

**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 September 30, 2012

OR

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

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

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

Non-accelerated filer
(Do not check if smaller reporting company.)

Smaller reporting company

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

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

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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, reformat 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 owned 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

	September 30, 2012	December 31, 2011
	(unaudited)	
	(in thousands, except share data)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 988,197	\$ 388,328
Accounts receivable, net of allowance for doubtful accounts of \$1,858 and \$1,282, respectively	280,620	182,619
Inventories	524,359	636,221
Prepaid expenses and other current assets	32,517	117,509
Insurance receivable	1,233	1,939
Deferred income taxes	36,880	—
Income tax receivable	2,011	30,167
Total current assets	1,865,817	1,356,783
Property, plant, and equipment, net of accumulated depreciation	1,722,019	1,672,961
Intangible assets, net	291	312
Goodwill	40,969	40,969
Deferred financing costs, net	15,487	20,319
Insurance receivable	4,076	4,076
Other long-term assets	3,718	23,871
Total assets	<u>\$ 3,652,377</u>	<u>\$ 3,119,291</u>
LIABILITIES AND EQUITY		
Current liabilities:		
Note payable and capital lease obligations	\$ 1,127	\$ 9,880
Accounts payable	425,632	466,559
Personnel accruals	49,614	20,849
Accrued taxes other than income taxes	31,890	35,147
Income taxes payable	14,999	2,400
Due to parent	44,455	—
Deferred income taxes	—	9,271
Deferred revenue	10,373	9,026
Other current liabilities	149,985	34,427
Total current liabilities	728,075	587,559
Long-term liabilities:		
Long-term debt and capital lease obligations, net of current portion	850,937	853,903
Accrued environmental liabilities, net of current portion	1,331	1,459
Deferred income taxes	408,943	357,473
Other long-term liabilities	36,979	19,194
Total long-term liabilities	1,298,190	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 September 30, 2012 and December 31, 2011, respectively	869	869
Additional paid-in-capital	582,534	587,199
Retained earnings	905,283	566,855
Treasury stock, 98,610 shares as of September 30, 2012 and December 31, 2011, at cost	(2,303)	(2,303)
Accumulated other comprehensive loss, net of tax	(1,266)	(1,008)
Total CVR stockholders' equity	1,485,117	1,151,612
Noncontrolling interest	140,995	148,091
Total equity	1,626,112	1,299,703
Total liabilities and equity	<u>\$ 3,652,377</u>	<u>\$ 3,119,291</u>

See accompanying notes to the condensed consolidated financial statements.

CVR ENERGY, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
	(unaudited) (in thousands, except share data)			
Net sales	\$ 2,409,624	\$ 1,351,964	\$ 6,686,573	\$ 3,966,945
Operating costs and expenses:				
Cost of product sold (exclusive of depreciation and amortization)	1,702,452	1,026,040	5,211,817	3,086,237
Direct operating expenses (exclusive of depreciation and amortization)	109,929	74,615	319,542	209,256
Insurance recovery—business interruption	—	(490)	—	(3,360)
Selling, general and administrative expenses (exclusive of depreciation and amortization)	30,390	17,584	147,779	69,017
Depreciation and amortization	33,109	22,025	97,411	66,079
Total operating costs and expenses	1,875,880	1,139,774	5,776,549	3,427,229
Operating income	533,744	212,190	910,024	539,716
Other income (expense):				
Interest expense and other financing costs	(18,962)	(13,757)	(57,189)	(41,152)
Interest income	292	93	515	578
Realized gain (loss) on derivatives, net	(53,271)	66	(80,426)	(18,298)
Unrealized loss on derivatives, net	(115,699)	(9,991)	(196,980)	(6,801)
Loss on extinguishment of debt	—	—	—	(2,078)
Other income, net	(32)	243	794	720
Total other income (expense)	(187,672)	(23,346)	(333,286)	(67,031)
Income before income taxes	346,072	188,844	576,738	472,685
Income tax expense	127,618	68,603	208,971	172,460
Net income	218,454	120,241	367,767	300,225
Less: Net income attributable to noncontrolling interest	9,558	10,976	29,339	20,307
Net income attributable to CVR Energy stockholders	\$ 208,896	\$ 109,265	\$ 338,428	\$ 279,918
Basic earnings per share	\$ 2.41	\$ 1.26	\$ 3.90	\$ 3.24
Diluted earnings per share	\$ 2.41	\$ 1.25	\$ 3.86	\$ 3.19
Weighted-average common shares outstanding:				
Basic	86,831,050	86,549,846	86,820,181	86,462,668
Diluted	86,831,050	87,743,600	87,580,588	87,772,169

See accompanying notes to the condensed consolidated financial statements.

CVR ENERGY, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
	(unaudited) (in thousands)			
Net income	\$ 218,454	\$ 120,241	\$ 367,767	\$ 300,225
Other comprehensive income (loss):				
Unrealized gain (loss) on available-for-sale securities, net of tax of \$1, \$0, \$1 and \$(2)	5	(1)	7	(2)
Change in fair value of interest rate swap, net of tax of \$(103), \$(703), \$(367) and \$(703)	(268)	(1,849)	(965)	(1,849)
Reclass of gain/loss to income on settlement of interest rate swap, net of tax of \$66, \$39, \$194 and \$39	174	104	511	104
Total other comprehensive income (loss)	(89)	(1,746)	(447)	(1,747)
Comprehensive income	218,365	118,495	367,320	298,478
Less: Comprehensive income attributable to noncontrolling interest	9,519	10,247	29,150	19,578
Comprehensive income attributable to CVR stockholders	\$ 208,846	\$ 108,248	\$ 338,170	\$ 278,900

See accompanying notes to condensed consolidated financial statements.

CVR ENERGY, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Common Stockholders						Total CVR Stockholders' Equity	Noncontrolling Interest	Total Equity
	Shares Issued	\$0.01 Par Value Common Stock	Additional Paid-In Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income (loss)			
(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	—	—	—	—	—	—	—	(37,839)	(37,839)
Share-based compensation	—	—	4,976	—	—	—	4,976	1,593	6,569
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	—	—	(118)	—	—	—	(118)	—	(118)
Net income	—	—	—	338,428	—	—	338,428	29,339	367,767
Net unrealized gain on available-for-sale securities, net of tax	—	—	—	—	—	7	7	—	7
Net loss on interest rate swaps, net of tax	—	—	—	—	—	(265)	(265)	(189)	(454)
Balance at September 30, 2012	<u>86,929,660</u>	<u>\$ 869</u>	<u>\$ 582,534</u>	<u>\$ 905,283</u>	<u>\$ (2,303)</u>	<u>\$ (1,266)</u>	<u>\$ 1,485,117</u>	<u>\$ 140,995</u>	<u>\$ 1,626,112</u>

See accompanying notes to condensed consolidated financial statements.

CVR ENERGY, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine Months Ended September 30,	
	2012	2011
	(unaudited) (in thousands)	
Cash flows from operating activities:		
Net income	\$ 367,767	\$ 300,225
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	97,411	66,079
Allowance for doubtful accounts	575	190
Amortization of deferred financing costs	5,862	3,277
Amortization of original issue discount	410	382
Amortization of original issue premium	(2,573)	—
Deferred income taxes	13,816	40,920
Excess tax benefit from share-based compensation	(12)	(1,475)
Loss on disposition of assets	1,070	2,234
Loss on extinguishment of debt	—	2,078
Share-based compensation	28,469	23,636
Unrealized loss on derivatives, net	196,980	6,801
Changes in assets and liabilities:		
Accounts receivable	(98,031)	(3,391)
Inventories	111,862	(61,757)
Prepaid expenses and other current assets	13,700	(17,590)
Insurance receivable	(810)	(12,325)
Business interruption insurance proceeds	—	3,360
Insurance proceeds for Refinery incident	490	4,000
Other long-term assets	835	(1,116)
Accounts payable	(42,800)	10,822
Due to parent	44,455	—
Accrued income taxes	40,755	(17,323)
Deferred revenue	1,347	1,880
Other current liabilities	2,344	(531)
Accrued environmental liabilities	(128)	(952)
Other long-term liabilities	8	(3,506)
Net cash provided by operating activities	<u>783,802</u>	<u>345,918</u>
Cash flows from investing activities:		
Capital expenditures	(145,053)	(46,631)
Proceeds from sale of assets	421	37
Insurance proceeds for UAN reactor rupture	1,026	2,745
Net cash used in investing activities	<u>(143,606)</u>	<u>(43,849)</u>
Cash flows from financing activities:		
Principal payments on long-term debt	(149)	(2,700)
Payment of capital lease obligations	(630)	(4,876)
Payment of financing costs	(2,016)	(10,695)
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	—	324,880
Payment of treasury stock	—	(1,757)
Exercise of stock options	413	—
Redemption of common units	(118)	—
Excess tax benefit of share-based compensation	12	1,475
Distribution to CVR Partners' noncontrolling interest holders	(37,839)	(8,988)
Net cash (used in) provided by financing activities	<u>(40,327)</u>	<u>396,338</u>
Net cash increase in cash and cash equivalents	599,869	698,407
Cash and cash equivalents, beginning of period	388,328	200,049
Cash and cash equivalents, end of period	<u>\$ 988,197</u>	<u>\$ 898,456</u>
Supplemental disclosures		
Cash paid for income taxes, net of refunds	\$ 109,939	\$ 152,117
Cash paid for interest net of capitalized interest of \$7,134 and \$2,493 in 2012 and 2011, respectively	\$ 37,238	\$ 25,180
Non-cash investing and financing activities:		
Accrual of construction in progress additions	\$ 1,873	\$ 19,511

See accompanying notes to the condensed consolidated financial statements.

CVR ENERGY, INC. AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

September 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 September 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 CVR's 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). 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 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

CVR ENERGY, INC. AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

September 30, 2012

(unaudited)

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

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 September 30, 2012, the Partnership had 73,046,498 common units outstanding, consisting of 22,126,498 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 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

CVR ENERGY, INC. AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

September 30, 2012

(unaudited)

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

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 August 29, 2012, the Partnership's registration statement on Form S-3 (initially filed on August 17, 2012), was declared effective by the Securities and Exchange Commission ("SEC") enabling CRLLC to offer and sell from time to time, in one or more public offerings or direct placements, up to 50,920,000 common units.

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 SEC. The condensed consolidated financial statements include the accounts of CVR and its majority-owned direct and indirect subsidiaries including the Partnership and its subsidiary. 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.

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 66²/₃% 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.

CVR ENERGY, INC. AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

September 30, 2012

(unaudited)

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

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 September 30, 2012 and December 31, 2011, the results of operations and comprehensive income for the three and nine months ended September 30, 2012 and 2011, changes in equity for the nine months ended September 30, 2012 and cash flows for the nine months ended September 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. Certain prior year amounts have been reclassified to conform to current year presentation.

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. See Note 20 ("Subsequent Events").

(2) Recent Accounting Pronouncements

In May 2011, the Financial Accounting Standards Board ("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 changed 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 expanded the disclosures for fair value measurements that are estimated using significant unobservable (Level 3) inputs. This new guidance was 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 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 this

CVR ENERGY, INC. AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

September 30, 2012

(unaudited)

(2) Recent Accounting Pronouncements (Continued)

standard 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 its 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. On May 7, 2012, the IEP Parties announced that a majority of CVR's common stock had been acquired through the Offer. As a result of the shares tendered into the Offer and subsequent additional purchases, the IEP Parties owned approximately 82% of CVR's outstanding common stock at September 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 fair market value as determined at the most recent valuation date of December 31 of each year. 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

CVR ENERGY, INC. AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

September 30, 2012

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(4) Wynnewood Acquisition (Continued)

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 and 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 nine months ended September 30, 2012, the Company incurred approximately \$2.0 million and \$10.3 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.

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.

CVR ENERGY, INC. AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

September 30, 2012

(unaudited)

(5) Share-Based Compensation (Continued)

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.

<u>Award Type</u>	<u>Benchmark Value (per Unit)</u>	<u>Original Awards Issued</u>	<u>Grant Date</u>	<u>Compensation Expense for the Nine Months Ended September 30, 2011 (in thousands)</u>
Override Value Units	\$ 11.31	1,839,265	June 2005	\$ 4,960
Override Value Units	\$ 34.72	144,966	December 2006	451
Override Units	\$ 10.00	642,219	February 2008	184
			Total	\$ 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 of all proceeds to CALLC III, there was no associated unrecognized compensation expense as of September 30, 2012.

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 have 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

CVR ENERGY, INC. AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

September 30, 2012

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(5) Share-Based Compensation (Continued)

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 September 30, 2012. There was no compensation expense for the three months ended September 30, 2012 and 2011 related to the Phantom Unit Plans. Compensation expense for the nine months ended September 30, 2012 and 2011 related to the Phantom Unit Plans was approximately \$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 September 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 third quarter 2012.

