general and administrative expenses exclude depreciation and amortization of approximately $0.6 million and $0.5 million for the three months ended June 30, 2012 and 2011, respectively. For the six months ended June 30, 2012 and 2011, selling, general and administrative expenses exclude depreciation and amortization of approximately $1.2 million and $1.0 million, respectively.

(9) Note Payable and Capital Lease Obligations

The Company entered into an insurance premium finance agreement in November 2011 to finance a portion of the purchase of its 2011/2012 property insurance policies. The original balance of the note provided by the Company under such agreement was $9.9 million. The Company began to repay this note in equal installments commencing December 1, 2011. As of June 30, 2012 and December 31, 2011, the Company owed approximately $2.2 million and $8.8 million, respectively, related to this note.

The Company also entered into a capital lease for real property used for corporate purposes on May 29, 2008. The lease had an initial lease term of one year with an option to renew for three additional one-year periods. During the second quarter of 2010, the Company renewed the lease for a one-year period commencing June 5, 2010. The Company had the option to purchase the property during the term of the lease, including the renewal periods. In March 2011, the Company exercised its purchase option and paid approximately $4.7 million to satisfy the lease obligation.

As a result of the Wynnewood Acquisition, the Company assumed two leases accounted for as capital leases related to the Magellan Pipeline Terminals, L.P. and Excel Pipeline LLC. The two arrangements have remaining terms of 207 and 208 months, respectively. As of June 30, 2012, the outstanding obligation associated with these arrangements totaled approximately $52.8 million. See Note 13 ("Long-Term Debt") for additional information.

(10) Other Current Liabilities

Other current liabilities were as follows:

	June 30, 2012	December 31, 2011
	(in thousands)	
Other derivative agreements (realized)	$ —	$ —
Other derivative agreements (unrealized)	6,056	—
Accrued interest	17,610	17,867
Partnership interest rate swap	927	905
Other liabilities	15,130	15,655
	$ 39,723	$ 34,427

(11) Insurance Claims

Nitrogen Fertilizer Incident

On September 30, 2010, the nitrogen fertilizer plant experienced an interruption in operations due to a rupture of a high-pressure UAN vessel. All operations at the nitrogen fertilizer facility were immediately shut down. No one was injured in the incident. Repairs to the facility as a result of the rupture were substantially complete as of December 31, 2010.

Total gross costs incurred as of June 30, 2012 due to the incident were approximately $11.5 million for repairs and maintenance and other associated costs. Approximately $0.0 and $0.2 million of these costs were recognized during the three months ended June 30, 2012 and 2011, respectively. Approximately $0.1 million and $0.6 million of these costs were recognized during the six months ended June 30, 2012 and 2011, respectively. The repairs and maintenance costs incurred are included in direct operating expenses (exclusive of depreciation and amortization). Of the gross costs incurred, approximately $4.5 million was capitalized in 2010, approximately $0.1 million was capitalized in 2011 and approximately $0.1 million was capitalized in 2012.

As of June 30, 2012, approximately $7.0 million of insurance proceeds have been received under the property damage insurance related to this incident. This amount was received prior to December 31, 2011. The recording of the insurance proceeds resulted in a reduction of direct operating expenses (exclusive of depreciation and amortization) when received.

The insurance policies also provide coverage for interruption to the business, including lost profits, and reimbursement for other expenses and costs the Company has incurred relating to the damage and losses suffered for business interruption. This coverage, however, only applies to losses incurred after a business interruption of 45 days. Partial business interruption claims were filed during 2011 resulting in receipt of proceeds totaling $3.4 million for the year ended December 31, 2011. Of this amount, approximately $2.9 million was reported for the six months ended June 30, 2011. The proceeds associated with the business interruption claims are included on the Consolidated Statements of Operations under Insurance recovery—business interruption.

Coffeyville Refinery Incidents

On December 28, 2010 the Coffeyville crude oil refinery experienced an equipment malfunction and small fire in connection with its fluid catalytic cracking unit ("FCCU"), which led to reduced crude oil throughput. The refinery returned to full operations on January 26, 2011. This interruption adversely impacted the production of refined products for the petroleum business in the first quarter of 2011. Total gross repair and other costs recorded related to the incident as of December 31, 2011 were approximately $8.0 million. No costs have been recorded in 2012. The Company maintains property damage insurance policies which have an associated deductible of $2.5 million. The Company anticipates that substantially all of the costs in excess of the deductible should be covered by insurance. As of December 31, 2011, the Company had received $4.0 million of insurance proceeds and has recorded an insurance receivable related to the incident of approximately $1.2 million as of June 30, 2012. The insurance receivable is included in other current assets in the Condensed Consolidated Balance Sheet.

(11) Insurance Claims (Continued)

The Coffeyville crude oil refinery experienced a small fire at its continuous catalytic reformer ("CCR") in May 2011. Total gross repair and other costs related to the incident, as of June 30, 2012, were approximately $3.2 million. No costs have been recorded in 2012. The Company anticipates that substantially all of the costs in excess of the $2.5 million deductible should be covered by insurance under its property damage insurance policy. As of June 30, 2012, the Company has recorded an insurance receivable of approximately $0.7 million.

(12) Income Taxes

On May 19, 2012, CVR became a member of the consolidated federal tax group of American Entertainment Properties Corporation ("AEPC"), a wholly-owned subsidiary of Icahn Enterprises, and subsequently entered into a tax allocation agreement with AEPC (the "Tax Allocation Agreement"). The Tax Allocation Agreement provides that AEPC will pay all consolidated federal income taxes on behalf of the consolidated tax group. CVR is required to make payments to AEPC in an amount equal to the tax liability, if any, that it would have paid if it were to file as a consolidated group separate and apart from AEPC.

As of June 30, 2012, the Company owes approximately $28.3 million for federal income taxes due to AEPC under the Tax Allocation Agreement, which is to be paid during the third quarter of 2012.

The Company recognizes liabilities, interest and penalties for potential tax issues based on its estimate of whether, and the extent to which, additional taxes may be due as determined under ASC Topic 740—*Income Taxes*. As of June 30, 2012, the Company had unrecognized tax benefits of approximately $17.8 million, of which $0.2 million, if recognized, would impact the Company's effective tax rate. Unrecognized tax benefits that are not expected to be settled within the next twelve months are included in other long-term liabilities in the condensed consolidated balance sheet; unrecognized tax benefits that are expected to be settled within the next twelve months are included in income taxes payable. The Company has accrued interest of $0.1 million and no penalties related to uncertain tax positions. The Company's accounting policy with respect to interest and penalties related to tax uncertainties is to classify these amounts as income taxes.

CVR and its subsidiaries file U.S. federal and various state income and franchise tax returns. At June 30, 2012, the Company's tax filings are generally open to examination in the United States for the tax years ended December 31, 2009 through December 31, 2011 and in various individual states for the tax years ended December 31, 2008 through December 31, 2011.

The Company's effective tax rate for the three and six months ended June 30, 2012 was 35.5% and 35.3%, respectively, as compared to the Company's combined federal and state expected statutory tax rate of 39.4%. The Company's effective tax rate for the three and six months ended June 30, 2012 is lower than the statutory rate primarily due to the reduction of income subject to tax associated with the noncontrolling ownership interest of CVR Partners, LP's earnings, as well as benefits for domestic production activities. The Company's effective tax rate for the three and six months ended June 30, 2011 was 36.4% and 36.6%, respectively, as compared to the Company's combined federal and state expected statutory tax rate of 39.7%. The Company's effective tax rate for the three and six months ended June 30, 2011 was lower than the statutory rate primarily due to the reduction of income subject

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(12) Income Taxes (Continued)

to tax associated with the noncontrolling ownership interest of CVR Partners' earnings, as well as benefits for domestic production activities.

(13) Long-Term Debt

Long-term debt was as follows:

	June 30, 2012	December 31, 2011
	(in thousands)	
9.0% Senior Secured Notes, due 2015, net of unamortized premium of $7,377(1) and $9,003(2) as of June 30, 2012 and December 31, 2011, respectively	$ 454,427	$ 456,053
10.875% Senior Secured Notes, due 2017, net of unamortized discount of $2,004 and $2,159 as of June 30, 2012 and December 31, 2011, respectively	220,746	220,591
CRNF credit facility	125,000	125,000
Capital lease obligations	51,738	52,259
Long-term debt	$ 851,911	$ 853,903

(1) Net unamortized premium of $7.4 million represents an unamortized discount of $0.7 million on the original First Lien Notes and an $8.1 million unamortized premium on the additional First Lien Notes issued in December 2011.

(2) Net unamortized premium of $9.0 million represents an unamortized discount of $0.9 million on the original First Lien Notes and a $9.9 million unamortized premium on the additional First Lien Notes issued in December 2011.

Senior Secured Notes

On April 6, 2010, CRLLC and its wholly-owned subsidiary, Coffeyville Finance Inc. (together the "Issuers"), completed a private offering of $275.0 million aggregate principal amount of 9.0% First Lien Senior Secured Notes due 2015 (the "First Lien Notes") and $225.0 million aggregate principal amount of 10.875% Second Lien Senior Secured Notes due 2017 (the "Second Lien Notes" and together with the First Lien Notes, the "Notes"). The First Lien Notes were issued at 99.511% of their principal amount and the Second Lien Notes were issued at 98.811% of their principal amount. The associated original issue discount of the Notes is amortized to interest expense and other financing costs over the respective term of the Notes. On December 30, 2010, CRLLC made a voluntary unscheduled principal payment of approximately $27.5 million on the First Lien Notes that resulted in a premium payment of 3.0% and a partial write-off of previously deferred financing costs and unamortized original issue discount totaling approximately $1.6 million. On May 16, 2011, CRLLC repurchased $2.7 million of the Notes at a purchase price of 103.0% of the outstanding principal amount, which resulted in a premium payment of 3.0% and a partial write-off of previously deferred financing costs and unamortized issue discount.

(13) Long-Term Debt (Continued)

On December 15, 2011, the Issuers sold an additional $200.0 million aggregate principal amount of 9.0% First Lien Senior Secured Notes due 2015 ("New Notes"). The New Notes were sold at an issue price of 105.0%, plus accrued interest from October 1, 2011 of $3.7 million. The associated original issue premium of the New Notes is amortized to interest expense and other financing costs over the respective term of the New Notes. The New Notes were issued as "Additional Notes" pursuant to the indenture dated April 6, 2010 (the "Indenture") and, together with the existing first lien notes, are treated as a single class for all purposes under the Indenture including, without limitation, waivers, amendments, redemptions and other offers to purchase. Unless otherwise indicated, the New Notes and the existing first lien notes are collectively referred to herein as the "First Lien Notes."

The change of control discussed in Note 3 required CVR to make an offer to repurchase all of the Issuers' outstanding Notes; and on June 4, 2012, the Issuers offered to purchase all or any part of the Notes, at a cash purchase price of 101% of the aggregate principal amount of the Notes, plus accrued and unpaid interest, if any. The offer expired on July 5, 2012 with none of the outstanding Notes tendered.

The First Lien Notes mature on April 1, 2015, unless earlier redeemed or repurchased by the Issuers. The Second Lien Notes mature on April 1, 2017, unless earlier redeemed or repurchased by the Issuers. Interest is payable on the Notes semi-annually on April 1 and October 1 of each year. At June 30, 2012, the estimated fair value of the First and Second Lien Notes was approximately $476.1 million and $248.4 million, respectively. These estimates of fair value are Level 2 as they were determined by quotations obtained from a broker-dealer who makes a market in these and similar securities. The Notes are fully and unconditionally guaranteed by each of CRLLC's subsidiaries other than the Partnership and CRNF.

ABL Credit Facility

On February 22, 2011, CRLLC entered into a $250.0 million asset-backed revolving credit agreement ("ABL credit facility") with a group of lenders including Deutsche Bank Trust Company Americas as collateral and administrative agent. The ABL credit facility is scheduled to mature in August 2015 and replaced the $150.0 million first priority credit facility which was terminated. The ABL credit facility will be used to finance ongoing working capital, capital expenditures, letters of credit issuance and general needs of the Company and includes among other things, a letter of credit sublimit equal to 90% of the total facility commitment and a feature which permits an increase in borrowings of up to $250.0 million (in the aggregate), subject to additional lender commitments. On December 15, 2011, CRLLC entered into an incremental commitment agreement to increase the borrowings under the ABL credit facility to $400.0 million in the aggregate in connection with the New Notes issuance as discussed above. Terms of the ABL credit facility did not change as a result of the additional availability. As of June 30, 2012, CRLLC had availability under the ABL credit facility of $347.0 million and had letters of credit outstanding of approximately $53.0 million. There were no borrowings outstanding under the ABL credit facility as of June 30, 2012.

Borrowings under the facility bear interest based on a pricing grid determined by the previous quarter's excess availability. The pricing for borrowings under the ABL credit facility can range from

(13) Long-Term Debt (Continued)

LIBOR plus a margin of 2.75% to LIBOR plus 3.0% or the prime rate plus 1.75% to prime rate plus 2.0% for Base Rate Loans. Availability under the ABL credit facility is determined by a borrowing base formula supported primarily by cash and cash equivalents, certain accounts receivable and inventory.

The ABL credit facility contains customary covenants for a financing of this type that limit, subject to certain exceptions, the incurrence of additional indebtedness, the incurrence of liens on assets, and the ability to dispose of assets, make restricted payments, investments or acquisitions, enter into sales lease back transactions or enter into affiliate transactions. The ABL credit facility also contains a fixed charge coverage ratio financial covenant that is triggered when borrowing base excess availability is less than certain thresholds, as defined under the facility. As of June 30, 2012, CRLLC was in compliance with the covenants contained in the ABL credit facility.

In connection with the ABL credit facility, CRLLC incurred lender and other third party costs of approximately $9.1 million for the year ended December 31, 2011. These costs will be deferred and amortized to interest expense and other financing costs using a straight-line method over the term of the facility. In connection with termination of the first priority credit facility, a portion of the unamortized deferred financing costs associated with this facility, totaling approximately $1.9 million, was written off in the first quarter of 2011. In accordance with guidance provided by the FASB regarding the modification of revolving debt arrangements, the remaining approximately $0.8 million of unamortized deferred financing costs associated with the first priority credit facility will continue to be amortized over the term of the ABL credit facility.

In connection with the closing of the Partnership's initial public offering in April 2011, the Partnership and CRNF were released as guarantors of the ABL credit facility.

In connection with the change in control described in Note 3 above, CRLLC, Deutsche Bank Trust Company Americas, as Administrative Agent and Collateral Agent, the lenders and the other parties thereto, entered into a First Amendment to Credit Agreement effective as of May 7, 2012 (the "ABL First Amendment"), pursuant to which the parties agreed to exclude Icahn's acquisition of Shares from the definition of change of control as provided in the ABL credit facility. Absent the ABL First Amendment, the change in control of CVR described above would have triggered an event of default pursuant to the ABL credit facility.

Partnership Credit Facility

On April 13, 2011, CRNF, as borrower, and the Partnership, as guarantor, entered into a new credit facility with a group of lenders including Goldman Sachs Lending Partners LLC, as administrative and collateral agent. The credit facility includes a term loan facility of $125.0 million and a revolving credit facility of $25.0 million, with an uncommitted incremental facility of up to $50.0 million. No amounts were outstanding under the revolving credit facility at June 30, 2012. There is no scheduled amortization of the credit facility, which matures in April 2016. The carrying value of the Partnership's debt approximates fair value.

Borrowings under the credit facility bear interest based on a pricing grid determined by the trailing four quarter leverage ratio. The initial pricing for Eurodollar rate loans under the credit facility is the

(13) Long-Term Debt (Continued)

Eurodollar rate plus a margin of 3.50% or, for base rate loans, the prime rate plus 2.50%. Under its terms, the lenders under the credit facility were granted a perfected, first priority security interest (subject to certain customary exceptions) in substantially all of the assets of CRNF and the Partnership.

The credit facility requires the Partnership to maintain a minimum interest coverage ratio and a maximum leverage ratio and contains customary covenants for a financing of this type that limit, subject to certain exceptions, the incurrence of additional indebtedness or guarantees, the creation of liens on assets and the ability of the Partnership to dispose of assets, to make restricted payments, investments and acquisitions, or enter into sale-leaseback transactions and affiliate transactions. The credit facility provides that the Partnership can make distributions to holders of its common units provided, among other things, it is in compliance with the leverage ratio and interest coverage ratio on a pro forma basis after giving effect to any distribution and there is no default or event of default under the credit facility. As of June 30, 2012, CRNF was in compliance with the covenants contained in the credit facility.

In connection with the credit facility, the Partnership incurred lender and other third-party costs of approximately $4.8 million. The costs associated with the credit facility have been deferred and are being amortized over the term of the credit facility as interest expense using the effective-interest amortization method for the term loan facility and the straight-line method for the revolving credit facility.

(14) Earnings Per Share

Basic and diluted earnings per share are computed by dividing net income attributable to CVR stockholders by the weighted-average number of shares of common stock outstanding. The components of the basic and diluted earnings per share calculation are as follows:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2012	2011	2012	2011
	(in thousands, except share data)			
Net income attributable to CVR Energy stockholders	$ 154,734	$ 124,865	$ 129,532	$ 170,653
Weighted-average number of shares of common stock outstanding	86,821,224	86,422,881	86,814,687	86,418,356
Effect of dilutive securities:				
Non-vested common stock	1,629,790	1,362,167	1,645,254	1,364,131
Stock options	2,992	4,303	4,406	3,801
Weighted-average number of shares of common stock outstanding assuming dilution	88,454,006	87,789,351	88,464,347	87,786,288
Basic earnings per share	$ 1.78	$ 1.44	$ 1.49	$ 1.97
Diluted earnings per share	$ 1.75	$ 1.42	$ 1.46	$ 1.94

All outstanding stock options totaling 22,900 were exercised in May 2012.

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(15) Commitments and Contingencies

Leases and Unconditional Purchase Obligations

The minimum required payments for CVR's lease agreements and unconditional purchase obligations are as follows:

	Operating Leases	Unconditional Purchase Obligations(1)
	(in thousands)	
Six months ending December 31, 2012	$ 5,065	$ 63,994
Year ending December 31, 2013	9,093	126,619
Year ending December 31, 2014	7,145	113,593
Year ending December 31, 2015	5,586	103,115
Year ending December 31, 2016	4,664	103,013
Thereafter	8,563	457,896
	$ 40,116	$ 968,230

(1) This amount includes approximately $497.8 million payable ratably over nine years pursuant to petroleum transportation service agreements between CRRM and TransCanada Keystone Pipeline, LP ("TransCanada"). Under the agreements, CRRM will receive transportation for at least 25,000 barrels per day of crude oil with a delivery point at Cushing, Oklahoma for a term of ten years on TransCanada's Keystone pipeline system. CRRM began receiving crude oil under the agreements in the first quarter of 2011.

CVR leases various equipment, including rail cars, and real properties under long-term operating leases expiring at various dates. For the three months ended June 30, 2012 and 2011, lease expense totaled approximately $1.4 million and $1.3 million, respectively. For the six months ended June 30, 2012 and 2011, lease expense totaled approximately $2.7 million and $2.6 million, 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. Additionally, in the normal course of business, the Company has long-term commitments to purchase oxygen, nitrogen, electricity, storage capacity and pipeline transportation services.

CVR Partners entered into a pet coke supply agreement with HollyFrontier Corporation which became effective on March 1, 2012. The initial term ends in 2013 and the agreement is subject to renewal.

Litigation

From time to time, the Company is involved in various lawsuits arising in the normal course of business, including matters such as those described below under, "Environmental, Health, and Safety ("EHS") Matters." Liabilities related to such litigation are recognized when the related costs are probable and can be reasonably estimated. These provisions are reviewed at least quarterly and

(15) Commitments and Contingencies (Continued)

adjusted to reflect the impacts of negotiations, settlements, rulings, advice of legal counsel, and other information and events pertaining to a particular case. It is possible that 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 condensed consolidated financial statements. There can be no assurance that management's beliefs or opinions with respect to liability for potential litigation matters are accurate.

Samson Resources Company, Samson Lone Star, LLC and Samson Contour Energy E&P, LLC (together, "Samson") filed fifteen lawsuits in federal and state courts in Oklahoma and two lawsuits in state courts in New Mexico against CRRM and other defendants between March 2009 and July 2009. In addition, in May 2010, separate groups of plaintiffs filed two lawsuits (the "Anstine and Arrow cases") against CRRM and other defendants in state court in Oklahoma and Kansas. All of the lawsuits filed in state court were removed to federal court. All of the lawsuits (except for the New Mexico suits, which remained in federal court in New Mexico) were then transferred to the Bankruptcy Court for the United States District Court for the District of Delaware, where the Sem Group bankruptcy resides. In March 2011, CRRM was dismissed without prejudice from the New Mexico suits. All of the lawsuits allege that Samson or other respective plaintiffs sold crude oil to a group of companies, which generally are known as SemCrude or SemGroup (collectively, "Sem"), which later declared bankruptcy and that Sem has not paid such plaintiffs for all of the crude oil purchased from Sem. The Samson lawsuits further allege that Sem sold some of the crude oil purchased from Samson to J. Aron & Company ("J. Aron") and that J. Aron sold some of this crude oil to CRRM. All of the lawsuits seek the same remedy, the imposition of a trust, an accounting and the return of crude oil or the proceeds therefrom. The amount of the plaintiffs' alleged claims is unknown since the price and amount of crude oil sold by the plaintiffs and eventually received by CRRM through Sem and J. Aron, if any, is unknown. CRRM timely paid for all crude oil purchased from J. Aron. On January 26, 2011, CRRM and J. Aron entered into an agreement whereby J. Aron agreed to indemnify and defend CRRM from any damage, out-of-pocket expense or loss in connection with any crude oil involved in the lawsuits which CRRM purchased through J. Aron, and J. Aron agreed to reimburse CRRM's prior attorney fees and out-of-pocket expenses in connection with the lawsuits. Samson and CRRM entered a stipulation of dismissal with respect to all of the Samson cases and the Samson cases were dismissed with prejudice on February 8, 2012. The dismissal does not pertain to the Anstine and Arrow cases.

On June 21, 2012, Goldman, Sachs & Co. ("GS") filed suit against CVR in state court in New York, alleging that CVR failed to pay GS approximately $18.5 million in fees allegedly due to GS by CVR pursuant to an engagement letter dated March 21, 2012, which according to the allegations set forth in the complaint, provided that GS was engaged by CVR to assist CVR and the CVR board of directors in connection with a tender offer for CVR's stock made by Carl C. Icahn and certain of his affiliates. CVR believes it has meritorious defenses and intends to vigorously defend against the suit. This amount has been fully accrued as of June 30, 2012.

CRNF received a ten year property tax abatement from Montgomery County, Kansas in connection with the construction of the nitrogen fertilizer plant that expired on December 31, 2007. In connection with the expiration of the abatement, the county reassessed CRNF's nitrogen fertilizer plant

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(15) Commitments and Contingencies (Continued)

and classified the nitrogen fertilizer plant as almost entirely real property instead of almost entirely personal property. The reassessment resulted in an increase in CRNF's annual property tax expense by an average of approximately $10.7 million per year for the years ended December 31, 2008 and December 31, 2009, $11.7 million for the year ended December 31, 2010 and $11.4 million for the year ended December 31, 2011. CRNF does not agree with the county's classification of its nitrogen fertilizer plant and has been disputing it before the Kansas Court of Tax Appeals, or COTA. However, CRNF has fully accrued and paid the property taxes the county claims are owed for the years ended December 31, 2011, 2010, 2009 and 2008 and has estimated and accrued for property tax for the first six months of 2012. This property tax expense is reflected as a direct operating expense in our financial results. In January 2012, COTA issued a ruling indicating that the assessment in 2008 of CRNF's fertilizer plant as almost entirely real property instead of almost entirely personal property was appropriate. CRNF disagrees with the ruling and filed a petition for reconsideration with COTA (which was denied) and then filed an appeal to the Kansas Court of Appeals. CRNF is also appealing the valuation of the CRNF fertilizer plant for tax years 2009 through 2012, which cases remain pending before COTA. If CRNF is successful in having the nitrogen fertilizer plant reclassified as personal property, in whole or in part, then a portion of the accrued and paid property tax expenses would be refunded to CRNF, which could have a material positive effect on our results of operations. If CRNF is not successful in having the nitrogen fertilizer plant reclassified as personal property, in whole or in part, then CRNF expects that it will continue to pay property taxes at elevated rates.

On July 25, 2011, Mid-America Pipeline Company, LLC ("MAPL") filed an application with the Kansas Corporation Commission ("KCC") for the purpose of establishing rates ("New Rates") effective October 1, 2011 for pipeline transportation service on MAPL's liquids pipelines running between Conway, Kansas and Coffeyville, Kansas ("Inbound Line") and between Coffeyville, Kansas and El Dorado, Kansas ("Outbound Line"). CRRM currently ships refined fuels on the Outbound Line pursuant to transportation rates established by a pipeline capacity lease with MAPL which expired September 30, 2011 and CRRM currently ships natural gas liquids on the Inbound Line pursuant to a pipeage contract which also expired September 30, 2011. If MAPL were successful in obtaining the entirety of its proposed rate increase, under CRRM's historic pipeline usage patterns, the New Rates would result in a total annual increase of approximately $14.75 million for CRRM's use of the Inbound and the Outbound Lines. On September 30, 2011, the KCC issued an order continuing, on an interim basis, the existing rates for the Inbound Line and the Outbound Line from October 1, 2011 until the resolution of the matter. In addition, on September 21, 2011, MAPL filed an application with the U.S. Federal Energy Regulatory Commission ("FERC") for a rate increase on the Outbound Line with respect to shipments with an interstate destination. On October 28, 2011 FERC issued an order allowing MAPL to place its increased rate into effect October 1, 2011 with respect to interstate shipments, subject to refund based on the final outcome of the FERC proceedings. Historically, the majority of CRRM's shipments on the Outbound Line are to Kansas intrastate destinations and therefore, are subject to KCC and not FERC rate regulation. On April 3, 2012, the parties entered into a Settlement Agreement which resolved the rate dispute both at the KCC and at FERC. Among other provisions, the Settlement Agreement provides for pipeage contracts to be entered into between the parties with rates ("Settlement Rates") to be established for an initial one year period. The Settlement Rates consist of two components, a base rate and a pipeline integrity cost recovery rate along with an

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(15) Commitments and Contingencies (Continued)

annual take or pay minimum transportation quantity. The Settlement Rate on the Inbound Line was effective April 1, 2012 and the Settlement Rate on the Outbound Line was effective June 1, 2012. Prior to the end of the initial one year term of the pipeage contracts, and prior to the end of each annual period thereafter until the tenth anniversary of each of the two pipeage contracts, MAPL will provide its estimate of pipeline integrity costs for the upcoming annual period and CRRM may either agree to pay a rate for such upcoming annual period which includes a recovery rate component sufficient to collect such pipeline integrity costs for such upcoming annual period subject to true-up to actual costs at the end of the annual period. FERC rates will be the same as the KCC rates.

Flood, Crude Oil Discharge and Insurance

Crude oil was discharged from the Company's Coffeyville refinery on July 1, 2007, due to the short amount of time available to shut down and secure the refinery in preparation for the flood that occurred on June 30, 2007. In connection with the discharge, the Company received in May 2008 notices of claims from sixteen private claimants under the Oil Pollution Act ("OPA") in an aggregate amount of approximately $4.4 million (plus punitive damages). In August 2008, those claimants filed suit against the Company in the United States District Court for the District of Kansas in Wichita (the "Angleton Case"). In October 2009 and June 2010, companion cases to the Angleton Case were filed in the United States District Court for the District of Kansas in Wichita, seeking a total of approximately $3.2 million (plus punitive damages) for three additional plaintiffs as a result of the July 1, 2007 crude oil discharge. The Company has settled all of the claims with the plaintiffs from the Angleton Case and has settled all of the claims except for one of the plaintiffs from the companion cases. The settlements did not have a material adverse effect on the condensed consolidated financial statements. The Company believes that the resolution of the remaining claim will not have a material adverse effect on the condensed consolidated financial statements.

As a result of the crude oil discharge that occurred on July 1, 2007, the Company entered into an administrative order on consent (the "Consent Order") with the U.S. Environmental Protection Agency (the "EPA") on July 10, 2007. As set forth in the Consent Order, the EPA concluded that the discharge of crude oil from the Company's Coffeyville refinery caused an imminent and substantial threat to the public health and welfare. Pursuant to the Consent Order, the Company agreed to perform specified remedial actions to respond to the discharge of crude oil from the Company's refinery. The substantial majority of all required remedial actions were completed by January 31, 2009. The Company prepared and provided its final report to the EPA in January 2011 to satisfy the final requirement of the Consent Order. In April 2011, the EPA provided the Company with a notice of completion indicating that the Company has no continuing obligations under the Consent Order, while reserving its rights to recover oversight costs and penalties.

On October 25, 2010, the Company received a letter from the United States Coast Guard on behalf of the EPA seeking approximately $1.8 million in oversight cost reimbursement. The Company responded by asserting defenses to the Coast Guard's claim for oversight costs. On September 23, 2011, the United States Department of Justice ("DOJ"), acting on behalf of the EPA and the United States Coast Guard, filed suit against CRRM in the United States District Court for the District of Kansas seeking (i) recovery from CRRM of the EPA's oversight costs under the OPA, (ii) a civil penalty under

(15) Commitments and Contingencies (Continued)

the Clean Water Act (as amended by the OPA) and (iii) recovery from CRRM related to alleged non-compliance with the Clean Air Act's Risk Management Program ("RMP"). (See "Environmental, Health and Safety ("EHS") Matters" below.) The Company has reached an agreement in principle with the DOJ to resolve the DOJ's claims. The Company anticipates that civil penalties associated with the proceeding will exceed $100,000; however, the Company does not anticipate that civil penalties or any other costs associated with the proceeding will be material. The discovery in the lawsuit is temporarily stayed while the parties attempt to finalize that agreement in a consent decree.

The Company is seeking insurance coverage for this release and for the ultimate costs for remediation and third-party property damage claims. On July 10, 2008, the Company filed a lawsuit in the United States District Court for the District of Kansas against certain of the Company's environmental insurance carriers requesting insurance coverage indemnification for the June/July 2007 flood and crude oil discharge losses. Each insurer reserved its rights under various policy exclusions and limitations and cited potential coverage defenses. Although the Court has now issued summary judgment opinions that eliminate the majority of the insurance defendants' reservations and defenses, the Company cannot be certain of the ultimate amount or timing of such recovery because of the difficulty inherent in projecting the ultimate resolution of the Company's claims. The Company has received $25 million of insurance proceeds under its primary environmental liability insurance policy which constitutes full payment to the Company of the primary pollution liability policy limit.

The lawsuit with the insurance carriers under the environmental policies remains the only unsettled lawsuit with the insurance carriers related to these events.

Environmental, Health, and Safety ("EHS") Matters

CRRM, Coffeyville Resources Crude Transportation, LLC ("CRCT"), Coffeyville Resources Terminal, LLC ("CRT"), and Wynnewood Refining Company, LLC ("WRC"), all of which are wholly-owned subsidiaries of CVR, and CRNF are 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.

CRRM, CRNF, CRCT, WRC and CRT own and/or operate manufacturing and ancillary operations at various locations directly related to petroleum refining and distribution and nitrogen fertilizer manufacturing. Therefore, CRRM, CRNF, CRCT, WRC and CRT have exposure to potential EHS liabilities related to past and present EHS conditions at these locations. Under the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"), the Resource Conservation and Recovery Act ("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 transportation or disposal of, hazardous substances at a contaminated property. Liability under CERCLA is strict, and under certain circumstances, joint and several, so that any responsible party may

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be held liable for the entire cost of investigating and remediating the release of hazardous substances. Similarly, the Oil Pollution Act of 1990 ("OPA") generally subjects owners and operators of facilities to strict, joint and several liability for all containment and cleanup costs, natural resource damages, and potential governmental oversight costs arising from oil spills into the waters of the United States.

CRRM and CRT have agreed to perform corrective actions at the Coffeyville, Kansas refinery and the now-closed Phillipsburg, Kansas terminal facility, pursuant to Administrative Orders on Consent issued under RCRA to address historical contamination by the prior owners (RCRA Docket No. VII-94-H-0020 and Docket No. VII-95-H-011, respectively). As of June 30, 2012 and December 31, 2011, environmental accruals of approximately $1.8 million and $1.9 million, respectively, were reflected in the Condensed Consolidated Balance Sheets for probable and estimated costs for remediation of environmental contamination under the RCRA Administrative Orders, for which approximately $0.4 million and $0.5 million, respectively, are included in other current liabilities. The Company's accruals were determined based on an estimate of payment costs through 2031, for which the scope of remediation was arranged with the EPA, and were discounted at the appropriate risk free rates at June 30, 2012 and December 31, 2011, respectively. The accruals include estimated closure and post-closure costs of approximately $0.9 million and $0.9 million for two landfills at June 30, 2012 and December 31, 2011, respectively. The estimated future payments for these required obligations are as follows:

Year Ending December 31,	Amount (in thousands)
Six months ending December 31, 2012	$ 281
2013	179
2014	162
2015	163
2016	106
Thereafter	1,059
Undiscounted total	1,950
Less amounts representing interest at 1.58%	198
Accrued environmental liabilities at June 30, 2012	$ 1,752

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.

CRRM, CRNF, CRCT, WRC and CRT are subject to extensive and frequently changing federal, state and local, environmental and health and safety laws and regulations governing the emission and release of hazardous substances into the environment, the treatment and discharge of waste water, the storage, handling, use and transportation of petroleum and nitrogen products, and the characteristics and composition of gasoline and diesel fuels. The ultimate impact on the Company's business of complying with evolving 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,

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(15) Commitments and Contingencies (Continued)

such as the federal Clean Air Act, have not yet been finalized, are under governmental or judicial review or are being revised. These laws and regulations could result in increased capital, operating and compliance costs.

In 2007, the EPA promulgated the Mobile Source Air Toxic II ("MSAT II") rule that requires the reduction of benzene in gasoline by 2011. CRRM and WRC are considered to be small refiners under the MSAT II rule and compliance with the rule is extended until 2015 for small refiners. With the change of control by Icahn Enterprises, the MSATII projects have been accelerated by three months due to the loss of Small Refiner status. Capital expenditures to comply with the rule are expected to be approximately $45.0 million for CRRM and $49.0 million for WRC.