Restricted Stock and Restricted Stock Units

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

	Shares	Weighted-Average Grant-Date Fair Value
Non-vested at January 1, 2012	1,634,154	\$ 14.61
Granted	50,837	22.52
Vested	(268,012)	8.38
Forfeited	(62,040)	16.68
Non-vested at September 30, 2012	<u>1,354,939</u>	<u>\$ 16.05</u>

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

CVR ENERGY, INC. AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

September 30, 2012

(unaudited)

(5) Share-Based Compensation (Continued)

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 fair market value as determined at the most recent valuation date of December 31 of each year. 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 September 30, 2012, there was approximately \$17.0 million of total unrecognized compensation cost related to restricted shares to be recognized over a weighted-average period of approximately two years. Compensation expense for the three months ended September 30, 2012 and 2011 related to the restricted shares and stock options was approximately \$6.0 million and \$2.0 million, respectively. Compensation expense recorded for the nine months ended September 30, 2012 and 2011 related to the restricted shares and stock options was approximately \$26.8 million and \$6.7 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 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 September 30, 2012, there was approximately \$1.7 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 September 30, 2012 and 2011 related to the units was approximately \$0.5 million and \$0.5 million, respectively. Compensation expense recorded for the nine months ended September 30, 2012 and 2011 related to the units was approximately \$1.6 million and \$0.8 million, respectively.

CVR ENERGY, INC. AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

September 30, 2012

(unaudited)

(5) Share-Based Compensation (Continued)

A summary of the CVR Partners LTIP activity during the nine months ended September 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	(21,159)	20.09
Forfeited	—	—
Non-vested at September 30, 2012	<u>143,412</u>	<u>\$ 23.42</u>

(6) Inventories

Inventories consisted of the following:

	September 30, 2012	December 31, 2011
	(in thousands)	
Finished goods	\$ 263,571	\$ 323,315
Raw materials and precious metals	177,615	157,931
In-process inventories	36,450	115,372
Parts and supplies	46,723	39,603
	<u>\$ 524,359</u>	<u>\$ 636,221</u>

CVR ENERGY, INC. AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

September 30, 2012

(unaudited)

(7) Property, Plant, and Equipment

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

	September 30, 2012	December 31, 2011
	(in thousands)	
Land and improvements	\$ 28,520	\$ 26,136
Buildings	38,824	37,289
Machinery and equipment	2,018,529	1,967,269
Automotive equipment	12,441	10,217
Furniture and fixtures	13,365	12,349
Leasehold improvements	2,469	1,445
Railcars	2,496	2,496
Construction in progress	177,858	94,085
	<u>2,294,502</u>	<u>2,151,286</u>
Accumulated depreciation	572,483	478,325
	<u>\$ 1,722,019</u>	<u>\$ 1,672,961</u>

Capitalized interest recognized as a reduction in interest expense for the three months ended September 30, 2012 and 2011 totaled approximately \$2.8 million and \$1.6 million. Capitalized interest recognized as a reduction in interest expense for the nine months ended September 30, 2012 and 2011 totaled approximately \$7.1 million and \$2.5 million. Land, buildings 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 September 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 \$1.0 million and \$0.6 million for the three months ended September 30, 2012 and 2011, respectively. For the nine months ended September 30, 2012 and 2011, cost of product sold excludes depreciation and amortization of approximately \$2.6 million and \$1.9 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 \$31.6 million and \$21.0 million for the three months ended September 30, 2012 and 2011, respectively. For the nine months ended September 30, 2012 and 2011, direct operating expenses exclude depreciation and amortization of approximately \$93.1 million and \$62.8 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

CVR ENERGY, INC. AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

September 30, 2012

(unaudited)

(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 \$0.5 million and \$0.4 million for the three months ended September 30, 2012 and 2011, respectively. For the nine months ended September 30, 2012 and 2011, selling, general and administrative expenses exclude depreciation and amortization of approximately \$1.7 million and \$1.4 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 September 30, 2012 and December 31, 2011, the Company owed \$0 and approximately \$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 204 and 205 months, respectively. As of September 30, 2012, the outstanding obligation associated with these arrangements totaled approximately \$52.5 million. See Note 13 ("Long-Term Debt") for additional information.

(10) Other Current Liabilities

Other current liabilities were as follows:

	September 30, 2012	December 31, 2011
	(in thousands)	
Other derivative agreements (realized)	\$ 17,725	\$ —
Other derivative agreements (unrealized)	89,304	—
Accrued interest	34,119	17,867
Partnership interest rate swap	828	905
Other liabilities	8,009	15,655
	<u>\$ 149,985</u>	<u>\$ 34,427</u>

CVR ENERGY, INC. AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

September 30, 2012

(unaudited)

(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. Total costs due to the incident were approximately \$11.5 million for repairs and maintenance and other associated costs, of which approximately \$4.7 million was capitalized. Approximately \$0.1 million and \$0.8 million of these costs were recognized during the nine months ended September 30, 2012 and 2011, respectively, and are included in direct operating expenses (exclusive of depreciation and amortization). Amounts recognized for the three months ended September 30, 2012 and 2011 were not material.

Approximately \$8.0 million of insurance proceeds were received under the property damage insurance claim related to this incident. Approximately \$1.0 million and \$2.5 million of these proceeds were received during the three months ended September 30, 2012 and 2011, respectively. Approximately \$1.0 million and \$2.7 million of these proceeds were received during the nine months ended September 30, 2012 and 2011, respectively. The recording of the insurance proceeds resulted in a reduction of direct operating expenses (exclusive of depreciation and amortization) when received.

Total proceeds received for insurance indemnity under the business interruption insurance related to the incident were approximately \$3.4 million, of which approximately \$0.5 million and \$3.4 million was recorded for the three and nine months ending September 30, 2011, respectively. Business interruption insurance proceeds were included in the Consolidated Statements of Operations, under Insurance Recovery-business interruption.

As of September 30, 2012, all property damage and business interruption claims related to the nitrogen fertilizer incident have been fully settled with all claims closed.

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 September 30, 2012. The insurance receivable is included in other current assets in the Condensed Consolidated Balance Sheet.

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 September 30, 2012, were approximately \$3.2 million. No costs have been recorded in 2012. Approximately \$0.5 million of insurance proceeds were received during the three months ended September 30, 2012.

CVR ENERGY, INC. AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

September 30, 2012

(unaudited)

(11) Insurance Claims (Continued)

As of September 30, 2012, the Company has recorded an insurance receivable of approximately \$0.2 million. During October 2012, the remaining insurance proceeds of \$0.2 million were received and all claims associated with the fire at the CCR have been fully settled and closed. Substantially all costs incurred in excess of the associated \$2.5 million deductible were recovered by insurance.

(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 September 30, 2012, the Company owes approximately \$44.5 million for federal income taxes due to AEPC under the Tax Allocation Agreement, is to be paid during the fourth quarter of 2012. During the quarter ended September 30, 2012, the Company paid \$65.1 million to AEPC under the Tax Allocation Agreement.

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 September 30, 2012, the Company had unrecognized tax benefits of approximately \$26.1 million, of which \$8.0 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 \$0.2 million and penalties of \$0.1 million 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 September 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 nine months ended September 30, 2012 was 36.9% and 36.2%, 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 nine months ended September 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, as well as benefits for domestic production activities. The Company's effective tax rate for the three and nine months ended September 30, 2011 was 36.3% and 36.5%, 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 nine months ended September 30, 2011 was lower than the statutory rate primarily due to the

CVR ENERGY, INC. AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

September 30, 2012

(unaudited)

(12) Income Taxes (Continued)

reduction of income subject 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:

	September 30, 2012	December 31, 2011
	(in thousands)	
9.0% Senior Secured Notes, due 2015, net of unamortized premium of \$6,604(1) and \$9,003(2) as of September 30, 2012 and December 31, 2011, respectively	\$ 453,654	\$ 456,053
10.875% Senior Secured Notes, due 2017, net of unamortized discount of \$1,923 and \$2,159 as of September 30, 2012 and December 31, 2011, respectively	220,827	220,591
CRNF credit facility	125,000	125,000
Capital lease obligations	51,456	52,259
Long-term debt	\$ 850,937	\$ 853,903

- (1) Net unamortized premium of \$6.6 million represents an unamortized discount of \$0.7 million on the original First Lien Notes and an \$7.3 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.

CVR ENERGY, INC. AND SUBSIDIARIES**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)****September 30, 2012****(unaudited)****(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 were scheduled to mature on April 1, 2015, unless earlier redeemed or repurchased by the Issuers. See Note 20 ("Subsequent Events") for further discussion related to the recent tender of a portion of the First Lien Notes. 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 September 30, 2012, the estimated fair value of the First and Second Lien Notes was approximately \$484.3 million and \$247.3 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 September 30, 2012, CRLLC had availability under the ABL credit facility of \$372.8 million and had letters of credit outstanding of approximately \$27.2 million. There were no borrowings outstanding under the ABL credit facility as of September 30, 2012.

CVR ENERGY, INC. AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

September 30, 2012

(unaudited)

(13) Long-Term Debt (Continued)

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.

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 September 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 September 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.

CVR ENERGY, INC. AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

September 30, 2012

(unaudited)

(13) Long-Term Debt (Continued)

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 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 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 September 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.

CVR ENERGY, INC. AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

September 30, 2012

(unaudited)

(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 September 30,		For the Nine Months Ended September 30,	
	2012	2011	2012	2011
	(in thousands, except share data)			
Net income attributable to CVR Energy stockholders	\$ 208,896	\$ 109,265	\$ 338,428	\$ 279,918
Weighted-average number of shares of common stock outstanding	86,831,050	86,549,846	86,820,181	86,462,668
Effect of dilutive securities:				
Non-vested common stock	—	1,188,297	757,480	1,305,096
Stock options	—	5,457	2,927	4,405
Weighted-average number of shares of common stock outstanding assuming dilution	86,831,050	87,743,600	87,580,588	87,772,169
Basic earnings per share	\$ 2.41	\$ 1.26	\$ 3.90	\$ 3.24
Diluted earnings per share	\$ 2.41	\$ 1.25	\$ 3.86	\$ 3.19

All outstanding stock options totaling 22,900 were exercised in May 2012. There were no equity awards outstanding during the three months ended September 30, 2012 as all unvested awards under the LTIP were liability awards. See Note 5 ("Share-Based Compensation").

CVR ENERGY, INC. AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

September 30, 2012

(unaudited)

(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)	
Three months ending December 31, 2012	\$ 2,608	\$ 32,173
Year ending December 31, 2013	9,823	126,693
Year ending December 31, 2014	7,839	113,667
Year ending December 31, 2015	6,344	103,189
Year ending December 31, 2016	5,467	96,637
Thereafter	9,230	460,535
	<u>\$ 41,311</u>	<u>\$ 932,894</u>

- (1) This amount includes approximately \$482.8 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 September 30, 2012 and 2011, lease expense totaled approximately \$1.2 million and \$1.3 million, respectively. For the nine months ended September 30, 2012 and 2011, lease expense totaled approximately \$3.9 million and \$3.8 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.

Crude Oil Supply Agreement

On August 31, 2012, CRRM, an indirect, wholly-owned subsidiary of CVR Energy, and Vitol Inc. ("Vitol"), entered into an Amended and Restated Crude Oil Supply Agreement (the "Vitol Agreement"). The Vitol Agreement amends and restates the Crude Oil Supply Agreement between CRRM and Vitol dated March 30, 2011, as amended (the "Previous Supply Agreement"). The terms of

CVR ENERGY, INC. AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

September 30, 2012

(unaudited)

(15) Commitments and Contingencies (Continued)

the Vitol Agreement provide that CRRM will obtain all of the crude oil for the Company's two oil refineries through Vitol, other than crude oil that CRRM gathers itself in Kansas, Missouri, North Dakota, Oklahoma, Texas, Wyoming and all states adjacent to such states and crude oil that is transported in whole or in part via railcar or truck. Pursuant to the Vitol Agreement, CRRM and Vitol work together to identify crude oil and pricing terms that meet CRRM's crude oil requirements. CRRM and/or Vitol negotiate the cost 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 via the Vitol Agreement passes to CRRM upon delivery to one of the Company's delivery points designated in the Vitol Agreement. CRRM pays Vitol a fixed origination fee per barrel plus the negotiated cost (including logistics costs) of each barrel of crude oil purchased. The Vitol Agreement has an initial term commencing on August 31, 2012 and extending through December 31, 2014 (the "Initial Term"). Following the Initial Term, the Vitol Agreement will automatically renew for successive one-year terms (each such term, a "Renewal Term") unless either party provides the other with notice of nonrenewal at least 180 days prior to expiration of the Initial Term or any Renewal Term. Notwithstanding the foregoing, CRRM has an option to terminate the Vitol Agreement effective December 31, 2013 by providing written notice of termination to Vitol on or before May 1, 2013.

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 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 due to uncertainties inherent in litigation and settlement negotiations. In the opinion of management, the ultimate resolution of any litigation matters is not expected to have a material adverse effect on the Company's results of operation or financial condition. 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

CVR ENERGY, INC. AND SUBSIDIARIES**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)****September 30, 2012****(unaudited)****(15) Commitments and Contingencies (Continued)**

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 September 30, 2012.

On August 10, 2012, Deutsche Bank ("DB") filed suit against CVR in state court in New York, alleging that CVR failed to pay DB approximately \$18.5 million in fees allegedly due to DB by CVR pursuant to an engagement letter dated March 23, 2012, which according to the allegations set forth in the complaint, provided that DB 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 September 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 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 did not agree with the county's classification of its nitrogen fertilizer plant and protested the classification and resulting valuation for each of those years to 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 nine months of 2012. This property tax expense is reflected as a direct operating expense in our financial results. In February 2011, CRNF tried the 2008 case to

CVR ENERGY, INC. AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

September 30, 2012

(unaudited)

(15) Commitments and Contingencies (Continued)

COTA and in January 2012, COTA issued its decision holding that CRNF's fertilizer plant was almost entirely real property instead of almost entirely personal property was appropriate. CRNF disagreed 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 protesting 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 higher 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 ships refined fuels on the Outbound Line and CRRM ships natural gas liquids on the Inbound Line. On April 3, 2012, the parties entered into a Settlement Agreement which resolved the rate dispute both at the KCC and at the U.S. Federal Energy Regulatory Commission ("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 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

CVR ENERGY, INC. AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

September 30, 2012

(unaudited)

(15) Commitments and Contingencies (Continued)

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 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 lawsuit is stayed while the consent decree is finalized.

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.

CVR ENERGY, INC. AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

September 30, 2012

(unaudited)

(15) Commitments and Contingencies (Continued)

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 be held liable for the entire cost of investigating and remediating the release of hazardous substances. Similarly, the 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 September 30, 2012 and December 31, 2011, environmental accruals of approximately \$1.6 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 \$0.3 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 September 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

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(15) Commitments and Contingencies (Continued)

September 30, 2012 and December 31, 2011, respectively. The estimated future payments for these required obligations are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u> <u>(in thousands)</u>
Three months ending December 31, 2012	\$ 147
2013	200
2014	162
2015	162
2016	105
Thereafter	1,055
Undiscounted total	1,831
Less amounts representing interest at 1.59%	193
Accrued environmental liabilities at September 30, 2012	<u>\$ 1,638</u>

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, 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 in control by Icahn Enterprises in 2012, 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 2012, about 9% of all fuel used was required to be "renewable fuel." The EPA has not yet proposed

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(15) Commitments and Contingencies (Continued)

the renewable fuel percentage standards for 2013. 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 or 2013. 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 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.

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. Under

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(15) Commitments and Contingencies (Continued)

the Second Consent Decree, the Company was 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 will 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 U.S. District Court for the District of Kansas 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 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 not expected to be material. In consideration for entering into the Wynnewood Consent Order, WRC received a release from liability from ODEQ for matters described in the ODEQ order. 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 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 has reached an agreement to settle the claims. 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 settlement will be material. The lawsuit is stayed while the parties attempt to finalize and file the 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

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(15) Commitments and Contingencies (Continued)

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 Oklahoma Pollutant Discharge Elimination System 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.

Environmental expenditures are capitalized when such expenditures are expected to result in future economic benefits. For the three months ended September 30, 2012 and 2011, capital expenditures were approximately \$7.7 million and \$1.1 million, respectively, and were incurred to improve the environmental compliance and efficiency of the operations. For the nine months ended September 30, 2012 and 2011, capital expenditures were approximately \$18.7 million and \$3.6 million, respectively, and were incurred to improve the environmental compliance and efficiency of the operations.

CRRM, CRNF, CRCT, WRC and CRT each believe 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.

Wynnewood Refinery Incident

On September 28, 2012, the Wynnewood refinery experienced an explosion in a boiler unit that had been temporarily shut down as part of the turnaround process. Two employees were fatally injured. Damage at the refinery was limited to the boiler; process units and other areas of the facility were unaffected. Additionally, there has been no evidence of environmental impact. The refinery was shut down for turnaround maintenance at the time of the incident. The Company immediately launched an internal investigation of the incident and continues to cooperate with U.S. Occupational Health and Safety Administration ("OSHA") and Oklahoma Department of Labor ("ODL") investigations.

CVR ENERGY, INC. AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

September 30, 2012

(unaudited)

(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 September 30, 2012 and December 31, 2011:

<u>Location and Description</u>	September 30, 2012			<u>Total</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
	(in thousands)			
Cash equivalents	\$ 173,844	\$ —	\$ —	\$ 173,844
Other current assets (marketable securities)	36	—	—	36
Other current assets (other derivative agreements)	—	—	—	—
Other long-term assets (other derivative agreements)	—	—	—	—
Total Assets	<u>\$ 173,880</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 173,880</u>
Other current liabilities (other derivative agreements)	—	(107,028)	—	(107,028)
Other current liabilities (interest rate swap)	—	(828)	—	(828)
Other long-term liabilities (other derivative agreements)	—	(8,733)	—	(8,733)
Other long-term liabilities (interest rate swap)	—	(2,186)	—	(2,186)
Total Liabilities	<u>\$ —</u>	<u>\$ (118,775)</u>	<u>\$ —</u>	<u>\$ (118,775)</u>

CVR ENERGY, INC. AND SUBSIDIARIES

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(16) Fair Value Measurements (Continued)

Location and Description	December 31, 2011			Total
	Level 1	Level 2	Level 3	
	(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 September 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 nine months ended September 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 September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
Realized gain (loss) on derivative agreements	\$ (53,272)	\$ 66	\$ (80,426)	\$ (18,298)
Unrealized (loss) on derivative agreements	(115,699)	(9,991)	(196,980)	(6,801)
Total gain (loss) on derivatives, net	\$ (168,971)	\$ (9,925)	\$ (277,406)	\$ (25,099)

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)****September 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. Dependent 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 September 30, 2012 was a net loss of \$0.1 million included in accrued liabilities. For the three months ended September 30, 2012, the Company recognized a realized loss of \$8.0 million and an unrealized gain of \$0.9 million which is recorded in loss on derivatives, net in the Condensed Consolidated Statement of Operations. For the nine months ended September 30, 2012, the Company recognized a realized loss of \$10.1 million and an unrealized loss of \$0.8 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 September 30, 2012, the Company had open commodity hedging instruments consisting of 26.3 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 September 30, 2012 was a net loss of \$115.6 million which was comprised of \$106.9 million included in current liabilities and \$8.7 million included in long-term liabilities. For the three months ended September 30, 2012, the Company recognized a realized loss of \$45.3 million and an unrealized loss of \$116.5 million which are recorded in loss on derivatives, net in the Condensed Consolidated Statements of Operations. For the nine months ended September 30, 2012, the Company recognized a realized loss of \$70.3 million and an unrealized loss of \$196.1 million which are recorded in loss on derivatives, net in the Condensed Consolidated Statements of Operations.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

September 30, 2012

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(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 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 are 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 September 30, 2012, the effective rate was approximately 4.59%. 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 \$0.1 million for the three months ended September 30, 2012 and 2011, respectively. The realized loss on the interest rate swap re-classed from AOCI into interest expense was \$0.7 million and \$0.1 million for the nine months ended September 30, 2012 and 2011, 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 September 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 nine months ended September 30, 2012, \$0.3 million and \$0.8 million, respectively, of rent expense was recorded related to

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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(18) Related Party Transactions (Continued)

this agreement and is included in cost of product sold (exclusive of depreciation and amortization) in the Condensed Consolidated Statements of Operations.

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 apart from AEPC.

As of September 30, 2012, the Company owes approximately \$44.5 million for federal income taxes due to AEPC under the Tax Allocation Agreement. During the quarter ended September 30, 2012, the Company paid \$65.1 million to AEPC under the Tax Allocation Agreement.

Icahn Sourcing

Icahn Sourcing, LLC ("Icahn Sourcing") is an entity formed and controlled by Carl C. Icahn in order to maximize the potential buying power of a group of entities with which Mr. Icahn has a relationship in negotiating with a wide range of suppliers of goods, services and tangible and intangible property. CVR Energy is a member of the buying group and, as such, is afforded the opportunity to purchase goods, services and property from vendors with whom Icahn Sourcing has negotiated rates and terms. Icahn Sourcing does not guarantee that CVR Energy will purchase any goods, services or property from any such vendors and CVR Energy is under no obligation to do so. CVR Energy does not pay Icahn Sourcing any fees or other amounts with respect to the buying group arrangement. CVR may purchase a variety of goods and services as members of the buying group at prices and terms that CVR believes would be more favorable than those which could be achieved on a stand-alone basis.

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 nine months ended September 30, 2011, the Company recognized approximately \$0 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.

CVR ENERGY, INC. AND SUBSIDIARIES

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(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 \$3.9 million for the three months ended September 30, 2012 and 2011, respectively. Intercompany sales included in petroleum net sales were approximately \$7.3 million and \$8.8 million for the nine months ended September 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 September 30, 2012 and 2011 of approximately \$0.2 million and \$5.5 million, respectively. For the nine months ended September 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 \$5.8 million and \$10.8 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 \$2.5 million and \$3.4 million for the three months ended September 30, 2012 and 2011, respectively. Intercompany cost of product sold (exclusive of depreciation and amortization) for the pet coke transfer described above was approximately \$7.8 million and \$7.0 million for the nine months ended September 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 September 30, 2012 and 2011, the net sales generated from intercompany hydrogen sales

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(unaudited)

(19) Business Segments (Continued)

were \$0.3 million and \$5.7 million, respectively. For the nine months ended September 30, 2012 and 2011, the net sales generated from intercompany hydrogen sales were \$6.0 million and \$11.8 million, respectively. For the three months ended September 30, 2012 and 2011, the Nitrogen Fertilizer Segment also recognized approximately \$0.1 million and \$0.3 million, respectively, of cost of product sold related to the transfer of excess hydrogen. For the nine months ended September 30, 2012 and 2011, the Nitrogen Fertilizer Segment also recognized approximately \$0.2 million and \$1.0 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.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
	(in thousands)			
Net sales				
Petroleum	\$ 2,337,354	\$ 1,284,407	\$ 6,465,378	\$ 3,772,348
Nitrogen Fertilizer	75,013	77,203	234,720	215,253
Intersegment elimination	(2,743)	(9,646)	(13,525)	(20,656)
Total	\$ 2,409,624	\$ 1,351,964	\$ 6,686,573	\$ 3,966,945
Cost of product sold (exclusive of depreciation and amortization)				
Petroleum	\$ 1,694,019	\$ 1,024,509	\$ 5,190,839	\$ 3,077,555
Nitrogen Fertilizer	11,297	10,901	34,620	28,138
Intersegment elimination	(2,864)	(9,370)	(13,642)	(19,456)
Total	\$ 1,702,452	\$ 1,026,040	\$ 5,211,817	\$ 3,086,237
Direct operating expenses (exclusive of depreciation and amortization)				
Petroleum	\$ 88,890	\$ 54,510	\$ 253,176	\$ 143,974
Nitrogen Fertilizer	21,063	20,083	66,424	65,373
Other	(24)	22	(58)	(91)
Total	\$ 109,929	\$ 74,615	\$ 319,542	\$ 209,256
Insurance recovery—business interruption				
Petroleum	\$ —	\$ —	\$ —	\$ —
Nitrogen Fertilizer	—	(490)	—	(3,360)
Other	—	—	—	—
Total	\$ —	\$ (490)	\$ —	\$ (3,360)

CVR ENERGY, INC. AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

September 30, 2012

(unaudited)

(19) Business Segments (Continued)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
	(in thousands)			
Depreciation and amortization				
Petroleum	\$ 27,458	\$ 16,990	\$ 80,355	\$ 50,872
Nitrogen Fertilizer	5,230	4,663	15,826	13,948
Other	421	372	1,230	1,259
Total	<u>\$ 33,109</u>	<u>\$ 22,025</u>	<u>\$ 97,411</u>	<u>\$ 66,079</u>
Operating income (loss)				
Petroleum	\$ 507,470	\$ 179,815	\$ 891,222	\$ 469,042
Nitrogen Fertilizer	32,347	37,514	99,820	93,626
Other	(6,073)	(5,139)	(81,018)	(22,952)
Total	<u>\$ 533,744</u>	<u>\$ 212,190</u>	<u>\$ 910,024</u>	<u>\$ 539,716</u>
Capital expenditures				
Petroleum	\$ 20,211	\$ 20,216	\$ 82,604	\$ 33,430
Nitrogen fertilizer	18,201	4,492	57,419	10,539
Other	1,482	944	5,030	2,662
Total	<u>\$ 39,894</u>	<u>\$ 25,652</u>	<u>\$ 145,053</u>	<u>\$ 46,631</u>

	As of September 30, 2012	As of December 31, 2011
Total assets		
Petroleum	\$ 2,188,950	\$ 2,322,148
Nitrogen Fertilizer	653,242	659,309
Other	810,185	137,834
Total	<u>\$ 3,652,377</u>	<u>\$ 3,119,291</u>
Goodwill		
Petroleum	\$ —	\$ —
Nitrogen Fertilizer	40,969	40,969
Other	—	—
Total	<u>\$ 40,969</u>	<u>\$ 40,969</u>

(20) Subsequent Events

Formation and Initial Public Offering of CVR Refining, LP

In contemplation of an initial public offering, CRLLC has formed CVR Refining Holdings, LLC, which in turn has formed CVR Refining GP, LLC. CVR Refining Holdings, LLC and CVR Refining GP, LLC have formed CVR Refining, LP which has issued them a 100% limited partnership interest and a non-economic general partner interest, respectively. CVR Refining Holdings, LLC has

CVR ENERGY, INC. AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

September 30, 2012

(unaudited)

(20) Subsequent Events (Continued)

formed CVR Refining, LLC and CRLLC contributed its petroleum and logistics subsidiaries, as well as its equity interests in Coffeyville Finance Inc., to CVR Refining, LLC in October 2012.