CRRM's refinery is subject to the Renewable Fuel Standard ("RFS") which requires refiners to blend "renewable fuels" in with their transportation fuels or purchase renewable energy credits in lieu of blending. The EPA is required to determine and publish the applicable annual renewable fuel percentage standards for each compliance year by November 30 for the forthcoming year. The percentage standards represent the ratio of renewable fuel volume to gasoline and diesel volume. In 2011, about 8% of all fuel used was required to be "renewable fuel." For 2012, the EPA has proposed to raise the renewable fuel percentage standards to about 9%. Due to mandates in the RFS requiring increasing volumes of renewable fuels to replace petroleum products in the U.S. motor fuel market, there may be a decrease in demand for petroleum products. In addition, CRRM may be impacted by increased capital expenses and production costs to accommodate mandated renewable fuel volumes to the extent that these increased costs cannot be passed on to the consumers. CRRM's small refiner status under the original RFS expired on December 31, 2010. Beginning on January 1, 2011, CRRM was required to blend renewable fuels into its gasoline and diesel fuel or purchase renewable energy credits, known as Renewable Identification Numbers ("RINs") in lieu of blending. To achieve compliance with the renewable fuel standard for the remainder of 2012, CRRM is able to blend a small amount of ethanol into gasoline sold at its refinery loading rack, but otherwise will have to purchase RINs to comply with the rule. CRRM requested "hardship relief" (an extension of the compliance deadline) from the EPA based on the disproportionate economic impact of the rule on CRRM, but the EPA denied CRRM's request on February 17, 2012.

WRC's refinery is a small refinery under the RFS and has received a two year extension of time to comply. Therefore, WRC will have to begin complying with the RFS beginning in 2013 unless a further extension is requested and granted.

The EPA is expected to propose "Tier 3" gasoline sulfur standards in 2012. If the EPA were to propose a standard at the level recently being discussed in the pre-proposal phase by the EPA, CRRM will need to make modifications to its equipment in order to meet the anticipated new standard. It is not anticipated that the Wynnewood refinery would require additional capital to meet the anticipated new standard. The Company does not believe that costs associated with the EPA's proposed Tier 3 rule will be material.

In March 2004, CRRM and CRT entered into a Consent Decree (the "2004 Consent Decree") with the EPA and the Kansas Department of Health and Environment (the "KDHE") to resolve air compliance concerns raised by the EPA and KDHE related to Farmland Industries Inc.'s prior

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(15) Commitments and Contingencies (Continued)

ownership and operation of the Coffeyville crude oil refinery and the now-closed Phillipsburg terminal facilities. Under the 2004 Consent Decree, CRRM agreed to install controls to reduce emissions of sulfur dioxide, nitrogen oxides and particulate matter from its FCCU by January 1, 2011. In addition, pursuant to the 2004 Consent Decree, CRRM and CRT assumed cleanup obligations at the Coffeyville refinery and the now-closed Phillipsburg terminal facilities. On June 30, 2009, CRRM submitted a force majeure notice to the EPA and KDHE in which CRRM indicated that it may be unable to meet the 2004 Consent Decree's January 1, 2011 deadline for the installation of controls on the FCCU to reduce emissions of sulfur dioxide and nitrogen oxides because of delays caused by the June/July 2007 flood. In February 2010, CRRM and the EPA agreed to a fifteen month extension of the January 1, 2011, deadline for the installation of FCCU controls which was approved by the Court as a "First Material Modification" to the 2004 Consent Decree. In the First Material Modification, CRRM agreed to offset any incremental emissions resulting from the delay by installing additional controls to existing emission sources over a set timeframe.

In March 2012, CRRM entered into a "Second Consent Decree" with the EPA, which replaces the 2004 Consent Decree (other than the RCRA provisions) and the First Material Modification. The Second Consent Decree gives CRRM more time to install the FCCU controls from the 2004 Consent Decree and expands the scope of the settlement so that it is now considered a "global settlement" under the EPA's "National Petroleum Refining Initiative." Under the National Petroleum Refining Initiative, the EPA identified industry-wide noncompliance with four "marquee" issues under the Clean Air Act: New Source Review, Flaring, Leak Detection and Repair, and Benzene Waste Operations NESHAP. The National Petroleum Refining Initiative has resulted in most U.S. refineries (representing more than 90% of the US refining capacity) entering into consent decrees imposing civil penalties and requiring the installation of pollution control equipment and enhanced operating procedures. The EPA has indicated that it will seek to have all refiners enter into "global settlements" pertaining to all "marquee" issues. The 2004 Consent Decree covered some, but not all, of the "marquee" issues. The Second Consent Decree covers all of the marquee issues. Under the Second Consent Decree, the Company will be required to pay a civil penalty of approximately $0.7 million and complete the installation of FCCU controls required under the 2004 Consent Decree, the remaining costs of which are expected to be approximately $49.0 million, of which approximately $47.0 million is expected to be capital expenditures and complete a voluntary environmental project that will reduce air emissions and conserve water at an estimated cost of approximately $1.2 million. The incremental capital expenditures associated with the Second Consent Decree would not be material and will be limited primarily to the retrofit and replacement of heaters and boilers over a five to seven year timeframe. The Second Consent Decree was entered by the Court on April 19, 2012.

WRC's refinery has not entered into a global settlement with the EPA and the Oklahoma Department of Environmental Quality (the "ODEQ") under the National Petroleum Refining Initiative, although it had discussions with the EPA and the ODEQ about doing so. Instead, WRC entered into a Consent Order with the ODEQ in August 2011 (the "Wynnewood Consent Order"). The Wynnewood Consent Order addresses some, but not all, of the traditional marquee issues under the National Petroleum Refining Initiative and addresses certain historic Clean Air Act compliance issues that are generally beyond the scope of a traditional global settlement. Under the Wynnewood Consent

(15) Commitments and Contingencies (Continued)

Order, WRC paid a civil penalty of $950,000, and agreed to install certain controls, enhance certain compliance programs, and undertake additional testing and auditing. The costs of complying with the Wynnewood Consent Order, other than costs associated with a planned turnaround, are expected to be approximately $1.5 million. In consideration for entering into the Wynnewood Consent Order, WRC received a broad release from liability from ODEQ. The EPA may later request that WRC enter into a global settlement which, if WRC agreed to do so, would necessitate the payment of a civil penalty and the installation of additional controls.

On February 24, 2010, CRRM received a letter from the DOJ on behalf of the EPA seeking an approximately $0.9 million civil penalty related to alleged late and incomplete reporting of air releases in violation of the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA") and the Emergency Planning and Community Right-to-Know Act ("EPCRA"). The Company has reached an agreement with EPA to resolve these claims. The resolution was included in the Second Consent Decree described above pursuant to which the Company has agreed to pay an immaterial civil penalty.

The EPA has investigated CRRM's operation for compliance with the Clean Air Act's RMP. On September 23, 2011, the DOJ, acting on behalf of the EPA and the United States Coast Guard, filed suit against CRRM in the United States District Court for the District of Kansas (in addition to the matters described above, see "Flood, Crude Oil Discharge and Insurance") seeking recovery from CRRM related to alleged non-compliance with the RMP. The Company anticipates that civil penalties associated with the proceeding will exceed $100,000; however, the Company does not anticipate that civil penalties or any other costs associated with the proceeding will be material. The discovery in the lawsuit is temporarily stayed while the parties attempt to finalize that agreement in a consent decree.

From time to time, the EPA has conducted inspections and issued information requests to CRNF with respect to the Company's compliance with the RMP and the release reporting requirements under CERCLA and the EPCRA. These previous investigations have resulted in the issuance of preliminary findings regarding CRNF's compliance status. In the fourth quarter of 2010, following CRNF's reported release of ammonia from its cooling water system and the rupture of its UAN vessel (which released ammonia and other regulated substances), the EPA conducted its most recent inspection and issued an additional request for information to CRNF. The EPA has not made any formal claims against the Company and the Company has not accrued for any liability associated with the investigations or releases.

WRC has entered into a series of Clean Water Act consent orders with ODEQ. The latest Consent Order (the "CWA Consent Order"), which supersedes other consent orders, became effective in September 2011. The CWA Consent Order addresses alleged noncompliance by WRC with its OPDES permit limits. The CWA Consent Order requires WRC to take corrective action steps, including undertaking studies to determine whether the Wynnewood refinery's wastewater treatment plant capacity is sufficient. The Wynnewood refinery may need to install additional controls or make operational changes to satisfy the requirements of the CWA Consent Order. The cost of additional controls, if any, cannot be predicted at this time. However, based on our experience with wastewater treatment and controls, we do not believe that the costs of the potential corrective actions would be material.

CVR ENERGY, INC. AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

June 30, 2012

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(15) Commitments and Contingencies (Continued)

Environmental expenditures are capitalized when such expenditures are expected to result in future economic benefits. For the three months ended June 30, 2012 and 2011, capital expenditures were approximately $8.1 million and $0.9 million, respectively, and were incurred to improve the environmental compliance and efficiency of the operations. For the six months ended June 30, 2012 and 2011, capital expenditures were approximately $11.0 million and $2.5 million, respectively, and were incurred to improve the environmental compliance and efficiency of the operations.

CRRM, CRNF, CRCT, WRC and CRT each 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.

(16) Fair Value Measurements

In accordance with ASC Topic 820—*Fair Value Measurements and Disclosures* ("ASC 820"), the Company utilizes the market approach to measure fair value for its financial assets and liabilities. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.

ASC 820 utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The following is a brief description of those three levels:

- Level 1—Quoted prices in active market for identical assets and liabilities
- Level 2—Other significant observable inputs (including quoted prices in active markets for similar assets or liabilities)
- Level 3—Significant unobservable inputs (including the Company's own assumptions in determining the fair value)

The following table sets forth the assets and liabilities measured at fair value on a recurring basis, by input level, as of June 30, 2012 and December 31, 2011:

	June 30, 2012			
	Level 1	Level 2	Level 3	Total
	(in thousands)			
Location and Description				
Cash equivalents	$ 178,508	$ —	$ —	$ 178,508
Other current assets (marketable securities)	31	—	—	31
Other current assets (other derivative agreements)	—	6,862	—	6,862
Other long-term assets (other derivative agreements)	—	346	—	346
Total Assets	$ 178,539	$ 7,208	$ —	$ 185,747
Other current liabilities (other derivative agreements)	—	(6,056)	—	(6,056)
Other current liabilities (interest rate swap)	—	(927)	—	(927)
Other long-term liabilities (other derivative agreements)	—	(1,214)	—	(1,214)
Other long-term liabilities (interest rate swap)	—	(1,957)	—	(1,957)
Total Liabilities	$ —	$ (10,154)	$ —	$ (10,154)

CVR ENERGY, INC. AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

June 30, 2012

(unaudited)

(16) Fair Value Measurements (Continued)

Location and Description	December 31, 2011 Level 1	Level 2	Level 3	Total
	(in thousands)			
Cash equivalents	$ 187,327	$ —	$ —	$ 187,327
Other current assets (marketable securities)	25	—	—	25
Other current assets (other derivative agreements)	—	63,051	—	63,051
Other long-term assets (other derivative agreements)	—	18,831	—	18,831
Total Assets	$ 187,352	$ 81,882	$ —	$ 269,234
Other current liabilities (interest rate swap)	—	(905)	—	(905)
Other long-term liabilities (interest rate swap)	—	(1,483)	—	(1,483)
Total Liabilities	$ —	$ (2,388)	$ —	$ (2,388)

As of June 30, 2012 and December 31, 2011, the only financial assets and liabilities that are measured at fair value on a recurring basis are the Company's cash equivalents, available-for-sale marketable securities and derivative instruments. Additionally, the fair value of the Company's Notes is disclosed in Note 13 ("Long-Term Debt"). The Company's commodity derivative contracts are valued using broker quoted market prices of similar commodity contracts using Level 2 inputs. The Partnership has an interest rate swap that is measured at fair value on a recurring basis using Level 2 inputs. The fair value of these interest rate swap instruments are based on discounted cash flow models that incorporate the cash flows of the derivatives, net, as well as the current LIBOR rate and a forward LIBOR curve, along with other observable market inputs. The Company had no transfers of assets or liabilities between any of the above levels during the six months ended June 30, 2012.

The Company's investments in marketable securities are classified as available-for-sale, and as a result, are reported at fair market value using quoted market prices.

(17) Derivative Financial Instruments

Gain (loss) on derivatives, net consisted of the following:

	Three Months Ended June 30, 2012	2011	Six Months Ended June 30, 2012	2011
Realized gain (loss) on other derivative agreements	$ (8,069)	$ 484	$ (27,155)	$ (18,364)
Unrealized gain (loss) on other derivative agreements	46,886	6,448	(81,281)	3,190
Total gain (loss) on derivatives, net	$ 38,817	$ 6,932	$ (108,436)	$ (15,174)

CVR is subject to price fluctuations caused by supply conditions, weather, economic conditions, interest rate fluctuations and other factors. To manage price risk on crude oil and other inventories and to fix margins on certain future production, the Company from time to time enters into various commodity derivative transactions.

CVR ENERGY, INC. AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

June 30, 2012

(unaudited)

(17) Derivative Financial Instruments (Continued)

CVR has adopted accounting standards which impose 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 and certain over-the-counter forward swap agreements, which it believes provide an economic hedge on future transactions, but such instruments are not designated as hedges for GAAP purposes. Gains or losses related to the change in fair value and periodic settlements of these derivative instruments are classified as gain (loss) on derivatives, net in the Condensed Consolidated Statements of Operations.

CVR maintains a margin account to facilitate other commodity derivative activities. A portion of this account may include funds available for withdrawal. These funds are included in cash and cash equivalents within the Condensed Consolidated Balance Sheets. The maintenance margin balance is included within other current assets within the Condensed Consolidated Balance Sheets. Dependant upon the position of the open commodity derivatives, the amounts are accounted for as an other current asset or an other current liability within the Condensed Consolidated Balance Sheets. From time to time, CVR may be required to deposit additional funds into this margin account. The fair value of the open commodity positions as of June 30, 2012 was a net loss of $0.9 million included in accrued liabilities. For the three months ended June 30, 2012, the Company recognized a realized gain of $6.0 million and an unrealized loss of $1.9 million which is recorded in loss on derivatives, net in the Condensed Consolidated Statement of Operations. For the six months ended June 30, 2012, the Company recognized a realized loss of $2.2 million and an unrealized loss of $1.7 million which is recorded in loss on derivatives, net in the Condensed Consolidated Statement of Operations.

Commodity Swap

Beginning September 2011, the Company entered into several commodity swap contracts with effective periods beginning in January 2012. The physical volumes are not exchanged and these contracts are net settled with cash. The contract fair value of the commodity swaps is reflected on the Condensed Consolidated Balance Sheets with changes in fair value currently recognized in the Condensed Consolidated Statements of Operations. Quoted prices for similar assets or liabilities in active markets (Level 2) are considered to determine the fair values for the purpose of marking to market the hedging instruments at each period end. At June 30, 2012, the Company had open commodity hedging instruments consisting of 13.5 million barrels of crack spreads primarily to fix the margin on a portion of its future gasoline and distillate production. The fair value of the outstanding contracts at June 30, 2012 was a net asset of $0.9 million which was comprised of $5.1 million included in current liabilities, $1.2 million is included in long-term liabilities, $6.9 million is included in current assets and $0.3 million is included in long-term assets. For the three months ended June 30, 2012, the Company recognized a realized loss of $14.0 million and an unrealized gain of $48.7 million which are recorded in gain (loss) on derivatives, net in the Condensed Consolidated Statements of Operations. For the six months ended June 30, 2012, the Company recognized a realized loss of $25.0 million and an unrealized loss of $79.6 million which are recorded in loss on derivatives, net in the Condensed Consolidated Statements of Operations.

CVR ENERGY, INC. AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

June 30, 2012

(unaudited)

(17) Derivative Financial Instruments (Continued)

Partnership Interest Rate Swap

On June 30 and July 1, 2011, CRNF entered into two floating-to-fixed interest rate swap agreements for the purpose of hedging the interest rate risk associated with a portion of its $125.0 million floating rate term debt which matures in April 2016. The aggregate notional amount covered under these agreements totals $62.5 million (split evenly between the two agreement dates) and commences on August 12, 2011 and expires on February 12, 2016. Under the terms of the interest rate swap agreement entered into on June 30, 2011, CRNF will receive a floating rate based on three month LIBOR and pay a fixed rate of 1.94%. Under the terms of the interest rate swap agreement entered into on July 1, 2011, CRNF will receive a floating rate based on three month LIBOR and pay a fixed rate of 1.975%. Both swap agreements will be settled every 90 days. The effect of these swap agreements is to lock in a fixed rate of interest of approximately 1.96% plus the applicable margin paid to lenders over three month LIBOR as governed by the CRNF credit agreement. At June 30, 2012, the effective rate was approximately 4.60%. The agreements were designated as cash flow hedges at inception and accordingly, the effective portion of the gain or loss on the swap is reported as a component of accumulated other comprehensive income (loss) ("AOCI"), and will be reclassified into interest expense when the interest rate swap transaction affects earnings. The ineffective portion of the gain or loss will be recognized immediately in current interest expense on the Condensed Consolidated Statement of Operations. The realized loss on the interest rate swap re-classed from AOCI into interest expense was $0.2 million and $0.5 million for the three and six months ended June 30, 2012, respectively.

(18) Related Party Transactions

On May 7, 2012, Carl C. Icahn and certain of his affiliates (collectively, "Icahn") announced that Icahn had acquired control of CVR pursuant to a tender offer to purchase all of the issued and outstanding shares of the Company's common stock. As of June 30, 2012, Icahn owned approximately 82% of all common shares outstanding.

Until February 2011, the Goldman Sachs Funds and Kelso Funds owned approximately 40% of CVR. On February 8, 2011, GS and Kelso completed a registered public offering, whereby GS sold its remaining ownership interest in CVR and Kelso substantially reduced its interest in the Company. On May 26, 2011, Kelso completed a registered public offering in which Kelso sold its remaining ownership interest in CVR. As a result of these sales, the Goldman Sachs Funds and Kelso Funds are no longer stockholders of the Company.

Lease

Since March 2009, the Company, through the Partnership, has leased 200 railcars from American Railcar Leasing LLC, a company controlled by Mr. Carl Icahn, the Company's majority stockholder. The agreement is scheduled to expire on March 31, 2014. For the three and six months ended June 30, 2012, $0.3 million and $0.5 million, respectively, of rent expense was recorded related to this agreement and is included in cost of product sold (exclusive of depreciation and amortization) in the Condensed Consolidated Statements of Operations.

CVR ENERGY, INC. AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

June 30, 2012

(unaudited)

(18) Related Party Transactions (Continued)

Tax Allocation Agreement

On May 19, 2012, CVR became a member of the consolidated federal tax group of American Entertainment Properties Corporation ("AEPC"), a wholly-owned subsidiary of Icahn Enterprises, and subsequently entered into a tax allocation agreement with AEPC (the "Tax Allocation Agreement"). The Tax Allocation Agreement provides that AEPC will pay all consolidated federal income taxes on behalf of the consolidated tax group. CVR is required to make payments to AEPC in an amount equal to the tax liability, if any, that it would have paid if it were to file as a consolidated group separate and part from AEPC.

As of June 30, 2012, the Company owes approximately $28.3 million for federal income taxes due to AEPC under the Tax Allocation Agreement, which is to be paid during the third quarter of 2012.

Financing and Other

In connection with the Partnership IPO, an affiliate of GS received an underwriting fee of approximately $5.7 million for its role as a joint book-running manager. In April 2011, CRNF entered into a credit facility as discussed further in Note 13 ("Long-Term Debt") whereby an affiliate of GS was paid fees and expenses of approximately $2.0 million.

For the three and six months ended June 30, 2011, the Company recognized approximately $0.3 million and $0.5 million, respectively, in expenses for the benefit of GS, Kelso, the president and chief executive officer of CVR, in connection with CVR's Registration Rights Agreement. These amounts included registration and filing fees, printing fees, external accounting fees and external legal fees.

(19) Business Segments

The Company measures segment profit as operating income for Petroleum and Nitrogen Fertilizer, CVR's two reporting segments, based on the definitions provided in ASC Topic 280—*Segment Reporting*. All operations of the segments are located within the United States.

Petroleum

Principal products of the Petroleum Segment are refined fuels, liquefied petroleum gas, asphalts, and petroleum refining by-products, including pet coke. The Petroleum Segment's Coffeyville refinery sells pet coke to the Partnership for use in the manufacture of nitrogen fertilizer at the adjacent nitrogen fertilizer plant. For the Petroleum Segment, a per-ton transfer price is used to record intercompany sales on the part of the Petroleum Segment and corresponding intercompany cost of product sold (exclusive of depreciation and amortization) for the Nitrogen Fertilizer Segment. The per ton transfer price paid, pursuant to the pet coke supply agreement that became effective October 24, 2007, is based on the lesser of a pet coke price derived from the price received by the Nitrogen Fertilizer Segment for UAN (subject to a UAN based price ceiling and floor) and a pet coke price index for pet coke. The intercompany transactions are eliminated in the Other Segment. Intercompany sales included in petroleum net sales were approximately $2.4 million and $3.5 million for the three

CVR ENERGY, INC. AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

June 30, 2012

(unaudited)

(19) Business Segments (Continued)

months ended June 30, 2012 and 2011, respectively. Intercompany sales included in petroleum net sales were approximately $4.8 million and $4.9 million for the six months ended June 30, 2012 and 2011, respectively.

The Petroleum Segment recorded intercompany cost of product sold (exclusive of depreciation and amortization) for the hydrogen purchases (sales) described below under "Nitrogen Fertilizer" for the three months ended June 30, 2012 and 2011 of approximately $(0.1 million) and $6.1 million, respectively. For the six months ended June 30, 2012 and 2011, the Petroleum Segment recorded intercompany cost of product sold (exclusive of depreciation and amortization) for the hydrogen purchases (sales) of approximately $5.6 million and $5.3 million, respectively.

Nitrogen Fertilizer

The principal product of the Nitrogen Fertilizer Segment is nitrogen fertilizer. Intercompany cost of product sold (exclusive of depreciation and amortization) for the pet coke transfer described above was approximately $2.3 and $2.9 million for the three months ended June 30, 2012 and 2011, respectively. Intercompany cost of product sold (exclusive of depreciation and amortization) for the pet coke transfer described above was approximately $5.2 and $3.6 million for the six months ended June 30, 2012 and 2011, respectively.

Pursuant to the feedstock agreement, the Coffeyville refinery and nitrogen fertilizer plant have the right to transfer excess hydrogen (hydrogen determined not to be needed to meet the current anticipated operational requirements of the facility transferring the hydrogen) to one another. Sales of hydrogen to the Petroleum Segment have been reflected as net sales for the Nitrogen Fertilizer Segment. Receipts of hydrogen from the Petroleum Segment have been reflected in cost of product sold (exclusive of depreciation and amortization) for the Nitrogen Fertilizer Segment. For the three months ended June 30, 2012 and 2011, the net sales generated from intercompany hydrogen sales were $0.0 and $6.1 million, respectively. For the six months ended June 30, 2012 and 2011, the net sales generated from intercompany hydrogen sales were $5.7 million and $6.1 million, respectively. For the three months ended June 30, 2012 and 2011, the Nitrogen Fertilizer Segment also recognized approximately $0.1 million and $0.0, respectively, of cost of product sold related to the transfer of excess hydrogen. For the six months ended June 30, 2012 and 2011, the Nitrogen Fertilizer Segment also recognized approximately $0.1 million and $0.7 million, respectively, of cost of product sold related to the transfer of excess hydrogen. As these intercompany sales and cost of product sold are eliminated, there is no financial statement impact on the condensed consolidated financial statements.

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 THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

June 30, 2012

(unaudited)

(19) Business Segments (Continued)

The following table summarizes certain operating results and capital expenditures information by segment:

	Three Months Ended June 30, 2012	Three Months Ended June 30, 2011	Six Months Ended June 30, 2012	Six Months Ended June 30, 2011
	(in thousands)			
Net sales				
Petroleum	$ 2,229,539	$ 1,376,681	$ 4,128,024	$ 2,487,941
Nitrogen Fertilizer	81,431	80,673	159,707	138,050
Intersegment elimination	(2,652)	(9,638)	(10,782)	(11,010)
Total	$ 2,308,318	$ 1,447,716	$ 4,276,949	$ 2,614,981
Cost of product sold (exclusive of depreciation and amortization)				
Petroleum	$ 1,866,155	$ 1,122,763	$ 3,496,820	$ 2,053,046
Nitrogen Fertilizer	10,725	9,746	23,323	17,237
Intersegment elimination	(2,670)	(9,134)	(10,778)	(10,086)
Total	$ 1,874,210	$ 1,123,375	$ 3,509,365	$ 2,060,197
Direct operating expenses (exclusive of depreciation and amortization)				
Petroleum	$ 71,583	$ 44,054	$ 164,286	$ 89,464
Nitrogen Fertilizer	22,524	22,266	45,361	45,290
Other	(8)	(113)	(34)	(113)
Total	$ 94,099	$ 66,207	$ 209,613	$ 134,641
Insurance recovery—business interruption				
Petroleum	$ —	$ —	$ —	$ —
Nitrogen Fertilizer	—	—	—	(2,870)
Other	—	—	—	—
Total	$ —	$ —	$ —	$ (2,870)
Depreciation and amortization				
Petroleum	$ 26,638	$ 16,966	$ 52,897	$ 33,882
Nitrogen Fertilizer	5,158	4,648	10,596	9,285
Other	394	429	809	887
Total	$ 32,190	$ 22,043	$ 64,302	$ 44,054
Operating income (loss)				
Petroleum	$ 248,856	$ 183,537	$ 383,752	$ 289,227
Nitrogen Fertilizer	36,047	39,346	67,473	56,112
Other	(49,131)	(4,963)	(74,945)	(17,813)
Total	$ 235,772	$ 217,920	$ 376,280	$ 327,526
Capital expenditures				
Petroleum	$ 26,990	$ 8,626	$ 62,393	$ 13,214
Nitrogen fertilizer	16,944	4,006	39,218	6,047
Other	1,700	1,010	3,548	1,718
Total	$ 45,634	$ 13,642	$ 105,159	$ 20,979

(19) Business Segments (Continued)

	As of June 30, 2012	As of December 31, 2011
	(in thousands)	
Total assets		
Petroleum	$ 2,540,013	$ 2,322,148
Nitrogen Fertilizer	639,703	659,309
Other	104,998	137,834
Total	$ 3,284,714	$ 3,119,291
Goodwill		
Petroleum	$ —	$ —
Nitrogen Fertilizer	40,969	40,969
Other	—	—
Total	$ 40,969	$ 40,969

(20) Subsequent Events

Partnership Distribution

On July 26, 2012, the Board of Directors of the Partnership's general partner declared a cash distribution for the second quarter of 2012 to the Partnership's unitholders of $0.60 per common unit. The cash distribution will be paid on August 14, 2012 to unitholders of record at the close of business on August 7, 2012.

Item 2. ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

The following discussion and analysis should be read in conjunction with the condensed consolidated financial statements and related notes and with the statistical information and financial data appearing in this Quarterly Report on Form 10-Q for the quarter ended June 30, 2012, as well as our Annual Report on Form 10-K for the year ended December 31, 2011. Results of operations for the three and six months ended June 30, 2012 are not necessarily indicative of results to be attained for any other period.

Forward-Looking Statements

This Form 10-Q, including this Management's Discussion and Analysis of Financial Condition and Results of Operations, contains "forward-looking statements" as defined by the Securities and Exchange Commission (the "SEC"). Such statements are those concerning contemplated transactions and strategic plans, expectations and objectives for future operations. These include, without limitation:

- statements, other than statements of historical fact, that address activities, events or developments that we expect, believe or anticipate will or may occur in the future;
- statements relating to future financial performance, future capital sources and other matters; and
- any other statements preceded by, followed by or that include the words "anticipates," "believes," "expects," "plans," "intends," "estimates," "projects," "could," "should," "may," or similar expressions.

Although we believe that our plans, intentions and expectations reflected in or suggested by the forward-looking statements we make in this Form 10-Q, including this Management's Discussion and Analysis of Financial Condition and Results of Operations, are reasonable, we can give no assurance that such plans, intentions or expectations will be achieved. These statements are based on assumptions made by us based on our experience and perception of historical trends, current conditions, expected future developments and other factors that we believe are appropriate in the circumstances. Such statements are subject to a number of risks and uncertainties, many of which are beyond our control. You are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements as a result of various factors, including but not limited to those set forth under "Risk Factors" in our Annual report on Form 10-K for the year ended December 31, 2011 in our Quarterly report on Form 10-Q for the quarter ended March 31, 2012 and this Quarterly report on Form 10-Q for the quarter ended June 30, 2012. Such factors includes, among others:

- change in control;
- volatile margins in the refining industry;
- exposure to the risks associated with volatile crude oil prices;
- the availability of adequate cash and other sources of liquidity for our capital needs;
- our ability to forecast our future financial condition or results of operations and our future revenues and expenses;
- disruption of our ability to obtain an adequate supply of crude oil;
- interruption of the pipelines supplying feedstock and in the distribution of our products;
- competition in the petroleum and nitrogen fertilizer businesses;
- capital expenditures and potential liabilities arising from environmental laws and regulations;
- changes in our credit profile;

- the cyclical nature of the nitrogen fertilizer business;
- the seasonal nature of our business;
- the supply and price levels of essential raw materials;
- the risk of a material decline in production at our refineries and nitrogen fertilizer plant;
- potential operating hazards from accidents, fire, severe weather, floods or other natural disasters;
- the risk associated with governmental policies affecting the agricultural industry;
- the volatile nature of ammonia, potential liability for accidents involving ammonia that cause interruption to our businesses, severe damage to property and/or injury to the environment and human health and potential increased costs relating to the transport of ammonia;
- the dependence of the nitrogen fertilizer operations on a few third-party suppliers, including providers of transportation services and equipment;
- new regulations concerning the transportation of hazardous chemicals, risks of terrorism and the security of chemical manufacturing facilities;
- our dependence on significant customers;
- the potential loss of the nitrogen fertilizer business' transportation cost advantage over its competitors;
- our potential inability to successfully implement our business strategies, including the completion of significant capital programs;
- our ability to continue to license the technology used in our operations;
- existing and proposed environmental laws and regulations, including those relating to climate change, alternative energy or fuel sources, and existing and future regulations related to the end-use and application of fertilizers;
- refinery and nitrogen fertilizer facility operating hazards and interruptions, including unscheduled maintenance or downtime, and the availability of adequate insurance coverage;
- our significant indebtedness, including restrictions in our debt agreements; and
- instability and volatility in the capital and credit markets.

All forward-looking statements contained in this Form 10-Q speak only as of the date of this document. We undertake no obligation to update or revise publicly any forward-looking statements to reflect events or circumstances that occur after the date of this Form 10-Q, or to reflect the occurrence of unanticipated events.

Company Overview

We are an independent petroleum refiner and marketer of high value transportation fuels in the mid-continental United States. In addition, we own the general partner and approximately 70% of the common units of CVR Partners, LP, a publicly-traded limited partnership that is an independent producer and marketer of upgraded nitrogen fertilizers in the form of ammonia and urea ammonia nitrate, or UAN.

We operate under two business segments: petroleum and nitrogen fertilizer. Throughout the remainder of the document, our business segments are referred to as our "petroleum business" and our "nitrogen fertilizer business," respectively.

Petroleum business. Our petroleum business includes a 115,000 bpd complex full coking medium-sour crude oil refinery in Coffeyville, Kansas and, as of December 15, 2011, a 70,000 bpd crude oil unit refinery in Wynnewood, Oklahoma. In addition, our supporting businesses include (1) a crude oil gathering system with a gathering capacity of approximately 40,000 bpd serving Kansas, Oklahoma, western Missouri, southwestern Nebraska and Texas, (2) a rack marketing division supplying product through tanker trucks directly to customers located in close geographic proximity to Coffeyville, Kansas and Wynnewood, Oklahoma and at throughput terminals on Magellan and NuStar Energy, LP's ("NuStar") refined products distribution systems, (3) a 145,000 bpd pipeline system (supported by approximately 350 miles of Company owned and leased pipeline) that transports crude oil to our Coffeyville refinery from its Broome Station tank farm and associated crude oil storage tanks with a capacity of 1.2 million barrels, (4) crude oil storage tanks with a capacity of 0.5 million barrels in Wynnewood, Oklahoma, (5) an additional 3.3 million barrels of leased storage capacity located in Cushing, Oklahoma and other locations and (6) 1.0 million barrels of company owned crude oil storage in Cushing, Oklahoma.

Our Coffeyville refinery is situated approximately 100 miles northeast of Cushing, Oklahoma, one of the largest crude oil trading and storage hubs in the United States and our Wynnewood refinery is approximately 130 miles southwest of Cushing. Cushing is supplied by numerous pipelines from U.S. domestic locations including Canada. The early June 2012 reversal of the Seaway Pipeline that now flows from Cushing, OK to the U. S. Gulf Coast has eliminated our ability to source foreign waterborne crude oil from around the world, as well as deepwater U.S. Gulf of Mexico produced sweet and sour crude oil grades. In addition to rack sales (sales which are made at terminals into third party 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 Operating, L.P., and NuStar.

Crude oil is supplied to our Coffeyville refinery through our gathering system and by a Plains pipeline from Cushing, Oklahoma. We maintain capacity on the Spearhead and Keystone pipelines (as discussed more fully in Note 15 to the financial statements) from Canada to Cushing. We also maintain leased storage in Cushing to facilitate optimal crude oil purchasing and blending. Our Coffeyville refinery blend consists of a combination of crude oil grades, including onshore and offshore domestic grades, various Canadian medium and heavy sours and sweet synthetics. Our Wynnewood refinery is capable of processing a variety of crudes, including West Texas sour, West Texas Intermediate, sweet and sour Canadian and other U.S. domestically produced crude oils. The access to a variety of crude oils coupled with the complexity of our refineries allows us to purchase crude oil at a discount to WTI. Our consumed crude oil cost discount to WTI for the second quarter of 2012 was $(2.06) per barrel compared to $(5.04) per barrel in the second quarter of 2011.

On July 10, 2012, CVR and the union representing approximately 65% of the employees at our Wynnewood refinery agreed to a new three-year collective bargaining agreement extending to June 2015.

Nitrogen fertilizer business. The nitrogen fertilizer business consists of our interest in the Partnership. We own the general partner and approximately 70% of the common units of the Partnership. The nitrogen fertilizer business consists of a nitrogen fertilizer manufacturing facility that is the only operation in North America that utilizes a petroleum coke, or pet coke, gasification process to produce nitrogen fertilizer. The facility includes a 1,225 ton-per-day ammonia unit, a 2,025 ton-per-day UAN unit and a gasifier complex having a capacity of 84 million standard cubic feet per day of hydrogen. The gasifier is a dual-train facility, with each gasifier able to function independently of the other, thereby providing redundancy and improving reliability. In 2011, the nitrogen fertilizer business produced 411,189 tons of ammonia, of which approximately 72% was upgraded into 714,130 tons of UAN. For the three and six months ended June 30, 2012, the nitrogen fertilizer business produced 108,898 and 198,178 tons of ammonia, respectively, of which approximately 68% and 70% was upgraded into 180,024 and 334,603 tons of UAN, respectively.

The Partnership's growth strategy includes expanding production of UAN and acquiring additional infrastructure and production assets. The Partnership is anticipating completion of its UAN expansion project designed to increase the UAN production capacity by 400,000 tons, or approximately 50%, per year by January 1, 2013.

The primary raw material feedstock utilized in the nitrogen fertilizer production process is pet coke, which is produced during the crude oil refining process. In contrast, substantially all of the nitrogen fertilizer business' competitors use natural gas as their primary raw material feedstock. Historically, pet coke has been significantly less expensive than natural gas on a per ton of fertilizer produced basis and pet coke prices have been more stable when compared to natural gas prices. The nitrogen fertilizer business currently purchases most of its pet coke from CVR Energy pursuant to a long-term agreement having an initial term that ends in 2027, subject to renewal. On average, during the past five years, over 70% of the pet coke utilized by the nitrogen fertilizer plant was produced and supplied by CVR Energy's crude oil refinery in Coffeyville.

Transaction Agreement

On April 18, 2012, CVR Energy entered into a Transaction Agreement (the "Transaction Agreement") with IEP Energy LLC (the "Offeror"), a majority owned subsidiary of Icahn Enterprises, L.P. ("Icahn Enterprises") and certain other affiliates of Icahn Enterprises, and Carl C. Icahn (collectively with the Offeror, the "Offeror Parties"). Pursuant to the Transaction Agreement, the Offeror offered (the "Offer") to purchase all of the issued and outstanding shares of CVR Energy's common stock (the "Shares") for a price of $30 per Share in cash, without interest, less any applicable withholding taxes, plus one non-transferable contingent cash payment ("CCP") right for each Share which represents the contractual right to receive an additional cash payment per share if a definitive agreement for the sale of CVR Energy is executed on or before August 18, 2013 and such transaction closes.

On May 7, 2012, Offeror Parties announced that control of CVR Energy had been acquired through the Offer. As a result of Shares tendered into the Offer during the initial offering period, the subsequent offering period and subsequent additional purchases, the Offeror owned approximately 82.0% of the Shares of CVR Energy as of June 30, 2012.

Pursuant to the Transaction Agreement, for a period of 60 days CVR Energy solicited proposals or offers from third parties to acquire CVR Energy. The 60 day period began on May 24, 2012 and ended on July 23, 2012 without any qualifying offers.

Pursuant to the Transaction Agreement, all employee restricted stock awards ("awards") that vest in 2012 will vest in accordance with the current vesting terms and upon vesting will receive the offer price of $30 per share in cash plus one CCP. For all such awards that vest in accordance with their terms in 2013, 2014 and 2015, the holders of the awards will receive the lesser of the offer price or the appraised value of the shares at the time of vesting. For awards vesting subsequent to 2012, the awards will be remeasured at each subsequent reporting date until they vest.

Major Influences on Results of Operations

Petroleum Business

Our earnings and cash flows from our petroleum 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. Because we apply first-in, first-out ("FIFO") accounting to value our inventory, crude oil price movements may impact net income in the short term because of changes in the value of our 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. In addition to current market conditions, there are long-term factors that may impact the demand for refined products. These factors include mandated renewable fuels standards, proposed climate change laws and regulations, and increased mileage standards for vehicles.

In order to assess our operating performance, we compare our net sales, less cost of product sold, or our refining margin, against an industry refining margin benchmark. The industry refining margin benchmark is calculated by assuming that two barrels of benchmark light sweet crude oil is converted 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, 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 oil refinery would earn assuming it produced and sold the benchmark production of gasoline and distillate.

Although the 2-1-1 crack spread is a benchmark for our refinery margin, because our refineries have certain feedstock costs and 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 Coffeyville 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. We measure the cost advantage of our crude oil slate by calculating the spread between the price of our delivered crude oil and the price of WTI. The spread is referred to as our consumed crude oil differential. Our refinery margin can be impacted significantly by the consumed crude oil differential. Our consumed crude oil differential will move directionally with changes in the WTS differential to WTI and the West Canadian Select ("WCS") differential to WTI as both these differentials indicate the relative price of heavier, more sour, slate to WTI. The correlation between our consumed crude oil differential and published differentials will vary depending on the volume of light medium sour crude oil and heavy sour crude oil we purchase as a percent of our total crude oil volume and will correlate more closely with such published differentials the heavier and more sour the crude oil slate.

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 in our region include the logistics cost for U.S. Gulf Coast refineries to ship into our region. The result of this logistical advantage and the fact that the actual product specifications used to determine the NYMEX 2-1-1 crack spread are different from the actual production in our refineries 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 PADD II, Group 3 vs. NYMEX basis, or gasoline basis, and Ultra-Low Sulfur Diesel PADD II, Group 3 vs. NYMEX basis, or Ultra-Low Sulfur Diesel basis. If both gasoline and Ultra-Low Sulfur Diesel basis are greater than zero, this means that prices in our marketing area exceed those used in the 2-1-1 basis.

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, which is comprised primarily of electrical cost and natural gas. We are therefore sensitive to the movements of natural gas prices. Assuming the same rate of consumption of natural gas for the six months ended June 30, 2012, a $1.00 change in natural gas prices would have increased or decreased our natural gas costs by approximately $3.9 million.

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 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.

Consistent, safe, and reliable operations at our refineries are key to our financial performance and results of operations. Unplanned downtime at our refineries 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. Our refineries generally require a facility turnaround every four to five years. The length of the turnaround is contingent upon the scope of work to be completed. Our Coffeyville refinery completed the first phase of a two phase turnaround during the fourth quarter of 2011. The second phase began and was completed during the first quarter of 2012. The next turnaround for the Wynnewood refinery is scheduled for the fourth quarter of 2012.

Our Coffeyville refinery experienced an equipment malfunction and small fire in connection with its FCCU on December 28, 2010, which led to reduced crude oil throughput and repair cost approximately $2.2 million net of insurance receivable for the year ended 2011. We used the resulting downtime to perform certain turnaround activities which had otherwise been scheduled for later in 2011, along with opportunistic maintenance, which cost approximately $4.0 million in total. The refinery returned to full operations on January 26, 2011. This interruption adversely impacted the production of refined products for the petroleum business in the first quarter of 2011. We estimate that approximately 1.9 million barrels of crude oil processing were lost in the first quarter of 2011 due to this incident.

Our Coffeyville refinery also experienced a small fire at its CCR in May 2011, which led to reduced crude oil throughput for the second quarter of 2011. Repair costs, net of the insurance receivable, recorded for the year ended December 31, 2011 approximated $2.5 million. The interruption adversely impacted the production of refined products for the second quarter of 2011.

Nitrogen Fertilizer Business

In the nitrogen fertilizer business, earnings and cash flows from operations are primarily affected by the relationship between nitrogen fertilizer product prices, on-stream factors and direct operating expenses. Unlike its competitors, the nitrogen fertilizer business does not use natural gas as a feedstock and uses a minimal amount of natural gas as an energy source in its operations. As a result, volatile swings in natural gas prices have a minimal impact on its results of operations. Instead, our adjacent Coffeyville refinery supplies the nitrogen fertilizer business with most of the pet coke feedstock it needs pursuant to a long-term pet coke supply agreement entered into in October 2007. The price at which nitrogen fertilizer products are ultimately sold depends on numerous factors, including the global supply and demand for nitrogen fertilizer products which, in turn, depends on, among other factors, world grain demand and production levels, changes in world population, the cost and availability of fertilizer transportation infrastructure, weather conditions, the availability of imports, and the extent of government intervention in agriculture markets. Nitrogen fertilizer prices are also affected by local factors, including local market conditions and the operating levels of competing facilities. An expansion or upgrade of competitors' facilities, 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.

In addition, 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.

Natural gas is the most significant raw material required in our competitors' production of nitrogen fertilizers. Over the past several years, natural gas prices have experienced high levels of price volatility. This pricing and volatility has a direct impact on our competitors' cost of producing nitrogen fertilizer. Over the last year, natural gas prices have significantly decreased.

In order to assess the operating performance of the nitrogen fertilizer business, we calculate plant gate price to determine our operating margin. Plant gate price refers to the unit price of nitrogen fertilizer, in dollars per ton, offered on a delivered basis, excluding shipment costs.

We and other competitors in the U.S. farm belt share a significant transportation cost advantage when compared to our out-of-region competitors in serving the U.S. farm belt agricultural market. In 2011, approximately 56% of the corn planted in the United States was grown within a $40/UAN ton freight train rate of the nitrogen fertilizer plant. We are therefore able to cost-effectively sell substantially all of our products in the higher margin agricultural market, whereas a significant portion of our competitors' revenues is derived from the lower margin industrial market. Our location on Union Pacific's main line increases our transportation cost advantage by lowering the costs of bringing our products to customers, assuming freight rates and pipeline tariffs for U.S. Gulf Coast importers as recently in effect. Our products leave the plant either in trucks for direct shipment to customers or in railcars for destinations located principally on the Union Pacific Railroad, and we do not currently incur any intermediate transfer, storage, barge freight or pipeline freight charges. We estimate that our plant enjoys a transportation cost advantage of approximately $25 per ton over competitors located in the U.S. Gulf Coast. Selling products to customers within economic rail transportation limits of the nitrogen fertilizer plant and keeping transportation costs low are keys to maintaining profitability.

The value of nitrogen fertilizer products is also an important consideration in understanding our results. For the three and six months ended June 30, 2012, we upgraded approximately 68% and 70%, respectively, of our ammonia production into UAN, a product that presently generates a greater value than ammonia. UAN production is a major contributor to our profitability.

The nitrogen fertilizer business' largest raw material expense is pet coke, which it purchases from our petroleum business and third parties. In the three and six months ended June 30, 2012, the nitrogen fertilizer business spent approximately $4.1 million and $9.1 million, respectively, for pet coke, which equaled an average cost per ton of $31 and $36, respectively. In the three and six months ended June 30, 2011, the nitrogen fertilizer business spent approximately $4.1 million and $6.0 million, respectively, for pet coke, which equaled an average cost per ton of $30 and $23, respectively.

The high fixed cost of the nitrogen fertilizer business' direct operating expense structure also directly affects its profitability. Using a pet coke gasification process, the nitrogen fertilizer business has a significantly higher percentage of fixed costs than a natural gas-based fertilizer plant. Major fixed operating expenses include electrical energy, employee labor, maintenance, including contract labor, and outside services. These fixed costs averaged approximately 87% of direct operating expenses over the 24 months ended December 31, 2011. The average annual operating costs over the 24 months ended December 31, 2011 have approximated $86 million, of which substantially all are fixed in nature.

The nitrogen fertilizer business obtains most (over 70% on average during the last five years) of the pet coke it needs from our adjacent Coffeyville crude oil refinery pursuant to the pet coke supply agreement, and procures the remainder on the open market. The price the nitrogen fertilizer business pays pursuant to the pet coke supply agreement is based on the lesser of a pet coke price derived from the price received for UAN, or the UAN-based price, and a pet coke price index. The UAN-based price begins with a pet coke price of $25 per ton based on a price per ton for UAN (exclusive of transportation cost), or netback price, of $205 per ton, and adjusts up or down $0.50 per ton for every $1.00 change in the netback price. The UAN-based price has a ceiling of $40 per ton and a floor of $5 per ton.

Consistent, safe, and reliable operations at the nitrogen fertilizer plant are critical to its financial performance and results of operations. Unplanned downtime of the 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. The nitrogen fertilizer plant generally undergoes a facility turnaround every two years. The turnaround typically lasts 13-15 days each turnaround year and costs approximately $3 million to $5 million per turnaround. The next turnaround is currently scheduled for the fourth quarter of 2012.

Agreements Between CVR Energy and the Partnership

In connection with our initial public offering and the transfer of the nitrogen fertilizer business to the Partnership in October 2007, we entered into a number of agreements with the Partnership that govern the business relations among the Partnership, CVR Energy and its affiliates, and the general partner of the Partnership. In connection with the Partnership IPO, we amended and restated certain of the intercompany agreements and entered into several new agreements with the Partnership. These include the pet coke supply agreement mentioned above, under which the petroleum business sells pet coke to the nitrogen fertilizer business; a services agreement, in which our management operates the nitrogen fertilizer business; a feedstock and shared services agreement, which governs the provision of feedstocks, including hydrogen, high-pressure steam, nitrogen, instrument air, oxygen and natural gas; a raw water and facilities sharing agreement, which allocates raw water resources between the two businesses; an easement agreement; an environmental agreement; and a lease agreement pursuant to which we lease office space and laboratory space to the Partnership. These agreements were not the result of arm's-length negotiations and the terms of these agreements are not necessarily at least as favorable to the parties to these agreements as terms which could have been obtained from unaffiliated third parties.

For the three months ended June 30, 2012 and 2011, the nitrogen fertilizer segment was charged approximately $2.5 million and $2.7 million, respectively, for management services. For the six months ended June 30, 2012 and 2011, the nitrogen fertilizer segment was charged approximately $5.0 million and $5.3 million, respectively, for management services.

Vitol Agreement

On March 30, 2011, CRRM and Vitol Inc. ("Vitol") entered into a Crude Oil Supply Agreement (the "Vitol Agreement"). This agreement replaced the previous supply agreement between CRRM and Vitol dated December 2, 2008, as amended, which was terminated by Vitol and CRRM on March 30, 2011.

The Vitol Agreement provides that CRRM will continue to obtain all of the crude oil for CRRM's refinery through Vitol, other than the crude oil gathered by us from Kansas, Missouri, North Dakota, Oklahoma, Wyoming and all adjacent states. CRRM and Vitol will continue to work together to identify crude oil and pricing terms that meet CRRM's crude oil requirements. CRRM and/or Vitol will negotiate the costs of each barrel of crude oil that is purchased from third-party crude oil suppliers. Vitol purchases all such crude oil, executes all third-party sourcing transactions and provides transportation and other logistical services for the subject crude oil. Vitol then sells such crude oil and delivers the same to CRRM. Title and risk of loss for all crude oil purchased by CRRM through the Vitol Agreement passes to CRRM upon delivery to the Company's Broome Station, located near Caney, Kansas. CRRM generally pays Vitol a fixed origination fee per barrel over the negotiated cost of each barrel purchased. The Vitol Agreement commenced March 30, 2011 and extends for an initial term ending December 31, 2013, but also allows for automatic renewal for successive one-year terms.

Factors Affecting Comparability

Our historical results of operations for the periods presented may not be comparable with prior periods or to our results of operations in the future for the reasons discussed below.

Transaction Expenses

In February 2012, Icahn commenced a tender offer to acquire all of the outstanding shares of common stock of our Company. On April 18, 2012, we entered into a transaction agreement and on May 7, 2012, Icahn announced that control of the Company had been acquired. CVR incurred related costs of approximately $29.4 million and $44.2 million for the three and six months ended June 30, 2012. We are currently challenging a majority of the expenses charged and, if we are successful, such expenses would be reversed and have a favorable impact to our results of operations.

Wynnewood Acquisition

The financial results of GWEC, which was acquired on December 15, 2011, have been included in the results of our petroleum business since the date of the Wynnewood Acquisition. The Wynnewood Acquisition enhances the petroleum business by expanding our process capacity and diversifying our asset base. Results for the three and six months ended June 30, 2012 included net sales of approximately $782.3 million and $1,607.8 million, respectively and net income of $94.9 million and $160.7 million, respectively, related to GWEC.

Indebtedness

ABL Credit Facility. On February 22, 2011, we entered into a $250.0 million asset-backed revolving credit agreement ("ABL credit facility"). The ABL credit facility replaced the first priority credit facility described below, which was terminated. As a result of the termination of the first priority credit facility, we expensed a portion of our previously deferred financing costs of approximately $1.9 million. This expense is reflected on the Consolidated Statement of Operations as a loss on extinguishment of debt for the year ended December 31, 2011. On December 15, 2011, we entered into an incremental commitment agreement to increase availability under the ABL credit facility by an additional $150.0 million. In connection with entering into and then expanding the ABL credit facility, we incurred approximately $9.9 million of fees that were deferred and are to be amortized over the term of the credit facility on a straight-line basis.

Notes. In April 2010, we issued $275.0 million aggregate principal amount of 9.0% First Lien Senior Secured Notes due 2015 (the "First Lien Notes") and $225.0 million aggregate principal amount of 10.875% Second Lien Senior Secured Notes due 2017 (the "Second Lien Notes" and together with the First Lien Notes, the "Notes"). We used the proceeds from the sale of the Notes to pay off the $453.0 million of term loans as described below.

In December 2010, we made a voluntary unscheduled payment of $27.5 million on our First Lien Notes, resulting in a premium payment of 3.0% and a partial write-off of previously deferred financing costs and unamortized original issue discount totaling approximately $1.6 million, which was recognized as a loss on extinguishment of debt in our Consolidated Statements of Operations.

On December 15, 2011, we issued an additional $200.0 million of our First Lien Notes to partially fund the Wynnewood Acquisition. Financing and other third party costs incurred at the time of $6.0 million were deferred and are amortized over the remaining term of the First Lien Notes. In connection with the Wynnewood Acquisition, in November 2011 we received a commitment for a one year bridge loan, which remained undrawn and was terminated as a result of the issuance of the First Lien Notes. Fees and other third party costs related to the bridge commitment totaling $3.9 million were expensed in December 2011. We also recognized approximately $0.1 million of third party costs at the time the First Lien Notes were issued. Other financing and third party costs incurred at the time were deferred and are amortized over the respective terms of the First Lien Notes. The premiums paid, previously deferred financing costs subject to write-off and immediately recognized third party expenses are reflected as a loss on extinguishment of debt in our Consolidated Statements of Operations.

Partnership Credit Facility. On April 13, 2011, CRNF, as borrower, and the Partnership, as guarantor, entered into a new credit facility with a group of lenders. The credit facility includes a term loan facility of $125.0 million and a revolving credit facility of $25.0 million with an uncommitted incremental facility of up to $50.0 million. There is no scheduled amortization and the credit facility matures in April 2016. The average interest rate for the term loan for the six months ended June 30, 2012 was 3.94%. The revolving credit facility is used to finance on-going working capital, capital expenditures, letter of credit issuances and other general needs of CRNF.

Share-Based Compensation

Through the Company's Long-Term Incentive Plan ("LTIP"), equity compensation awards may be awarded to the Company's employees, officers, consultants, advisors and directors including, but not limited to, shares of non-vested common stock. Prior to the acquisition by IEP Energy, LLC and the related change of control, restricted shares, when granted, were valued at the closing market price of CVR Energy's common stock at the date of issuance and amortized to compensation expense on a straight-line basis over the vesting period of the stock. The change of control and related Transaction Agreement triggered a modification to the LTIP. Pursuant to the Transaction Agreement, all employee restricted stock awards that vest in 2012 will vest in accordance with the current vesting terms and upon vesting will receive the offer price of $30 per share in cash plus one CCP. For all such awards that vest in accordance with their terms in 2013, 2014 and 2015, the holders of the awards will receive the lesser of the offer price or the appraised value of the shares at the time of vesting. As a result of the modification, additional share-based compensation of $12.4 million was incurred to revalue the unvested shares to the fair value upon the date of modification. For awards vesting subsequent to 2012, the awards will be remeasured at each subsequent reporting date until they vest. In addition, the classification changed from an equity award to a liability award due to the cash settlement of the awards. For the three months ended June 30, 2012 and 2011, we incurred compensation expense of $17.3 million and $2.5 million, respectively, related to non-vested share-based compensation awards. For the six months ended June 30, 2012 and 2011, we incurred compensation expense of $20.8 million and $4.7 million, respectively, related to non-vested share-based compensation awards.

Through the CVR Partners, LP Long-Term Incentive Plan, shares of non-vested common units may be awarded to the employees, officers, consultants, and directors of the Partnership, the general partner, and their respective subsidiaries and parents. Non-vested units, when granted, are valued at the closing market price of CVR Partners common units at the date of issuance and amortized to compensation expense on a straight-line basis over the vesting period of the stock. For the three months ended June 30, 2012 and 2011, we incurred compensation expense of $0.5 million and $0.3 million, respectively, related to non-vested share-based compensation awards. For the six months ended June 30, 2012 and 2011, we incurred compensation expense of $1.1 million and $0.3 million, respectively, related to non-vested share-based compensation awards.

Through a wholly-owned subsidiary, we had two Phantom Unit Appreciation Plans (the "Phantom Unit Plans"), whereby directors, employees, and service providers historically could be awarded phantom points at the discretion of the board of directors or the compensation committee. We accounted for awards under our Phantom Unit Plans as liability based awards. In accordance with FASB ASC Topic 718, *Compensation—Stock Compensation*, the expense associated with these awards was based on the current fair value of the awards which was derived from a probability-weighted expected return method.

Also, in conjunction with our initial public offering in October 2007, the override units of CALLC were modified and split evenly into override units of CALLC and CALLC II. As a result of this modification, the awards were no longer accounted for as employee awards and became subject to an accounting standard issued by the FASB which provides guidance regarding the accounting treatment by an investor for stock-based compensation granted to employees of an equity method investee. In addition, these awards are subject to an accounting standard issued by the FASB which provides guidance regarding the accounting treatment for equity instruments that are issued to recipients other than employees for acquiring or in conjunction with selling goods or services. In accordance with this accounting guidance, the expense associated with the awards is based on the current fair value of the awards which is derived under the same methodology as the Phantom Unit Plans, as remeasured at each reporting date until the awards vest. Certain override units became fully vested during the second quarter of 2010. As such, there was no additional expense incurred, subsequent to vesting, with respect to these share-based compensation awards. For the three months ended June 30, 2012 and 2011, we incurred compensation expense of $0.0 and a decrease of $0.8 million, respectively, as a result of the phantom and override unit share-based compensation awards. For the six months ended June 30, 2012 and 2011, we incurred compensation expense of $0.0 and $16.0 million, respectively, as a result of the phantom and override unit share-based compensation awards. Due to the divestiture of all ownership of CVR Energy by CALLC and CALLC II in 2011, there will be no further share-based compensation expense associated with override units subsequent to 2011. In association with the divestiture of ownership and the distributions to the override unitholders of CALLC and CALLC II, the holders of phantom units received the associated payments in 2011. As a result, there will be no further share-based compensation expense recorded for the Phantom Unit Plans subsequent to 2011.

Noncontrolling Interest

Prior to the Partnership IPO, the noncontrolling interests represented the incentive distribution rights ("IDRs") of CVR GP, LLC. In April 2011, in connection with the Partnership IPO, the IDRs were purchased by the Partnership and were subsequently extinguished, eliminating the associated noncontrolling interest related to the IDRs. As a result of the Partnership IPO, CVR Energy recorded a noncontrolling interest for the common units sold into the public market, which represented an approximately 30% interest in the net book value of the Partnership at the time of the Partnership IPO. Effective with the Partnership IPO, CVR Energy's noncontrolling interest reflected on the consolidated balance sheet has been impacted by approximately 30% of the net income of the Partnership and related distributions for each future reporting period. The revenue and expenses from the Partnership are consolidated with CVR Energy's statement of operations because the general partner is owned by CRLLC, a wholly-owned subsidiary of CVR Energy, and therefore has the ability to control the activities of the Partnership. However, the percentage of ownership held by the public unitholders is reflected as net income attributable to noncontrolling interest in our consolidated statement of operations and reduces consolidated net income to derive net income attributable to CVR Energy.

September 2010 UAN Vessel Rupture

On September 30, 2010, the nitrogen fertilizer plant experienced an interruption in operations due to a rupture of a high-pressure UAN vessel. All operations at the nitrogen fertilizer facility were immediately shut down. No one was injured in the incident. The nitrogen fertilizer facility had previously scheduled a major turnaround to begin on October 5, 2010. To minimize disruption and impact to the production schedule, the turnaround was accelerated. The turnaround was completed on October 29, 2010 with the gasification and ammonia units in operation. The fertilizer facility restarted production of UAN on November 16, 2010. In addition to the adverse impact to UAN sales in the fourth quarter of 2010, the outage also resulted in delivery of lower priced tons being shifted from the fourth quarter of 2010 to the first and second quarters of 2011.

Total gross costs recorded as of June 30, 2012 due to the incident were approximately $11.5 million for repairs and maintenance and other associated costs. As of June 30, 2012, approximately $7.0 million of insurance proceeds have been received related to the property damage insurance claim. Of the costs incurred, approximately $4.7 million were capitalized. We also recognized income of approximately $3.4 million during 2011 from insurance proceeds received related to our business interruption insurance policy. Approximately $0.5 million was received during the third quarter of 2011, with the remainder received in March and April 2011.

Fertilizer Plant Property Taxes

CRNF received a ten year property tax abatement from Montgomery County, Kansas in connection with the construction of the nitrogen fertilizer plant that expired on December 31, 2007. In connection with the expiration of the abatement, the county reassessed CRNF's nitrogen fertilizer plant and classified the nitrogen fertilizer plant as almost entirely real property instead of almost entirely personal property. The reassessment resulted in an increase in CRNF's annual property tax expense by an average of approximately $10.7 million per year for the years ended December 31, 2008 and December 31, 2009, $11.7 million for the year ended December 31, 2010 and $11.4 million for the year ended December 31, 2011. CRNF does not agree with the county's classification of its nitrogen fertilizer plant and has been disputing it before the Kansas Court of Tax Appeals, or COTA. However, CRNF has fully accrued and paid the property taxes the county claims are owed for the years ended December 31, 2011, 2010, 2009 and 2008 and has estimated and accrued for property tax for the first six months of 2012. This property tax expense is reflected as a direct operating expense in our financial results. In January 2012, COTA issued a ruling indicating that the assessment in 2008 of CRNF's fertilizer plant as almost entirely real property instead of almost entirely personal property was appropriate. CRNF disagrees with the ruling and filed a petition for reconsideration with COTA (which was denied) and has filed an appeal to the Kansas Court of Appeals. CRNF is also appealing the valuation of the CRNF fertilizer plant for tax years 2009 through 2011, which cases remain pending before COTA. CRNF has also appealed the 2012 valuation. If CRNF is successful in having the nitrogen fertilizer plant reclassified as personal property, in whole or in part, then a portion of the accrued and paid property tax expenses would be refunded to CRNF, which could have a material positive effect on our results of operations. If CRNF is not successful in having the nitrogen fertilizer plant reclassified as personal property, in whole or in part, then CRNF expects that it will continue to pay property taxes at elevated rates.

Partnership Distributions to Unitholders

The current policy of the board of directors of the Partnership's general partner is to distribute all of the available cash the Partnership generates each quarter. Available cash for each quarter will be determined by the board of directors of the Partnership's general partner following the end of such quarter. Available cash for each quarter will generally equal the Partnership's cash flow from operations for the quarter, less cash needed for maintenance capital expenditures, debt service and other contractual obligations and reserves for future operating or capital needs that the board of directors of its general partner deems necessary or appropriate. Additionally, the Partnership retains cash on hand associated with prepaid sales at each quarter end for future distributions to common unitholders based upon the recognition into income of the prepaid sales. The board of directors of the Partnership may modify the cash distribution policy at any time, and the partnership agreement does not require the Partnership to make distributions at all.

On February 14, 2012, the Partnership paid out a cash distribution to the Partnership's unitholders of record at the close of business on February 7, 2012 for the fourth quarter of 2011 in the amount of $0.588 per unit or $42.9 million in aggregate. We received $29.9 million in respect of our common units.

On May 15, 2012, the Partnership paid out a cash distribution to the Partnership's unitholders of record at the close of business on May 8, 2012 for the first quarter of 2012 in the amount of $0.523 per unit or $38.2 million in aggregate. We received $26.6 million in respect of our common units.

On July 26, 2012, the board of directors of the Partnership's general partner declared a quarterly cash distribution to the Partnership's unitholders of $0.60 per unit or $43.8 million in aggregate. We will receive $30.6 million in respect of our common units. The cash distribution will be paid on August 14, 2012, to unitholders of record at the close of business on August 7, 2012. This distribution is for the second quarter of 2012.

Partnership Interest Rate Swap

Our and the Partnership's profitability and cash flows are affected by changes in interest rates, specifically LIBOR and prime rates. The primary purpose of our interest rate risk management activities is to hedge our and the Partnership's exposure to changes in interest rates by using interest rate derivatives to convert some or all of the interest rates the Partnership pays for the $125.0 million of term loan borrowings from a floating rate to a fixed rate.

On June 30 and July 1, 2011, CRNF entered into two Interest Rate Swap agreements with J. Aron. We have determined that the Interest Rate Swaps qualify as a hedge for hedge accounting treatment. These Interest Rate Swap agreements commenced on August 12, 2011; therefore, no impact was recorded for the quarter ended June 30, 2011. The impact recorded for the three and six months ended June 30, 2012 was $0.2 million and $0.5 million in interest expense, respectively. For the three and six months ended June 30, 2012, the Partnership recorded a decrease in fair market value on the Interest Rate Swap agreements of $0.7 million and $1.0 million, respectively.

Commodity Swaps—Petroleum Segment

Beginning in September 2011, we entered into commodity swap contracts with effective periods beginning in January 2012. The physical volumes are not exchanged and these contracts are net settled with cash. The contract fair value of the commodity swaps is reflected on the Consolidated Balance Sheets with changes in fair value currently recognized in the Consolidated Statements of Operations. At June 30, 2012, we had open commodity hedging instruments consisting of 13.5 million barrels of crack spreads primarily to fix the margin on a portion of our future gasoline and distillate production with effective periods beginning in 2012 and 2013. None of these swap contracts were designated as cash flow hedges and all changes in fair market value will be reported in earnings in the period in which the value change occurs.

Turnaround Projects

Turnaround projects are a required standard procedure that involves the shut down and inspection of major process units in order to refurbish, repair and maintain the plant assets. These major maintenance projects occur every four to five years for our refineries and every two years for the nitrogen fertilizer plant.

The Coffeyville refinery completed the second phase of a two-phase planned turnaround project during the first quarter of 2012. The first phase was completed during the fourth quarter of 2011. The Coffeyville refinery has incurred costs of approximately $21.0 million and $4.3 million for the six months ended June 30, 2012 and 2011, respectively, associated with the 2011/2012 turnaround. Costs associated with turnaround projects are recorded in direct operating expense (exclusive of depreciation and amortization) on the Consolidated Statements of Operations.

The Wynnewood refinery is scheduled to begin turnaround maintenance in the fourth quarter of 2012. We expect to incur approximately $100.0 million of expenses during 2012 related to the Wynnewood refinery's turnaround. The Wynnewood refinery has incurred $2.5 million of turnaround costs in the six months ended June 30, 2012. It is anticipated that the downtime associated with the Wynnewood refinery turnaround will approximate 40 to 45 days and will significantly impact our revenue for the fourth quarter of 2012.

The nitrogen fertilizer facility is scheduled to complete a major turnaround during the fourth quarter of 2012. The Partnership anticipates costs of approximately $5.0 million will be incurred during the fourth quarter of 2012 related to the turnaround. It is anticipated that the downtime associated with the nitrogen fertilizer turnaround will approximate 16 to 18 days and will significantly impact the Partnership's revenue for the fourth quarter of 2012.

Results of Operations

The following tables summarize the financial data and key operating statistics for CVR and our two operating segments for the three and six months ended June 30, 2012 and 2011. The following data should be read in conjunction with our condensed consolidated financial statements and the notes thereto included elsewhere in this Form 10-Q. All information in "Management's Discussion and Analysis of Financial Condition and Results of Operations," except for the balance sheet data as of December 31, 2011, is unaudited.

	Three Months Ended June 30,		Change from 2011	
	2012	2011	Change	Percent
	(in millions, except per share amount)			
Consolidated Statement of Operations Data:				
Net sales	$ 2,308.3	$ 1,447.7	$ 860.6	59.4%
Cost of product sold(1)	1,874.2	1,123.4	750.8	66.8
Direct operating expenses(1)	94.1	66.2	27.9	42.1
Insurance recovery—business interruption	—	—	—	—
Selling, general and administrative expenses(1)	72.0	18.2	53.8	295.6
Depreciation and amortization(2)	32.2	22.0	10.2	46.4
Operating income	235.8	217.9	17.9	8.2
Interest expense and other financing costs	(19.0)	(14.2)	(4.8)	33.8
Gain (loss) on derivatives, net				
Realized	(8.1)	0.5	(8.6)	(1,720.0)
Unrealized	46.9	6.4	40.5	632.8
Loss on extinguishment of debt	—	(0.2)	0.2	—
Other income, net	0.8	0.5	0.3	60.0
Income before income tax expense	256.4	210.9	45.5	21.6
Income tax expense	91.1	76.7	14.4	18.8
Net income(3)	165.3	134.2	31.1	23.2
Less: Net income attributable to noncontrolling interest	10.6	9.3	1.3	14.0
Net income attributable to CVR Energy stockholders	$ 154.7	$ 124.9	$ 29.8	23.9%
Basic earnings per share	$ 1.78	$ 1.44	$ 0.34	23.6%
Diluted earnings per share	$ 1.75	$ 1.42	$ 0.33	23.2%
Weighted-average common shares outstanding:				
Basic	86.8	86.4	0.4	0.5%
Diluted	88.4	87.8	0.6	0.7%

	Six Months Ended June 30,		Change from 2011	
	2012	2011	Change	Percent
	(in millions, except per share amount)			
Consolidated Statement of Operations Data:				
Net sales	$ 4,276.9	$ 2,615.0	$ 1,661.9	63.6%
Cost of product sold(1)	3,509.4	2,060.2	1,449.2	70.3
Direct operating expenses(1)	209.6	134.6	75.0	55.7
Insurance recovery—business interruption	—	(2.9)	2.9	—
Selling, general and administrative expenses(1)	117.3	51.5	65.8	127.8
Depreciation and amortization(2)	64.3	44.1	20.2	45.8
Operating income	376.3	327.5	48.8	14.9
Interest expense and other financing costs	(38.2)	(27.4)	(10.8)	39.4
Gain (loss) on derivatives, net				
Realized	(27.2)	(18.4)	(8.8)	47.8
Unrealized	(81.3)	3.2	(84.5)	(2,640.6)
Loss on extinguishment of debt	—	(2.1)	2.1	—
Other income, net	1.1	1.1	—	—
Income before income tax expense	230.7	283.9	(53.2)	(18.7)
Income tax expense	81.4	103.9	(22.5)	(21.7)
Net income(3)	149.3	180.0	(30.7)	(17.1)
Less: Net income attributable to noncontrolling interest	19.8	9.3	10.5	112.9
Net income attributable to CVR Energy stockholders	$ 129.5	$ 170.7	$ (41.2)	(24.1)%
Basic earnings per share	$ 1.49	$ 1.97	$ (0.48)	(24.4)%
Diluted earnings per share	$ 1.46	$ 1.94	$ (0.48)	(24.7)%
Weighted-average common shares outstanding:				
Basic	86.8	86.4	0.4	0.5%
Diluted	88.5	87.8	0.7	0.8%

	As of June 30, 2012	As of December 31, 2011
	(unaudited)	
	(in millions)	
Balance Sheet Data		
Cash and cash equivalents	$ 692.6	$ 388.3
Working capital	904.5	769.2
Total assets	3,284.7	3,119.3
Long-term debt	851.9	853.9
Total CVR Energy stockholders' equity	1,276.5	1,151.6

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	Three Months Ended June 30, 2012	Three Months Ended June 30, 2011	Six Months Ended June 30, 2012	Six Months Ended June 30, 2011
	(unaudited) (in millions)			
Cash Flow Data				
Net cash flow provided by (used in):				
Operating activities	$ 249.6	$ 178.6	$ 435.9	$ 162.6
Investing activities	(45.4)	(13.6)	(104.8)	(20.7)
Financing activities	(12.4)	417.1	(26.8)	406.0
Net cash flow	$ 191.8	$ 582.1	$ 304.3	$ 547.9
Other Financial Data				
Capital expenditures for property, plant and equipment	$ 45.6	$ 13.7	$ 105.2	$ 21.0

(1) Amounts are shown exclusive of depreciation and amortization.