On October 1, 2012, CVR Refining, LP (the "Refining Partnership") filed a registration statement on Form S-1 to effect an initial public offering of its common units representing limited partner interests (the "Offering"). The number of common units to be sold in the Offering has not yet been determined. The Offering is subject to numerous conditions including, without limitation, market conditions, pricing, regulatory approvals, including clearance from the SEC, compliance with contractual obligations, and reaching agreements with the underwriters and lenders.

Upon consummation of the Offering, CVR will indirectly own the Refining Partnership's general partner and limited partnership interests in the form of common units. There can be no assurance that any such offering will be consummated on the terms described in the registration statement or at all. Following the Offering, the Refining Partnership will have two types of partnership interests outstanding:

- common units representing limited partner interests, a portion of which the Refining Partnership will have sold in the Offering; and
- a general partner interest, which is not entitled to any distributions, and which will be held by the Refining Partnership's general partner.

Following the Offering, the Refining Partnership expects to make quarterly cash distributions to unitholders. The board of directors of the general partner will adopt a policy, which it may change at any time, whereby distributions for each quarter will be in an amount equal to available cash generated in such quarter. Available cash will be determined by the board of directors of the general partner.

The general partner will manage and operate the Refining Partnership. Common unitholders will only have limited voting rights on matters affecting the Refining Partnership's business. Common unitholders will have no right to elect the general partner or its directors on an annual or other continuing basis.

Issuance of Second Lien Senior Secured Notes and Tender Offer

On October 23, 2012, CVR Refining LLC ("Refining LLC") and its wholly-owned subsidiary, Coffeyville Finance Inc. (the "New Issuers"), completed a private offering of \$500.0 million in aggregate principal amount of 6.500% Second Lien Senior Secured Notes due 2022 (the "2022 Notes"). The 2022 Notes were issued at par. Refining LLC received approximately \$492.5 million of cash proceeds, net of the underwriting fees, but before deducting other third-party fees and expenses associated with the offering. The 2022 Notes are secured by substantially the same assets that secure the outstanding Second Lien Notes, subject to exceptions, until such time that the outstanding Second Lien Notes have been discharged in full.

A portion of the net proceeds from the offering approximating \$348.1 million were used to purchase approximately \$323.0 million of the First Lien Notes pursuant to a tender offer and to settle accrued interest of approximately \$1.8 million through October 23, 2012 and to pay related fees and

CVR ENERGY, INC. AND SUBSIDIARIES**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)****September 30, 2012****(unaudited)****(20) Subsequent Events (Continued)**

expenses. Tendered notes were purchased at a premium of approximately \$23.3 million in aggregate amount. CRLLC intends to use the remaining proceeds from the offering to either (1) purchase the remaining \$124.1 million of existing First Lien Notes, if any, tendered in the tender offer by November 5, 2012 or (2) redeem any remaining non-tendered First Lien Notes on November 23, 2012 pursuant to a notice of redemption issued on October 23, 2012. Any remaining proceeds will be used for general corporate purposes.

As a result of these transactions, a write-off of previously deferred financing charges estimated at approximately \$8.4 million will be recorded in the fourth quarter of 2012. Additionally, the tendered and redeemed First Lien Notes have an unamortized original issuance premium of approximately \$6.6 million, which will reduce the loss on extinguishment of debt recorded in the fourth quarter. The total premiums expected to be paid in conjunction with both the tender offer and the redemption of the First Lien Notes are anticipated to be approximately \$31.7 million. This will be recorded as a loss on extinguishment of debt in the fourth quarter of 2012.

The debt issuance costs of the 2022 Notes will be amortized over the term of the 2022 Notes as interest expense using the effective-interest amortization method. The 2022 Notes mature on November 1, 2022, unless earlier redeemed or repurchased by the New Issuers. Interest is payable on the 2022 Notes semi-annually on May 1 and November 1 of each year, commencing on May 1, 2013.

Partnership Distribution

On October 26, 2012, the Board of Directors of the Partnership's general partner declared a cash distribution for the third quarter of 2012 to the Partnership's unitholders of \$0.496 per common unit. The cash distribution will be paid on November 14, 2012 to unitholders of record at the close of business on November 7, 2012.

Wynnewood Refinery Major Scheduled Turnaround

The Wynnewood refinery began turnaround maintenance in the fourth quarter of 2012. The Company expects to incur approximately \$100.0 million of expenses during 2012 related to the Wynnewood refinery's turnaround. The Wynnewood refinery has incurred \$13.4 million of turnaround costs in the nine months ended September 30, 2012. It is anticipated that the downtime associated with the Wynnewood refinery turnaround will approximate 50 to 55 days and will significantly impact the revenue for the fourth quarter of 2012.

Nitrogen Fertilizer Major Scheduled Turnaround

The nitrogen fertilizer facility's previously scheduled major turnaround began on October 3, 2012 with ammonia production resuming on October 23, 2012 and UAN production resuming on October 25, 2012. Operating income is impacted negatively by both the expenses associated with the scheduled turnaround and the lost revenue the Partnership would have generated had the nitrogen fertilizer plant not been shut down. Turnaround expenses are recognized as incurred as a component of direct operating expenses. As of September 30, 2012, \$0.2 million of turnaround expenses had been incurred. It is estimated that approximately \$4.7 million of expenses were incurred in October 2012 associated with the turnaround.

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 September 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 nine months ended September 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 in the summary risks noted below and under "Risk Factors" attached hereto as Exhibit 99.1:

- 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 50,000 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 various 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 deep water 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 domestic grades, various Canadian medium and heavy sour and sweet synthetics. Our Wynnewood refinery is capable of processing a variety of crude oils, 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 third quarter of 2012 was \$4.38 per barrel compared to \$2.57 per barrel in the third 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 nine months ended September 30, 2012, the nitrogen fertilizer business produced 104,161 and 302,339 tons of ammonia, respectively, of which approximately 72% and 70% was upgraded into 181,861 and 516,465 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, the IEP Parties announced that a majority of CVR's common stock had been acquired through the Offer. As a result of Shares tendered into the Offer during the initial offering period and subsequent additional purchases, the IEP Parties owned approximately 82% of CVR Energy's outstanding common stock as of September 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.

Nitrogen Partnership Shelf Registration Statement

On August 29, 2012, the Partnership's registration statement on Form S-3 (initially filed on August 17, 2012), was declared effective by the Securities and Exchange Commission ("SEC") enabling CRLLC to offer and sell from time to time, in one or more public offerings or direct placements, up to 50,920,000 common units.

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 nine months ended September 30, 2012, a \$1.00 change in natural gas prices would have increased or decreased our natural gas costs by approximately \$5.8 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 refineries. 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 turnaround at the Wynnewood refinery will be completed during 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.

On September 28, 2012, our Wynnewood refinery experienced an explosion in a boiler unit that had been temporarily shut down as part of the turnaround process. Two employees were fatally injured. Damage at the refinery was limited to the boiler; process units and other areas of the facility were unaffected and there was no evidence of environmental impacts. The Company immediately launched an internal investigation of the incident and continues to cooperate with the U.S. Occupational Health and Safety Administration ("OSHA") and Oklahoma Department of Labor ("ODL") investigations.

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 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 nine months ended September 30, 2012, we upgraded approximately 72% 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 nine months ended September 30, 2012, the nitrogen fertilizer business spent approximately \$3.8 million and \$12.9 million, respectively, for pet coke, which equaled an average cost per ton of \$30 and \$34, respectively. In the three and nine months ended September 30, 2011, the nitrogen fertilizer business spent approximately \$5.6 million and \$11.6 million, respectively, for pet coke, which equaled an average cost per ton of \$43 and \$30, 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 through a third-party contract. 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 nitrogen fertilizer plant completed a turnaround during 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 September 30, 2012 and 2011, the nitrogen fertilizer segment was charged approximately \$2.4 million and \$2.5 million, respectively, for management services. For the nine months ended September 30, 2012 and 2011, the nitrogen fertilizer segment was charged approximately \$7.5 million and \$7.9 million, respectively, for management services.

Crude Oil Supply Agreement

On August 31, 2012, CRRM and Vitol Inc. ("Vitol"), entered into an Amended and Restated Crude Oil Supply Agreement (the "Vitol Agreement"). The Vitol Agreement amends and restates the Crude Oil Supply Agreement between CRRM and Vitol dated March 30, 2011, as amended (the "Previous Supply Agreement"). The terms of the Vitol Agreement provide that CRRM will obtain all of the crude oil for the Company's two oil refineries through Vitol, other than crude oil that CRRM acquires in Kansas, Missouri, North Dakota, Oklahoma, Texas, Wyoming and all states adjacent to such states and crude oil that is transported in whole or in part via railcar or truck. Pursuant to the Vitol Agreement, CRRM and Vitol work together to identify crude oil and pricing terms that meet CRRM's crude oil requirements. CRRM and/or Vitol negotiate the cost 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 via the Vitol Agreement passes to CRRM upon delivery to one of the Company's delivery points designated in the Vitol Agreement. CRRM pays Vitol a fixed origination fee per barrel plus the negotiated cost (including logistics costs) of each barrel of crude oil purchased. The Vitol Agreement has an initial term commencing on August 31, 2012 and extending through December 31, 2014 (the "Initial Term"). Following the Initial Term, the Vitol Agreement will automatically renew for successive one-year terms (each such term, a "Renewal Term") unless either party provides the other with notice of nonrenewal at least 180 days prior to expiration of the Initial Term or any Renewal Term. Notwithstanding the foregoing, CRRM has an option to terminate the Vitol Agreement effective December 31, 2013 by providing written notice of termination to Vitol on or before May 1, 2013.

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 \$0 and \$44.2 million for the three and nine months ended September 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 nine months ended September 30, 2012 included net sales of approximately \$772.8 million and \$2,380.6 million, respectively and operating income of \$154.4 million and \$319.1 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 nine months ended September 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 September 30, 2012 and 2011, we incurred compensation expense of \$6.0 million and \$2.0 million, respectively, related to non-vested share-based compensation awards. For the nine months ended September 30, 2012 and 2011, we incurred compensation expense of \$26.8 million and \$6.7 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 September 30, 2012 and 2011, we incurred compensation expense of \$0.5 million and \$0.5 million, respectively, related to non-vested share-based compensation awards. For the nine months ended September 30, 2012 and 2011, we incurred compensation expense of \$1.6 million and \$0.8 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. 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. For the three and nine month periods ended September 30, 2011, we incurred compensation expense of \$0 and \$16.2 million, respectively, related to phantom and override unit share-based compensation awards.

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.

Total gross costs related to the incident were approximately \$11.5 million for repairs and maintenance and other associated costs. Of the costs incurred, approximately \$4.7 million were capitalized. Approximately \$8.0 million of insurance proceeds were received related to the property damage insurance claim. The Partnership received approximately \$4.3 million in 2010, approximately \$2.7 million in 2011 and approximately \$1.0 million in 2012 related to the property damage insurance claim. The Partnership also recognized income of approximately \$3.4 million during 2011 from insurance proceeds received related to the business interruption policy. As of September 30, 2012, the

Partnership has received the final insurance payments under applicable insurance policies and those insurance policy claims are closed.

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 did not agree with the county's classification of its nitrogen fertilizer plant and protested the classification and resulting valuation for each of those years to 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 nine months of 2012. This property tax expense is reflected as a direct operating expense in our financial results. In February 2011, CRNF tried the 2008 case to COTA and in January 2012, COTA issued its decision holding that CRNF's fertilizer plant was almost entirely real property instead of almost entirely personal property. CRNF disagreed 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 protesting the valuation of the CRNF fertilizer plant for tax years 2009 through 2011, 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.

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.

The Partnership did not make quarterly distributions to unitholders prior to the closing of the Initial Public Offering.