(2) Depreciation and amortization is comprised of the following components as excluded from cost of product sold, direct operating expenses and selling, general and administrative expenses:

	Three Months Ended June 30, 2012	Three Months Ended June 30, 2011	Six Months Ended June 30, 2012	Six Months Ended June 30, 2011
	(unaudited) (in millions)			
Depreciation and amortization excluded from cost of product sold	$ 0.9	$ 0.6	$ 1.6	$ 1.3
Depreciation and amortization excluded from direct operating expenses	30.7	20.9	61.5	41.8
Depreciation and amortization excluded from selling, general and administrative expenses	0.6	0.5	1.2	1.0
Total depreciation and amortization	$ 32.2	$ 22.0	$ 64.3	$ 44.1

(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:

	Three Months Ended June 30, 2012	Three Months Ended June 30, 2011	Six Months Ended June 30, 2012	Six Months Ended June 30, 2011
	(unaudited) (in millions)			
Loss on extinguishment of debt(a)	$ —	$ 0.2	$ —	$ 2.1
Letter of credit expense and interest rate swap not included in interest expense(b)	0.4	0.3	0.7	1.0
Share-based compensation expense(c)	17.8	2.1	21.9	21.2
Major scheduled turnaround expense(d)	2.5	1.1	23.5	4.3

(a) On February 22, 2011, CRLLC entered into a $250.0 million ABL credit facility, as described in further detail below. The ABL credit facility replaced the first priority credit facility which was terminated. As a result of the termination of the first priority credit facility we wrote-off a portion of our previously deferred financing costs of approximately $1.9 million. Additionally, $0.2 million of the loss on extinguishment of debt was attributable to the write-off of previously deferred financing costs and unamortized original issue discount associated with the repurchase of $2.7 million of First Lien Notes.

(b) Consists of fees which are expensed to selling, general and administrative expenses in connection with letters of credit outstanding.

(c) Represents the impact of share-based compensation awards.

(d) Represents expenses associated with a major scheduled turnaround in the petroleum segment.

Consolidated Petroleum Segment Results of Operations

The following tables below provide an overview of the petroleum business' results of operations, relevant market indicators and its key operating statistics:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
	(unaudited) (in millions, except as otherwise indicated)			
Consolidated Petroleum Segment Summary Financial Results				
Net sales	$ 2,229.5	$ 1,376.7	$ 4,128.0	$ 2,487.9
Cost of product sold(1)	1,866.1	1,122.8	3,496.8	2,053.0
Direct operating expenses(1)(2)	69.1	44.0	140.8	89.5
Major scheduled turnaround expenses	2.5	—	23.5	—
Depreciation and amortization	26.6	17.0	52.9	33.9
Gross profit(3)	265.2	192.9	414.0	311.5
Plus direct operating expenses(1)	71.6	44.0	164.3	89.5
Plus depreciation and amortization	26.6	17.0	52.9	33.9
Refining margin(4)	363.4	253.9	631.2	434.9
Operating income (loss)	$ 248.9	$ 183.5	$ 383.8	$ 289.2
Adjusted Petroleum EBITDA(5)	$ 381.4	$ 208.4	$ 535.2	$ 296.6

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
	(unaudited) (in millions)			
Key Operating Statistics				
Per crude oil throughput barrel:				
Refining margin(4)	$ 20.98	$ 25.49	$ 20.58	$ 23.08
Gross profit(3)	$ 15.31	$ 19.36	$ 13.50	$ 16.53
Direct operating expenses(1)(2)	$ 4.13	$ 4.42	$ 5.36	$ 4.74
Direct operating expenses per barrel sold(1)(6)	$ 3.81	$ 4.09	$ 4.69	$ 4.45
Barrels sold (barrels per day)(6)	206,606	118,435	190,319	110,860

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	Three Months Ended June 30,				Six Months Ended June 30,			
	2012		2011		2012		2011	
		%		%		%		%
Refining Throughput and Production Data (barrels per day)								
Throughput:								
Sweet	148,912	74.6	84,654	72.6	129,781	73.1	82,302	74.1
Light/medium sour	20,488	10.3	198	0.2	22,728	12.8	397	0.4
Heavy sour	20,972	10.5	24,634	21.2	16,006	9.0	21,416	19.3
Total crude oil throughput	190,372	95.4	109,486	94.0	168,515	94.9	104,115	93.8
All other feedstocks and blendstocks	9,129	4.6	6,973	6.0	8,929	5.1	6,923	6.2
Total throughput	199,501	100.0	116,459	100.0	177,444	100.0	111,038	100.0
Production:								
Gasoline	96,972	48.7	53,495	45.5	89,131	50.4	51,564	46.2
Distillate	82,075	41.3	48,959	41.6	72,202	40.9	45,934	41.1
Other (excluding internally produced fuel)	19,910	10.0	15,106	12.9	15,396	8.7	14,158	12.7
Total refining production (excluding internally produced fuel)	198,957	100.0	117,560	100.0	176,729	100.0	111,656	100.0
Product price (dollars per gallon):								
Gasoline	$ 2.89		$ 3.07		$ 2.88		$ 2.86	
Distillate	$ 2.95		$ 3.14		$ 3.03		$ 3.03	

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
Market Indicators (dollars per barrel)				
West Texas Intermediate (WTI) NYMEX	$ 93.35	$ 102.34	$ 98.15	$ 98.50
Crude Oil Differentials:				
WTI less WTS (light/medium sour)	5.28	2.51	4.48	3.30
WTI less WCS (heavy sour)	20.45	17.61	23.79	19.76
NYMEX Crack Spreads:				
Gasoline	30.42	27.85	27.95	22.98
Heating Oil	28.13	25.56	28.87	24.76
NYMEX 2-1-1 Crack Spread	29.27	26.71	28.41	23.87
PADD II Group 3 Basis:				
Gasoline	(3.24)	(1.59)	(5.00)	(1.82)
Ultra Low Sulfur Diesel	2.16	3.24	0.28	2.21
PADD II Group 3 Product Crack:				
Gasoline	27.18	26.26	22.95	21.16
Ultra Low Sulfur Diesel	30.29	28.81	29.14	26.97
PADD II Group 3 2-1-1	28.74	27.53	26.05	24.06

(1) Amounts are shown exclusive of depreciation and amortization.

(2) Direct operating expense is presented on a per crude oil throughput basis. In order to derive the direct operating expenses per crude oil throughput barrel, we utilize the total direct operating

expenses, which does not include depreciation or amortization expense, and divide by the applicable number of crude oil throughput barrels for the period.

(3) In order to derive the gross profit per crude oil throughput barrel, we utilize the total dollar figures for gross profit as derived above and divide by the applicable number of crude oil throughput barrels for the period.

(4) Refining margin per crude oil throughput barrel is a measurement calculated as the difference between net sales and cost of product sold (exclusive of depreciation and amortization). Refining margin is a non-GAAP measure that we believe is important to investors in evaluating the performance of our refineries as a general indication of the amount above our cost of product sold that we are able to sell refined products. Each of the components used in this calculation (net sales and cost of product sold (exclusive of depreciation and amortization)) are taken directly from our Condensed 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. In order to derive the refining margin per crude oil throughput barrel, we utilize the total dollar figures for refining margin as derived above and divide by the applicable number of crude oil throughput barrels for the period. We believe that refining margin and refining margin per crude oil throughput barrel is important to enable investors to better understand and evaluate our ongoing operating results and allow for greater transparency in the review of our overall financial, operational and economic performance.

(5) Adjusted Petroleum EBITDA represents operating income adjusted for FIFO impacts (favorable) unfavorable, share-based compensation, and where applicable, major scheduled turnaround expenses, realized gain (loss) on derivatives, net, depreciation and amortization and other income (expense). Adjusted EBITDA by operating segment results from operating income by segment adjusted for items that we believe are needed in order to evaluate results in a more comparative analysis from period to period. Adjusted EBITDA by operating segment is not a recognized term under GAAP and should not be substituted for operating income as a measure of performance but should be utilized as a supplemental measure of performance in evaluating our business. Management believes that adjusted EBITDA by operating segment provides relevant and useful information that enables investors to better understand and evaluate our ongoing operating results and allows for greater transparency in the reviewing of our overall financial, operational and economic performance. Below is a reconciliation of operating income to adjusted EBITDA for the petroleum segment for the three and six months ended June 30, 2012 and 2011:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
	(unaudited) (in millions)			
Petroleum Consolidated:				
Petroleum operating income	$ 248.9	$ 183.5	$ 383.8	$ 289.2
FIFO impacts (favorable), unfavorable(a)	105.4	4.1	95.0	(21.3)
Share-based compensation	5.4	0.5	6.4	7.1
Major scheduled turnaround expenses(b)	2.5	1.1	23.5	4.3
Realized gain (loss) on derivatives, net	(8.1)	0.5	(27.2)	(18.4)
Loss on disposition of fixed assets	—	1.5	—	1.5
Depreciation and amortization	26.6	17.0	52.9	33.9
Other income (expense)	0.7	0.2	0.8	0.3
Adjusted Petroleum EBITDA	$ 381.4	$ 208.4	$ 535.2	$ 296.6

(a) FIFO is the petroleum business' basis for determining inventory value on a GAAP basis. Changes in crude oil prices can cause fluctuations in the inventory valuation of our crude oil, work in process and finished goods thereby resulting in favorable FIFO impacts when crude oil prices increase and unfavorable FIFO impacts when crude oil prices decrease. The FIFO impact is calculated based upon inventory values at the beginning of the accounting period and at the end of the accounting period. In order to derive the FIFO impact per crude oil throughput barrel, we utilize the total dollar figures for the FIFO impact and divide by the number of crude oil throughput barrels for the period.

(b) Represents expense associated with a major scheduled turnaround in the Petroleum Segment.

(6) Direct operating expense is presented on a per barrel sold basis. Barrels sold are derived from the barrels produced and shipped from the refineries. We utilize the total direct operating expenses, which does not include depreciation or amortization expense, and divide by the applicable number of barrels sold for the period to derive the metric.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
	(unaudited) (in millions)			
Coffeyville Refinery Financial Results				
Net sales	$ 2,162.2	$ 1,376.6	$ 3,457.9	$ 2,487.7
Cost of product sold (exclusive of depreciation and amortization)	1,934.6	1,122.9	3,070.9	2,053.1
Direct operating expenses (exclusive of depreciation and amortization)	43.6	43.0	87.4	85.2
Major scheduled turnaround	0.9	1.1	21.0	4.3
Depreciation and amortization	17.4	16.3	34.7	32.6
Gross profit	165.7	193.3	243.9	312.5
Plus direct operating expenses (exclusive of depreciation and amortization)	44.5	44.1	108.4	89.5
Plus depreciation and amortization	17.4	16.3	34.7	32.6
Refining margin	$ 227.6	$ 253.7	$ 387.0	$ 434.6
Operating income	$ 151.9	$ 185.4	$ 219.7	$ 291.8

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
	(unaudited) (dollars per barrel)			
Coffeyville Refinery Key Operating Statistics				
Per crude oil throughput barrel:				
Refining margin	$ 20.61	$ 25.46	$ 20.27	$ 23.06
Gross profit	$ 15.00	$ 19.40	$ 12.78	$ 16.59
Direct operating expenses (exclusive of depreciation and amortization)	$ 4.03	$ 4.42	$ 5.68	$ 4.74
Direct operating expenses per barrel sold	$ 3.62	$ 4.09	$ 5.02	$ 4.45
Barrels sold (barrels per day)	135,062	118,435	118,569	110,860

	Three Months Ended June 30,				Six Months Ended June 30,			
	2012	%	2011	%	2012	%	2011	%
Coffeyville Refinery Throughput and Production Data (bpd)								
Throughput:								
Sweet	100,166	78.4	84,654	72.6	86,041	77.7	82,302	74.1
Light/medium sour	187	0.1	198	0.2	2,817	2.5	397	0.4
Heavy sour	20,972	16.4	24,634	21.2	16,006	14.4	21,415	19.3
Total crude oil throughput	121,325	94.9	109,486	94.0	104,864	94.6	104,114	93.8
All other feedstocks and blendstocks	6,500	5.1	6,973	6.0	5,934	5.4	6,923	6.2
Total throughput	127,825	100.0	116,459	100.0	110,798	100.0	111,037	100.0
Production:								
Gasoline	62,351	47.9	53,495	45.5	56,310	50.1	51,564	46.2
Distillate	54,933	42.3	48,959	41.6	48,004	42.7	45,934	41.1
Other (excluding internally produced fuel)	12,753	9.8	15,106	12.9	8,123	7.2	14,157	12.7
Total refining production (excluding internally produced fuel)	130,037	100.0	117,560	100.0	112,437	100.0	111,655	100.0
Product price (dollars per gallon):								
Gasoline	$ 2.89		$ 3.07		$ 2.89		$ 2.86	
Distillate	$ 2.94		$ 3.14		$ 3.00		$ 3.03	

	Three Months Ended June 30, 2012	Six Months Ended June 30, 2012
	(unaudited) (in millions)	
Wynnewood Refinery Financial Results		
Net sales	$ 782.3	$ 1,607.8
Cost of product sold (exclusive of depreciation and amortization)	647.5	1,365.0
Direct operating expenses (exclusive of depreciation and amortization)	25.5	53.4
Major scheduled turnaround expense	1.6	2.5
Depreciation and amortization	8.4	16.7
Gross profit	99.3	170.2
Plus direct operating expenses (exclusive of depreciation and amortization)	27.1	55.9
Plus depreciation and amortization	8.4	16.7
Refining margin	$ 134.8	$ 242.8
Operating income	$ 97.2	$ 164.7

	Three Months Ended June 30, 2012	Six Months Ended June 30, 2012
	(unaudited) (dollars per barrel)	
Wynnewood Refinery Key Operating Statistics		
Per crude oil throughput barrel:		
Refining margin	$ 21.47	$ 20.97
Gross profit	15.82	14.70
Direct operating expenses (exclusive of depreciation and amortization)	4.30	4.83
Direct operating expenses per barrel sold	4.02	4.15
Barrels sold (barrels per day)	74,072	73,996

	Three Months Ended June 30, 2012		Six Months Ended June 30, 2012	
		%		%
Wynnewood Refinery Throughput and Production Data (bpd)				
Throughput:				
Sweet	48,745	68.0	43,740	65.6
Light/medium sour	20,301	28.3	19,911	29.9
Heavy sour	—	—	—	—
Total crude oil throughput	69,046	96.3	63,651	95.5
All other feedstocks and blendstocks	2,629	3.7	2,995	4.5
Total throughput	71,675	100.0	66,646	100.0
Production:				
Gasoline	34,621	50.2	32,821	51.0
Distillate	27,142	39.4	24,198	37.6
Other (excluding internally produced fuel)	7,157	10.4	7,273	11.4
Total refining production (excluding internally produced fuel)	68,920	100.0	64,292	100.0
Product price (dollars per gallon):				
Gasoline	$ 2.88		$ 2.90	
Distillate	$ 2.95		$ 3.06	

Nitrogen Fertilizer Business Results of Operations

The tables below provide an overview of the nitrogen fertilizer business' results of operations, relevant market indicators and key operating statistics:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
	(unaudited) (in millions)			
Nitrogen Fertilizer Business Financial Results				
Net sales	$ 81.4	$ 80.7	$ 159.7	$ 138.1
Cost of product sold(1)	10.7	9.7	23.3	17.2
Direct operating expenses(1)	22.4	22.3	45.3	45.3
Insurance recovery—business interruption	—	—	—	(2.9)
Depreciation and amortization	5.2	4.7	10.6	9.3
Operating income	$ 36.1	$ 39.3	$ 67.5	$ 56.1
Adjusted Nitrogen Fertilizer EBITDA(2)	$ 44.1	$ 45.0	$ 82.1	$ 70.9

	Three Months Ended June 30, 2012	Three Months Ended June 30, 2011	Six Months Ended June 30, 2012	Six Months Ended June 30, 2011
	(unaudited)			
Key Operating Statistics				
Production (thousand tons):				
Ammonia (gross produced)(3)	108.9	102.3	198.2	207.6
Ammonia (net available for sale)(3)	34.9	28.2	59.9	63.4
UAN	180.0	179.4	334.6	350.0
Pet coke consumed (thousand tons)	130.2	135.8	250.7	259.9
Pet coke (cost per ton)	$ 31	$ 30	$ 36	$ 23
Sales (thousand tons)(4):				
Ammonia	29.4	33.6	59.3	60.9
UAN	177.2	166.1	335.5	345.4
Product pricing (plant gate) (dollars per ton)(4):				
Ammonia	$ 568	$ 574	$ 591	$ 570
UAN	$ 329	$ 300	$ 322	$ 252
On-stream factor(5):				
Gasification	99.2%	99.3%	96.2%	99.6%
Ammonia	98.0%	98.5%	94.7%	97.6%
UAN	96.7%	97.6%	90.1%	95.4%
Reconciliation of net sales (dollars in millions):				
Sales net plant gate	$ 75.1	$ 69.2	$ 142.9	$ 121.8
Freight in revenue	6.3	5.4	11.1	10.2
Hydrogen revenue	—	6.1	5.7	6.1
Total net sales	$ 81.4	$ 80.7	$ 159.7	$ 138.1

	Three Months Ended June 30, 2012	Three Months Ended June 30, 2011	Six Months Ended June 30, 2012	Six Months Ended June 30, 2011
Market Indicators				
Natural gas NYMEX (dollars per MMBtu)	$ 2.35	$ 4.38	$ 2.43	$ 4.29
Ammonia—Southern Plains (dollars per ton)	585	604	585	605
UAN—Mid Cornbelt (dollars per ton)	417	366	380	358

(1) Amounts are shown exclusive of depreciation and amortization.

(2) Adjusted Nitrogen Fertilizer EBITDA represents operating income adjusted for share-based compensation, major scheduled turnaround expenses, depreciation and amortization and other income (expense). We present Adjusted Nitrogen Fertilizer EBITDA because it is a key measure used in material covenants in the Partnership's credit facility. Adjusted Nitrogen Fertilizer EBITDA is not a recognized term under GAAP and should not be substituted for operating income or net income as a measure of liquidity. Management believes that Adjusted EBITDA provides relevant and useful information that enables investors to better understand and evaluate our liquidity and our compliance with the covenants contained in the Partnership's credit facility.

Below is a reconciliation of operating income to Adjusted EBITDA for the nitrogen fertilizer segment for the three and six months ended June 30, 2012 and 2011:

	Three Months Ended June 30, 2012	Three Months Ended June 30, 2011	Six Months Ended June 30, 2012	Six Months Ended June 30, 2011
	(unaudited) (in millions)			
Nitrogen Fertilizer:				
Nitrogen fertilizer operating income	$ 36.1	$ 39.3	$ 67.5	$ 56.1
Share-based compensation	2.8	0.9	4.0	5.5
Depreciation and amortization	5.2	4.7	10.6	9.3
Other income (expense)	—	0.1	—	—
Adjusted Nitrogen Fertilizer EBITDA	$ 44.1	$ 45.0	$ 82.1	$ 70.9

(3) Gross tons produced for ammonia represent the total ammonia produced, including ammonia produced that was upgraded into UAN. Net tons available for sale represent the ammonia available for sale that was not upgraded into UAN.

(4) Plant gate sales per ton represent net sales less freight and hydrogen revenue divided by product sales volume in tons in the reporting period. Plant gate pricing per ton is shown in order to provide a pricing measure that is comparable across the fertilizer industry.

(5) On-stream factor is the total number of hours operated divided by the total number of hours in the reporting period and is a measure of efficiency.

Three Months Ended June 30, 2012 Compared to the Three Months Ended June 30, 2011

Consolidated Results of Operations

Net Sales. Consolidated net sales were $2,308.3 million for the three months ended June 30, 2012 compared to $1,447.7 million for the three months ended June 30, 2011. The increase of $860.6 million was due to an increase in petroleum net sales of approximately $852.8 million that resulted primarily from higher sales volume as a result of the acquisition of the Wynnewood refinery in December 2011. The increase in net sales as a result of increased volume was partially offset by a decrease in average sales prices of gasoline (down 5.7% to $2.89 per gallon) and distillate (down 6.1% to $2.95 per gallon) for the three months ended June 30, 2012 compared to the three months ended June 30, 2011. The increase in petroleum sales were coupled with an increase in nitrogen fertilizer net sales of $0.7 million, which was primarily due to higher average plant gate prices.

Cost of Product Sold (Exclusive of Depreciation and Amortization). Consolidated cost of product sold (exclusive of depreciation and amortization) was $1,874.2 million for the three months ended June 30, 2012 as compared to $1,123.4 million for the three months ended June 30, 2011. The increase of $750.8 million primarily resulted from an increase in throughput, which was partially offset by a decrease in crude oil prices. The increased crude oil throughput is a result of the inclusion of the Wynnewood refinery. Consumed crude oil cost per barrel decreased approximately 6.6% from an average price of $97.72 per barrel for the three months ended June 30, 2011 to an average price of $91.29 per barrel for the three months ended June 30, 2012. Additionally, the increase in cost of product sold (exclusive of depreciation and amortization) by the petroleum business was coupled with a slight increase of $1.0 million associated with the nitrogen fertilizer's third-party cost of product sold (exclusive of depreciation and amortization).

Direct Operating Expenses (Exclusive of Depreciation and Amortization). Consolidated direct operating expenses (exclusive of depreciation and amortization) were $94.1 million for the three months ended June 30, 2012 as compared to $66.2 million for the three months ended June 30, 2011. This increase of $27.9 million was due to an increase in petroleum direct operating expenses of $27.6 million coupled with a small increase in nitrogen fertilizer direct operating expenses of approximately $0.1 million. The increase was primarily attributable to a full quarter's expenses for our Wynnewood refinery ($27.1 million), increases in labor ($1.0 million), operating supplies ($0.6 million) and other direct operating expenses ($0.1 million).

Selling, General and Administrative Expenses (Exclusive of Depreciation and Amortization). Consolidated selling, general and administrative expenses (exclusive of depreciation and amortization) were $72.0 million for the three months ended June 30, 2012 as compared to $18.2 million for the three months ended June 30, 2011. This $53.8 million increase was primarily the result of higher payroll-related costs due to growth in staff, integration costs related to GWEC, overall higher costs associated with acquiring GWEC and costs incurred related to the tender offer and transaction agreement with certain entities affiliated with Carl Icahn.

Interest Expense. Consolidated interest expense for the three months ended June 30, 2012 was $19.0 million as compared to interest expense of $14.2 million for the three months ended June 30, 2011. This $4.8 million increase resulted primarily from higher interest cost due to the additional $200.0 million of Notes issued in December 2011 along with increased amortization to interest expense for deferred financing costs and original issue discount associated with the Notes.

Realized Gain (loss) on Derivatives, net. For the three months ended June 30, 2012, we recorded an $8.1 million realized loss on derivatives compared to a $0.5 million realized gain on derivatives for the three months ended June 30, 2011. The change was primarily attributable to realized losses on our commodity swaps in the Petroleum segment. We entered several over-the-counter commodity swaps to fix the margin on a portion of future gasoline and distillate production beginning in the fourth quarter of 2011. For the three months ended June 30, 2012, the over-the-counter commodity swap positions resulted in a realized loss of $14.0 million, which was partially offset by a $6.0 million realized gain associated with other commodity derivative activities.

Unrealized Gain (loss) on Derivatives, net. For the three months ended June 30, 2012, we recorded a $46.9 million unrealized gain on derivatives compared to a $6.4 million unrealized gain on derivatives for the three months ended June 30, 2011. The change was primarily attributable to larger unrealized gains on our commodity swaps in the Petroleum segment. We entered several over-the-counter commodity swaps to fix the margin on a portion of future gasoline and distillate production beginning in the fourth quarter of 2011. For the three months ended June 30, 2012, the over-the-counter commodity swap positions resulted in an unrealized gain of $48.7 million, which was partially offset by a $1.9 million unrealized loss associated with other commodity derivative activities.

Income Tax Expense. Income tax for the three months ended June 30, 2012 was $91.1 million, or 35.5% of income before income tax expense, as compared to income tax expense of $76.7 million, or 36.4% of income before income tax expense, for the three months ended June 30, 2011. The Company's effective tax rate for the three months ended June 30, 2012 and 2011 is lower than the expected statutory rate of 39.4% primarily due to the reduction of income subject to tax associated with the noncontrolling ownership interest of CVR Partners' earnings, as well as benefits for domestic production activities.

Petroleum Business Results of Operations for the Three Months Ended June 30, 2012

Net Sales. Petroleum net sales were $2,229.5 million for the three months ended June 30, 2012 compared to $1,376.7 million for the three months ended June 30, 2011. The increase of $852.8 million was the result of significantly higher overall sales volume, which was partially offset by lower product prices. The higher sales volume is due to the inclusion of a full quarter's sales for our Wynnewood refinery for the three months ended June 30, 2012. Our average sales price per gallon for the three months ended June 30, 2012 for gasoline of $2.89 and distillate of $2.95 decreased by approximately 5.7% and 6.1%, respectively, as compared to the three months ended June 30, 2011.

	Three Months Ended June 30, 2012			Three Months Ended June 30, 2011			Total Variance		Price Variance	Volume Variance
	Volume(1)	$ per barrel	Sales $(2)	Volume(1)	$ per barrel	Sales $(2)	Volume(1)	Sales $(2)	(in millions)	
Gasoline	9.7	$ 121.49	$ 1,178.3	5.3	$ 128.87	$ 690.9	4.3	$ 478.4	$ (39.6)	$ 527.0
Distillate	7.6	$ 124.00	$ 946.9	4.5	$ 132.03	$ 599.3	3.1	$ 347.6	$ (36.4)	$ 384.0

(1) Barrels in millions

(2) Sales dollars in millions

Cost of Product Sold (Exclusive of Depreciation and Amortization). Cost of product sold (exclusive of depreciation and amortization) 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 $1,866.1 million for the three months ended June 30, 2012 compared to $1,122.8 million for the three months ended June 30, 2011. The increase of $743.3 million was primarily the result of an increase in crude oil throughputs, which was partially offset by a decrease in crude oil prices. The increase in crude oil throughputs is due to the inclusion of a full quarter's consumption at our Wynnewood refinery. Our average cost per barrel of crude oil consumed for the three months ended June 30, 2012 was $91.29 compared to $97.72 for the comparable period of 2011, a decrease of approximately 6.6%. Sales volume of refined fuels increased by approximately 74.6%. The impact of FIFO accounting also impacted cost of product sold during the comparable periods. Under our FIFO accounting method, changes in crude oil prices can cause fluctuations in the inventory valuation of our crude oil, work in process and finished goods, thereby resulting in a favorable FIFO inventory impact when crude oil prices increase and an unfavorable FIFO inventory impact when crude oil prices decrease. For the three months ended June 30, 2012, we had an unfavorable FIFO inventory impact of $105.4 million compared to an unfavorable FIFO inventory impact of $4.1 million for the comparable period of 2011.

Refining margin per barrel of crude oil throughput decreased from $25.49 for the three months ended June 30, 2011 to $20.98 for the three months ended June 30, 2012. Refining margin adjusted for FIFO impact was $27.07 per crude oil throughput barrel for the three months ended June 30, 2012, as compared to $25.90 per crude oil throughput barrel for the three months ended June 30, 2011. Gross profit per barrel decreased to $15.31 for the three months ended June 30, 2012 as compared to gross profit per barrel of $19.36 in the equivalent period in 2011. The decrease of our refining margin per barrel is due to a decrease in the average sales prices of our produced gasoline and distillates, which was partially offset by a decrease in our cost of consumed crude oil. Our average sales price of gasoline decreased approximately 5.7% and our average sales price for distillates decreased approximately 6.1% for the three months ended June 30, 2012 over the comparable period of 2011. Consumed crude oil costs fell due to an 8.8% decrease in WTI for the three months ended June 30, 2012 over the three months ended June 30, 2011.

Direct Operating Expenses (Exclusive of Depreciation and Amortization). Direct operating expenses (exclusive of depreciation and amortization) for our petroleum operations include costs associated with the actual operations of our refineries, such as energy and utility costs, property taxes, catalyst and chemical costs, repairs and maintenance, labor and environmental compliance costs. Petroleum direct operating expenses (exclusive of depreciation and amortization) were $71.6 million for the three months ended June 30, 2012 compared to direct operating expenses of $44.0 million for the three months ended June 30, 2011. The increase of $27.6 million was primarily the result of a full quarter's expenses for our Wynnewood refinery ($27.1 million) and increases at our Coffeyville refinery of expenses primarily related to labor ($1.0 million), operating supplies ($0.6 million) and other direct operating expenses ($0.1 million). Increases in direct operating expenses were partially offset by a decrease in repairs and maintenance ($1.3 million) at our Coffeyville refinery. Direct operating expenses per barrel of crude oil throughput for the three months ended June 30, 2012 decreased to $4.13 per barrel as compared to $4.42 per barrel for the three months ended June 30, 2011.

Nitrogen Fertilizer Business Results of Operations for the Three Months Ended June 30, 2012

Net Sales. Net sales were $81.4 million for the three months ended June 30, 2012 compared to $80.7 million for the three months ended June 30, 2011. For the three months ended June 30, 2012, ammonia and UAN made up $17.3 million and $64.1 million of our net sales, respectively. This compared to ammonia and UAN net sales of $19.8 million and $54.8 million for the three months ended June 30, 2011. The increase of $0.7 million was the result of higher average plant gate prices for UAN and increased sales unit volumes for UAN offset by lower hydrogen sales to Coffeyville's refinery and decreased sales unit volumes for ammonia. The following table demonstrates the impact of sales volumes and pricing for ammonia, UAN and hydrogen for the quarter ended June 30, 2012 and June 30, 2011:

	Three Months Ended June 30, 2012			Three Months Ended June 30, 2011			Total Variance		Price Variance	Volume Variance
	Volume(1)	$ per ton(2)	Sales $(3)	Volume(1)	$ per ton(2)	Sales $(3)	Volume(1)	Sales $(3)	(in millions)	
Ammonia	29,414	$ 568	$ 17.3	33,582	$ 590	$ 19.8	(4,168)	$ (2.5)	$ —	$ (2.5)
UAN	177,169	$ 362	$ 64.1	166,112	$ 330	$ 54.8	11,057	$ 9.3	$ 5.3	$ 4.0
Hydrogen	—	$ —	$ —	630,497	$ 10	$ 6.1	(630,497)	$ (6.1)	$ (6.1)	$ —

(1) Ammonia and UAN sales volumes are in tons. Hydrogen sales volumes are in MSCF.

(2) Includes freight charges

(3) Sales dollars in millions

The increase in UAN sales volume for the three months ended June 30, 2012 compared to the three months ended June 30, 2011 was primarily attributable to an extended spring season for UAN application and additional corn acres planted. On-stream factors (total number of hours operated divided by total hours in the reporting period) for the gasification, ammonia and UAN units continue to demonstrate their reliability with the units reporting 99.2%, 98.0% and 96.7%, respectively, on-stream for the three months ended June 30, 2012. On-stream rates for the second quarter of 2011 were 99.3%, 98.5% and 97.6%, for the gasification, ammonia and UAN units, respectively.

Plant gate prices are prices at the designated delivery point less any freight cost we absorb to deliver the product. We believe plant gate price is meaningful because we sell products both at our plant gate (sold plant) and delivered to the customer's designated delivery site (sold delivered) and the percentage of sold plant versus sold delivered can change month to month or quarter-to-quarter. The plant gate price provides a measure that is consistently comparable period to period. Average plant gate prices for the three months ended June 30, 2012 were higher for UAN and lower for ammonia over the comparable period of 2011, increasing 9.6% and decreasing 1.0% respectively. The UAN price increase reflects strong farm belt market conditions.

Cost of Product Sold (Exclusive of Depreciation and Amortization). Cost of product sold is primarily comprised of pet coke expense, freight expense and distribution expense. Cost of product sold for the three months ended June 30, 2012 was $10.7 million compared to $9.7 million for the three months ended June 30, 2011. The increase of $1.0 million is the result of higher third-party costs of

$1.4 million associated with higher freight costs, distribution costs and third-party coke costs partially offset by lower affiliate costs of $0.4 million associated with reduced coke volumes from Coffeyville's refinery.

Direct Operating Expenses (Exclusive of Depreciation and Amortization). Direct operating expenses include costs associated with the actual operations of our plant, such as repairs and maintenance, energy and utility costs, catalyst and chemical costs, outside services, labor and environmental compliance costs. Direct operating expenses (exclusive of depreciation and amortization) for the three months ended June 30, 2012 were $22.4 million as compared to $22.3 million for the three months ended June 30, 2011.

Six Months Ended June 30, 2012 Compared to the Six Months Ended June 30, 2011

Consolidated Results of Operations

Net Sales. Consolidated net sales were $4,276.9 million for the six months ended June 30, 2012 compared to $2,615.0 million for the six months ended June 30, 2011. The increase of $1,661.9 million was due to an increase in petroleum net sales of approximately $1,640.1 million that resulted primarily from higher sales volume as a result of the acquisition of the Wynnewood refinery in December 2011. The increase in petroleum sales were coupled with an increase in nitrogen fertilizer net sales of $21.6 million which was primarily due to higher average plant gate prices.