The following is a summary of cash distributions paid to unitholders during 2012 for the respective quarters to which the distributions relate:

	December 31, 2011	March 31, 2012	June 30, 2012	Total 2012 Distributions To Date
	(\$ in millions except per common units amounts)			
Amount paid CRLLC	\$ 29.9	\$ 26.6	\$ 30.5	\$ 87.1
Amounts paid to public unitholders	13.0	11.6	13.3	37.9
Total amount paid	\$ 42.9	\$ 38.2	\$ 43.8	\$ 125.0
Per common unit	\$ 0.588	\$ 0.523	\$ 0.600	\$ 1.711
Common units outstanding	73,030,936	73,030,936	73,043,356	

On October 26, 2012, the board of directors of the Partnership's general partner declared a quarterly cash distribution to the Partnership's unitholders of \$0.496 per unit or \$36.2 million in aggregate. We will receive \$25.2 million in respect of our common units. The cash distribution will be paid on November 14, 2012, to unitholders of record at the close of business on November 7, 2012. This distribution is for the third 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. The impact recorded for the three months ended September 30, 2012 and 2011 was \$0.2 million and \$0.1 million in interest expense, respectively. For the nine months ended September 30, 2012 and 2011, the impact recorded was \$0.7 million and \$0.1 million in interest expense, respectively. For the three months ended September 30, 2012 and 2011, the Partnership recorded a decrease in fair market value on the Interest Rate Swap agreements of \$0.1 million and \$2.4 million, respectively. For the nine months ended September 30, 2012, the Partnership recorded a decrease in fair market value on the Interest Rate Swap agreements of \$0.6 million and \$2.4 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 September 30, 2012, we had open commodity hedging instruments consisting of 26.3 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. For the three months ended September 30, 2012, the Company recognized a realized loss of \$45.3 million and an unrealized loss of \$116.5 million. For the nine months ended September 30, 2012, the Company recognized a realized loss of \$70.3 million and an unrealized loss of \$196.1 million.

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 incurred costs of approximately \$21.2 million and \$12.2 million for the nine months ended September 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 began 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 \$13.4 million of turnaround costs in the nine months ended September 30, 2012. It is anticipated that the downtime associated with the Wynnewood refinery turnaround will approximate 50 to 55 days and will significantly impact our revenue for the fourth quarter of 2012.

The nitrogen fertilizer facility completed a major turnaround during the fourth quarter of 2012. The Partnership incurred costs of approximately \$4.9 million for the turnaround, substantially all of which were incurred during the fourth quarter of 2012. The downtime associated with the nitrogen fertilizer turnaround lasted 19 days and will significantly impact the Partnership's revenue for the fourth quarter of 2012. The expected turnaround period for 2012 was extended four days beyond the Partnership's normal expected turnaround time due to third-party need for additional preventative maintenance work.

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 nine months ended September 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 September 30,		Change from 2011	
	2012	2011	Change	Percent
(in millions, except per share amount)				
Consolidated Statement of Operations Data:				
Net sales	\$ 2,409.6	\$ 1,352.0	\$ 1,057.6	78.2%
Cost of product sold(1)	1,702.5	1,026.0	676.5	65.9
Direct operating expenses(1)	109.9	74.6	35.3	47.3
Insurance recovery—business interruption	—	(0.5)	0.5	(100.0)
Selling, general and administrative expenses(1)	30.4	17.7	12.7	71.8
Depreciation and amortization(2)	33.1	22.0	11.1	50.5
Operating income	533.7	212.2	321.5	151.5
Interest expense and other financing costs	(18.9)	(13.8)	(5.1)	37.0
Gain (loss) on derivatives, net				
Realized	(53.2)	0.1	(53.3)	(53,300.0)
Unrealized	(115.7)	(10.0)	(105.7)	1,057.0
Other income, net	0.2	0.4	(0.2)	(50.0)
Income before income tax expense	346.1	188.9	157.2	83.2
Income tax expense	127.6	68.6	59.0	86.0
Net income(3)	218.5	120.3	98.2	81.6
Less: Net income attributable to noncontrolling interest	9.6	11.0	(1.4)	(12.7)
Net income attributable to CVR Energy stockholders	\$ 208.9	\$ 109.3	\$ 99.6	91.1%
Basic earnings per share	\$ 2.41	\$ 1.26	\$ 1.15	91.3%
Diluted earnings per share	\$ 2.41	\$ 1.25	\$ 1.16	92.8%
Weighted-average common shares outstanding:				
Basic	86,831,050	86,549,846	281,204	0.3%
Diluted	86,831,050	87,743,600	(912,550)	(1.0)%

	Nine Months Ended		Change from 2011	
	September 30,		Change	Percent
	2012	2011		
(in millions, except per share amount)				
Consolidated Statement of Operations Data:				
Net sales	\$ 6,686.5	\$ 3,966.9	\$ 2,719.6	68.6%
Cost of product sold(1)	5,211.9	3,086.2	2,125.7	68.9
Direct operating expenses(1)	319.5	209.3	110.2	52.7
Insurance recovery—business interruption	—	(3.4)	3.4	(100.0)
Selling, general and administrative expenses(1)	147.7	69.0	78.7	114.1
Depreciation and amortization(2)	97.4	66.1	31.3	47.4
Operating income	910.0	539.7	370.3	68.6
Interest expense and other financing costs	(57.1)	(41.2)	(15.9)	38.6
Gain (loss) on derivatives, net				
Realized	(80.4)	(18.3)	(62.1)	339.3
Unrealized	(197.0)	(6.8)	(190.2)	2,797.1
Loss on extinguishment of debt	—	(2.1)	2.1	(100.0)
Other income, net	1.3	1.4	(0.1)	(7.1)
Income before income tax expense	576.8	472.7	104.1	22.0
Income tax expense	209.0	172.5	36.5	21.2
Net income (loss)(3)	367.8	300.2	67.6	22.5
Less: Net income attributable to noncontrolling interest	29.4	20.3	9.1	44.8
Net income (loss) attributable to CVR Energy stockholders	\$ 338.4	\$ 279.9	\$ 58.5	20.9%
Basic earnings (loss) per share	\$ 3.90	\$ 3.24	\$ 0.66	20.4%
Diluted earnings (loss) per share	\$ 3.86	\$ 3.19	\$ 0.67	21.0%
Weighted-average common shares outstanding:				
Basic	86,820,181	86,462,668	357,513	0.4%
Diluted	87,580,588	87,772,169	(191,581)	(0.2)%

	As of September 30,		As of December 31,	
	2012		2011	
	(unaudited)			
(in millions)				
Balance Sheet Data				
Cash and cash equivalents	\$	988.2	\$	388.3
Working capital		1,137.7		769.2
Total assets		3,652.4		3,119.3
Long-term debt		850.9		853.9
Total CVR Energy stockholders' equity		1,485.1		1,151.6

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
	(unaudited) (in millions)			
Cash Flow Data				
Net cash flow provided by (used in):				
Operating activities	\$ 347.9	\$ 183.3	\$ 783.8	\$ 345.9
Investing activities	(38.8)	(23.1)	(143.6)	(43.8)
Financing activities	(13.5)	(9.7)	(40.3)	396.3
Net cash flow	\$ 295.6	\$ 150.5	\$ 599.9	\$ 698.4
Other Financial Data				
Capital expenditures for property, plant and equipment	\$ 39.9	\$ 25.7	\$ 145.1	\$ 46.6

- (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 September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
	(unaudited) (in millions)			
Depreciation and amortization excluded from cost of product sold	\$ 1.0	\$ 0.6	\$ 2.6	\$ 1.9
Depreciation and amortization excluded from direct operating expenses	31.6	21.0	93.1	62.8
Depreciation and amortization excluded from selling, general and administrative expenses	0.5	0.4	1.7	1.4
Total depreciation and amortization	\$ 33.1	\$ 22.0	\$ 97.4	\$ 66.1

- (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 September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
	(unaudited) (in millions)			
Loss on extinguishment of debt(a)	\$ —	\$ —	\$ —	\$ 2.1
Letter of credit expense and interest rate swap not included in interest expense(b)	0.2	0.3	0.9	1.3
Share-based compensation expense(c)	6.5	2.4	28.5	23.6
Major scheduled turnaround expense(d)	11.3	8.0	34.8	12.2

- (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 major scheduled turnarounds in the petroleum and nitrogen fertilizer segments.

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 September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
(unaudited)				
(in millions, except as otherwise indicated)				
Consolidated Petroleum Segment Summary Financial Results				
Net sales	\$ 2,337.3	\$ 1,284.4	\$ 6,465.3	\$ 3,772.3
Cost of product sold(1)	1,694.0	1,024.5	5,190.8	3,077.5
Direct operating expenses(1)(2)	77.7	46.5	218.5	131.8
Major scheduled turnaround expenses	11.1	8.0	34.6	12.2
Depreciation and amortization	27.5	17.0	80.4	50.9
Gross profit(3)	527.0	188.4	941.0	499.9
Plus direct operating expenses and major scheduled turnaround expenses(1)	88.8	54.5	253.1	144.0
Plus depreciation and amortization	27.5	17.0	80.4	50.9
Refining margin(4)	643.3	259.9	1,274.5	694.8
Operating income (loss)	\$ 507.5	\$ 179.8	\$ 891.2	\$ 469.0
Adjusted Petroleum EBITDA(5)	\$ 444.2	\$ 232.0	\$ 989.7	\$ 525.2

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
(unaudited)				
(in millions)				
Key Operating Statistics				
Per crude oil throughput barrel:				
Refining margin(4)	\$ 36.31	\$ 25.03	\$ 26.34	\$ 23.77
Gross profit(3)	\$ 29.75	\$ 18.14	\$ 19.45	\$ 17.10
Direct operating expenses and major scheduled turnaround expenses(1)(2)	\$ 5.02	\$ 5.25	\$ 5.23	\$ 4.93
Direct operating expenses and major scheduled turnaround expenses per barrel sold(1)(6)	\$ 4.81	\$ 5.19	\$ 4.75	\$ 4.71
Barrels sold (barrels per day)(6)	200,683	114,061	194,638	111,939

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2012		2011		2012		2011	
		%		%		%		%
Refining Throughput and Production Data (barrels per day)								
Throughput:								
Sweet	149,768	73.8	91,498	78.8	136,463	73.4	85,401	75.8
Light/medium sour	21,188	10.4	994	0.8	21,708	11.7	598	0.5
Heavy sour	21,607	10.6	20,393	17.6	18,418	9.9	21,071	18.7
Total crude oil throughput	192,563	94.8	112,885	97.2	176,589	95.0	107,070	95.0
All other feedstocks and blendstocks	10,475	5.2	3,206	2.8	9,448	5.0	5,671	5.0
Total throughput	203,038	100.0	116,091	100.0	186,037	100.0	112,741	100.0
Production:								
Gasoline	98,016	48.5	49,886	42.7	92,114	49.7	50,998	45.0
Distillate	82,224	40.7	50,189	43.0	75,568	40.8	47,368	41.8
Other (excluding internally produced fuel)	21,928	10.8	16,770	14.3	17,588	9.5	15,038	13.2
Total refining production (excluding internally produced fuel)	202,168	100.0	116,845	100.0	185,270	100.0	113,404	100.0
Product price (dollars per gallon):								
Gasoline	\$ 3.03		\$ 2.95		\$ 2.93		\$ 2.89	
Distillate	\$ 3.15		\$ 3.07		\$ 3.07		\$ 3.04	

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
Market Indicators (dollars per barrel)				
West Texas Intermediate (WTI) NYMEX	\$ 92.20	\$ 89.54	\$ 96.16	\$ 95.47
Crude Oil Differentials:				
WTI less WTS (light/medium sour)	3.34	0.82	4.10	2.46
WTI less WCS (heavy sour)	15.53	14.09	21.06	17.86
NYMEX Crack Spreads:				
Gasoline	31.70	32.01	29.21	26.04
Heating Oil	33.86	35.82	30.54	28.51
NYMEX 2-1-1 Crack Spread	32.78	33.92	29.87	27.27
PADD II Group 3 Basis:				
Gasoline	2.22	(0.03)	(2.58)	(1.21)
Ultra Low Sulfur Diesel	5.53	2.54	2.04	2.32
PADD II Group 3 Product Crack:				
Gasoline	33.92	31.98	26.63	24.82
Ultra Low Sulfur Diesel	39.38	38.36	32.58	30.82
PADD II Group 3 2-1-1	36.65	35.17	29.60	27.82

- (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 nine months ended September 30, 2012 and 2011:

	<u>Three Months</u> <u>Ended September 30,</u>		<u>Nine Months</u> <u>Ended September 30,</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
	(unaudited) (in millions)			
Petroleum Consolidated:				
Petroleum operating income	\$ 507.5	\$ 179.8	\$ 891.2	\$ 469.0
FIFO impacts (favorable), unfavorable(a)	(50.9)	26.2	54.3	1.5
Share-based compensation	2.3	0.8	8.8	8.0
Major scheduled turnaround expenses(b)	11.1	8.0	34.6	12.2
Realized gain (loss) on derivatives, net	(53.3)	0.1	(80.4)	(18.3)
Loss on disposition of fixed assets	—	—	—	1.5
Depreciation and amortization	27.5	17.0	80.4	50.9
Other income	—	0.1	0.8	0.4
Adjusted Petroleum EBITDA	<u>\$ 444.2</u>	<u>\$ 232.0</u>	<u>\$ 989.7</u>	<u>\$ 525.2</u>