Cost of Product Sold (Exclusive of Depreciation and Amortization). Consolidated cost of product sold (exclusive of depreciation and amortization) was $3,509.4 million for the six months ended June 30, 2012 as compared to $2,060.2 million for the six months ended June 30, 2011. The increase of $1,449.2 million primarily resulted from an increase in crude oil prices and throughput. The increased crude oil throughput is a result of the inclusion of the Wynnewood refinery. Consumed crude oil cost per barrel increased approximately 1.8% from an average price of $93.89 per barrel for the six months ended June 30, 2011 to an average price of $95.62 per barrel for the six months ended June 30, 2012. Additionally, the increase in cost of product sold (exclusive of depreciation and amortization) by the petroleum business was coupled with an increase of $6.1 million associated primarily with the nitrogen fertilizer's third-party cost of product sold (exclusive of depreciation and amortization).

Direct Operating Expenses (Exclusive of Depreciation and Amortization). Consolidated direct operating expenses (exclusive of depreciation and amortization) were $209.6 million for the six months ended June 30, 2012 as compared to $134.6 million for the six months ended June 30, 2011. This increase was due to an increase in petroleum direct operating expenses of $74.8 million associated with an increase primarily attributable to a full quarter's expenses for our Wynnewood refinery ($55.9 million) and increases in expenses associated with turnaround ($19.2 million), offset by a decrease in other direct operating expenses ($0.1 million).

Selling, General and Administrative Expenses (Exclusive of Depreciation and Amortization). Consolidated selling, general and administrative expenses (exclusive of depreciation and amortization) were $117.4 million for the six months ended June 30, 2012 as compared to $51.5 million for the six months ended June 30, 2011. This $65.9 million increase was primarily the result of higher payroll-related costs due to growth in staff, integration costs related to GWEC, overall higher costs associated with acquiring GWEC and costs incurred related to the tender offer and transaction agreement with certain entities affiliated with Carl Icahn.

Interest Expense. Consolidated interest expense for the six months ended June 30, 2012 was $38.2 million as compared to interest expense of $27.4 million for the six months ended June 30, 2011. This $10.8 million increase resulted primarily from higher interest cost due to the additional $200.0 million of Notes issued in December 2011 along with increased amortization to interest expense for deferred financing costs and original issue discount associated with the Notes.

Realized Gain (loss) on Derivatives, net. For the six months ended June 30, 2012, we recorded a $27.1 million realized loss on derivatives compared to an $18.4 million realized loss on derivatives for the six months ended June 30, 2011. The change was primarily attributable to realized losses on our commodity swaps in the Petroleum segment. We entered several over-the-counter commodity swaps to fix the margin on a portion of future gasoline and distillate production beginning in the fourth quarter of 2011. For the six months ended June 30, 2012, the over-the-counter commodity swap positions resulted in a realized loss of $25.0 million. The remaining $2.1 million realized loss relates to other commodity derivative activities.

Unrealized Gain (loss) on Derivatives, net. For the six months ended June 30, 2012, we recorded a $81.3 million unrealized loss on derivatives compared to a $3.2 million unrealized gain on derivatives for the six months ended June 30, 2011. The change was primarily attributable to larger unrealized losses on our commodity swaps in the Petroleum segment. We entered several over-the-counter commodity swaps to fix the margin on a portion of future gasoline and distillate production beginning in the fourth quarter of 2011. For the six months ended June 30, 2012, the over-the-counter commodity swap positions resulted in an unrealized loss of $79.6 million. The remaining $1.7 million unrealized loss relates to other commodity derivative activities.

Income Tax Expense. Income tax expense for the six months ended June 30, 2012 was $81.4 million, or 35.3% of income before income tax expense, as compared to income tax expense of $103.9 million, or 36.6% of income before income tax expense, for the six months ended June 30, 2011. The Company's effective tax rate for the six months ended June 30, 2012 and 2011 is lower than the expected statutory rate of 39.4% primarily due to the reduction of income subject to tax associated with the noncontrolling ownership interest of CVR Partners' earnings, as well as benefits for domestic production activities. The impact associated with the noncontrolling interest for the six months ended June 30, 2011 is less than 2012 due to noncontrolling ownership interest only having an impact beginning with and subsequent to the Partnership's IPO in April 2011.

Petroleum Business Results of Operations for the Six Months Ended June 30, 2012

Net Sales. Petroleum net sales were $4,128.0 million for the six months ended June 30, 2012 compared to $2,487.9 million for the six months ended June 30, 2011. The increase of $1,640.1 million was the result of higher overall sales volume. The higher sales volume is due to the inclusion of a full quarter's sales for our Wynnewood refinery for the six months ended June 30, 2012. Our average sales price per gallon for the six months ended June 30, 2012 was $2.88 for gasoline and $3.03 for distillate as compared to the six months ended June 30, 2011 average sales prices of $2.86 for gasoline and $3.03 for distillates.

	Six Months Ended June 30, 2012			Six Months Ended June 30, 2011			Total Variance		Price Variance	Volume Variance
	Volume(1)	$ per barrel	Sales $(2)	Volume(1)	$ per barrel	Sales $(2)	Volume(1)	Sales $(2)	(in millions)	
Gasoline	17.9	$ 120.98	$ 2,159.8	10.5	$ 120.17	$ 1,262.8	7.4	$ 897.0	$ 8.5	$ 888.5
Distillate	13.8	$ 127.23	$ 1,758.5	8.5	$ 127.20	$ 1,082.4	5.3	$ 676.1	$ 0.2	$ 675.9

(1) Barrels in millions

(2) Sales dollars in millions

Cost of Product Sold (Exclusive of Depreciation and Amortization). Cost of product sold (exclusive of depreciation and amortization) 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 $3,496.8 million for the six months ended June 30, 2012 compared to $2,053.0 million for the six months ended June 30, 2011. The increase of $1,443.8 million was primarily the result of an increase in crude oil throughputs and an increase in crude oil prices. The increase in crude oil throughputs is due to the inclusion of a full quarter's consumption at our Wynnewood refinery. Our average cost per barrel of crude oil consumed for the six months ended June 30, 2012 was $95.62 compared to $93.89 for the comparable period of 2011, an increase of approximately 1.8%. Sales volume of refined fuels increased by approximately 67.4%. The impact of FIFO accounting also impacted cost of product sold during the comparable periods. Under our FIFO accounting method, changes in crude oil prices can cause fluctuations in the inventory valuation of our crude oil, work in process and finished goods, thereby resulting in a favorable FIFO inventory impact when crude oil prices increase and an unfavorable FIFO inventory impact when crude oil prices decrease. For the six months ended June 30, 2012, we had an unfavorable FIFO inventory impact of $95.0 million compared to a favorable FIFO inventory impact of $21.3 million for the comparable period of 2011.

Refining margin per barrel of crude oil throughput decreased from $23.08 for the six months ended June 30, 2011 to $20.58 for the six months ended June 30, 2012. Refining margin adjusted for FIFO impact was $23.68 per crude oil throughput barrel for the six months ended June 30, 2012, as compared to $21.95 per crude oil throughput barrel for the six months ended June 30, 2011. Gross profit per barrel decreased to $13.50 for the six months ended June 30, 2012 as compared to gross profit per barrel of $16.53 in the equivalent period in 2011. The decrease of our refining margin per barrel is due to an increase in our cost of consumed crude oil. Consumed crude oil costs increased 1.8% from $93.89 per crude oil barrel throughput for the six months ended June 30, 2011 to $95.62 per crude oil barrel throughput for the six months ended June 30, 2012.

Direct Operating Expenses (Exclusive of Depreciation and Amortization). Direct operating expenses (exclusive of depreciation and amortization) for our petroleum operations include costs associated with the actual operations of our refineries, such as energy and utility costs, property taxes, catalyst and chemical costs, repairs and maintenance, labor and environmental compliance costs. Petroleum direct operating expenses (exclusive of depreciation and amortization) were $164.3 million for the six months ended June 30, 2012 compared to direct operating expenses of $89.5 million for the six months ended June 30, 2011. The increase of $74.8 million was primarily the result of a full quarter's expenses for our Wynnewood refinery ($55.9 million), and increases at our Coffeyville refinery of expenses primarily related with turnaround maintenance ($16.7 million), labor expense ($2.3 million), outside services ($1.2 million), catalyst and chemicals ($1.1 million), insurance ($0.9 million), operating supplies ($0.9 million) and other direct operating expenses ($0.3 million). Increases in direct operating expenses were partially offset by a decrease in repairs and maintenance ($4.5 million) at our Coffeyville refinery. Our Coffeyville refinery completed the second phase of its planned turnaround in March of 2012. Direct operating expenses per barrel of crude oil throughput for the six months ended June 30, 2012 increased to $5.36 per barrel as compared to $4.75 per barrel for the six months ended June 30, 2011.

Nitrogen Fertilizer Business Results of Operations for the Six Months Ended June 30, 2012

Net Sales. Net sales were $159.7 million for the six months ended June 30, 2012 compared to $138.1 million for the six months ended June 30, 2011. For the six months ended June 30, 2012, ammonia and UAN made up $36.0 million and $117.9 million of our net sales, respectively. This compared to ammonia and UAN net sales of $35.7 million and $96.3 million for the six months ended June 30, 2011. The increase of $21.6 million was the result of both higher average plant gate prices for both ammonia and UAN, offset by lower sales unit volumes for UAN and ammonia and reduced hydrogen sales to Coffeyville's refinery. The following table demonstrates the impact of sales volumes and pricing for ammonia, UAN and hydrogen for the quarter ended June 30, 2012 and June 30, 2011:

	Six Months Ended June 30, 2012			Six Months Ended June 30, 2011			Total Variance		Price Variance	Volume Variance
	Volume(1)	$ per ton(2)	Sales $(3)	Volume(1)	$ per ton(2)	Sales $(3)	Volume(1)	Sales $(3)	(in millions)	
Ammonia	59,280	$ 608	$ 36.0	60,904	$ 586	$ 35.7	(1,624)	$ 0.4	$ 1.3	$ (0.9)
UAN	335,462	$ 352	$ 117.9	345,426	$ 279	$ 96.3	(9,964)	$ 21.6	$ 25.1	$ (3.5)
Hydrogen	562,657	$ 10	$ 5.7	630,497	$ 10	$ 6.1	(67,840)	$ (0.4)	$ 0.3	$ (0.7)

(1) Ammonia and UAN sales volumes are in tons. Hydrogen sales volumes are in MSCF.

(2) Includes freight charges

(3) Sales dollars in millions

On-stream factors (total number of hours operated divided by total hours in the reporting period) for the gasification, ammonia and UAN units continue to demonstrate their reliability with the units reporting 96.2%, 94.7% and 90.1%, respectively, on-stream for the six months ended June 30, 2012. On-stream rates for the six months ended June 30, 2011 were 99.6%, 97.6% and 95.4%, for the gasification, ammonia and UAN units, respectively. Lower on-stream factors were the result of downtime related to repairs for each of the units. This downtime resulted in decreased UAN production and related reduced sales volumes.

Plant gate prices are prices at the designated delivery point less any freight cost we absorb to deliver the product. We believe plant gate price is meaningful because we sell products both at our plant gate (sold plant) and delivered to the customer's designated delivery site (sold delivered) and the percentage of sold plant versus sold delivered can change month to month or quarter-to-quarter. The plant gate price provides a measure that is consistently comparable period to period. Average plant gate prices for the six months ended June 30, 2012 were higher for both ammonia and UAN over the comparable period of 2011, increasing 3.7% and 27.7% respectively. The price increases reflect strong farm belt market conditions.

Cost of Product Sold (Exclusive of Depreciation and Amortization). Cost of product sold is primarily comprised of pet coke expense, freight expense and distribution expense. Cost of product sold for the six months ended June 30, 2012 was $23.3 million compared to $17.2 million for the six months ended June 30, 2011. The increase of $6.1 million is the result of higher affiliate costs of $1.2 million associated with higher prices and third-party costs of $4.9 million associated with increased volumes and higher prices.

Direct Operating Expenses (Exclusive of Depreciation and Amortization). Direct operating expenses include costs associated with the actual operations of our plant, such as repairs and maintenance, energy and utility costs, catalyst and chemical costs, outside services, labor and environmental compliance costs. Direct operating expenses (exclusive of depreciation and amortization) for the six months ended June 30, 2012 were $45.3 million as compared to $45.3 million for the six months ended June 30, 2011.

Liquidity and Capital Resources

Our primary sources of liquidity currently consist of cash generated from our operating activities, existing cash and cash equivalent balances, our working capital, our ABL credit facility and CRNF's credit facility. Our ability to generate sufficient cash flows from our operating activities will continue to be primarily dependent on producing or purchasing, and selling, sufficient quantities of refined petroleum and nitrogen fertilizer products at margins sufficient to cover fixed and variable expenses.

We believe that our cash flows from operations and existing cash and cash equivalents and improvements in our working capital, together with borrowings under our existing credit facilities as necessary, will be sufficient to satisfy the anticipated cash requirements associated with our existing operations for at least the next twelve months. However, our future capital expenditures and other cash requirements could be higher than we currently expect as a result of various factors. Additionally, our ability to generate sufficient cash from our operating activities depends on our future performance, which is subject to general economic, political, financial, competitive, and other factors beyond our control. Depending on the needs of our business contractual limitations and market conditions, we may from time to time seek to use equity securities, incur additional debt, modify the terms of our existing debt, issue debt securities, or otherwise refinance our existing debt. There can be no assurance that we will seek to do any of the foregoing or that we will be able to do any of the foregoing on terms acceptable to us or at all.

Cash Balance and Other Liquidity

As of June 30, 2012, we had cash and cash equivalents of $692.6 million. As of June 30, 2012, we had no amounts outstanding and availability of $347.0 million under our ABL credit facility. Our availability under the ABL credit facility is reduced by outstanding letters of credit which, as of June 30, 2012 was $53.0 million. As of August 1, 2012, we had $373.4 million available under the ABL credit facility and CRNF had $25.0 million of availability under the credit facility. As of August 1, 2012, the Partnership had cash and cash equivalents of approximately $203.3 million and we had cash and cash equivalents (exclusive of the Partnership) of approximately $560.8 million.

The Partnership has a distribution policy in which it will generally distribute all of its available cash each quarter, within 45 days after the end of each quarter. The distributions will be made to all common unitholders. CRLLC currently holds approximately 70% of all common units outstanding. The amount of the distribution will be determined pursuant to the general partner's calculation of available cash for the applicable quarter. The general partner, as a non-economic interest holder, is not entitled to receive cash distributions. As a result of the general partner's distribution policy, funds held by the Partnership will not be available for CRLLC's use, and CRLLC as a unitholder will receive its applicable percentage of the distribution of funds within 45 days following each quarter. The Partnership does not have a legal obligation to pay distributions and there is no guarantee that it will pay any distributions on the units in any quarter.

Senior Secured Notes

On April 6, 2010, CRLLC and its wholly-owned subsidiary, Coffeyville Finance Inc. (together the "Issuers"), completed the private offering of $275.0 million aggregate principal amount of 9.0% First Lien Senior Secured Notes due April 1, 2015 (the "First Lien Notes") and $225.0 million aggregate principal amount of 10.875% Second Lien Senior Secured Notes due April 1, 2017 (the "Second Lien Notes" and together with the First Lien Notes, the "Notes"). The First Lien Notes were issued at 99.511% of their principal amount and the Second Lien Notes were issued at 98.811% of their principal amount. On December 30, 2010, we made a voluntary unscheduled principal payment of $27.5 million on our First Lien Notes. As a result of this payment, we were required to pay a 3.0% premium totaling approximately $0.8 million. Additionally, an adjustment was made to our previously deferred financing costs, underwriting discount and original issue discount of approximately $0.8 million. The premium payment and write-off of previously deferred financing costs, underwriting discount and original issue discount were recognized as a loss on extinguishment of debt. On May 16, 2011, we repurchased $2.7 million of the Notes at a purchase price of 103% of the outstanding principal amount, as discussed below in further detail. On December 15, 2011, we issued an additional $200.0 million of our 9.0% First Lien Senior Secured Notes to partially fund the Wynnewood Acquisition. The New Notes were issued at 105% of their principal amount. As of June 30, 2012, the Notes had an aggregate principal balance of $669.8 million and a net carrying value of $675.2 million.

The First Lien Notes were issued pursuant to an indenture (the "First Lien Notes Indenture"), dated April 6, 2010, among the Issuers, the guarantors party thereto and Wells Fargo Bank, National Association, as trustee (the "First Lien Notes Trustee"). The Second Lien Notes were issued pursuant to an indenture (the "Second Lien Notes Indenture" and together with the First Lien Notes Indenture, the "Indentures"), dated April 6, 2010, among the Issuers, the guarantors party thereto and Wells Fargo Bank, National Association, as trustee (the "Second Lien Notes Trustee" and in reference to the Indentures, the "Trustee"). The Notes are fully and unconditionally guaranteed by each of the Company's subsidiaries that also guarantee the ABL credit facility (the "Guarantors" and, together with the Issuers, the "Credit Parties"). The Partnership and CRNF do not guarantee the Notes.

The First Lien Notes bear interest at a rate of 9.0% per annum and mature on April 1, 2015, unless earlier redeemed or repurchased by the Issuers. The Second Lien Notes bear interest at a rate of 10.875% per annum and mature on April 1, 2017, unless earlier redeemed or repurchased by the Issuers. Interest is payable on the Notes semi-annually on April 1 and October 1 of each year, to holders of record at the close of business on March 15 and September 15, as the case may be, immediately preceding each such interest payment date.

On or after April 1, 2012, some or all of the First Lien Notes may be redeemed at a redemption price of (i) 106.750% of the principal amount thereof, if redeemed during the twelve-month period beginning on April 1, 2012; (ii) 104.500% of the principal amount thereof, if redeemed during the twelve-month period beginning on April 1, 2013; and (iii) 100% of the principal amount, if redeemed on or after April 1, 2014, in each case, plus any accrued and unpaid interest.

The Issuers have the right to redeem the Second Lien Notes at the redemption prices set forth below:

- On or after April 1, 2013, some or all of the Second Lien Notes may be redeemed at a redemption price of (i) 108.156% of the principal amount thereof, if redeemed during the twelve-month period beginning on April 1, 2013; (ii) 105.438% of the principal amount thereof, if redeemed during the twelve-month period beginning on April 1, 2014; (iii) 102.719% of the principal amount thereof, if redeemed during the twelve-month period beginning on April 1, 2015; and (iv) 100% of the principal amount if redeemed on or after April 1, 2016, in each case, plus any accrued and unpaid interest;

- Prior to April 1, 2013, up to 35% of the Second Lien Notes may be redeemed with the proceeds from certain equity offerings at a redemption price of 110.875% of the principal amount thereof, plus any accrued and unpaid interest; and

- Prior to April 1, 2013, some or all of the Second Lien Notes may be redeemed at a price equal to 100% of the principal amount thereof, plus a make-whole premium and any accrued and unpaid interest.

In the event of a "change of control" as defined in the Indentures, the Issuers are required to offer to buy back all of the Notes at 101% of their principal amount. A change of control is generally defined as (1) the direct or indirect sale or transfer (other than by a merger) of "all or substantially all of the assets of the Company" to any person other than permitted holders, (as defined in the

Indenture), (2) the liquidation or dissolution of CRLLC, (3) any person, other than a permitted holder, directly or indirectly acquiring 50% of the voting stock of CRLLC or (4) the first day when a majority of the directors of CRLLC or CVR Energy are not Continuing Directors (as defined in the Indentures). Continuing Directors are generally our existing directors and directors approved by the then-Continuing Directors.

The definition of "change of control" specifically excludes a transaction where CVR Energy becomes a subsidiary of another company, so long as (1) CVR Energy's stockholders own a majority of the surviving parent or (2) no one person owns a majority of the common stock of the surviving parent following the merger.

The Icahn change of control required the Issuers to make an offer to repurchase all of the Issuers' outstanding Notes. On June 4, 2012, the Issuers offered to purchase all or any part of the Notes, at a cash purchase price of 101.0% of the aggregate principal amount of the Notes, plus accrued and unpaid interest, if any. The offer expired on July 5, 2012 with none of the outstanding Notes tendered.

The Indentures also allow the Company to sell, spin-off or complete an initial public offering of the Partnership, as long as the Issuers offer to buy back a percentage of the Notes as described in the Indentures. In April 2011, the Partnership completed an initial public offering of common units. This offering triggered a Fertilizer Business Event (as defined in the Indentures). As a result, the Issuers were required to offer to purchase a portion of the Notes from holders at a purchase price equal to 103.0% of the principal amount plus accrued and unpaid interest. A Fertilizer Business Event Offer (as defined in the Indentures) was made on April 14, 2011 to purchase up to $100.0 million of the First Lien Notes and the Second Lien Notes. Holders of $2.7 million of the Notes tendered their Notes to the Company. CRLLC repurchased the Notes in accordance with the terms of the tender offer.

The Indentures impose covenants that restrict the ability of the Credit Parties to (i) incur debt, (ii) incur or otherwise cause liens to exist on any of their property or assets, (iii) declare or pay dividends, repurchase equity, or make payments on subordinated or unsecured debt, (iv) make certain investments, (v) sell certain assets, (vi) merge, consolidate with or into another entity, or sell all or substantially all of their assets, and (vii) enter into certain transactions with affiliates. Most of the foregoing covenants would cease to apply at such time that the Notes are rated investment grade by both S&P and Moody's. However, such covenants would be reinstituted if the Notes subsequently lost their investment grade rating. In addition, the Indentures contain customary events of default, the occurrence of which would result in, or permit the Trustee or holders of at least 25% of the First Lien Notes or Second Lien Notes to cause, the acceleration of the applicable Notes, in addition to the pursuit of other available remedies. We were in compliance with the covenants as of June 30, 2012.

The obligations of the Credit Parties under the Notes and the guarantees are secured by liens on substantially all of the Credit Parties' assets. The First Lien Notes are secured by first-priority liens on our fixed assets and a second priority lien on our inventory. The liens granted in connection with the Second Lien Notes rank junior to the liens in respect of the First Lien Notes.

Asset-Backed (ABL) Credit Facility

CRLLC entered into a $250.0 million ABL credit facility on February 22, 2011, which was expanded to $400.0 million on December 15, 2011 in connection with the Wynnewood Acquisition. The ABL credit facility provides for borrowings, letter of credit issuances and a feature that permits an increase of borrowings up to an additional $100.0 million (in the aggregate) subject to additional lender commitments. The ABL credit facility is scheduled to mature in August 2015 and will be used to finance ongoing working capital, capital expenditures, letter of credit issuances and general needs of the Company and includes, among other things, a letter of credit sublimit equal to 90% of the total commitment. As of June 30, 2012, CRLLC had availability under the ABL credit facility of

$347.0 million and had letters of credit outstanding of approximately $53.0 million. There were no borrowings outstanding under the ABL credit facility as of June 30, 2012.

Borrowings under the facility bear interest based on a pricing grid determined by the previous quarter's excess availability. The pricing for borrowings under the ABL credit facility can range from LIBOR plus a margin of 2.75% to LIBOR plus 3.0% or the prime rate plus 1.75% to prime rate plus 2.0% for Base Rate Loans. Availability under the ABL credit facility is determined by a borrowing base formula supported primarily by cash and cash equivalents, certain accounts receivable and inventory.

Under its terms, the lenders under the ABL credit facility were granted a perfected, first priority security interest (subject to certain customary exceptions) in the ABL Priority Collateral (as defined in the ABL Intercreditor Agreement) and a second priority lien (subject to certain customary exceptions) and security interest in the Note Priority Collateral (as defined in the ABL Intercreditor Agreement).

The ABL credit facility also contains customary covenants for a financing of this type that limit, subject to certain exceptions, the incurrence of additional indebtedness, creation of liens on assets and the ability to dispose assets, make restricted payments, investments or acquisitions, enter into sales lease back transactions or enter into affiliate transactions. The facility also contains a fixed charge coverage ratio financial covenant that is triggered when borrowing base excess availability is less than certain thresholds, as defined under the facility. We were in compliance with the covenants of the ABL credit facility as of June 30, 2012.

In connection with the Icahn change in control described above, CRLLC, Deutsche Bank Trust Company Americas, as Administrative Agent and Collateral Agent, the lenders and the other parties thereto, entered into a First Amendment to Credit Agreement effective as of May 7, 2012 (the "ABL First Amendment"), pursuant to which the parties agreed to exclude Icahn's acquisition of Shares from the definition of change of control as provided in the ABL Credit Agreement, dated as of February 22, 2011, by and among the parties thereto (the "ABL Credit Agreement"). Absent the ABL First Amendment, the change in control of the Company described above would have triggered an event of default pursuant to the ABL Credit Agreement.

Partnership Credit Facility

On April 13, 2011, CRNF, as borrower, and the Partnership, as guarantor, entered into a new credit facility (the "Partnership credit facility") with a group of lenders including Goldman Sachs Lending Partners LLC, as administrative and collateral agent. The Partnership credit facility includes a term loan facility of $125.0 million and a revolving credit facility of $25.0 million with an uncommitted incremental facility of up to $50.0 million. There is no scheduled amortization and the Partnership credit facility matures in April 2016.

Borrowings under the Partnership credit facility bear interest based on a pricing grid determined by the trailing four quarter leverage ratio. The initial pricing for Eurodollar rate loans under the Partnership credit facility is the Eurodollar rate plus a margin of 3.50%, or for base rate loans, or the prime rate plus 2.50%. Under its terms, the lenders under the Partnership credit facility were granted a perfected, first priority security interest (subject to certain customary exceptions) in substantially all of the assets of CRNF and the Partnership and all of the capital stock of CRNF and each domestic subsidiary owned by the Partnership or CRNF. CRNF is the borrower under the Partnership credit facility. All obligations under the Partnership credit facility are unconditionally guaranteed by the Partnership and substantially all of its future, direct and indirect, domestic subsidiaries. Borrowings under the credit facility are non-recourse to the Company and its direct subsidiaries.

As of June 30, 2012, no amounts were drawn under the Partnership's $25.0 million revolving credit facility.

The acquisition of common stock of CVR Energy by Carl Icahn and related entities and a change of control at CVR Energy did not trigger an event of default under the Partnership credit facility. However, an event of default will be triggered if CVR Energy or any of its subsidiaries (other than the Partnership and CRNF) terminates or violates any of its covenants in any of the intercompany agreements between the Partnership and CVR Energy and its subsidiaries (other than the Partnership and CRNF) and such action has a material adverse effect on the Partnership. If an event of default occurs, the administrative agent under the Partnership credit facility would be entitled to take various actions, including the acceleration of amounts due under the credit facility and all actions permitted to be taken by a secured creditor.

Partnership Interest Rate Swap

Our and the Partnership's profitability and cash flows are affected by changes in interest rates on our credit facility borrowings, specifically LIBOR and prime rates. The primary purpose of our interest rate risk management activities is to hedge our and the Partnership's exposure to changes in interest rates by using interest rate derivatives to convert some or all of the interest rates we pay on our borrowings from a floating rate to a fixed interest rate.

On June 30 and July 1, 2011, the Partnership's CRNF subsidiary entered into two Interest Rate Swap agreements with J. Aron. We have determined that the Interest Rate Swaps qualify as a hedge for hedge accounting treatment. These Interest Rate Swap agreements commenced on August 12, 2011. The impact recorded for the three and six months ended June 30, 2012 is $0.2 million and $0.5 million, respectively, in interest expense. For the three and six months ended June 30, 2012, the Partnership recorded losses of $0.5 million and $0.5 million, respectively, in fair market value on the Interest Rate Swap agreements. The combined fair market value of the interest rate swaps recorded in current and non-current liabilities is $(2.9) million. This amount is unrealized and included in accumulated other comprehensive income.

Capital Spending

We divide our and the Partnership's capital spending needs into two categories: maintenance and growth. Maintenance capital spending includes only non-discretionary maintenance projects and projects required to comply with environmental, health and safety regulations. 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. Major scheduled turnaround expenses are expensed when incurred.

The following table summarizes our total actual capital expenditures for the six months ended June 30, 2012 by operating segment and major category:

	Six Months Ended June 30, 2012 (in millions)
Petroleum Business:	
Coffeyville refinery:	
Maintenance	$ 27.5
Growth	1.8
Coffeyville refinery total capital excluding turnaround expenditures	29.3
Wynnewood refinery:	
Maintenance	15.2
Growth	0.3
Wynnewood refinery total capital excluding turnaround expenditures	15.5
Other Petroleum:	
Maintenance	3.8
Growth	13.8
Other petroleum total capital excluding turnaround expenditures	17.6
Petroleum business total capital excluding turnaround expenditures	62.4
Nitrogen Fertilizer Business (the Partnership):	
Maintenance	1.6
Growth	37.6
Nitrogen fertilizer business total capital excluding turnaround expenditures	39.2
Corporate	3.6
Total capital spending	$ 105.2

We expect the petroleum business to spend approximately $195.0 million to $200.0 million (not including capitalized interest) on capital expenditures in 2012. Of this amount $80.0 million to $85.0 million is expected to be spent for the Coffeyville refinery which includes approximately $80.0 million of maintenance capital. Approximately $80.0 million to $85.0 million is expected to be spent on capital for the Wynnewood refinery. Included in the petroleum business expected capital spend is approximately $15.0 million for further expansion of tank storage in Cushing, Oklahoma. We also expect to spend approximately $5.0 million associated with corporate related projects.

During the first quarter of 2012, the Coffeyville refinery completed the second phase of a planned two-phase turnaround. We incurred total major scheduled turnaround expenses of approximately $21.0 million in connection with the turnaround in 2012. The Wynnewood refinery is scheduled to begin turnaround maintenance in the fourth quarter of 2012. We expect to incur approximately $100.0 million of expenses during 2012 related to the Wynnewood refinery. Turnaround expenditures are not included in capital spending summarized above.

The nitrogen fertilizer business expects to spend $100.0 million to $110.0 million on capital expenditures in 2012, excluding capitalized interest. Of this amount, $10.0 million to $11.5 million will be spent on maintenance projects and $90.0 million to $100.0 million will be spent on growth projects including $70.0 million to $75.0 million on the UAN expansion project.

Using a portion of the proceeds of the Partnership's Initial Public Offering and term loan borrowings, the Partnership moved forward with the UAN expansion project, which will allow them the flexibility to upgrade all of their ammonia production to UAN. Inclusive of capital spent prior to the Initial Public Offering, the Partnership now anticipates that the total capital spend associated with the UAN expansion will approximate $125.0 million (including capitalized interest). As of June 30, 2012, approximately $77.6 million had been spent, including $34.1 million which was spent during the six months ended June 30, 2012. It is anticipated that the UAN expansion will be completed by January 1, 2013.

In October 2011, the board of directors of the general partner of the Partnership approved a UAN terminal project that will include the construction of a two million gallon UAN storage tank and related truck and rail car load-out facilities that will be located in Phillipsburg, Kansas. The purpose of the UAN terminal is to distribute approximately 20,000 tons of UAN fertilizer annually. The expected cost of this project is approximately $2.0 million and completion is expected during the third quarter of 2012.

Our estimated capital expenditures are subject to change due to unanticipated increases/decreases in the cost, scope and completion time for our capital projects. For example, we may experience increases/decreases in labor or equipment costs necessary to comply with government regulations or to complete projects that sustain or improve the profitability of our refineries or nitrogen fertilizer plant. Capital spending for the nitrogen fertilizer business has been and will be determined by the board of directors of the general partner of the Partnership.

Cash Flows

The following table sets forth our cash flows for the periods indicated below:

	Six Months Ended June 30, 2012	Six Months Ended June 30, 2011
	(unaudited) (in millions)	
Net cash provided by (used in):		
Operating activities	$ 435.9	$ 162.6
Investing activities	(104.8)	(20.7)
Financing activities	(26.8)	406.0
Net increase in cash and cash equivalents	$ 304.3	$ 547.9

Cash Flows Provided by Operating Activities

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 cash flows used for operating activities for the six months ended June 30, 2012 was $435.9 million. The positive net cash flow used for operating activities was primarily driven by operating income of $376.2 million which was the result of higher operating margins. This positive operating income was coupled with a favorable change in trade working capital and other working capital. Trade working capital for the six months ended June 30, 2012 resulted in a cash in-flow of $63.1 million, primarily as a result of a decrease in accounts payable of $27.6 million coupled with a reduction of accounts receivable of $31.2 million and offset by an increase in inventory of $121.9 million. Other working capital activities of $66.7 million was primarily driven by an increase in current liabilities of $76.2 million partially offset by a decrease in prepaid expenses and other current assets of $9.5 million.

Net cash flows provided by operating activities for the six months ended June 30, 2011 was $162.6 million. The positive cash flow from operating activities generated over this period was primarily driven by $180.0 million of net income before noncontrolling interest. This positive net income was primarily indicative of the operating margins for the period. Positive cash flows were impacted by an increase in trade working capital which resulted primarily from an increase in inventory driven by increased crude oil prices. 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 for trade working capital. The positive operating cash flow for the period was offset by unfavorable changes in trade working capital. Trade working capital for the six months ended June 30, 2011 resulted in a reduction of cash flows of $81.7 million which was primarily attributable to the increase in inventories ($68.8 million) and an increase in accounts receivable ($18.1 million), both of which were partially offset by an increase in accounts payable of $5.2 million. Other working capital activities resulted in net cash outflow of $24.7 million. Significant uses of cash for the six months ended June 30, 2011 included payments of income tax of approximately $47.8 million.

Cash Flows Used in Investing Activities

Net cash used in investing activities for the six months ended June 30, 2012 was $104.8 million compared to $20.7 million for the six months ended June 30, 2011. The increase in investing activities was primarily the result of an increase in capital expenditures of $105.2 million. The petroleum business' capital expenditures increased $62.4 million for the six months ended June 30, 2012 compared to the same period in 2011 primarily due to projects at the Coffeyville refinery, construction of crude oil storage in Cushing, Oklahoma capital spend incurred for the Wynnewood refinery. This increase was coupled with an increase of $39.2 million in nitrogen fertilizer capital expenditures primarily related to the UAN plant expansion.

Cash Flows Used in Financing Activities

Net cash used in financing activities for the six months ended June 30, 2012 was $26.8 million as compared to $406.0 million provided by financing activities for the six months ended June 30, 2011. During the six months ended June 30, 2012, we paid a cash distribution to noncontrolling interest holders of the Partnership totaling $24.6 million. Additionally, financing costs of approximately $2.0 million were paid during the period associated with increasing the borrowing capacity of the ABL credit facility and the issuance of additional notes in December 2011.

Net cash provided by financing activities for the six months ended June 30, 2011 was primarily attributable to the net proceeds received of $325.1 million from the Partnership IPO. Additionally, $125.0 million of proceeds was received by the Partnership from the issuance of long-term debt. These proceeds were partially offset by cash outflows of $26.0 million by the Partnership to purchase the managing general partner's incentive distribution rights. Financing costs were also paid during the period associated with the ABL credit facility and the credit facility of CRNF of approximately $10.5 million. We repurchased $2.7 million of our Notes in accordance with the terms of a tender offer associated with the Partnership IPO. During the first quarter of 2011, we also exercised our purchase option related to a corporate asset. This option resulted in a cash outflow of approximately $4.7 million and satisfied a capital lease obligation.

For the six months ended June 30, 2012, there were no borrowings or repayments under our ABL credit facility or Partnership credit facility. As of June 30, 2012, there were no short-term borrowings outstanding under our ABL credit facility.

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 June 30, 2012 relating to the Notes, operating leases, capital lease obligations, unconditional purchase obligations and other specified capital and commercial commitments for the period following June 30, 2012 and thereafter. As of June 30, 2012, there were no amounts outstanding under the ABL credit facility. The following table assumes no borrowings are made under the ABL credit facility.

	Payments Due by Period (in millions)						
	Total	2012	2013	2014	2015	2016	Thereafter
Contractual Obligations							
Long-term debt(1)	$ 794.8	$ —	$ —	$ —	$ 447.1	$ 125.0	$ 222.7
Operating leases(2)	40.1	5.1	9.1	7.1	5.6	4.7	8.5
Capital lease obligations(3)	51.7	0.2	1.0	1.1	1.2	1.4	46.8
Unconditional purchase obligations(4)	968.2	64.0	126.6	113.6	103.1	103.0	457.9
Environmental liabilities(5)	2.0	0.3	0.2	0.2	0.2	0.1	1.0
Interest payments(6)	202.4	32.2	24.2	64.5	44.9	24.2	12.4
Total	$ 2,059.2	$ 101.8	$ 161.1	$ 186.5	$ 602.1	$ 258.4	$ 749.3
Other Commercial Commitments							
Standby letters of credit(7)	$ 53.0	$ —	$ —	$ —	$ —	$ —	$ —

(1) The Company issued the Notes in an aggregate principal amount of $500.0 million on April 6, 2010. The First Lien Notes and Second Lien Notes bear an interest rate of 9.0% and 10.875% per year, respectively, payable semi-annually. The First Lien Notes mature on April 1, 2015, unless earlier redeemed or repurchased by the Issuers. The Second Lien Notes mature on April 1, 2017, unless earlier redeemed or repurchased by the Issuers. In December 2010, we made a voluntary unscheduled prepayment on our First Lien Notes of $27.5 million. In May 2011, we repurchased $0.4 million of the First Lien Notes and $2.3 million of the Second Lien Notes. In December 2011 we issued an additional $200.0 million of First Lien Notes. As a result, the aggregate principal balance of the Notes is $669.8 million as of December 31, 2011, with $447.1 million (in respect of the First Lien Notes) due in 2015 and $222.7 million (in respect of the Second Lien Notes) due in 2017. The Partnership entered into a term loan facility in connection with its IPO in April 2011. The $125.0 million balance is due in 2016.

(2) The Partnership's nitrogen fertilizer business leases various facilities and equipment, primarily railcars, under non-cancelable operating leases for various periods.

(3) The amount includes commitments under capital lease arrangements for equipment and for two leases associated with pipelines and storage and terminal equipment of GWEC.

(4) The amount includes (a) commitments under several agreements in our petroleum operations related to pipeline usage, petroleum products storage and petroleum transportation, (b) commitments under an electric supply agreement with the city of Coffeyville, (c) a product supply agreement with Linde, (d) a pet coke supply agreement with HollyFrontier Corporation having an initial term that ends in 2013, subject to renewal and (e) approximately $497.8 million payable ratably over nine years pursuant to petroleum transportation service agreements between CRRM and TransCanada Keystone Pipeline, LP ("TransCanada"). Under the agreements, CRRM would receive transportation of at least 25,000 barrels per day of crude oil with a delivery point at Cushing, Oklahoma for a term of ten years on TransCanada's Keystone pipeline system. We began receiving crude oil under the agreements in the first quarter of 2011.

(5) Environmental liabilities represent (a) 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 and (b) our estimated remaining costs to address environmental contamination resulting from a reported release of UAN in 2005 pursuant to the State of Kansas Voluntary Cleaning and Redevelopment Program. We also have other environmental liabilities which are not contractual obligations but which would be necessary for our continued operations. See "Commitments and Contingencies—Environmental, Health & Safety Matters."

(6) Interest payments are based on stated interest rates for the Notes. Interest is payable on the Notes semi-annually on April 1 and October 1 of each year.

(7) Standby letters of credit issued against our ABL credit facility include $0.2 million of letters of credit issued in connection with environmental liabilities, $52.7 million in letters of credit to secure transportation services for crude oil and a $0.1 million issued for the purpose of providing support during the transition of letters of credit assumed during the Wynnewood Acquisition.

Off-Balance Sheet Arrangements

We had no off-balance sheet arrangements as of June 30, 2012, as defined within the rules and regulations of the SEC.

Recent Accounting Pronouncements

In May 2011, the FASB issued Accounting Standards Update ("ASU") No. 2011-04, "Fair Value Measurements (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRS," ("ASU 2011-04"). ASU 2011-04 changes the wording used to describe many of the requirements in U.S. GAAP for measuring fair value and for disclosing information about fair value measurements to ensure consistency between U.S. GAAP and International Financial Reporting Standards ("IFRS"). ASU 2011-04 also expands the disclosures for fair value measurements that are estimated using significant unobservable (Level 3) inputs. This new guidance is to be applied prospectively. The provisions of ASU 2011-04 are effective for interim and annual periods beginning after December 15, 2011. We adopted this ASU as of January 1, 2012. The adoption of this standard did not impact the condensed consolidated financial statement footnote disclosures.

In June 2011, the FASB issued ASU No. 2011-05, "Comprehensive Income (ASC Topic 220): Presentation of Comprehensive Income," ("ASU 2011-05") which amends current comprehensive income guidance. This ASU eliminates the option to present the components of other comprehensive income as part of the statement of stockholders' equity. Instead, the Company must report comprehensive income in either a single continuous statement of comprehensive income which contains two sections, net income and other comprehensive income, or in two separate but consecutive statements. In December 2011, the FASB issued Accounting Standards Update 2011-12 which defers the requirement in ASU 2011-05 that companies present reclassification adjustments for each component of accumulated other comprehensive income in both net income and other comprehensive income on the face of the financial statements. Both amendments are effective for interim and annual periods beginning after December 15, 2011 and should be applied retrospectively. We adopted both ASUs as of January 1, 2012. The adoption of this standard expanded the condensed consolidated financial statements and related footnote disclosures.

In December 2011, the FASB issued ASU No. 2011-11, "Disclosures about Offsetting Assets and Liabilities" ("ASU 2011-11"). ASU 2011-11 retains the existing offsetting requirements and enhances the disclosure requirements to allow investors to better compare financial statements prepared under U.S. GAAP with those prepared under IFRS. This new guidance is to be applied retrospectively. ASU

2011-11 will be effective for interim and annual periods beginning January 1, 2013. We believe this standard will expand our condensed consolidated financial statement footnote disclosures.

Critical Accounting Policies

Our critical accounting policies are disclosed in the "Critical Accounting Policies" section of our Annual Report on Form 10-K for the year ended December 31, 2011. No modifications have been made to our critical accounting policies.

Item 3. *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. Information about market risks for the six months ended June 30, 2012 does not differ materially from that discussed under Part II—Item 7A of our Annual Report on Form 10-K for the year ended December 31, 2011. We are exposed to market pricing for all of the products sold in the future both at our petroleum business and the nitrogen fertilizer business, as all of the products manufactured in both businesses are commodities.

Our earnings and cash flows and estimates of future cash flows are sensitive to changes in energy prices. The prices of crude oil and refined products have fluctuated substantially in recent years. These prices depend on many factors, including the overall demand for crude oil and refined products, which in turn depends, among other factors, general economic conditions, the level of foreign and domestic production of crude oil and refined products, the availability of imports of crude oil and refined products, the marketing of alternative and competing fuels, the extent of government regulations and global market dynamics. The prices we receive for refined products are also affected by factors such as local market conditions and the level of operations of other refineries in our markets. The prices at which we can sell gasoline and other refined products are strongly influenced by the price of crude oil. Generally, an increase or decrease in the price of crude oil results in a corresponding increase or decrease in the price of gasoline and other refined products. The timing of the relative movement of the prices, however, can impact profit margins, which could significantly affect our earnings and cash flows.

At June 30, 2012, we had over-the-counter commodity swaps consisting of 13.5 million barrels of crack spreads primarily to fix the margin on a portion of future gasoline and distillate production from our two refineries. The fair value of the outstanding contracts at June 30, 2012 was a net unrealized gain of $0.9 million, comprised of both short-term and long-term unrealized gains and losses. A change of $1.00 per barrel in the fair value of the crack spread swaps would result in an increase or decrease in the related fair values of the commodity hedging instruments of $13.5 million.

Interest Rate Risk Management

On June 30 and July 1, 2011 CRNF entered into two floating-to-fixed interest rate swap agreements for the purpose of hedging the interest rate risk associated with a portion of its $125 million floating rate term debt which matures in April 2016. The aggregate notional amount covered under these agreements totals $62.5 million (split evenly between the two agreement dates) and commenced on August 12, 2011 and expires on February 12, 2016. Under the terms of the interest rate swap agreement entered into on June 30, 2011, CRNF will receive a floating rate based on three month LIBOR and pay a fixed rate of 1.94%. Under the terms of the interest rate swap agreement entered into on July 1, 2011, CRNF will receive a floating rate based on three month LIBOR and pay a fixed rate of 1.975%. Both swap agreements will be settled every 90 days. The effect of these swap agreements is to lock in a fixed rate of interest of approximately 1.96% plus the applicable margin paid to lenders over three month LIBOR as governed by the CRNF credit agreement. At June 30, 2012, the effective rate was approximately 4.60%. The agreements were designated as cash flow hedges at inception and accordingly, the effective portion of the gain or loss on the swap is reported as a component of accumulated other comprehensive income (loss) ("AOCI"), and will be subsequently reclassified into interest expense when the interest rate swap transaction affects earnings. The ineffective portion of the gain or loss will be recognized immediately in current interest expense.

The Partnership still has exposure to interest rate risk on 50% of its $125.0 million floating rate term debt. A 1.0% increase over the Eurodollar floor spread of 3.5%, as specified in the credit agreement, would increase interest cost to the Partnership by approximately $625,000 on an annualized basis, thus decreasing income from operations by the same amount.

Item 4. *Controls and Procedures*

Evaluation of Disclosure Controls and Procedures

Our management, under the direction of our Chief Executive Officer and Chief Financial Officer, evaluated as of June 30, 2012 the effectiveness of our disclosure controls and procedures as defined in Rule 13a-15(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Based upon and as of the date of that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective, at a reasonable assurance level, to ensure that information required to be disclosed in the reports we file and submit under the Exchange Act is recorded, processed, summarized and reported as and when required and is accumulated and communicated to our management, including our Chief Executive Officer and our Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. It should be noted that any system of disclosure controls and procedures, however well designed and operated, can provide only reasonable, and not absolute, assurance that the objectives of the system are met. In addition, the design of any system of disclosure controls and procedures is based in part upon assumptions about the likelihood of future events. Due to these and other inherent limitations of any such system, there can be no assurance that any design will always succeed in achieving its stated goals under all potential future conditions.

Changes in Internal Control Over Financial Reporting

There has been no change in our internal control over financial reporting required by Rule 13a-15 of the Exchange Act that occurred during the fiscal quarter ended June 30, 2012 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Part II. Other Information

Item 1. ***Legal Proceedings***

See Note 15 ("Commitments and Contingencies") to Part I, Item I of this Form 10-Q, which is incorporated by reference into this Part II, Item 1, for a description of the litigation, legal and administrative proceedings and environmental matters.

Item 1A. ***Risk Factors***

Other than with respect to the risk factors set for the below, there have been no material changes from the risk factors previously disclosed in the "Risk Factors" section of our Annual Report on Form 10-K for the year ended December 31, 2011 and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2012.

Mr. Carl C. Icahn exerts significant influence over the Company and his interests may conflict with the interest of the Company's other stockholders.

Mr. Carl C. Icahn indirectly controls approximately 82% of the voting power of the Company's capital stock and, by virtue of such stock ownership, is able to control or exert substantial influence over the Company, including:

- the election of directors;
- business strategy and policies;
- mergers or other business combinations;
- acquisition or disposition of assets;
- future issuances of common stock or other securities;
- incurrence of debt or obtaining other sources of financing; and
- the payment of dividends on the Company's common stock.

The existence of a controlling stockholder may have the effect of making it difficult for, or may discourage or delay, a third party from seeking to acquire a majority of the Company's outstanding common stock, which may adversely affect the market price of the stock.

Mr. Icahn's interests may not always be consistent with the Company's interests or with the interests of the Company's other stockholders. Mr. Icahn and entities controlled by him may also pursue acquisitions or business opportunities in industries in which we compete, and there is no requirement that any additional business opportunities be presented to us. We also have and may in the future enter into transactions to purchase goods or services with affiliates of Mr. Icahn. To the extent that conflicts of interest may arise between the Company and Mr. Icahn and his affiliates, those conflicts may be resolved in a manner adverse to the Company or its other stockholders.

In addition, if Mr. Icahn were to sell, or otherwise transfer, some or all of his interests in us to an unrelated party or group, a change of control could be deemed to have occurred under the terms of the indentures governing senior notes, which would require us to offer to repurchase all outstanding notes at 101% of their principal amount plus accrued interest to the date of repurchase, and the ABL Credit Facility, which would constitute an event of default under the ABL Credit Facility, which would allow our lenders to accelerate indebtedness owed to them. However, it is possible that we will not have sufficient funds at the time of the change of control to make the required repurchase of notes.

The Company's stock price may decline due to sales of shares by Mr. Carl C. Icahn:

Sales of substantial amounts of the Company's common stock, or the perception that these sales may occur, may adversely affect the price of the Company's common stock and impede its ability to raise capital through the issuance of equity securities in the future. Mr. Icahn could elect in the future to request that the Company file a registration statement to enable him to sell shares of the Company's common stock. If Mr. Icahn were to sell a large number of shares into the public markets, Mr. Icahn could cause the price of the Company's common stock to decline.

We are a "controlled company" within the meaning of the New York Stock Exchange rules and, as a result, qualify for, and are relying 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 New York Stock Exchange rules and may elect not to comply with certain corporate governance requirements of the New York Stock Exchange, 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; and
- the requirement that we have a compensation committee that is composed entirely of independent directors.

We are relying on all of these exemptions as a controlled company. 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 York Stock Exchange.

Item 6. *Exhibits*

Number	Exhibit Title
2.1**	Transaction Agreement, dated as of April 18, 2012 among CVR Energy, Inc., IEP Energy LLC and each of the other Offeror Parties (as defined therein) (filed as Exhibit 2.1 to the Company's Current Report on Form 8-K, filed on April 23, 2012 and incorporated herein by reference).
10.1*	First Amendment to Crude Oil Supply Agreement, dated as of April 24, 2012, between Vitol Inc. and Coffeyville Resources Refining & Marketing, LLC.
10.2*	Second Amended and Restated Services Agreement, dated as of May 4, 2012, among CVR Partners, LP, CVR GP, LLC and CVR Energy, Inc.
10.3**	First Amendment to Credit Agreement, dated as of May 4, 2012, among Coffeyville Resources, LLC, Coffeyville Resources Refining & Marketing, LLC, Coffeyville Resources Pipeline, LLC, Coffeyville Resources Crude Transportation, LLC and Coffeyville Resources Terminal, LLC, the Holdings Companies (as defined therein), the Subsidiary Guarantors (as defined therein), certain other Subsidiaries of the Holding Companies or Coffeyville Resources, LLC from time to time party thereto, the lenders from time to time party thereto, Deutsche Bank Trust Company Americas, JPMorgan Chase Bank, N.A. and Wells Fargo Capital Finance, LLC, as Co-ABL Collateral Agents, and Deutsche Bank Trust Company Americas, as Administrative Agent and Collateral Agent (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K, filed on May 11, 2012 and incorporated herein by reference).
10.4*	Lease and Operating Agreement, dated as of May 4, 2012, between Coffeyville Resources Terminal, LLC and Coffeyville Resources Nitrogen Fertilizers, LLC.
10.5*	Memorandum of Understanding, dated as of May 4, 2012, between Coffeyville Resources Refining & Marketing, LLC and Coffeyville Resources Nitrogen Fertilizers, LLC.
31.1*	Certification of the Company's Chief Executive Officer pursuant to Rule 13a-14(a) or 15(d)-14(a) under the Securities Exchange Act.

Number	Exhibit Title
31.2*	Certification of the Company's Chief Financial Officer pursuant to Rule 13a-14(a) or 15(d)-14(a) under the Securities Exchange Act.
32.1*	Certification of the Company's Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certification of the Company's Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101*	The following financial information for CVR Energy, Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2012, filed with the SEC on August 2, 2012, formatted in XBRL ("Extensible Business Reporting Language") includes: (1) Condensed Consolidated Balance Sheets (unaudited), (2) Condensed Consolidated Statements of Operations (unaudited), (3) Condensed Consolidated Statements of Comprehensive Income (Loss) (unaudited), (4) Condensed Consolidated Statement of Changes in Equity (unaudited), (5) Condensed Consolidated Statements of Cash Flows (unaudited), (5) Condensed Consolidated Statement of Changes in Equity (unaudited) and (6) the Notes to Condensed Consolidated Financial Statements (unaudited), tagged in detail.***

* Filed herewith.

** Previously filed.

*** Users of this data are advised pursuant to Rule 406T of Regulation S-T that this interactive data file is deemed not filed or part of a registration statement or prospectus for purposes of sections 11 or 12 of the Securities Act of 1933, is deemed not filed for purposes of section 18 of the Securities Exchange Act of 1934, and is otherwise not subject to liability under these sections.

PLEASE NOTE: Pursuant to the rules and regulations of the Securities and Exchange Commission, we have filed or incorporated by reference the agreements referenced above as exhibits to this quarterly report on Form 10-Q. The agreements have been filed to provide investors with information regarding their respective terms. The agreements are not intended to provide any other factual information about the Company or its business or operations. In particular, the assertions embodied in any representations, warranties and covenants contained in the agreements may be subject to qualifications with respect to knowledge and materiality different from those applicable to investors and may be qualified by information in confidential disclosure schedules not included with the exhibits. These disclosure schedules may contain information that modifies, qualifies and creates exceptions to the representations, warranties and covenants set forth in the agreements. Moreover, certain representations, warranties and covenants in the agreements may have been used for the purpose of allocating risk between the parties, rather than establishing matters as facts. In addition, information concerning the subject matter of the representations, warranties and covenants may have changed after the date of the respective agreement, which subsequent information may or may not be fully reflected in the Company's public disclosures. Accordingly, investors should not rely on the representations, warranties and covenants in the agreements as characterizations of the actual state of facts about the Company or its business or operations on the date hereof.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

		CVR Energy, Inc.
August 2, 2012	By:	/s/ JOHN J. LIPINSKI
		Chief Executive Officer *(Principal Executive Officer)*
August 2, 2012	By:	/s/ FRANK A. PICI
		Chief Financial Officer *(Principal Financial Officer)*

FIRST AMENDMENT TO
CRUDE OIL SUPPLY AGREEMENT

THIS FIRST AMENDMENT TO CRUDE OIL SUPPLY AGREEMENT is entered into effective as of April 24, 2012 (this "**Amendment**"), between Vitol Inc. ("**Vitol**") and Coffeyville Resources Refining & Marketing, LLC ("**Coffeyville**").

WHEREAS, Vitol and Coffeyville are parties to a Crude Oil Supply Agreement dated March 30, 2011 (the "**Supply Agreement**"); and

WHEREAS, Vitol and Coffeyville have agreed to amend certain terms and conditions of the Supply Agreement;

NOW, THEREFORE, in consideration of the premises and the respective promises, conditions, terms and agreements contained herein, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Vitol and Coffeyville do hereby agree as follows:

1. Section 3.1 of the Supply Agreement is amended and restated in its entirety as follows:

   "4.1 Initial Term. This Agreement shall become effective on the Effective Date and shall continue until December 31, 2013 (the "**Initial Term**"), unless (i) terminated earlier pursuant to the terms of this Agreement or (ii) terminated by Coffeyville at its sole and absolute discretion by written notice to Vitol provided on or before June 1, 2012, which termination would be effective December 31, 2012."

2. The definitions contained in the Supply Agreement will have the same meaning in this Amendment unless otherwise stated in this Amendment.

3. Except as otherwise stated in this Amendment, all terms and conditions of the Supply Agreement will remain in full force and effect.

4. This Amendment may be executed by the Parties in separate counterparts and initially delivered by facsimile transmission or otherwise, with original signature pages to follow and all such counterparts will together constitute one and the same instrument.

5. This Amendment will be governed by, construed and enforced under the laws of the State of New York without giving effect to its conflicts of laws principles.

[Signature Page to Follow]

IN WITNESS WHEREOF, each Party has caused this Amendment to be executed by its duly authorized representative, effective as of the Effective Date.

Vitol Inc.

By: /s/ James C. Dyer, IV
James C. Dyer, IV
Title: V.P.

Date: 24 April 2012

Coffeyville Resources Refining & Marketing, LLC

By: /s/ Wyatt E. Jernigan
Wyatt E. Jernigan
Title: EVP-Crude Oil Acquisition and Petroleum Marketing
Date: April 24, 2012

Exhibit 10.2

SECOND AMENDED AND RESTATED SERVICES AGREEMENT

This Second Amended and Restated Services Agreement (this "***Agreement***") is entered into as of the 4th day of May, 2012, by and among CVR Partners, LP, a Delaware limited partnership ("***MLP***"), CVR GP, LLC, a Delaware limited liability company ("***GP***"), and CVR Energy, Inc., a Delaware corporation ("***CVR***", and collectively with MLP and GP, the "***Parties***" and each, a "***Party***").

RECITALS

GP, in its capacity as the general partner of MLP, desires to engage CVR, on its own behalf and for the benefit of Fertilizer and MLP, to provide certain services necessary to operate the business conducted by Fertilizer, MLP and GP (the "***Services Recipients***"), and CVR is willing to undertake such engagement, subject to the terms and conditions of this Agreement.

MLP, GP and CVR entered into an Amended and Restated Services Agreement dated as of April 13, 2011 (the "***Prior Agreement***"), pursuant to which CVR agreed to provide certain services to the Services Recipients. The Parties desire to amend and restate the terms of the Prior Agreement upon the terms and subject to the conditions set forth in this Agreement.

MLP, GP (for itself and in its capacity as the general partner of MLP), and CVR agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01 Terms. The following defined terms will have the meanings given below:

"***Administrative Personnel***" means individuals who are employed by CVR or any of its Affiliates and assist in providing, as part of the Services, any of the administrative services referred to in Exhibit 1 hereto.

"***Affiliate***" shall mean with respect to any Person, any other Person that directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such specified Person. For purposes of this definition, "control" when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, through the ownership of voting securities, by contract or otherwise (provided that, solely for purposes of this Agreement, the Services Recipients shall not be deemed Affiliates of CVR).

"***Bankrupt***" with respect to any Person shall mean such Person shall generally be unable to pay its debts as such debts become due, or shall so admit in writing or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against such Person seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, or other similar official for it or for any substantial part of its property and, in the case of any such proceeding instituted against it (but not instituted by it), shall remain undismissed or unstayed for a period of 30 days; or such Person shall take any action to authorize any of the actions set forth above.

"***CVR Representative***" means such person as is designated in writing by CVR to serve in such capacity.

"***Default Rate***" shall mean an interest rate (which shall in no event be higher than the rate permitted by applicable law) equal to 300 basis points over LIBOR.

"***Fertilizer***" means Coffeyville Resources Nitrogen Fertilizers, LLC, a Delaware limited liability company, and any other direct or indirect subsidiary of MLP.

"***Fertilizer Payroll Percentage***" means, for any applicable period, the percentage represented by a fraction, the numerator of which is the total payroll amount of Fertilizer for such period, and the denominator of which is the total payroll amount of Fertilizer plus the total payroll amount of Refinery for such period, as such payroll amounts are calculated on a consistent basis for purposes of determining the Fertilizer Payroll Percentage.

"***Governmental Approval***" shall mean any material consent, authorization, certificate, permit, right of way grant or approval of any Governmental Authority that is necessary for the construction, ownership and operation of the assets used in the business of the Services Recipients in accordance with applicable Laws.

"***Governmental Authority***" shall mean any court or tribunal in any jurisdiction or any federal, state, tribal, municipal or local government or other governmental body, agency, authority, department, commission, board, bureau, instrumentality, arbitrator or arbitral body or any quasi-governmental or private body lawfully exercising any regulatory or taxing authority.

"***GP/MLP Representative***" means such person as is designated in writing by GP to serve in such capacity.

"***Laws***" shall mean any applicable statute, environmental law, common law, rule, regulation, judgment, order, ordinance, writ, injunction or decree issued or promulgated by any Governmental Authority.

"***Party***" and "***Parties***" means the parties to this Agreement.

"***Person***" means an individual, corporation, partnership, joint venture, trust, limited liability company, unincorporated organization or other entity.

“***Personnel Costs***” means all compensation costs incurred by an employer in connection with the employment by such employer of applicable personnel, including all payroll and benefits but excluding (i) any Share-Based Compensation and (ii) severance costs (other than for Seconded Personnel).

“***Refinery***” means Coffeyville Resources Refining & Marketing, LLC, a Delaware limited liability company, Gary-Williams Energy Company, LLC, a Delaware limited liability

company, Wynnewood Refining Company, LLC, a Delaware limited liability company and any other direct or indirect subsidiary of CVR involved in the petroleum segment of operations.

“***Seconded Personnel***” means individuals, other than Administrative Personnel, who are employed by CVR or any of its Affiliates and provided on a full-time basis to the Services Recipients in connection with provision of the Services.

“***Services***” shall consist of those services performed for the Services Recipients as described on Exhibit 1 hereto.

“***Services Recipients***” has the meaning set forth in the Recitals hereinabove.

“***Share-Based Compensation***” means any compensation (whether equity or cash) accruing or payable under any incentive or other compensation plan or program of an employer (including, without limitation, the CVR Energy, Inc. 2007 Long Term Incentive Plan) based upon changes in the equity value of such employer or any of its Affiliates (but excluding MLP and its subsidiaries).

“***Shared Personnel***” means individuals, other than Administrative Personnel, who are employed by CVR or any of its Affiliates and provided on a part-time basis to the Services Recipients in connection with provision of the Services.

ARTICLE II

RETENTION OF CVR; SCOPE OF SERVICES

Section 2.01 Retention of CVR. GP, on its own behalf and for the benefit of the Services Recipients, hereby engages CVR to perform the Services and CVR hereby accepts such engagement and agrees to perform the Services and to provide all Administrative Personnel, Seconded Personnel, and Shared Personnel necessary to perform the Services.

Section 2.02 Scope of Services. The Services shall be provided in accordance with (i) applicable material Governmental Approvals and Laws, (ii) applicable industry standards and (iii) quality standards that, taken as a whole, are not materially less favorable to the Services Recipients compared to those provided to the Services Recipients as of the date of this Agreement.

Section 2.03 Exclusion of Services. At any time, GP or CVR may temporarily or permanently exclude any particular service from the scope of the Services upon 180 days notice.

Section 2.04 Performance of Services by Affiliates or Other Persons. The Parties hereby agree that in discharging its obligations hereunder, CVR may engage any of its Affiliates or other Persons to perform the Services (or any part of the Services) on its behalf and that the performance of the Services (or any part of the Services) by any such Affiliate or Person shall be treated as if CVR performed such Services itself. No such delegation by CVR to Affiliates or other Persons shall relieve CVR of its obligations hereunder.

ARTICLE III

PAYMENT AMOUNT

Section 3.01 Payment Amount. GP shall pay or cause MLP or Fertilizer to pay, to CVR (or its Affiliates as CVR may direct) the amount of any direct or indirect expenses incurred by CVR or its Affiliates in connection with the provision of Services by CVR or its Affiliates (the “***Payment Amount***”), in accordance with the following:

(a) Seconded Personnel. The Payment Amount will include all Personnel Costs of Seconded Personnel, to the extent attributable to the periods during which such Seconded Personnel are provided to the Services Recipients.

(b) Shared Personnel and Administrative Personnel. The Payment Amount will include a prorata share of all Personnel Costs of Shared Personnel and Administrative Personnel (including government and public relations), as determined by CVR on a commercially reasonable basis, based on the percent of total working time that such respective personnel are engaged in performing any of the Services.

(c) Administrative Costs. The Payment Amount will include following:

(i) Office Costs. A prorata share of all office costs (including, without limitation, all costs relating to office leases, equipment leases, supplies, property taxes and utilities) for all locations of Administrative Personnel, as determined by CVR on a commercially reasonable basis, based on the Fertilizer Payroll Percentage;

(ii) Insurance. Insurance premiums will be direct charged to the applicable insured to the extent possible, and otherwise will be allocated on a commercially reasonable basis as mutually agreed upon by the Parties;

(iii) Outside Services. Services provided by outside vendors (including audit services, legal services, government and public relation services, and other services) will first be direct charged where applicable, provided, however, the Payment Amount will include a prorata share of charges for all services that are provided by outside vendors and not direct charged, as determined by CVR on a commercially reasonable basis, based upon the following percentages of such charges: legal services — 20%; and all other services — Fertilizer Payroll Percentage;

(iv) Other SGA Costs. A prorata share of all other sales, general and administrative costs relating to the Services Recipients, as determined by CVR on a commercially reasonable basis, based on the Fertilizer Payroll Percentage; and

(v) Depreciation and Amortization. A prorata share of depreciation and amortization relating to all locations of Administrative Personnel, as determined by CVR on a commercially reasonable basis, based on the Fertilizer

Payroll Percentage, following recognition of such depreciation or amortization as an expense on the books and records of CVR or its Affiliates.

(d) Other Costs. Bank charges, interest expense and any other costs as reasonably incurred by CVR or its Affiliates in the provision of Services will be direct charged as applicable. For the avoidance of doubt, any of the foregoing costs and expenses described in Section 3.01 that are direct charged to any Party will not be included in the Payment Amount.

Section 3.02 Payment of Payment Amount. CVR shall submit monthly invoices to GP for the Services, which invoices shall be due and payable net 15 days. GP shall pay or cause MLP or Fertilizer to pay, to CVR in immediately available funds, the full Payment Amount due under Section 3.01. Past due amounts shall bear interest at the Default Rate. Allocation percentages referred to in this Article III will be calculated and determined for calendar year or calendar quarter periods, as CVR may determine, based upon CVR's annual audited financials, or quarterly unaudited financials, for the immediately preceding calendar year or calendar quarter, as applicable.

Section 3.03 Disputed Charges. GP MAY, WITHIN 90 DAYS AFTER RECEIPT OF A CHARGE FROM CVR, TAKE WRITTEN EXCEPTION TO SUCH CHARGE, ON THE GROUND THAT THE SAME WAS NOT A REASONABLE COST INCURRED BY CVR OR ITS AFFILIATES IN CONNECTION WITH THE SERVICES. GP SHALL NEVERTHELESS PAY OR CAUSE MLP OR FERTILIZER TO PAY IN FULL WHEN DUE THE FULL PAYMENT AMOUNT OWED TO CVR. SUCH PAYMENT SHALL NOT BE DEEMED A WAIVER OF THE RIGHT OF THE SERVICES RECIPIENT TO RECOUP ANY CONTESTED PORTION OF ANY AMOUNT SO PAID. HOWEVER, IF THE AMOUNT AS TO WHICH SUCH WRITTEN EXCEPTION IS TAKEN, OR ANY PART THEREOF, IS ULTIMATELY DETERMINED NOT TO BE A REASONABLE COST INCURRED BY CVR OR ITS AFFILIATES IN CONNECTION WITH ITS PROVIDING THE SERVICES HEREUNDER, SUCH AMOUNT OR PORTION THEREOF (AS THE CASE MAY BE) SHALL BE REFUNDED BY CVR TO THE SERVICES RECIPIENTS TOGETHER WITH INTEREST THEREON AT THE DEFAULT RATE DURING THE PERIOD FROM THE DATE OF PAYMENT BY THE SERVICES RECIPIENTS TO THE DATE OF REFUND BY CVR.

Section 3.04 CVR's Employees. The Services Recipients shall not be obligated to pay directly to Seconded Personnel or Shared Personnel any compensation, salaries, wages, bonuses, benefits, social security taxes, workers' compensation insurance, retirement and insurance benefits, training or other expenses; provided, however, that if CVR fails to pay any employee within 30 days of the date such employee's payment is due:

(a) The Services Recipients may (i) pay such employee directly, (ii) employ such employee directly, or (iii) notify CVR that this Agreement is terminated and employ such employees directly; and

(b) CVR shall reimburse GP, MLP or Fertilizer, as the case may be, for the amount GP, MLP or Fertilizer, as applicable, paid to CVR with respect to employee services for which CVR did not pay any such employee.

ARTICLE IV

BOOKS, RECORDS AND REPORTING

Section 4.01 Books and Records. CVR and its Affiliates and the Services Recipients shall each maintain accurate books and records regarding the performance of the Services and calculation of the Payment Amount, and shall maintain such books and records for the period required by applicable accounting practices or law, or five (5) years, whichever is longer.

Section 4.02 Audits. CVR and its Affiliates and the Services Recipients shall have the right, upon reasonable notice, and at all reasonable times during usual business hours, to audit, examine and make copies of the books and records referred to in Section 4.01. Such right may be exercised through any agent or employee of the Person exercising such right if designated in writing by such Person or by an independent public accountant, engineer, attorney or other agent so designated. Each Person exercising such right shall bear all costs and expenses incurred by it in any inspection, examination or audit. Each Party shall review and respond in a timely manner to any claims or inquiries made by the other Party regarding matters revealed by any such inspection, examination or audit.

Section 4.03 Reports. CVR shall prepare and deliver to GP any reports provided for in this Agreement and such other reports as GP may reasonably request from time to time regarding the performance of the Services.

ARTICLE V

INTELLECTUAL PROPERTY

Section 5.01 Ownership by CVR and License to MLP. Any (i) inventions, whether patentable or not, developed or invented, or (ii) copyrightable material (and the intangible rights of copyright therein) developed, by CVR, its Affiliates or its or their employees in connection with the performance of the Services shall be the property of CVR; provided, however, that CVR hereby grants, and agrees to cause its Affiliates to grant, to MLP an irrevocable, royalty-free, non-exclusive and non-transferable (without the prior written consent of CVR) right and license to use such inventions or material; and further provided, however, that MLP shall only be granted such a right and license to the extent such grant does not conflict with, or result in a breach, default, or violation of a right or license to use such inventions or material granted to CVR by any Person other than an Affiliate of CVR. Notwithstanding the foregoing, CVR will, and will cause its Affiliates to, use all commercially reasonable efforts to grant such right and license to MLP.