- (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 September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
(unaudited) (in millions)				
Coffeyville Refinery Financial Results				
Net sales	\$ 1,564.3	\$ 1,284.4	\$ 4,084.3	\$ 3,772.1
Cost of product sold (exclusive of depreciation and amortization)	1,135.2	1,024.6	3,268.2	3,077.7
Direct operating expenses (exclusive of depreciation and amortization)	47.3	46.5	134.7	131.7
Major scheduled turnaround expenses	0.2	8.0	21.2	12.2
Depreciation and amortization	17.4	16.4	52.1	49.0
Gross profit	364.2	188.9	608.1	501.5
Plus direct operating expenses (exclusive of depreciation and amortization) and major scheduled turnaround expenses	47.5	54.5	155.9	143.9
Plus depreciation and amortization	17.4	16.4	52.1	49.0
Refining margin	\$ 429.1	\$ 259.8	\$ 816.1	\$ 694.4
Operating income	\$ 353.6	\$ 180.3	\$ 573.3	\$ 472.1

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
(unaudited) (dollars per barrel)				
Coffeyville Refinery Key Operating Statistics				
Per crude oil throughput barrel:				
Refining margin	\$ 37.42	\$ 25.02	\$ 26.71	\$ 23.76
Gross profit	\$ 31.76	\$ 18.19	\$ 19.90	\$ 17.16
Direct operating expenses and major scheduled turnaround expenses (exclusive of depreciation and amortization)	\$ 4.14	\$ 5.25	\$ 5.10	\$ 4.92
Direct operating expenses and major scheduled turnaround expenses per barrel sold	\$ 3.83	\$ 5.19	\$ 4.65	\$ 4.71
Barrels sold (barrels per day)	134,873	114,061	122,482	111,939

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2012		2011		2012		2011	
		%		%		%		%
Coffeyville Refinery Throughput and Production Data (bpd)								
Throughput:								
Sweet	100,427	76.0	91,498	78.8	90,871	77.0	85,401	75.8
Light/medium sour	2,609	2.0	994	0.8	2,216	1.9	598	0.5
Heavy sour	21,607	16.4	20,393	17.6	18,418	15.6	21,071	18.7
Total crude oil throughput	124,643	94.4	112,885	97.2	111,505	94.5	107,070	95.0
All other feedstocks and blendstocks	7,465	5.6	3,206	2.8	6,448	5.5	5,671	5.0
Total throughput	132,108	100.0	116,091	100.0	117,953	100.0	112,741	100.0
Production:								
Gasoline	63,991	47.8	49,886	42.7	58,889	49.2	50,998	45.0
Distillate	56,230	42.0	50,189	43.0	50,766	42.4	47,368	41.8
Other (excluding internally produced fuel)	13,756	10.2	16,770	14.3	10,014	8.4	15,038	13.2
Total refining production (excluding internally produced fuel)	133,977	100.0	116,845	100.0	119,669	100.0	113,404	100.0
Product price (dollars per gallon):								
Gasoline	\$	3.03	\$	2.95	\$	2.94	\$	2.89
Distillate	\$	3.15	\$	3.07	\$	3.06	\$	3.04

	Three Months Ended		Nine Months Ended	
	September 30, 2012		September 30, 2012	
	(unaudited) (in millions)			
Wynnewood Refinery Financial Results				
Net sales	\$	772.8	\$	2,380.6
Cost of product sold (exclusive of depreciation and amortization)		559.5		1,924.5
Direct operating expenses (exclusive of depreciation and amortization)		30.1		83.6
Major scheduled turnaround expense		11.0		13.4
Depreciation and amortization		9.0		25.7
Gross profit		163.2		333.4
Plus direct operating expenses (exclusive of depreciation and amortization) and major scheduled turnaround expenses		41.1		97.0
Plus depreciation and amortization		9.0		25.7
Refining margin	\$	213.3	\$	456.1
Operating income	\$	154.4	\$	319.1

	Three Months Ended September 30, 2012	Nine Months Ended September 30, 2012
	(unaudited)	
	(dollars per barrel)	
Wynnewood Refinery Key Operating Statistics		
Per crude oil throughput barrel:		
Refining margin	\$ 34.13	\$ 25.58
Gross profit	26.12	18.70
Direct operating expenses (exclusive of depreciation and amortization) and major scheduled turnaround expenses	6.58	5.44
Direct operating expenses and major scheduled turnaround expenses per barrel sold	6.54	4.91
Barrels sold (barrels per day)	68,311	72,087

	Three Months Ended September 30, 2012		Nine Months Ended September 30, 2012	
	%		%	
Wynnewood Refinery Throughput and Production Data (bpd)				
Throughput:				
Sweet	49,341	69.6	45,592	67.0
Light/medium sour	18,579	26.2	19,492	28.6
Heavy sour	—	—	—	—
Total crude oil throughput	67,920	95.8	65,084	95.6
All other feedstocks and blendstocks	3,010	4.2	3,000	4.4
Total throughput	70,930	100.0	68,084	100.0
Production:				
Gasoline	34,025	49.9	33,225	50.7
Distillate	25,994	38.1	24,802	37.8
Other (excluding internally produced fuel)	8,172	12.0	7,574	11.5
Total refining production (excluding internally produced fuel)	68,191	100.0	65,601	100.0
Product price (dollars per gallon):				
Gasoline	\$ 3.02		\$ 2.93	
Distillate	\$ 3.13		\$ 3.08	

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 September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
(unaudited) (in millions)				
Nitrogen Fertilizer Business Financial Results				
Net sales	\$ 75.0	\$ 77.2	\$ 234.7	\$ 215.3
Cost of product sold(1)	11.3	10.9	34.6	28.2
Direct operating expenses(1)	21.1	20.1	66.4	65.4
Insurance recovery—business interruption	—	(0.5)	—	(3.4)
Selling, general and administrative	5.1	4.5	18.1	17.6
Depreciation and amortization	5.2	4.7	15.8	13.9
Operating income	<u>\$ 32.3</u>	<u>\$ 37.5</u>	<u>\$ 99.8</u>	<u>\$ 93.6</u>
Adjusted Nitrogen Fertilizer EBITDA(2)	<u>\$ 39.0</u>	<u>\$ 43.3</u>	<u>\$ 121.1</u>	<u>\$ 114.0</u>

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
(unaudited)				
Key Operating Statistics				
Production (thousand tons):				
Ammonia (gross produced)(3)	104.2	102.7	302.3	310.4
Ammonia (net available for sale)(3)	29.4	25.9	89.3	89.3
UAN	181.9	185.8	516.5	535.8
Pet coke consumed (thousand tons)	126.9	131.2	377.7	391.0
Pet coke (cost per ton)	\$ 30	\$ 43	\$ 34	\$ 30
Sales (thousand tons)(4):				
Ammonia	30.2	22.6	89.5	83.5
UAN	175.1	179.2	510.5	524.7
Product pricing (plant gate) (dollars per ton)(4):				
Ammonia	\$ 578	\$ 568	\$ 586	\$ 569
UAN	\$ 290	\$ 294	\$ 311	\$ 266
On-stream factor(5):				
Gasification	99.1%	99.2%	97.2%	99.5%
Ammonia	98.4%	98.6%	96.0%	98.0%
UAN	96.9%	97.0%	92.4%	95.9%
Reconciliation of net sales (dollars in millions):				
Sales net plant gate	\$ 68.2	\$ 65.5	\$ 211.1	\$ 187.3
Freight in revenue	6.5	6.0	17.6	16.1
Hydrogen revenue	0.3	5.7	6.0	11.9
Total net sales	<u>\$ 75.0</u>	<u>\$ 77.2</u>	<u>\$ 234.7</u>	<u>\$ 215.3</u>

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2012	2011	2012	2011
Market Indicators				
Natural gas NYMEX (dollars per MMBtu)	\$ 2.89	\$ 4.06	\$ 2.58	\$ 4.21
Ammonia—Southern Plains (dollars per ton)	677	619	616	609
UAN—Mid Cornbelt (dollars per ton)	356	401	372	373

(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 nine months ended September 30, 2012 and 2011:

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2012	2011	2012	2011
(unaudited) (in millions)				
Nitrogen Fertilizer:				
Nitrogen fertilizer operating income	\$ 32.3	\$ 37.5	\$ 99.8	\$ 93.6
Share-based compensation	1.2	0.9	5.2	6.4
Depreciation and amortization	5.2	4.7	15.8	13.9
Major scheduled turnaround expense	0.2	—	0.2	—
Other income (expense)	0.1	0.2	0.1	0.1
Adjusted Nitrogen Fertilizer EBITDA	<u>\$ 39.0</u>	<u>\$ 43.3</u>	<u>\$ 121.1</u>	<u>\$ 114.0</u>

(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 September 30, 2012 Compared to the Three Months Ended September 30, 2011

Consolidated Results of Operations

Net Sales. Consolidated net sales were \$2,409.6 million for the three months ended September 30, 2012 compared to \$1,352.0 million for the three months ended September 30, 2011. The increase of \$1,057.6 million was due to an increase in petroleum net sales of approximately \$1,052.9 million that resulted primarily from higher sales volume as a result of the acquisition of the Wynnewood refinery in

December 2011 and an increase in average sales prices of gasoline (up 2.8% to \$3.03 per gallon) and distillate (up 2.6% to \$3.15 per gallon) for the three months ended September 30, 2012 compared to the three months ended September 30, 2011. The increase in petroleum sales was coupled with a decrease in nitrogen fertilizer net sales of \$2.2 million, which was primarily due to lower hydrogen sales and decreased UAN volume and price.

Cost of Product Sold (Exclusive of Depreciation and Amortization). Consolidated cost of product sold (exclusive of depreciation and amortization) was \$1,702.5 million for the three months ended September 30, 2012 as compared to \$1,026.0 million for the three months ended September 30, 2011. The increase of \$676.5 million primarily resulted from an increase in throughput and an increase 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 increased approximately 0.5% from an average price of \$87.39 per barrel for the three months ended September 30, 2011 to an average price of \$87.80 per barrel for the three months ended September 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 \$0.4 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 \$109.9 million for the three months ended September 30, 2012 as compared to \$74.6 million for the three months ended September 30, 2011. This increase of \$35.3 million was due to an increase in petroleum direct operating expenses of \$34.3 million coupled with a small increase in nitrogen fertilizer direct operating expenses of approximately \$1.0 million. The increase was primarily attributable to a full quarter's expenses for our Wynnewood refinery (\$41.1 million) and increases in labor (\$0.9 million), partially offset by decreases in turnaround expenses (\$7.6 million) and environmental expenses (\$2.7 million).

Selling, General and Administrative Expenses (Exclusive of Depreciation and Amortization). Consolidated selling, general and administrative expenses (exclusive of depreciation and amortization) were \$30.4 million for the three months ended September 30, 2012 as compared to \$17.7 million for the three months ended September 30, 2011. This \$12.7 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 September 30, 2012 was \$18.9 million as compared to interest expense of \$13.8 million for the three months ended September 30, 2011. This \$5.1 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 September 30, 2012, we recorded an \$53.2 million realized loss on derivatives compared to a \$0.1 million realized gain on derivatives for the three months ended September 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 September 30, 2012, the over-the-counter commodity swap positions resulted in a realized loss of \$45.3 million. In addition, there were \$8.0 million in realized losses associated with other commodity derivative activities during the quarter.

Unrealized loss on Derivatives, net. For the three months ended September 30, 2012, we recorded a \$115.7 million unrealized loss on derivatives compared to a \$10.0 million unrealized loss on derivatives for the three months ended September 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 September 30, 2012, the over-the-counter commodity swap positions resulted in an unrealized loss of \$116.5 million, which was partially offset by \$0.8 million in unrealized gains associated with other commodity derivative activities.

Income Tax Expense. Income tax for the three months ended September 30, 2012 was \$127.6 million, or 36.9% of income before income tax expense, as compared to income tax expense of \$68.6 million, or 36.3% of income before income tax expense, for the three months ended September 30, 2011. The Company's effective tax rate for the three months ended September 30, 2012 and 2011 is lower than the expected statutory rate of 39.4% and 39.7%, respectively, 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 September 30, 2012

Net Sales. Petroleum net sales were \$2,337.3 million for the three months ended September 30, 2012 compared to \$1,284.4 million for the three months ended September 30, 2011. The increase of \$1,052.9 million was the result of significantly higher overall sales volume and higher 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 September 30, 2012. Our average sales price per gallon for the three months ended September 30, 2012 for gasoline of \$3.03 and distillate of \$3.15 increased by approximately 2.8% and 2.6%, respectively, as compared to the three months ended September 30, 2011.

	Three Months Ended September 30, 2012			Three Months Ended September 30, 2011			Total Variance		Price Variance	Volume Variance (in millions)
	Volume(1)	\$ per barrel	Sales \$(2)	Volume(1)	\$ per barrel	Sales \$(2)	Volume(1)	Sales \$(2)		
Gasoline	9.6	\$ 127.27	\$ 1,220.5	5.0	\$ 123.86	\$ 617.8	4.6	\$ 602.7	\$ 32.8	\$ 569.9
Distillate	7.6	\$ 132.18	\$ 1,001.6	4.5	\$ 128.84	\$ 584.9	3.1	\$ 416.7	\$ 25.3	\$ 391.4

(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 \$1,694.0 million for the three months ended September 30, 2012 compared to \$1,024.5 million for the three months ended September 30, 2011. The increase of \$669.5 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 three months ended September 30, 2012 was \$87.80 compared to \$87.39 for the comparable period of 2011, an increase of approximately 0.5%. Sales volume of refined fuels increased by approximately 83.0%. 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 September 30, 2012, we had a favorable FIFO inventory impact of \$50.9 million compared to an unfavorable FIFO inventory impact of \$26.2 million for the comparable period of 2011.