Section 5.02 License to CVR and its Affiliates. MLP hereby grants, and will cause its Affiliates to grant, to CVR and its Affiliates an irrevocable, royalty-free, non-exclusive and non-transferable right and license to use, during the term of this Agreement, any intellectual property provided by MLP or its Affiliates to CVR or its Affiliates, but only to the extent such use is

necessary for the performance of the Services. CVR agrees that CVR and its Affiliates will utilize such intellectual property solely in connection with the performance of the Services.

ARTICLE VI

TERMINATION

Section 6.01 Termination By GP.

(a) Upon the occurrence of any of the following events, GP may terminate this Agreement by giving written notice of such termination to CVR:

(i) CVR becomes Bankrupt; or

(ii) CVR dissolves and commences liquidation or winding-up.

Any termination under this Section 6.01(a) shall become effective immediately upon delivery of the notice first described in this Section 6.01(a), or such later time (not to exceed the first anniversary of the delivery of such notice) as may be specified by GP.

(b) In addition to its rights under Section 6.01(b), GP may terminate this Agreement at any time by giving notice of such termination to CVR. Any termination under this Section 6.01(b) shall become effective 180 days after delivery of such notice, or such later time (not to exceed the first anniversary of the delivery of such notice) as may be specified by GP.

Section 6.02 Termination By CVR. CVR may terminate this Agreement at any time by giving notice of such termination to GP. Any termination under this Section 6.02 shall become effective 180 days after delivery of such notice, or such later time (not to exceed the first anniversary of the delivery of such notice) as may be specified by CVR.

Section 6.03 Effect of Termination. If this Agreement is terminated in accordance with Section 6.01 or Section 6.02, all rights and obligations under this Agreement shall cease except for (a) obligations that expressly survive termination of this Agreement; (b) liabilities and obligations that have accrued prior to such termination, including the obligation to pay any amounts that have become due and payable prior to such termination, and (c) the obligation to pay any portion of any Payment Amount that has accrued prior to such termination, even if such portion has not become due and payable at that time.

Section 6.04 Transition of Services. During the period of 180 days following the delivery of any notice of termination delivered in accordance with Section 6.01(b) or 6.02, in addition to the Services, CVR will, and will cause its Affiliates to, provide to MLP such additional services as may be reasonably requested by GP to assist the Services Recipients in effecting a transition of the responsibility for providing the Services.

Section 6.05 Survival. The provisions of this Article VI and Sections 3.03, 4.01, 4.02, 5.01, 8.01, 8.02, 8.03 and Articles IX and X will survive and continue in full force and effect notwithstanding the termination of this Agreement.

ARTICLE VII

ADDITIONAL REPRESENTATIONS AND WARRANTIES

Section 7.01 Representations and Warranties of CVR. CVR hereby represents, warrants and covenants to the other Parties that as of the date hereof:

(a) CVR is duly organized, validly existing, and in good standing under the laws of the State of Delaware; CVR is duly qualified and in good standing in the States required in order to perform the Services except where failure to be so qualified or in good standing could not reasonably be expected to have a material adverse impact on GP or MLP; and CVR has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder

(b) CVR has duly executed and delivered this Agreement, and this Agreement constitutes the legal, valid and binding obligation of CVR, enforceable against it in accordance with its terms (except as may be limited by bankruptcy, insolvency or similar laws of general application and by the effect of general principles of equity, regardless of whether considered at law or in equity); and

(c) The authorization, execution, delivery, and performance of this Agreement by CVR does not and will not (i) conflict with, or result in a breach, default or violation of, (A) the amended and restated certificate of incorporation of CVR, (B) any contract or agreement to which CVR is a party or is otherwise subject, or (C) any law, order, judgment, decree, writ, injunction or arbitral award to which CVR is subject; or (ii) require any consent, approval or authorization from, filing or registration with, or notice to, any governmental authority or other Person, unless such requirement has already been satisfied, except, in the case of clauses (i)(B) and (i)(C), for such conflicts, breaches, defaults or violations that would not have a material adverse effect on CVR or on its ability to perform its obligations hereunder, and except, in the case of clause (ii), for such consents, approvals, authorizations, filings, registrations or notices, the failure of which to obtain or make would not have a material adverse effect on CVR or on their ability to perform their obligations hereunder.

Section 7.02 Representations and Warranties of GP and MLP. Each of GP and MLP hereby represents, warrants and covenants to the other Parties that as of the date hereof:

(a) Each of GP and MLP is duly organized, validly existing, and in good standing under the laws of the jurisdiction of its formation; each of GP and MLP has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder;

(b) Each of GP and MLP has duly executed and delivered this Agreement, and this Agreement constitutes the legal, valid and binding obligation of each such Person enforceable against it in accordance with its terms (except as may be limited by bankruptcy, insolvency or similar laws of general application and by the effect of general principles of equity, regardless of whether considered at law or in equity); and

(c) The authorization, execution, delivery, and performance of this Agreement by each of GP and MLP does not and will not (i) conflict with, or result in a breach, default or violation of, (A) the limited liability company agreement of GP or the partnership agreement of MLP, (B) any contract or agreement to which such Person is a party or is otherwise subject, or (C) any law, order, judgment, decree, writ, injunction or arbitral award to which such Person is subject; or (ii) require any consent, approval or authorization from, filing or registration with, or notice to, any governmental authority or other Person, unless such requirement has already been satisfied, except, in the case of clause (i)(B) and (i)(C), for such conflicts, breaches, defaults or violations that would not have a material adverse effect on GP or MLP or on their ability to perform their obligations hereunder, and except, in the case of clause (ii), for such consents, approvals, authorizations, filings, registrations or notices, the failure of which to obtain or make would not have a material adverse effect on GP or MLP or on their ability to perform their respective obligations hereunder.

ARTICLE VIII

ADDITIONAL REQUIREMENTS

Section 8.01 Indemnity. The Services Recipients shall indemnify, reimburse, defend and hold harmless CVR and its Affiliates and their respective successors and permitted assigns, together with their respective employees, officers, members, managers, directors, agents and representatives (collectively the "Indemnified Parties"), from and against all losses (including lost profits), costs, damages, injuries, taxes, penalties, interests, expenses, obligations, claims and liabilities (joint or severable) of any kind or nature whatsoever (collectively "Losses") that are incurred by such Indemnified Parties in connection with, relating to or arising out of (i) the breach of any term or condition of this Agreement, or (ii) the performance of any Services hereunder; *provided*, *however*, that the Services Recipients shall not be obligated to indemnify, reimburse, defend or hold harmless any Indemnified Party for any Losses Incurred, by such Indemnified Party in connection with, relating to or arising out of:

(a) a breach by such Indemnified Party of this Agreement;

(b) the gross negligence, willful misconduct, bad faith or reckless disregard of such Indemnified Party in the performance of any Services hereunder; or

(c) fraudulent or dishonest acts of such Indemnified Party with respect to the Services Recipients.

The rights of any Indemnified Party referred to above shall be in addition to any rights that such Indemnified Party shall otherwise have at law or in equity. Without the prior written consent of the Services Recipients, no Indemnified Party shall settle, compromise or consent to the entry of any judgment in, or otherwise seek to terminate any, claim, action, proceeding or investigation in respect of which indemnification could be sought hereunder unless (a) such Indemnified Party indemnifies the Services Recipients from any liabilities arising out of such claim, action, proceeding or investigation, (b) such settlement, compromise or consent includes an unconditional release of the Services Recipients and Indemnified Party from all liability arising

out of such claim, action, proceeding or investigation and (c) the parties involved agree that the terms of such settlement, compromise or consent shall remain confidential. In the event that indemnification is provided for under any other agreements between CVR or any of its Affiliates and any of the Services Recipients or any of their Affiliates, and such indemnification is for any particular Losses, then such indemnification (and any limitations thereon) as provided in such other agreement shall apply as to such particular Losses and shall supersede and be in lieu of any indemnification that would otherwise apply to such particular Losses under this Agreement.

Section 8.02 Limitation of Duties and Liability. The relationship of CVR to the Services Recipients pursuant to this Agreement is as an independent contractor and nothing in this Agreement shall be construed to impose on CVR, or on any of its Affiliates, or on any of their respective successors and permitted assigns, or on their respective employees, officers, members, managers, directors, agents and representatives, an express or implied fiduciary duty. CVR and its Affiliates and their respective successors and permitted assigns, together with their respective employees, officers, members, managers, directors, agents and representatives, shall not be liable for, and the Services Recipients shall not take, or permit to be taken, any action against any of such Persons to hold such Persons liable for, (a) any error of judgment or mistake of law or for any liability or loss suffered by the Services Recipients in connection with the performance of any Services under this Agreement, except for a liability or loss resulting from gross negligence, willful misconduct, bad faith or reckless disregard in the performance of the Services, or (b) any fraudulent or dishonest acts with respect to the Services Recipients. In no event, whether based on contract, indemnity, warranty, tort (including negligence), strict liability or otherwise, shall CVR or its Affiliates, their respective successors and permitted assigns, or their respective employees, officers, members, managers, directors, agents and representatives, be liable for loss of profits or revenue or special, incidental, exemplary, punitive or consequential damages.

Section 8.03 Reliance. CVR and its Affiliates and their respective successors and permitted assigns, together with their respective employees, officers, members, managers, directors, agents and representatives, may take and may act and rely upon:

(a) the opinion or advice of legal counsel, which may be in-house counsel to the Services Recipients or to CVR or its Affiliates, any U.S.-based law firm, or other legal counsel reasonably acceptable to the Boards of Directors of GP, in relation to the interpretation of this Agreement or any other document (whether statutory or otherwise) or generally in connection with the Services Recipients;

(b) advice, opinions, statements or information from bankers, accountants, auditors, valuation consultants and other consulted Persons who are in each case believed by the relying Person in good faith to be expert in relation to the matters upon which they are consulted; or

(c) any other document provided in connection with the Services Recipients upon which it is reasonable for the applicable Person to rely.

A Person shall not be liable for anything done, suffered or omitted by it in good faith in reliance upon such opinion, advice, statement, information or document.

Section 8.04 Services to Others. While CVR is providing the Services under this Agreement, CVR shall also be permitted to provide services, including services similar to the Services covered hereby, to others, including Affiliates of CVR.

Section 8.05 Transactions With Affiliates. CVR may recommend to the Services Recipients, and may engage in, transactions with any of CVR's Affiliates; *provided*, that any such transactions shall be subject to the authorization and approval of the Boards of Directors of GP.

Section 8.06 Sharing of Information. Each Party (the "***Recipient Party***") agrees to maintain the confidentiality of, and not to use, the confidential or proprietary information disclosed pursuant to or in connection with this Agreement ("***Confidential Information***") by or on behalf of the other Party (the "***Disclosing Party***") for any purpose whatsoever except in connection with performance pursuant to this Agreement. The obligations undertaken pursuant to this Section do not apply to such part of the Confidential Information that is or has become published or otherwise generally available to the public, other than as a consequence of the willful or negligent act or omission of the Recipient Party, or which, at the time of disclosure to the Recipient Party, was already in the lawful possession of the Recipient Party, as evidenced by written records. The Recipient Party will impose corresponding obligations of confidentiality and non-use on its Affiliates and each of their respective employees, agents and representatives (collectively, "***Representatives***") involved in the performance of this Agreement prior to making the Confidential Information available to them. Any breach of confidentiality or non-use of Confidential Information by any Representative will be deemed a breach of confidentiality or non-use by the Recipient Party. It will not be a breach of the confidentiality obligations herein for the Recipient Party to disclose Confidential Information, where such disclosure is required by law or applicable legal process, provided the Recipient Party agrees to (a) immediately notify the Disclosing Party in writing of the existence, terms and circumstances surrounding such a requirement, and (b) assist the Disclosing Party in seeking a protective order or other appropriate remedy satisfactory to the Disclosing Party (at the expense of the Disclosing Party). If such protective order or other remedy is not obtained (or the Disclosing Party waives compliance with the provisions hereof), (i) the Recipient Party may disclose that portion of the Confidential Information it is legally required to disclose, (ii) the Recipient Party will exercise reasonable efforts to obtain assurance that confidential treatment will be accorded the Confidential Information to be disclosed, and (iii) the Recipient Party will give written notice to the Disclosing Party of the information to be so disclosed as far in advance of its disclosure as practicable. The parties agree that any violation of this Section by the Recipient Party or its Representatives may be enforced by the Disclosing Party by obtaining injunctive or specific relief from a court of competent jurisdiction. Such relief is cumulative and not exclusive of any other remedies available to the Disclosing Party at law or in equity, including, but not limited to, damages and reasonable attorneys' fees.

Section 8.07 Disclosure of Remuneration. CVR shall disclose the amount of remuneration of the Chief Financial Officer and any other officer or employee shared with or seconded to the Services Recipients, to the Board of Directors of GP to the extent required for the Services Recipients to comply with the requirements of applicable law, including applicable Federal securities laws.

Section 8.08 Additional Seconded Personnel or Shared Personnel. CVR and the Board of Directors of GP may agree from time to time that CVR shall provide additional Seconded Personnel or Shared Personnel, upon such terms as CVR and the Board of Directors of GP may mutually agree. Any such individuals shall have such titles and fulfill such functions as CVR and the Services Recipients may mutually agree but subject to compliance with the agreement of limited partnership of MLP.

Section 8.09 Plant Personnel. Personnel performing the actual day-to-day business and operations of Fertilizer at the plant or operating level will be employed by Fertilizer and Fertilizer will bear all Personnel Costs or other costs relating to such personnel.

Section 8.10 Election. The Services Recipients shall cause the election of any Seconded Personnel or Shared Personnel to the extent required by the organizational documents of the Services Recipients. The Board of Directors of GP, after due consultation with CVR, may at any time request that CVR replace any Seconded Personnel and CVR shall, as promptly as practicable, replace any individual with respect to whom such Board of Directors shall have made its request, subject to the requirements for the election of officers under the organizational documents of the Services Recipients but subject to compliance with the agreement of limited partnership of MLP.

ARTICLE IX

DISPUTES

Section 9.01 Resolution of Disputes. The Parties shall in good faith attempt to resolve promptly and amicably any dispute between the Parties arising out of or relating to this Agreement (each a "Dispute") pursuant to this Article IX. The Parties shall first submit the Dispute to the CVR Representative and the GP/MLP Representative, who shall then meet within fifteen (15) days to resolve the Dispute. If the Dispute has not been resolved within forty-five (45) days after the submission of the Dispute to the CVR Representative and the GP/MLP Representative, the Dispute shall be submitted to a mutually agreed non-binding mediation. The costs and expenses of the mediator shall be borne equally by the Parties, and the Parties shall pay their own respective attorneys' fees and other costs. If the Dispute is not resolved by mediation within ninety (90) days after the Dispute is first submitted to the CVR Representative and the GP/MLP Representative as provided above, then the Parties may exercise all available remedies.

Section 9.02 Multi-Party Disputes. The Parties acknowledge that they or their respective affiliates contemplate entering or have entered into various additional agreements with third parties that relate to the subject matter of this Agreement and that, as a consequence, Disputes may arise hereunder that involve such third parties (each a "Multi-Party Dispute"). Accordingly, the Parties agree, with the consent of such third parties, that any such Multi-Party Dispute, to the extent feasible, shall be resolved by and among all the interested parties consistent with the provisions of this Article IX.

ARTICLE X

MISCELLANEOUS

Section 10.01 Notices. Except as expressly set forth to the contrary in this Agreement, all notices, requests or consents provided for or permitted to be given under this Agreement must be in writing and must be delivered to the recipient in person, by courier or mail or by facsimile, telegram, telex, cablegram or similar transmission; and a notice, request or consent given under this Agreement is effective on receipt by the Party to receive it; provided, however, that a facsimile or other electronic transmission that is transmitted after the normal business hours of the recipient shall be deemed effective on the next business day. All notices, requests and consents to be sent to MLP must be sent to GP. All notices, requests and consents (including copies thereof) to be sent to GP must be sent to or made at the address given below for GP.

If to GP or MLP, to:	With a copy to:
Byron R. Kelley President and CEO 2277 Plaza Drive Suite 500 Sugar Land, Texas 77479 Facsimile: (281) 207-3403	Edmund S. Gross, Senior Vice President and General Counsel CVR Energy, Inc. 10 E. Cambridge Circle, Ste. 250 Kansas City, Kansas 66103 Facsimile: (913) 982-5651
If to CVR, to:	With a copy to:
John J. Lipinski President and CEO 2277 Plaza Drive Suite 500 Sugar Land, Texas 77479 Facsimile: (281) 207-3505	Edmund S. Gross, Senior Vice President and General Counsel CVR Energy, Inc. 10 E. Cambridge Circle, Ste. 250 Kansas City, Kansas 66103 Facsimile: (913) 982-5651

Section 10.02 Effect of Waiver or Consent. Except as otherwise provided in this Agreement, a waiver or consent, express or implied, to or of any breach or default by any Party in the performance by that Party of its obligations under this Agreement is not a consent or waiver to or of any other breach or default in the performance by that Party of the same or any other obligations of that Party under this Agreement. Except as otherwise provided in this Agreement, failure on the part of a Party to complain of any act of another Party or to declare another Party in default under this Agreement, irrespective of how long that failure continues, does not constitute a waiver by that Party of its rights with respect to that default until the applicable statute-of-limitations period has run.

Section 10.03 Headings; References; Interpretation. All Article and Section headings in this Agreement are for convenience only and will not be deemed to control or affect the meaning or construction of any of the provisions hereof. The words "hereof," "herein" and "hereunder" and words of similar import, when used in this Agreement, will refer to this Agreement as a whole, and not to any particular provision of this Agreement. All references herein to Articles

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and Sections will, unless the context requires a different construction, be deemed to be references to the Articles and Sections of this Agreement, respectively. All personal pronouns used in this Agreement, whether used in the masculine, feminine or neuter gender, will include all other genders, and the singular will include the plural and vice versa. The terms "include," "includes," "including" or words of like import will be deemed to be followed by the words "without limitation."

Section 10.04 Successors and Assigns. This Agreement will be binding upon and inure to the benefit of the Parties and their respective successors and assigns.

Section 10.05 No Third Party Rights. The provisions of this Agreement are intended to bind the parties signatory hereto as to each other and are not intended to and do not create rights in any other person or confer upon any other person any benefits, rights or remedies, and no person is or is intended to be a third party beneficiary of any of the provisions of this Agreement.

Section 10.06 Counterparts. This Agreement may be executed in any number of counterparts, all of which together will constitute one agreement binding on the Parties.

Section 10.07 Governing Law. THIS AGREEMENT IS GOVERNED BY AND SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF KANSAS.

Section 10.08 Submission to Jurisdiction; Waiver of Jury Trial. Subject to the provisions of Article IX, each of the Parties hereby irrevocably acknowledges and consents that any legal action or proceeding brought with respect to any of the obligations arising under or relating to this Agreement may be brought in the courts of the State of Kansas, or in the United States District Court for the District of Kansas and each of the Parties hereby irrevocably submits to and accepts with regard to any such action or proceeding, for itself and in respect of its property, generally and unconditionally, the non-exclusive jurisdiction of the aforesaid courts. Each Party hereby further irrevocably waives any claim that any such courts lack jurisdiction over such Party, and agrees not to plead or claim, in any legal action or proceeding with respect to this Agreement or the transactions contemplated hereby brought in any of the aforesaid courts, that any such court lacks jurisdiction over such Party. Each Party irrevocably consents to the service of process in any such action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to such party, at its address for notices set forth in this Agreement, such service to become effective ten (10) days after such mailing. Each Party hereby irrevocably waives any objection to such service of process and further irrevocably waives and agrees not to plead or claim in any action or proceeding commenced hereunder or under any other documents contemplated hereby that service of process was in any way invalid or ineffective. The foregoing shall not limit the rights of any Party to serve process in any other manner permitted by applicable law. The foregoing consents to jurisdiction shall not constitute general consents to service of process in the State of Kansas for any purpose except as provided above and shall not be deemed to confer rights on any Person other than the respective Parties. Each of the Parties hereby waives any right it may have under the laws of any jurisdiction to commence by publication any legal action or proceeding with respect to this Agreement. To the fullest extent permitted by applicable law, each of the Parties hereby irrevocably waives the objection which it may now or hereafter have to the laying of the venue of any suit, action or

proceeding arising out of or relating to this Agreement in any of the courts referred to in this Section 10.08 and hereby further irrevocably waives and agrees not to plead or claim that any such court is not a convenient forum for any such suit, action or proceeding. The Parties agree that any judgment obtained by any Party or its successors or assigns in any action, suit or proceeding referred to above may, in the discretion of such Party (or its successors or assigns), be enforced in any jurisdiction, to the extent permitted by applicable law. The Parties agree that the remedy at law for any breach of this Agreement may be inadequate and that should any dispute arise concerning any matter hereunder, this Agreement shall be enforceable in a court of equity by an injunction or a decree of specific performance. Such remedies shall, however, be cumulative and nonexclusive, and shall be in addition to any other remedies which the Parties may have. Each Party hereby waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any litigation as between the Parties directly or indirectly arising out of, under or in connection with this Agreement or the transactions contemplated hereby or disputes relating hereto. Each Party (i) certifies that no representative, agent or attorney of any other Party has represented, expressly or otherwise, that such other Party would not, in the event of litigation, seek to enforce the foregoing waiver and (ii) acknowledges that it and the other Parties have been induced to enter into this Agreement by, among other things, the mutual waivers and certifications in this Section 10.08.

Section 10.09 Remedies to Prevailing Party. If any action at law or equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees, costs, and necessary disbursements in addition to any other relief to which such party may be entitled.

Section 10.10 Severability. If any provision of this Agreement or the application thereof to any Person or any circumstance is held invalid or unenforceable to any extent, the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

Section 10.11 Amendment or Modification. This Agreement may be amended or modified from time to time only by the written agreement of all the Parties.

Section 10.12 Integration. This Agreement and the exhibit referenced herein supersede all previous understandings or agreements (including the Original Agreement) among the Parties, whether oral or written, with respect to its subject matter. This Agreement and such exhibit contain the entire understanding of the Parties with respect to its subject matter. In the case of any actual conflict or inconsistency between the terms of this Agreement and the agreement of limited partnership of MLP, the terms of the agreement of limited partnership of MLP shall control. No understanding, representation, promise or agreement, whether oral or written, is intended to be or will be included in or form part of this Agreement unless it is contained in a written amendment hereto executed by the Parties after the date of this Agreement.

Section 10.13 Further Assurances. In connection with this Agreement and the transactions contemplated hereby, each Party shall execute and deliver any additional documents and instruments and perform any additional acts that may be reasonably necessary or appropriate to effectuate and perform the provisions of this Agreement and those transactions.

This Agreement has been duly executed by the Parties as of the date first written above.

CVR PARTNERS, LP

By: CVR GP, LLC
its General Partner

By: /s/ Byron R. Kelley
Name: Byron R. Kelley
Title: Chief Executive Officer and President

CVR GP, LLC

By: /s/ Frank A. Pici
Name: Frank A. Pici
Title: Chief Financial Officer and Treasurer

CVR ENERGY, INC.

By: /s/ John J. Lipinski
Name: John J. Lipinski
Title: Chief Executive Officer and President

SERVICES AGREEMENT
SIGNATURE PAGE

Exhibit 1

The Services shall include the following:

· services in capacities equivalent to the capacities of corporate executive officers, except that the persons serving in such capacities shall serve in such capacities as Shared Personnel on a shared, part-time basis only, unless and to the extent otherwise agreed by CVR;

· safety and environmental advice;

· administrative and professional services, including legal, accounting, human resources, insurance, tax, credit, finance, government affairs, and regulatory affairs;

· manage the Services Recipients' day-to-day business and operations, including managing its liquidity and capital resources and compliance with applicable law;

· establishing and maintaining books and records of the Services Recipients in accordance with customary practice and GAAP;

· recommend to the Board of Directors of GP (x) capital raising activities, including the issuance of debt or equity securities of the Services Recipients, the entry into credit facilities or other credit arrangements, structured financings or other capital market transactions, (y) changes or other modifications in the capital structure of the Services Recipients, including repurchases;

· recommend to the Board of Directors of GP the engagement of or, if approval is not otherwise required hereunder, engage agents, consultants or other third party service providers to the Services Recipients, including accountants, lawyers or experts, in each case, as may be necessary by the Services Recipients from time to time;

· manage the Services Recipients' property and assets in the ordinary course of business;

· manage or oversee litigation, administrative or regulatory proceedings, investigations or any other reviews of the Services Recipients' business or operations that may arise in the ordinary course of business or otherwise, subject to the approval of the Board of Directors of GP to the extent necessary in connection with the settlement, compromise, consent to the entry of an order or judgment or other agreement resolving any of the foregoing;

· establish and maintain appropriate insurance policies with respect to the Services Recipients' business and operations;

· recommend to the Board of Directors of GP the payment of dividends or other distributions on the equity interests of the Services Recipients;

· attend to the timely calculation and payment of taxes payable, and the filing of all taxes return due, by the Services Recipients; and

· manage or provide advice or recommendations for other projects of the Services Recipients, as may be agreed to between GP and CVR from time to time.

Exhibit 10.4

LEASE AND OPERATING AGREEMENT
(Phillipsburg UAN Terminal)

THIS LEASE AND OPERATING AGREEMENT (this "***Agreement***") is made effective as of the 4th day of May, 2012, by and between Coffeyville Resources Terminal, LLC, a Delaware limited liability company ("***CRT***"), and Coffeyville Resources Nitrogen Fertilizers, LLC, a Delaware limited liability company, ("***CRNF***") (CRT and CRNF are each referred to as a "***Party***" and collectively as the "***Parties***").

CRT and CRNF hereby agree as follows:

1. Premises. Subject to the covenants and conditions of this Agreement, CRT leases to CRNF, and CRNF leases from CRT, the premises located in Phillips County, Kansas and described on Exhibit A attached hereto, including all improvements located thereon (the "***Premises***"). Following the execution of the Agreement, the Parties will undertake efforts to obtain a legal description of the Premises, and once obtained, the term "Premises" will be deemed amended to correspond to such legal description.

2. Use of Premises; Construction and Operation of Terminal.

(a) The Premises may be used for the construction, operation and maintenance of a terminal and storage facility for UAN, an aqueous solution of urea and ammonium nitrate used for fertilizer, including truck and rail loading and unloading facilities, including any future expansion of the same (collectively, the "***UAN Terminal***"). CRNF also has the right to reasonable non-exclusive use of the parking areas, driveways, sidewalks and approaches adjoining or otherwise serving the Premises that are owned or leased by CRT, for the purpose of ingress and egress in connection with CRNF's use of the Premises; provided that all such uses will be subject to such reasonable requirements, restrictions, and rules as CRT may designate from time to time for purposes of coordination of CRNF's use with use by CRT and its employees, agents, contractors, and other invitees, or for purposes of safety, security, preservation of property, or compliance with laws or insurance requirements, as CRT may reasonably determine from time to time. By executing this Agreement, the Parties hereby acknowledge mutual agreement with respect to the initial plans and design of the initial UAN Terminal.

(b) CRNF will develop, build and construct the UAN Terminal on the Premises. CRNF will be responsible for all costs and expenses associated with the development, building and construction of the UAN Terminal, including, but not limited to, costs and expenses of engineering work, construction and labor, and all materials and supplies. CRNF will at all times retain ownership of the UAN Terminal, except for the existing rail spur used for unloading railcars and the maintenance shop located on the Premises, which has been redesigned for use as a truck loading and office facility (such rail spur and shop, together the "***Existing Improvements***"), each of which is depicted on Exhibit B. Except for damage resulting from fire or other insured casualty and ordinary wear and tear, during the Term CRNF will at CRNF's sole cost and expense keep the Premises, including the Existing Improvements, in good order, repair and condition.

(c) During the Term, commencing on the completion of construction of the UAN Terminal, CRT will provide, or will cause its affiliates to provide, a sufficient number of qualified personnel necessary to perform the following services associated with the UAN Terminal (the "***Services***"):

(i) supervision of day-to-day operations;

(ii) day-to-day maintenance associated with the storage facility, rail and truck loading and unloading facilities and associated office facilities**;** and

(iii) unload railcars.

In addition to the Services, following the commencement of operations at the UAN Terminal, CRT will supervise and provide oversight over any future expansion or capital expenditures executed on the Premises ("***Capital Oversight***").

3. Term. The initial term of this Agreement (the "***Initial Term***") is 20 years, commencing effective as of the date hereof (the "***Commencement Date***"), and ending on the twentieth anniversary of the Commencement Date, provided that CRNF may terminate this Agreement during the Initial Term by providing CRT with at least 180 days prior written notice. Following the Initial Term, this Agreement will automatically renew for successive five-year terms (each a "***Renewal Term***", and together with the Initial Term, the "***Term***"), provided that CRNF may terminate this Agreement during any Renewal Term by providing CRT with at least 180 days prior written notice. Each Renewal Term will be upon the same terms and conditions as stated in this Agreement.

4. Fees. In consideration for the lease of the Premises, the performance of the Services and any other obligations (other than Capital Oversight) undertaken by CRT pursuant to this Agreement, CRNF will pay CRT the following fees ("***Fees***"):

(a) rent in the amount of $1.00 per year, payable in advance, commencing on the date hereof and thereafter on each anniversary of the Commencement Date; and

(b) a throughput charge equal to (i) $4.00 per short ton of UAN placed into the UAN Terminal, as measured by the bills of lading for railcars unloaded at the UAN Terminal, and (ii) $4.00 per short ton of UAN removed from the UAN Terminal, as measured by the meters at the truck loading facility, in each case (pursuant to subsections (i) and (ii)) payable monthly within 30 days following receipt of an invoice submitted by CRT to CRNF and providing the total volume of UAN placed into or removed from the UAN Terminal for the preceding month along with the supporting documentation as CRNF may reasonably request. Notwithstanding the foregoing, the throughput charge for UAN placed into, and removed from, the UAN Terminal will increase effective as of the sixth anniversary of the Commencement Date, and on each anniversary date thereafter during the remainder of the Term, to reflect any percentage increase in the Consumer Price Index for All Urban Consumers, U.S. City Average, All Items (1982-84 = 100) as published by the United States Department of Labor, Bureau of Labor Statistics (the "***CPI***"), as reflected by any percentage increase between the CPI as most recently published prior to the Commencement Date (the "***Commencement Date CPI***") and the CPI as most recently published prior to the effective date of any such increase in throughput charge (the "***Current CPI***"). In the event of such increase, the throughput charge will be increased by an amount equal to the product obtained by multiplying the original throughput charge by a fraction, the numerator of which will be the Current CPI and the denominator of which will be the Commencement Date CPI. In the event that the CPI ceases to be published or available within 60 days prior to the effective date of any such increase in the throughput charge, then CRT may utilize any similar governmental price index for purposes of determining and computing any applicable increase in throughput charge.

In consideration of Capital Oversight, CRNF agrees to pay CRT an administrative charge equal to 5% - 10% (depending on the scope of the project) of the total cost of any future expansion or capital expenditures executed by CRNF on the Premises (each such project, a "***Capital Project***"), payable ratably over the course of the Capital Project, as mutually agreed upon by the Parties.

5. Possession at Beginning of Term. CRT will give possession of the Premises to CRNF as of the Commencement Date.

6. Condition of Premises.

(a) CRNF acknowledges that CRNF has inspected the Premises and, except as may be provided otherwise in this Agreement and without abrogating CRT's obligations hereunder, CRNF accepts the Premises in its present condition.

(b) Subject to CRNF's rights pursuant to Section 24, at the end of the Term, except for damage caused by fire or other insured casualty, CRNF will at CRNF's expense: (i) surrender the Premises in as good a condition as the permitted uses will have reasonably permitted, subject to normal wear and tear, and subject to all other obligations of CRNF in this Agreement; (ii) within six months following the end of the Term, remove all of CRNF's property from the Premises; (iii) have promptly repaired any damage to the Premises caused by the removal of CRNF's property; and (iv) leave the Premises free of trash and debris.

7. Signs and Advertisements. CRNF will be entitled to place and affix to the Premises and its property located thereon, reasonable signs and advertising as CRNF deems appropriate, so long as such signs comply with local ordinances.

8. Utilities and Services. CRT will pay for and provide all electricity, gas, water, telephone, and heating, ventilating and air conditioning services, used in commercially reasonable quantities by CRNF on the Premises. CRT will also pay for and provide reasonable trash removal and other routine janitorial services for office space within the Premises.

9. Alterations. CRNF will not make any substantial alterations or additions in or to the Premises without the prior written consent of CRT, which consent may not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, CRT acknowledges and agrees that during the Term, CRNF may expand the UAN Terminal within the confines of the Premises, subject to such reasonable requirements, restrictions, and rules as CRT may designate from time to time for purposes of coordination of CRNF's use with use by CRT and its employees, agents, contractors, and other invitees, or for purposes of safety, security, preservation of property, or compliance with laws or insurance requirements, as CRT may reasonably determine from time to time; provided, such requirements, restrictions and rules may

not be unreasonably imposed. The plans and design of any expansion of the UAN Terminal will be mutually agreed upon by the Parties.

10. Taxes and Special Assessments. CRNF will pay all real estate and personal property taxes and special assessments imposed upon the Premises and the UAN Terminal during the Term. To the extent such taxes and assessments cannot be separated from CRT's adjacent and surrounding property, then CRT will pay such taxes and CRNF will reimburse CRT for its proportionate share as mutually agreed upon by the Parties.

11. Compliance with Laws. Each of the Parties will comply with all laws, orders, ordinances and other public requirements now or hereafter affecting the Premises, the UAN Terminal or the use thereof, including without limitation ADA, OSHA and like requirements.

12. CRNF Environmental Liability.

(a) CRNF will not store, use or dispose of any toxic or hazardous materials in, on or about the Premises in violation of any law. CRNF, at its sole cost, will comply with all laws relating to CRNF's storage, use and disposal of hazardous or toxic materials. CRNF will be solely responsible for and will defend, indemnify and hold CRT, its affiliates and their respective employees and agents, harmless from and against all claims, costs and liabilities, including reasonable attorneys' fees and costs, arising out of or in connection with the removal, clean-up, remediation and restoration work and materials necessary to return the Premises, and any other property of whatever nature affected, to their condition existing prior to contamination by CRNF, if and as may be required by applicable laws or regulations. CRNF's obligations under this Section will survive any expiration or termination of this Agreement.