Refining margin per barrel of crude oil throughput increased from \$25.03 for the three months ended September 30, 2011 to \$36.31 for the three months ended September 30, 2012. Refining margin adjusted for FIFO impact was \$33.44 per crude oil throughput barrel for the three months ended September 30, 2012, as compared to \$27.55 per crude oil throughput barrel for the three months ended September 30, 2011. Gross profit per barrel increased to \$29.75 for the three months ended September 30, 2012 as compared to gross profit per barrel of \$18.14 in the equivalent period in 2011. The increase of our refining margin per barrel is due to an increase in the average sales prices of our produced gasoline and distillates which was partially offset by an increase in our cost of consumed crude oil. Our average sales price of gasoline increased approximately 2.8% and our average sales price for distillates increased approximately 2.6% for the three months ended September 30, 2012 over the comparable period of 2011. Consumed crude oil costs increased due to a 3.0% increase in WTI for the three months ended September 30, 2012 over the three months ended September 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) plus major scheduled turnaround expenses were \$88.8 million for the three months ended September 30, 2012 compared to direct operating expenses plus major scheduled turnaround expenses of \$54.5 million for the three months ended September 30, 2011. The increase of \$34.3 million for the three months ended September 30, 2012 compared to the three months ended September 30, 2011 was the result of a full quarter's expenses for our Wynnewood refinery (\$41.1 million) which was partially offset by a decrease in expenses at our Coffeyville refinery of \$6.7 million. The decrease at our Coffeyville refinery is primarily related to turnaround expense (\$7.8 million) and environmental expenses (\$2.7 million). Decreases in direct operating expenses at our Coffeyville refinery were partially offset by increases related to repairs and maintenance (\$1.7 million), production chemicals (\$1.2 million) and labor costs (\$0.9 million). Direct operating expenses per barrel of crude oil throughput for the three months ended September 30, 2012 decreased to \$5.02 per barrel as compared to \$5.25 per barrel for the three months ended September 30, 2011. The decrease in the direct operating expenses per barrel of crude oil throughput is a function of the higher volume of throughput due to the addition of the Wynnewood refinery in 2012.

Operating Income (loss). Petroleum operating income was \$507.5 million for the three months ended September 30, 2012 as compared to operating income of \$179.8 million for the three months ended September 30, 2011. This increase of \$327.7 million was the result of an increase in the refining margin (\$383.4 million). The increase in refining margin was partially offset by an increase in direct operating expenses (\$34.3 million), an increase in depreciation and amortization (\$10.5 million) and an increase in selling, general and administrative expenses (\$10.9 million). The increase in depreciation and amortization along with the increase in selling, general and administrative expenses are the result of a full quarter's expense for our Wynnewood refinery.

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

Net Sales. Net sales were \$75.0 million for the three months ended September 30, 2012 compared to \$77.2 million for the three months ended September 30, 2011. For the three months ended September 30, 2012, ammonia and UAN made up \$18.1 million and \$56.6 million of our net sales, respectively. This compared to ammonia and UAN net sales of \$13.3 million and \$58.2 million, respectively, for the three months ended September 30, 2011. The decrease of \$2.2 million was the result of lower hydrogen sales combined with decreased UAN sales unit volumes and price, partially offset by higher ammonia sales volumes and prices. The following table demonstrates the impact of

sales volumes and pricing for ammonia, UAN and hydrogen for the quarter ended September 30, 2012 and September 30, 2011:

	Three Months Ended September 30, 2012			Three Months Ended September 30, 2011			Total Variance		Price Variance (in millions)	Volume Variance
	Volume(1)	\$ per ton(2)	Sales \$(3)	Volume(1)	\$ per ton(2)	Sales \$(3)	Volume(1)	Sales \$(3)		
Ammonia	30,197	\$ 601	\$ 18.1	22,606	\$ 589	\$ 13.3	7,591	\$ 4.8	\$ 0.4	\$ 4.4
UAN	175,059	\$ 323	\$ 56.6	179,244	\$ 324	\$ 58.2	(4,185)	\$ (1.6)	\$ (0.2)	\$ (1.4)
Hydrogen	30,809	\$ 9	\$ 0.3	528,593	\$ 11	\$ 5.7	(497,784)	\$ (5.4)	\$ —	\$ (5.4)

(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 ammonia sales volume for the three months ended September 30, 2012 compared to the three months ended September 30, 2011 was primarily attributable to higher ammonia production resulting from lower hydrogen sales to the refinery. 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 99.1%, 98.4% and 96.9%, respectively, on-stream for the three months ended September 30, 2012. On-stream rates for the third quarter of 2011 were 99.2%, 98.6% and 97.0%, 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 September 30, 2012 compared to the three months ended September 30, 2011 increased 1.8% for ammonia and decreased 1.4% for UAN.

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 September 30, 2012 was \$11.3 million compared to \$10.9 million for the three months ended September 30, 2011. The increase of \$0.4 million is the result of higher third-party costs of \$0.8 million associated with higher freight costs, distribution costs and lower third-party pet coke costs partially offset by lower affiliate costs of \$0.4 million associated with reduced pet 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 September 30, 2012 were \$21.1 million as compared to \$20.1 million for the three months ended September 30, 2011. This increase was due to the receipt of insurance proceeds in 2011 that did not recur in 2012.

Nine Months Ended September 30, 2012 Compared to the Nine Months Ended September 30, 2011

Consolidated Results of Operations

Net Sales. Consolidated net sales were \$6,686.5 million for the nine months ended September 30, 2012 compared to \$3,966.9 million for the nine months ended September 30, 2011. The increase of

\$2,719.6 million was due to an increase in petroleum net sales of approximately \$2,693.0 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 \$19.4 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 \$5,211.9 million for the nine months ended September 30, 2012 as compared to \$3,086.2 million for the nine months ended September 30, 2011. The increase of \$2,125.7 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 1.3% from an average price of \$91.58 per barrel for the nine months ended September 30, 2011 to an average price of \$92.76 per barrel for the nine months ended September 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 \$6.4 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 \$319.5 million for the nine months ended September 30, 2012 as compared to \$209.3 million for the nine months ended September 30, 2011. This increase was due to an increase in petroleum direct operating expenses of \$109.1 million associated with an increase primarily attributable to nine months of expenses for our Wynnewood refinery (\$83.6 million) and increases in expenses associated with turnaround (\$22.6 million), offset by a decrease in other direct operating expenses (\$2.9 million).

Selling, General and Administrative Expenses (Exclusive of Depreciation and Amortization). Consolidated selling, general and administrative expenses (exclusive of depreciation and amortization) were \$147.7 million for the nine months ended September 30, 2012 as compared to \$69.0 million for the nine months ended September 30, 2011. This \$78.7 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 nine months ended September 30, 2012 was \$57.1 million as compared to interest expense of \$41.2 million for the nine months ended September 30, 2011. This \$15.9 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 nine months ended September 30, 2012, we recorded a \$80.4 million realized loss on derivatives compared to an \$18.3 million realized loss on derivatives for the nine months ended September 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 nine months ended September 30, 2012, the over-the-counter commodity swap positions resulted in a realized loss of \$70.3 million. The remaining \$10.1 million realized loss relates to other commodity derivative activities.

Unrealized loss on Derivatives, net. For the nine months ended September 30, 2012, we recorded a \$197.0 million unrealized loss on derivatives compared to a \$6.8 million unrealized loss on derivatives for the nine months ended September 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 nine months ended September 30, 2012, the over-the-counter commodity swap positions resulted in an unrealized loss of \$196.1 million. The remaining \$0.9 million unrealized loss relates to other commodity derivative activities.

Income Tax Expense. Income tax expense for the nine months ended September 30, 2012 was \$209.0 million, or 36.2% of income before income tax expense, as compared to income tax expense of \$172.5 million, or 36.5% of income before income tax expense, for the nine months ended September 30, 2011. The Company's effective tax rate for the nine months ended September 30, 2012 and 2011 is lower than the expected statutory rate of 39.4% and 39.7%, respectively, 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 nine months ended September 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 Nine Months Ended September 30, 2012

Net Sales. Petroleum net sales were \$6,465.3 million for the nine months ended September 30, 2012 compared to \$3,772.3 million for the nine months ended September 30, 2011. The increase of \$2,693.0 million was the result of significantly higher overall sales volume and higher product prices. The higher sales volume is due to the inclusion of a full nine months of sales for our Wynnewood refinery for the nine months ended September 30, 2012. Our average sales price per gallon for the nine months ended September 30, 2012 for gasoline of \$2.93 and distillate of \$3.07 increased by approximately 1.4% and 0.9%, respectively, as compared to the nine months ended September 30, 2011.

	Nine Months Ended September 30, 2012			Nine Months Ended September 30, 2011			Total Variance		Price Variance	Volume Variance (in millions)
	Volume(1)	\$ per barrel	Sales \$(2)	Volume(1)	\$ per barrel	Sales \$(2)	Volume(1)	Sales \$(2)		
Gasoline	27.4	\$ 123.18	\$ 3,380.3	15.5	\$ 121.36	\$ 1,880.5	11.9	\$ 1,499.8	\$ 50.0	\$ 1,449.8
Distillate	21.4	\$ 128.98	\$ 2,760.2	13.0	\$ 127.77	\$ 1,667.3	8.4	\$ 1,092.9	\$ 25.9	\$ 1,067.0

(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 \$5,190.8 million for the nine months ended September 30, 2012 compared to \$3,077.5 million for the nine months ended September 30, 2011. The increase of \$2,113.3 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 nine months of consumption at our Wynnewood refinery. Our average cost per barrel of crude oil consumed for the nine months ended September 30, 2012 was \$92.76 compared to \$91.58 for the comparable period of 2011, an increase of approximately 1.3%. Sales volume of refined fuels increased by approximately 73.4%. 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 nine months ended September 30, 2012, we had an unfavorable FIFO inventory impact of \$54.3 million compared to an unfavorable FIFO inventory impact of \$1.5 million for the comparable period of 2011.

Refining margin per barrel of crude oil throughput increased from \$23.77 for the nine months ended September 30, 2011 to \$26.34 for the nine months ended September 30, 2012. Refining margin adjusted for FIFO impact was \$27.46 per crude oil throughput barrel for the nine months ended September 30, 2012, as compared to \$23.82 per crude oil throughput barrel for the nine months ended September 30, 2011. Gross profit per barrel increased to \$19.45 for the nine months ended September 30, 2012 as compared to gross profit per barrel of \$17.10 in the equivalent period in 2011. The increase of our refining margin per barrel is due to an increase in the average sales prices of our produced gasoline and distillates which was partially offset by an increase in our cost of consumed crude oil. Our average sales price of gasoline increased approximately 1.5% and our average sales price for distillates increased approximately 0.9% for the nine months ended September 30, 2012 over the comparable period of 2011. Consumed crude oil costs increased due to a 0.7% increase in WTI for the nine months ended September 30, 2012 as compared to the nine months ended September 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) plus major scheduled turnaround expenses were \$253.1 million for the nine months ended September 30, 2012 compared to direct operating expenses plus major scheduled turnaround expenses of \$144.0 million for the nine months ended September 30, 2011. The increase of \$109.1 million for the nine months ended September 30, 2012 compared to the nine months ended September 30, 2011 was the result of a full nine months of expenses for our Wynnewood refinery (\$96.9 million) and an increase at our Coffeyville refinery of \$12.2 million. The increase in expenses at our Coffeyville refinery is primarily related to turnaround expense (\$8.9 million), production chemicals (\$3.4 million) and labor costs (\$3.2 million). Increases in direct operating expenses at our Coffeyville refinery were partially offset by decreases related to repairs and maintenance (\$2.9 million) and other operating expenses (\$0.4 million). Direct operating expenses per barrel of crude oil throughput for the nine months ended September 30, 2012 increased to \$5.23 per barrel as compared to \$4.93 per barrel for the nine months ended September 30, 2011.

Operating Income (loss). Petroleum operating income was \$891.2 million for the nine months ended September 30, 2012 as compared to operating income of \$469.0 million for the nine months ended September 30, 2011. This increase of \$422.2 million was the result of an increase in the refining margin (\$579.7 million). The increase in refining margin was partially offset by an increase in direct operating expenses (\$109.1 million), an increase in depreciation and amortization (\$29.5 million) and an increase in selling, general and administrative expenses (\$18.9 million). The increase in depreciation and amortization along with the increase in selling, general and administrative expenses are the result of a full nine months of expense for our Wynnewood refinery.