(b) CRNF, at its sole cost, will comply with all laws relating to CRNF's storage, unloading and loading of UAN on the Premises. Subject to the indemnities provided in this Agreement, as between the Parties, CRNF will be solely responsible for and will defend, indemnify and hold CRT, its affiliates and their respective employees and agents, harmless from and against all third party claims, costs and liabilities, including reasonable attorneys' fees and costs, arising out of or in connection with any spill or release of UAN in, on, beneath or about the Premises, including the removal, clean-up, remediation and restoration work and materials necessary to return the Premises, and any other property of whatever nature affected, to their condition existing prior to such spill or release, if and as may be required by applicable laws or regulations. CRNF's obligations under this Section will survive any expiration or termination of this Agreement.

13. CRT Retained Environmental Liability. CRT will be solely responsible for and will defend, indemnify and hold CRNF, its affiliates and their respective employees and agents, harmless from and against all claims, costs and liabilities, including reasonable attorneys' fees and costs, arising out of or in connection with, the presence of any toxic or hazardous materials in, on, beneath or about the Premises, at or prior to the commencement of the Term, or thereafter placed, released or discharged in, on, beneath or about the Premises by CRT or any of its affiliates (excluding CRNF) or their respective agents, employees, contractors, subcontractors and invitees. CRT's obligations under this Section will survive any expiration or termination of this Agreement.

14. CRT's Right of Entry. CRT or CRT's agent may, after reasonable advance notice to CRNF, enter the Premises at reasonable hours to examine the same, to show the same to prospective lenders and purchasers, and to do anything CRT may be required to do hereunder or which CRT may deem reasonably necessary for the good of the Premises.

15. CRNF Default; CRT Remedies. A default of this Agreement will occur upon any of the following events:

(a) CRNF fails to pay any Fees or other sums payable hereunder within 10 days after written notice from CRT that the same has not been paid when due; or

(b) CRNF fails to comply with any other provision, covenant, warranty or term of this Agreement, and such failure or noncompliance continues for a period of 30 days after written notice from CRT; provided that CRNF will not be in default if such failure or noncompliance cannot reasonably be cured within such 30 days, so long as CRNF in good faith commences such cure within such 30 days and completes the same within 90 days after such notice; or

(c) CRNF is adjudged a bankrupt, or CRNF makes an assignment for the benefit of its creditors, or a receiver is appointed over any property of CRNF in or upon the Premises or for any part or all of CRNF's property wherever located pursuant to any action, suit or proceeding and such assignment or receivership is not vacated or annulled within 60 days of such assignment or appointment of the receiver.

Upon the occurrence of any of the foregoing events of default by CRNF, CRT will have the right to reenter and repossess the Premises, and CRT will have full rights of use and enjoyment and will have the right to terminate this Agreement. CRT will have the right to recover all Fees and other amounts accrued through the date of CRT's reentry, including all reasonable costs of collection and reasonable attorneys' fees incurred by CRT.

16. CRT Default; CRNF Remedies.

(a) If CRNF believes that CRT has breached or failed to comply with any provision of this Agreement applicable to CRT, CRNF will give written notice to CRT describing the alleged breach or noncompliance. CRT will not be deemed in default under this Agreement if CRT cures the breach or non-compliance within 30 days after receipt of CRNF's notice or, if such failure or noncompliance cannot reasonably be cured within such 30 days, so long as CRT in good faith commences such cure within such 30 days and completes the same within 90 days after such notice

(b) If CRT breaches or fails to comply with any provision of this Agreement applicable to CRT and such breach or noncompliance is not cured within the period of time described in Subparagraph (a) above, then CRNF may (i) terminate this Agreement; and/or (ii) incur any expense necessary to perform the obligation of CRT specified in such notice and set off any amount expended against the next payment of Fees coming due under this Agreement; and/or (iii) sue for injunctive relieve, specific performance and/or damages; and/or (iv) seek any other remedy available at law or in equity.

17. Damage by Casualty. In the event of any fire or other casualty during the Term, then CRNF will determine, in its sole discretion, whether to proceed to repair and/or rebuild the damaged or destroyed UAN Terminal. If CRNF decides not to repair and/or rebuild the damaged or destroyed UAN Terminal, then this Agreement will terminate as of the date of said fire or other casualty. All proceeds of insurance will be disbursed to CRNF, other than any proceeds attributable to the Existing Improvements, which will be disbursed to CRT; provided, in the event of termination and in the event CRNF exercises its right to purchase the Premises pursuant to Section 24, then all of the proceeds will be disbursed to CRNF.

18. Eminent Domain. If, at any time during the Term, there is a total taking or a constructive total taking of fee title to the Premises and improvements thereon in condemnation proceedings or by any right of eminent domain, this Agreement will terminate on the date of such taking and the Fees (if any are still owed) and other charges payable under this Agreement will be apportioned and paid to the date of such taking. For the purposes of this Section, the term "a constructive total taking" means a taking of such scope that the portion of the Premises that was not taken is insufficient to permit restoration of the UAN Terminal to a meaningful use. In the event of any such total taking or constructive total taking, the award or awards for such taking (the "***Condemnation Proceeds***") will be distributed to CRT; provided that CRNF will be entitled to such portion of the Condemnation Proceeds that are specifically allocated to the UAN Terminal (other than the Existing Improvements) by the applicable government authority. In the event of a taking that is less than a total taking or constructive total taking (a "***Partial Taking***"), this Agreement will not terminate or be affected in any way, except that the Fees and other charges payable under this Agreement will be apportioned in relation to the portion of the Premises and portion of the UAN Terminal taken, and the Condemnation Proceeds will be distributed to CRT; provided that CRNF will be entitled to such portion of the Condemnation Proceeds that are specifically allocated to the UAN Terminal (other than the Existing Improvements) by the applicable government authority. In the event of a Partial Taking, CRNF, in its sole discretion and at its sole cost and expense, may restore, repair, replace or rebuild the taken portion of the UAN Terminal.

19. CRNF's Insurance.

(a) CRNF will maintain, at all times during the Term, commercial general liability insurance on ISO form CG 00 01 10 93 or an equivalent form covering liability from premises, operations, independent contractors, property damage, bodily injury, personal injury, products, completed operations and liability assumed under an insured contract, all on an occurrence basis, with limits of liability of not less than Two Million Dollars ($2,000,000) combined single limit.

(b) CRNF will maintain, at all times during the Term, all risk or fire insurance (including standard extended endorsement perils, leakage from fire protective devices and other water damage) relating to the UAN Terminal (other than the Existing Improvements) in amounts which CRNF from time to time reasonably determines sufficient.

(c) At all times during the Term, CRNF will furnish CRT with a certificate or certificates of insurance evidencing such insurance so maintained by CRNF and naming CRT and CRT's mortgagees, if any, as additional insureds.

(d) The Parties acknowledge and agree that the insurance required by this Agreement may be purchased and maintained jointly by the Parties or their affiliates. If such insurance is purchased and maintained jointly and each Party is a named insured thereunder, then the requirements of Section 19(c), Section 20 and Section 21 will be deemed waived by the Parties.

20. CRT's Insurance. CRT will maintain, at all times during the Term, all risk or fire insurance relating to the Premises (but excluding the UAN Terminal other than the Existing Improvements) in amounts that CRT from time to time reasonably determines sufficient or CRT's mortgagee requires.

21. Waiver of Subrogation. As part of the consideration for this Agreement, each of the Parties hereby releases the other Party hereto from all liability for damage due to any act or neglect of the other Party (except as hereinafter provided) occasioned to property owned by said Parties which is or might be incident to or the result of a fire or any other casualty against loss for which either of the Parties is now carrying or hereafter may carry insurance; provided, however, that the releases herein contained will not apply to any loss or damage occasioned by intentional acts of either of the Parties hereto. The Parties hereto further covenant that any insurance they obtain on their respective properties will contain an appropriate provision whereby the insurance company, or companies, consent to the mutual release of liability contained in this Section.

22. Indemnification. Each of the Parties (each, an "***Indemnitor***") will indemnify, defend and hold the other Party and its respective officers, directors, members, managers and employees (each, an "***Indemnitee***") harmless from and against all liabilities, obligations, claims, losses, damages, penalties, deficiencies, causes of action, costs and expenses, including, without limitation, attorneys' fees and expenses (collectively, "***Losses***") imposed upon, incurred by or asserted against the person seeking indemnification that are caused by, are attributable to, result from or arise out of the breach of this Agreement by the Indemnitor or the negligence or willful misconduct of the Indemnitor, or of any officers, directors, members, managers, employees, agents, contractors and/or subcontractors acting for or on behalf of the Indemnitor. Any indemnification obligation pursuant to this Section with respect to any particular Losses will be reduced by all amounts actually recovered by the Indemnitee from third parties, or from applicable insurance coverage, with respect to such Losses. Upon making any payment to any Indemnitee, the Indemnitor will be subrogated to all rights of the Indemnitee against any third party in respect of the Losses to which such payment relates, and such Indemnitee will execute upon request all instruments reasonably necessary to evidence and perfect such subrogation rights. If the Indemnitee receives any amounts from any third party or under applicable insurance coverage subsequent to an indemnification payment by the Indemnitor, then such Indemnitee will promptly reimburse the Indemnitor for any payment made or expense incurred by such Indemnitor in connection with providing such indemnification payment up to the amount received by the Indemnitee, net of any expenses incurred by such Indemnitee in collecting such amount.

23. Indemnification Procedures.

(a) Promptly after receipt by an Indemnitee of notice of the commencement of any action that may result in a claim for indemnification pursuant to Section 22, the Indemnitee will notify the Indemnitor in writing within 30 days thereafter; provided, however, that any omission to so notify the Indemnitor will not relieve it of any liability for indemnification hereunder as to the particular item for which indemnification may then be sought (except to the extent that the failure to give notice is materially prejudicial to the Indemnitor) nor from any other liability that it may have to any Indemnitee. The Indemnitor will have the right to assume sole and exclusive control of the defense of any claim for indemnification pursuant to Section 22, including the choice and direction of any legal counsel.

(b) An Indemnitee will have the right to engage separate legal counsel in any action as to which indemnification may be sought under any provision of this Agreement and to participate in the defense thereof, but the fees and expenses of such counsel will be at the expense of such Indemnitee unless (i) the Indemnitor has agreed in writing to pay such fees and expenses, (ii) the Indemnitor has failed to assume the defense thereof and engage legal counsel within a reasonable period of time after being given the notice required above, or (iii) the Indemnitee is advised by its legal counsel that representation of such Indemnitee and other parties by the same legal counsel would be inappropriate under applicable standards of professional conduct (whether or not such representation by the same legal counsel has been proposed) due to actual or potential conflicts of interests between them. It is understood, however, that to the extent more than one Indemnitee is entitled to engage separate legal counsel at the Indemnitor's expense pursuant to clause (iii) above, the Indemnitor will, in connection with any one such action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of only one separate firm of attorneys at any time for all such Indemnitees having actual or potential conflicting interests with the Indemnitor, unless but only to the extent the Indemnitees have actual or potential conflicting interests with each other.

(c) The Indemnitor will not be liable for any settlement of any action effected without its written consent, but if settled with such written consent, or if there is a final judgment against the Indemnitee in any such action, the Indemnitor agrees to indemnify and hold harmless the Indemnitee to the extent provided above from and against any loss, claim, damage, liability or expense by reason of such settlement or judgment.

(d) The provisions of Sections 22 and 23 will survive any expiration or termination of this Agreement.

24. Purchase Option / Right of First Refusal.

(a) Upon the expiration or termination of this Agreement (other than a termination due to default by CRNF), CRNF may elect to purchase the Premises from CRT by providing written notice of its election with 60 days following such expiration or termination. If CRNF elects to purchase the Premises, the Premises will be sold by CRT to CRNF free and clear of all liens, claims and encumbrances at a price mutually agreed upon by the Parties. If the Parties are unable to reach agreement on the price for any such sale within 30 days of CRT's receipt of written notice from CRNF exercising such purchase option, then the Parties will cause the Premises to be appraised by an independent appraiser mutually acceptable to the Parties. The appraiser will be instructed to render an opinion as to the fair market value of the Premises, and such opinion will be binding on the Parties. CRNF will pay CRT the fair market value of the Premises, as determined by the appraiser, and the Parties will take all other actions necessary to close the purchase within 30 days of receiving the appraiser's report. The costs and expenses of the appraiser will be shared equally by the Parties.

(b) If, during the Term, CRT decides to sell all or any part of the Premises, then CRNF will have a right of first refusal to purchase the Premises being offered for sale by matching any bona fide offer to purchase received by CRT. CRNF's right of first refusal must be exercised within 60 days of CRNF's receipt of notice from CRT of any bona fide offer to purchase, or else CRNF's right of first refusal will be deemed to have been waived with respect to such offer to purchase (but not as to future offers to purchase received by CRT). If any portion of the Premises is sold, CRNF's right of first refusal will terminate and be of no further force or effect with respect to such portion of the Premises that is sold.

25. Assignment and Subletting.

(a) Except as provided in subsection (b) below, CRNF may not assign, transfer or encumber this Agreement and may not sublease the Premises or any part thereof or allow any other person to be in possession thereof without the prior written consent of CRT, in each and every instance, which consent or consents will not be unreasonably withheld or delayed.

(b) Notwithstanding anything to the contrary set forth herein, CRT's consent will not be necessary if (i) a portion of the storage capacity of the UAN Terminal is subleased to CRNF's customers, or (ii) assignment of all or any portion of this Agreement or the subletting of this Agreement is to any of the following: (A) the surviving entity in the event of the merger or consolidation of CRNF with another entity; (B) the purchaser of all or substantially all of CRNF's assets or equity interests; or (C) any "Affiliates" of CRNF. For purposes of this Section, Affiliates means, with respect to any Party, any persons or entities that own or control, are owned or controlled by, or are under common ownership or control with, such Party and such Party's and each of such other person's or entity's respective officers, directors, shareholders, partners, venturers, members, managers, agents and employees. For purposes of this definition of Affiliates, a Party is "owned" by anyone that owns more than 50% of the equity interests in such Party and a Party is "controlled" by anyone that owns sufficient voting interest to control the management decisions of such Party. In addition, CRNF may assign this Agreement to CRNF's lenders for collateral security purposes, provided that in the case of any such assignment each Party agrees (x) to cooperate with the lenders in connection with the execution and delivery of a customary form of lender consent to assignment of contract rights and (y) any delay or other inability of a Party to timely perform hereunder due to a restriction imposed under the applicable credit agreement or any collateral document in connection therewith will not constitute a breach hereunder.

(c) Notwithstanding any permitted assignment or subletting, except for an assignment or subletting in accordance with (b)(ii) above, CRNF will at all times remain directly, primarily and fully responsible and liable for the payment of the Fees and any other amounts

herein specified and for compliance with all of its other obligations under the terms and provisions of this Agreement.

26. Successors. The provisions, covenants and conditions of this Agreement will bind and inure to the benefit of the legal representatives, heirs successors and permitted assigns of each of the Parties hereto, except that no assignment or subletting by CRNF without the written consent of CRT or as otherwise permitted by the terms of this Agreement will vest any rights in the assignee or subtenant of CRNF. If CRT transfers its interest in the Premises during the Term, then CRT will assign to the transferee, and the transferee will assume, this Agreement and CRT's obligations hereunder, subject to the prior written consent of CRNF, which consent will not be unreasonably withheld, conditioned or delayed. If CRT transfers its interest in the Premises notwithstanding CRNF's withholding of its consent, then CRT will remain liable to CRNF with respect to each and every obligation of CRT hereunder to the extent not performed by the transferee.

27. Quiet Possession. CRT agrees, so long as CRNF fully complies with all of the terms, covenants and conditions herein contained on CRNF's part to be kept and performed, CRNF will and may peaceably and quietly have, hold and enjoy the Premises for the Term, it being expressly understood and agreed that this covenant of quiet enjoyment will be binding upon CRT, its heirs, successors or assigns. CRT and CRNF further covenant and represent that each has full right, title, power and authority to make, execute and deliver this Agreement.

28. Bankruptcy. Neither this Agreement nor any interest therein nor any estate hereby created will pass to any trustee or receiver in bankruptcy or to any other receiver or assignee for the benefit of creditors by operation of law or otherwise during the Term.

29. Force Majeure. Neither Party will be liable to the other for failure of or delay in performance hereunder (except for the payment of money) to the extent that the failure or delay is due to: war (whether declared or undeclared); fire, flood, lightning, earthquake, storm, tornado, or any other act of God; strikes, lockouts or other labor difficulties; unplanned plant outages; civil disturbances, riot, sabotage, terrorist act, accident, any official order or directive, including with respect to condemnation, or industry-wide requirement by any governmental authority or instrumentality thereof, which, in the reasonable judgment of the Party affected, interferes with such Party's performance under this Agreement; any inability to secure necessary materials and/or services, including, but not limited to, inability to secure materials and/or services by reason of allocations promulgated by governmental agencies; or any other contingency beyond the reasonable control of the affected Party, which interferes with such Party's performance under this Agreement ("***Force Majeure***"). Performance under this Agreement will be suspended (except for the payment of money then due or to become due) during the period of Force Majeure to the extent made necessary by the Force Majeure. No failure of or delay in performance pursuant to this Section will operate to extend the Term of this Agreement. Performance under this Agreement will resume to the extent made possible by the end or amelioration of the Force Majeure event.

Upon the occurrence of any event of Force Majeure, the Party claiming Force Majeure will notify the other Party promptly in writing of such event and, to the extent possible, inform the other Party of the expected duration of the Force Majeure event and the performance to be

affected by the event of Force Majeure under this Agreement. Each Party will designate a person with the power to represent such Party with respect to the event of Force Majeure. The Party claiming Force Majeure will use commercially reasonable efforts, in cooperation with the other Party and such Party's designee, to diligently and expeditiously end or ameliorate the Force Majeure event. In this regard, the Parties will confer and cooperate with one another in determining the most cost-effective and appropriate action to be taken. If the Parties are unable to agree upon such determination, the matter will be determined by dispute resolution in accordance with Section 30.

30. Dispute. The Parties will in good faith attempt to resolve promptly and amicably any dispute between the Parties arising out of or relating to this Agreement (each a "***Dispute***") pursuant to this Section. The Parties will first submit the Dispute to the supervisor of the UAN Terminal or such other person as is designated in writing by CRT (the "***CRT Representative***") and the plant manager of CRNF or such other person as is designated in writing by CRNF (the "***CRNF Representative***"), who will then meet within 15 days to resolve the Dispute. If the Dispute has not been resolved within 45 days after the submission of the Dispute to the CRT Representative and the CRNF Representative, the Dispute will be submitted to a mutually agreed non-binding mediation. The costs and expenses of the mediator will be borne equally by the Parties, and the Parties will pay their own respective attorneys' fees and other costs. If the Dispute is not resolved by mediation within 90 days after the Dispute is first submitted to the CRT Representative and the CRNF Representative as provided above, then the Parties may exercise all available remedies.

31. Notices. Any notice, request, correspondence, information, consent or other communication to any of the Parties required or permitted under this Agreement will be in writing (including facsimile), will be given by personal service or by facsimile, overnight courier service, or certified mail with postage prepaid, return receipt requested, and properly addressed to such Party and will be effective upon receipt. For purposes hereof the proper address of the Parties will be the address stated beneath the corresponding Party's name below, or at the most recent address given to the other Parties hereto by notice in accordance with this Section:

If to CRT, to:

Coffeyville Resources
Terminal, LLC
2277 Plaza Drive, Suite 500
Sugar Land, Texas 77479
Attention: Executive Vice President,
Refining Operations
Facsimile: (281) 207-3575

With a copy to:

Edmund S. Gross,
Senior Vice President and General Counsel
CVR Energy, Inc.
10 E. Cambridge Circle, Ste. 250
Kansas City, Kansas 66103
Facsimile: (913) 982-5651

If to CRNF, to:

Coffeyville Resources
Nitrogen Fertilizers, LLC
2277 Plaza Drive, Suite 500
Sugar Land, Texas 77479
Attention: Chief Executive Officer
Facsimile: (281) 207-3403

With a copy to:

Edmund S. Gross,
Senior Vice President and General Counsel
CVR Energy, Inc.
10 E. Cambridge Circle, Ste. 250
Kansas City, Kansas 66103
Facsimile: (913) 982-5651

or such other address(es) as either Party designates by registered or certified mail addressed to the other Party.

32. Estoppel Certificates. CRNF will at any time upon not less than 10 days prior written notice from CRT execute, acknowledge and deliver to CRT or to any lender of or purchaser from CRT a statement in writing certifying that this Agreement is unmodified and in full force and effect (or if modified stating the nature of such modification) and the date to which the Fees and other charges are paid in advance, if any, and acknowledging that there are not, to CRNF's knowledge, any uncured defaults on the part of CRT or specifying such defaults if any are claimed. Any such statement may be conclusively relied upon by any prospective purchaser or encumbrancer of the Premises.

33. Waiver. The rights and remedies of CRT and CRNF under this Agreement, as well as those provided or accorded by law, are cumulative, and not exclusive of any other rights or remedies hereunder or allowed by law. A waiver by CRT or CRNF of any breach or breaches, default or defaults of the other Party hereunder will not be deemed or construed to be a continuing waiver of such breach or default nor as a waiver of or permission, expressed or implied, for any subsequent breach or default, and it is agreed that the acceptance by CRT of any Fees or other amounts due hereunder subsequent to the date the same should have been paid hereunder, will in no manner alter or affect the covenant and obligation of CRNF to pay any subsequent amounts promptly upon the due date thereof. No receipt of money by CRT after the termination of this Agreement will in any way reinstate, continue or extend the Term.

34. Governing Law and Venue. THIS LEASE WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF KANSAS WITHOUT REGARD TO THE CONFLICT OF LAWS PRINCIPLES OF SAID STATE. THE PARTIES AGREE THAT ANY ACTION BROUGHT IN CONNECTION WITH THIS LEASE MAY BE MAINTAINED IN ANY COURT OF COMPETENT JURISDICTION LOCATED IN THE STATE OF KANSAS, AND EACH PARTY AGREES TO SUBMIT PERSONALLY TO THE JURISDICTION OF ANY SUCH COURT AND HEREBY WAIVES THE DEFENSES OF FORUM NON-CONVENIENS OR IMPROPER VENUE WITH RESPECT TO ANY ACTION BROUGHT IN ANY SUCH COURT IN CONNECTION WITH THIS LEASE.

35. Headings. The headings used in this Agreement are for convenience only and will not constitute a part of this Agreement.

36. Amendments. This Agreement may not be amended, modified or waived except by a writing signed by all Parties to this Agreement that specifically references this Agreement and specifically provides for an amendment, modification or waiver of this Agreement.

37. Construction and Severability. Every covenant, term and provision of this Agreement will be construed simply according to its fair meaning and in accordance with industry standards and not strictly for or against either Party. Every provision of this Agreement is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity will not affect the validity or legality of the remainder of this Agreement.

38. Third-Party Beneficiaries. Except as expressly provided herein, none of the provisions of this Agreement are intended for the benefit of any person except the Parties and their respective successors and permitted assigns.

39. Entire Agreement. This Agreement, including all Exhibits hereto, constitutes the entire, integrated agreement between the Parties regarding the subject matter hereof and supersedes any and all prior and contemporaneous agreements, representations and understandings of the Parties, whether written or oral, regarding the subject matter hereof.

40. Multiple Counterparts. This Agreement may be executed in multiple counterparts (including by facsimile or electronic transmission), each of which will be deemed to be an original, but all of which together will constitute one and the same instrument.

41. Memorandum. The Parties agree to execute, acknowledge and deliver to the others a memorandum of lease and operating agreement (or an amendment thereto) reasonably approved by all, which the Parties may subsequently record in the Register of Deeds office for Phillips County, Kansas.

[signature page follows]

Signature Page
To
Lease and Operating Agreement

The Parties have caused this Agreement to be executed as of the date first above written.

COFFEYVILLE RESOURCES TERMINAL, LLC

By: /s/ Robert W. Haugen
Name: Robert W. Haugen
Title: Executive Vice President, Refining Operations

COFFEYVILLE RESOURCES NITROGEN FERTILIZERS, LLC

By: /s/ Byron R. Kelley
Name: Byron R. Kelley
Title: Chief Executive Officer and President

EXHIBIT A

Premises

(see attached)

Exhibit 10.5

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding ("***Memorandum***") is made and entered into as of May 4, 2012 between Coffeyville Resources Refining & Marketing, LLC, a Delaware limited liability company ("***Refinery Company***"), and Coffeyville Resources Nitrogen Fertilizers, LLC, a Delaware limited liability company ("***Fertilizer Company***"), each a "***Party***" and collectively the "***Parties***".

A. Refinery Company is the owner of certain vacant real property located in the City of Coffeyville, Montgomery County, Kansas (such vacant property, the "***Refinery Property***") and adjacent to the refinery owned and operated by Refinery Company (the "***Refinery***"). Fertilizer Company is the owner of certain vacant real property located in the City of Coffeyville, Montgomery County, Kansas (such vacant property, the "***Fertilizer Property***") and adjacent to the fertilizer plant owned and operated by Fertilizer Company (the "***Fertilizer Plant***").

B. The Parties have been cooperating to enable Fertilizer Company to develop a rail yard on certain property located to the west of the Refinery and Fertilizer Plant, which property is legally described on Exhibit A and generally depicted on the map attached as Exhibit B (such property, the "***Rail Yard Property***"). All or substantially all of the Rail Yard Property is included within the Refinery Property.

C. Refinery Company desires to convey to Fertilizer Company all of the Refinery Property included within the Rail Yard Property (such property, the "***Refinery Exchange Property***"), and in exchange, Fertilizer Company desires to convey to Refinery Company a portion of the Fertilizer Property comparable in size and value to the Refinery Exchange Property, as mutually agreed upon by the Parties (such property, the "***Fertilizer Exchange Property***").

D. The exchange of the Refinery Exchange Property for the Fertilizer Exchange Property is referred to as the "***Exchange***". The Parties desire to set forth the terms of the Exchange in this Memorandum.

The Parties, intending to be legally bound, hereby agree as follows:

1. Exchange of Property. On or before February 1, 2013, as mutually agreed upon by the Parties (the "***Exchange Date***"):

(a) Refinery Company will convey the Refinery Exchange Property to Fertilizer Company by special warranty deed, or such other instrument that is customary in Montgomery County, Kansas to convey fee simple title to real property and is agreed to by the Parties, free and clear of all liens and encumbrances, except for such liens and encumbrances that would be shown on a commitment for title insurance or an accurate survey of the Refinery Exchange Property and, if such commitment or survey are prepared, are approved by Fertilizer Company, such approval not to be unreasonably withheld or delayed; and

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(b) Fertilizer Company will convey the Fertilizer Exchange Property to Refinery Company by special warranty deed, or such other instrument that is customary in Montgomery County, Kansas to convey fee simple title to real property and is agreed to by the Parties, free and clear of all liens and encumbrances, except for such liens and encumbrances that would be shown on a commitment for title insurance or an accurate survey of the Fertilizer Exchange Property and, if such commitment or survey are prepared, are approved by Refinery Company, such approval not to be unreasonably withheld or delayed.

Notwithstanding the foregoing, Refinery Company will remove or cause to removed with respect to the Refinery Exchange Property, and Fertilizer Company will remove or cause to be removed with respect to the Fertilizer Exchange Property, any liens or encumbrances affecting their respective property that can be removed by payment of money (e.g., mortgages, deeds of trust, tax liens, mechanic's liens, etc.).

2. Payment of Cash. If the Exchange does not occur on or before the Exchange Date, the Parties will cause the Refinery Exchange Property to be appraised by an independent appraiser mutually acceptable to the Parties. The appraiser will be instructed to render an opinion as to the fair market value of the Refinery Exchange Property (the "***Valuation Amount***"), and such opinion will be binding on the Parties. Fertilizer Company will pay the Valuation Amount in cash to Refinery Company (the "***Cash Payment***") within 30 days of receiving the appraiser's report (the "***Payment Date***"). Upon making the Cash Payment, Fertilizer Company will have no further obligation to convey the Fertilizer Exchange Property to Refinery Company.

3. Acknowledgement of Value. The Parties acknowledge and agree that there is certain tangible and intangible value to be derived by each Party as a result of the exchanges described in this Memorandum, and each Party agrees that it has taken such value into account in assessing the consideration to be received by it in connection with the transactions described in this Memorandum.

4. Additional Action and Documentation. The Parties agree to take such further action and execute and deliver such further documentation as may be necessary and commercially reasonable to perform the transactions described in this Memorandum.

5. Counterparts. This Memorandum and other documents to be delivered pursuant to this Memorandum may be executed in one or more counterparts, each of which will be deemed to be an original copy and all of which, when taken together, will be deemed to constitute one and the same agreement or document, and will be effective when counterparts have been signed by each of the Parties and delivered to the other Parties. A manual signature, an image of which has been transmitted electronically, will constitute an original signature for all purposes. The delivery of copies of this Memorandum or other documents to be delivered pursuant to this Memorandum, including executed signature pages where required, by electronic transmission will constitute effective delivery of this Memorandum or such other document for all purposes.

[signatures on following page]

The Parties have executed and delivered this Memorandum as of the date first set forth above.

COFFEYVILLE RESOURCES REFINING & MARKETING, LLC

By: /s/ Robert W. Haugen
Name: Robert W. Haugen
Title: EVP, Refining Operations

COFFEYVILLE RESOURCES NITROGEN FERTILIZERS, LLC

By: /s/ Byron R. Kelley
Name: Byron R. Kelley
Title: Chief Executive Officer

EXHIBIT A

Rail Yard Property

Lots 1 through 16, Block 2, Sterling Addition to the City of Coffeyville;

Lots 1 through 16, Block 3, Sterling Addition to the City of Coffeyville;

Lots 1 through 8, Block B, Upham's Pottery Addition to the City of Coffeyville;

Lots 1 through 5, Block C, Upham's Pottery Addition to the City of Coffeyville;

Lots 1 through 4, Block D, Upham's Pottery Addition to the City of Coffeyville;

Lots 1 through 8, Block 4, Sterling Addition to the City of Coffeyville;

Lots 1 through 8, Block 11, River View Place Addition to the City of Coffeyville;

Lots 1 through 6, Block 12, River View Place Addition to the City of Coffeyville;

Lots 4 through 6, Block 3, Zeller's Addition to the City of Coffeyville;

Lots 1 through 16, Block 8, River View Place Addition to the City of Coffeyville;

Lots 1 through 16, Block 5, River View Place Addition to the City of Coffeyville;

Lots 1 through 8, Block 2, River View Place Addition to the City of Coffeyville;

Lots 1 through 5, Block 1, River View Place Addition to the City of Coffeyville;

Lots 1 through 12, Hill's Addition to the City of Coffeyville;

Block 4, Montgomery's Addition to the City of Coffeyville;

Lot 5, Block C, Upham's Pottery Addition to the City of Coffeyville, EXCEPT the West 50' thereof; and ALSO beginning at the Southeast corner of said Lot 5, thence East 150' m/l to the West line of the ROW of the M.K. & T. Railway, thence in a Northeast direction along the West said ROW 300', thence West 150' m/l to the Northeast corner of Lot 1, Block C, Upham's Pottery Addition, thence Southwest parallel to the West line of said ROW 300' to POB; and ALSO beginning at the Southwest corner of Lot 5, Block C, thence South 25', thence East to the West line of said M.K.& T. Railway ROW, thence Northeast along the West line of said ROW to the Southeast corner of 2nd description herein, thence West to the POB, all in Montgomery County, Kansas;

Block E, Upham's Pottery Addition;

Tract A, Commencing at a point 315.25' West of the West line of the Southern Kansas Railroad, now A.T.& Santa Fe Railroad, thence South 112', thence East 50', thence North 112', thence West 50' the same being the West most Lot in a tract of land described as follows: Commencing on the West line of the Atchison, Topeka and Santa Fe Railroad, formerly the Southern Kansas Railroad property, 1257.5' North of the North line of highway along the South side of the East ½ of the Northwest ¼ of S 36, T 34, R 16, thence West 315.25', thence South 112', thence East 289.25' to the West line of ROW, North along rail line to POB, Montgomery County, Kansas;

Tract B, A tract of land located in a portion of the East ½ of the Northwest ¼ of S 36, T 34S, R 16, East of the 6th P.M., Montgomery County, Kansas said tract being more particularly described as follows: Commencing at the Southeast corner of Lot 1, Block D, Upham's Pottery Addition, City of Coffeyville, thence North 90°00'00"East along the North line of Lot 1, Block E, said Upham's Pottery Addition a distance of 50' to the POB, thence continuing North

90°00’00”East along said North line a distance of 50’, thence North 0°27’30”West a distance of 126.14’, thence South 90°00’00”West a distance of 50’, thence South 00°27’30”East a distance of 126.14’ to the POB, Montgomery County, Kansas; and

Tract C, Beginning at a point 165.25’ West of a point on the West line of the A.T. & S.F. Railroad ROW, 1257.7’ North of the North line of the highway along the South side of the East ½ of the Northwest ¼ of S 36, T 34S, R 16 East of the 6th P.M., running thence South 112’, thence West 50’, thence North 112’, thence East 50’ to the POB, All in Montgomery County, Kansas,

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EXHIBIT B

Map

(see attached)

QuickLinks -- Click here to rapidly navigate through this document

Exhibit 31.1

Certification by Chief Executive Officer Pursuant to
Rule 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934,
As Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, John J. Lipinski, certify that:

1. I have reviewed this Report on Form 10-Q of CVR Energy, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ JOHN J. LIPINSKI

John J. Lipinski
Chief Executive Officer

Date: August 2, 2012

QuickLinks

Exhibit 31.1

Exhibit 31.2

**Certification of Chief Financial Officer Pursuant to
Rule 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934,
As Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Frank A. Pici, certify that:

1. I have reviewed this Report on Form 10-Q of CVR Energy, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ FRANK A. PICI

Frank A. Pici
Chief Financial Officer

Date: August 2, 2012

QuickLinks

Exhibit 31.2

Exhibit 32.1

**Certification of the Company's Chief Executive Officer
Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the filing of the Quarterly Report of CVR Energy, Inc., a Delaware corporation (the "Company") on Form 10-Q for the fiscal quarter ended June 30, 2012, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John J. Lipinski, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge and belief:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods expressed in the Report.

By: /s/ JOHN J. LIPINSKI

John J. Lipinski
Chief Executive Officer

Dated: August 2, 2012

QuickLinks

Exhibit 32.1

Exhibit 32.2

Certification of the Company's Chief Financial Officer
Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the filing of the Quarterly Report of CVR Energy, Inc., a Delaware corporation (the "Company") on Form 10-Q for the fiscal quarter ended June 30, 2012, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Frank A. Pici, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge and belief:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods expressed in the Report.

By: /s/ FRANK A. PICI

Frank A. Pici
Chief Financial Officer

Dated: August 2, 2012