Nitrogen Fertilizer Business Results of Operations for the Nine Months Ended September 30, 2012

Net Sales. Net sales were \$234.7 million for the nine months ended September 30, 2012 compared to \$215.3 million for the nine months ended September 30, 2011. For the nine months ended September 30, 2012, ammonia and UAN made up \$54.2 million and \$174.5 million of our net sales, respectively. This compared to ammonia and UAN net sales of \$49.0 million and \$154.4 million, respectively, for the nine months ended September 30, 2011. The increase of \$19.4 million was the result of both higher average plant gate prices for both ammonia and UAN and higher sales unit volumes for ammonia, partially offset by lower sales unit volumes for UAN 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 September 30, 2012 and September 30, 2011:

	Nine Months Ended September 30, 2012			Nine Months Ended September 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)		
Ammonia	89,477	\$ 605	\$ 54.2	83,510	\$ 587	\$ 49.0	5,967	\$ 5.2	\$ 1.7	\$ 3.5
UAN	510,520	\$ 342	\$ 174.5	524,670	\$ 294	\$ 154.4	(14,150)	\$ 20.1	\$ 24.3	\$ (4.2)
Hydrogen	593,466	\$ 10	\$ 6.0	1,159,090	\$ 10	\$ 11.8	(565,624)	\$ (5.8)	\$ (0.1)	\$ (5.7)

- (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 97.2%, 96.0% and 92.4%, respectively, on-stream for the nine months ended September 30, 2012. On-stream rates for the nine months ended September 30, 2011 were 99.5%, 98.0% and 95.9% 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 nine months ended September 30, 2012 were higher for both ammonia and UAN over the comparable period of 2011, increasing 3.0% and 16.7%, 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 nine months ended September 30, 2012 was \$34.6 million compared to \$28.2 million for the nine months ended September 30, 2011. The increase of \$6.4 million is the result of higher third-party costs of \$5.6 million associated with increased freight costs and higher third-party pet coke costs and higher affiliate costs of \$0.8 million associated with higher pet coke costs and increased distribution costs, partially offset by lower hydrogen costs.

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 nine months ended September 30, 2012 of \$66.4 million were comparable to \$65.4 million for the nine months ended September 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 September 30, 2012, we had cash and cash equivalents of \$988.2 million. As of September 30, 2012, we had no amounts outstanding and availability of \$372.8 million under our ABL credit facility. Our availability under the ABL credit facility is reduced by outstanding letters of credit which, as of September 30, 2012 was \$27.2 million. As of October 31, 2012, we had \$372.8 million available under the ABL credit facility and CRNF had \$25.0 million of availability under the credit facility. As of October 31, 2012, the Partnership had cash and cash equivalents of approximately \$172.0 million and we had cash and cash equivalents (exclusive of the Partnership) of approximately \$1,015.7 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 First Lien Notes to partially fund the Wynnewood Acquisition. These additional First Lien Notes were issued at 105% of their principal amount. As of September 30, 2012, the Notes had an aggregate principal balance of \$669.8 million and a net carrying value of \$674.5 million. On

October 23, 2012, we repurchased approximately \$323.0 million of our First Lien Notes pursuant to a tender offer and issued a notice of redemption to redeem the remaining \$124.1 million of outstanding First Lien Notes not tendered, on November 23, 2012.

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 reinstated 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 September 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.

6.500% Second Lien Senior Secured Notes

On October 23, 2012, CVR Refining, LLC ("Refining LLC") and its wholly-owned subsidiary, Coffeyville Finance Inc. (collectively, the "New Issuers"), completed a private offering of \$500.0 million in aggregate principal amount of 6.500% Second Lien Senior Secured Notes due 2022 (the "2022 Notes"). The 2022 Notes were issued at par. Refining LLC received approximately \$492.5 million of cash proceeds, net of the underwriting fees, but before deducting other third-party fees and expenses associated with the offering.

A portion of the net proceeds from the offering approximating \$348.1 million were used to purchase approximately \$323.0 million of the First Lien Notes pursuant to a tender offer and to settle accrued interest of approximately \$1.8 million through October 23, 2012 and to pay related fees and expenses. Tendered notes were purchased at a premium of approximately \$23.3 million in aggregate amount. CRLLC intends to use the remaining proceeds from the offering to either (1) purchase the remaining \$124.1 million of existing First Lien Notes, if any, tendered in the tender offer by November 5, 2012 or (2) redeem any remaining non-tendered First Lien Notes on November 23, 2012

pursuant to a notice of redemption issued on October 23, 2012. Any remaining proceeds will be used for general corporate purposes.

As a result of these transactions, a write-off of previously deferred financing charges estimated at approximately \$8.4 million will be recorded in the fourth quarter of 2012. Additionally, the tendered and redeemed First Lien Notes have an unamortized original issuance premium of approximately \$6.6 million, which will reduce the loss on extinguishment of debt recorded in the fourth quarter. The total premiums expected to be paid in conjunction with both the tender offer and the redemption of the First Lien Notes are anticipated to be approximately \$31.7 million. This will be recorded as a loss on extinguishment of debt in the fourth quarter of 2012.

The debt issuance costs of the 2022 Notes will be amortized over the term of the 2022 Notes as interest expense using the effective-interest amortization method. Interest on the 2022 Notes is paid semiannually in arrears on May 1 and November 1 to holders of record at the close of business on April 15 and October 15 each year commencing on May 1, 2013.

The 2022 Notes will be secured by substantially the same assets that secure the outstanding Second Lien Notes, subject to exceptions, until such time that the outstanding Second Lien Notes have been discharged in full.

The 2022 Notes are guaranteed by Refining LLC and its existing domestic subsidiaries. Prior to the redemption, repurchase or other discharge in full of the existing Second Lien Notes, the 2022 Notes will also be guaranteed by Coffeyville Resources. CVR Energy and CVR Partners, LP and its subsidiary are not guarantors.

The 2022 Notes mature on November 1, 2022. At any time prior to November 1, 2017 the New Issuers may redeem all or a portion of the 2022 Notes at the "make-whole" redemption price plus any accrued and unpaid interest. In addition, prior to November 1, 2015, the New Issuers at their option, may redeem up to 35% of the aggregate principal amount of the 2022 Notes at 106.5% of the principal amount with the net proceeds of a public or private equity offering. On or after November 1, 2017, the New Issuers may redeem all or a portion of the 2022 Notes at the redemption prices set forth below (expressed as percentages of principal amount), plus any accrued and unpaid interest, if any, redeemed during the twelve month period beginning November 1 of the years indicated below:

<u>Year</u>	<u>Percentage</u>
2017	103.250%
2018	102.167%
2019	101.083%
2020 and thereafter	100.000%

In the event of a "change of control" as defined in the indenture governing the 2002 Notes, the New Issuers are required to offer to buy back all of the 2022 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 Refining LLC" to any person other than Qualifying Owners (as defined in the indenture), (2) liquidation or dissolution of Refining LLC, or (3) any person, other than a Qualifying Owner, directly or indirectly acquiring 50% of the voting stock of Refining LLC.

The indenture governing the 2022 Notes restricts the ability of Refining LLC and its restricted subsidiaries to: (i) incur additional debt or enter into sale and leaseback transactions; (ii) pay distributions on, or repurchase, equity interests; (iii) make certain investments; (iv) incur liens; (v) enter into transactions with affiliates; (vi) merge or consolidate with another company; and (vii) transfer and sell assets. These covenants are subject to a number of important exceptions and qualifications. If at any time the 2022 Notes are rated investment grade by each of Moody's Investors Service, Inc. and

Standard & Poor's Ratings Services and no Default (as defined in the indenture) has occurred and is continuing, many of these restrictive covenants will terminate. However, such covenants would be reinstated if the 2022 Notes subsequently lost their investment grade rating. The indenture also includes customary events of default.

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 September 30, 2012, CRLLC had availability under the ABL credit facility of \$372.8 million and had letters of credit outstanding of approximately \$27.2 million. There were no borrowings outstanding under the ABL credit facility as of September 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 September 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, CRNE, 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 September 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 months ended September 30, 2012 and 2011 is \$0.2 million and \$0.1 million, respectively, in interest expense. The impact recorded for the nine months ended September 30, 2012 and 2011 is \$0.7 million and \$0.1 million, respectively, in interest expense. For the three months ended September 30, 2012 and 2011, the Partnership recorded losses of \$0.1 million and \$2.4 million, respectively, in fair market value on the Interest Rate Swap agreements. For the nine months ended September 30, 2012 and 2011, the Partnership recorded losses of \$0.6 million and \$2.4 million, respectively, in the 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 \$3.0 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 nine months ended September 30, 2012 by operating segment and major category:

	<u>Nine Months Ended</u> <u>September 30, 2012</u> (in millions)
Petroleum Business:	
<i>Coffeyville refinery:</i>	
Maintenance	\$ 33.7
Growth	1.9
Coffeyville refinery total capital excluding turnaround expenditures	<u>35.6</u>
<i>Wynnewood refinery:</i>	
Maintenance	25.7
Growth	0.4
Wynnewood refinery total capital excluding turnaround expenditures	<u>26.1</u>
<i>Other Petroleum:</i>	
Maintenance	4.8
Growth	16.1
Other petroleum total capital excluding turnaround expenditures	<u>20.9</u>
Petroleum business total capital excluding turnaround expenditures	<u>82.6</u>
Nitrogen Fertilizer Business (the Partnership):	
Maintenance	3.1
Growth	54.3
Nitrogen fertilizer business total capital excluding turnaround expenditures	<u>57.4</u>
Corporate	<u>5.1</u>
Total capital spending	<u>\$ 145.1</u>

We expect the petroleum business to spend approximately \$160.0 million to \$165.0 million (not including capitalized interest) on capital expenditures in 2012. Of this amount \$60.0 million to \$65.0 million is expected to be spent for the Coffeyville refinery which includes approximately \$55.0 million to \$60.0 million of maintenance capital. Approximately \$70.0 million to \$80.0 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 \$21.2 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 \$90.0 million to \$105.0 million on capital expenditures in 2012, excluding capitalized interest. Of this amount, \$6.5 million to \$8.0 million will be

spent on maintenance projects and \$85.0 million to \$95.0 million will be spent on growth projects including \$75.0 million to \$80.0 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. As of September 30, 2012, approximately \$92.8 million had been spent, including \$49.2 million which was spent during the nine months ended September 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 for 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 UAN terminal is substantially complete and is currently operational at an estimated cost of approximately \$1.9 million.

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:

	Nine Months Ended September 30,	
	2012	2011
	(unaudited)	
	(in millions)	
Net cash provided by (used in):		
Operating activities	\$ 783.8	\$ 345.9
Investing activities	(143.6)	(43.8)
Financing activities	(40.3)	396.3
Net increase in cash and cash equivalents	<u>\$ 599.9</u>	<u>\$ 698.4</u>

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 provided by operating activities for the nine months ended September 30, 2012 were \$783.8 million. The positive net cash flow from operating activities was primarily driven by net income before noncontrolling interest of \$367.8 million, which was primarily the result of higher operating margins. This positive operating cash flow from net income was coupled with a favorable change in other working capital, offset by unfavorable changes in trade working capital. Trade working capital for the nine months ended September 30, 2012 resulted in a cash outflow of \$28.9 million as a result of a decrease in accounts payable (\$42.8 million) coupled with an increase in accounts receivable (\$98.0 million), offset by a decrease in inventories (\$111.9 million). Significant uses of cash for the nine

months ended September 30, 2011 also included payments of income tax of approximately \$109.9 million.

Net cash flows provided by operating activities for the nine months ended September 30, 2011 was \$345.9 million. The positive cash flow from operating activities generated over this period was primarily driven by \$300.2 million of net income before noncontrolling interest. This positive net income was primarily indicative of the operating margins for the period. The positive operating cash flow for the period was offset by unfavorable changes in trade working capital. Trade working capital for the nine months ended September 30, 2011 resulted in a reduction of cash flows of \$54.3 million which was primarily attributable to the increase in inventories (\$61.8 million) and an increase in accounts receivable (\$3.4 million), both of which were partially offset by an increase in accounts payable of \$10.8 million. Other working capital activities resulted in net cash outflow of \$38.5 million and are primarily related to an increase in prepaid expenses and other current assets (\$17.6 million) and a decrease in accrued income taxes (\$17.3 million). Significant uses of cash for the nine month ended September 30, 2011 included payments of income tax of approximately \$152.1 million.

Cash Flows Used in Investing Activities

Net cash used in investing activities for the nine months ended September 30, 2012 was \$143.6 million compared to \$43.8 million for the nine months ended September 30, 2011. The increase in investing activities was primarily the result of an increase in capital expenditures of \$98.4 million. The petroleum business' capital expenditures increased \$49.2 million for the nine months ended September 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 and incremental capital spending incurred for the Wynnewood refinery. This increase was coupled with an increase of \$46.9 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 nine months ended September 30, 2012 was \$40.3 million as compared to \$396.3 million provided by financing activities for the nine months ended September 30, 2011. During the nine months ended September 30, 2012, we paid a cash distribution to noncontrolling interest holders of the Partnership totaling \$37.8 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 nine months ended September 30, 2011 was approximately \$396.3 million. The net cash provided by financing activities for the nine months ended September 30, 2011 was primarily attributable to the net proceeds received of \$324.9 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 of approximately \$10.7 million were also paid during the period and were primarily associated with the ABL credit facility and the credit facility of CRNF. We repurchased \$2.7 million of our Notes in accordance with the terms of a tender offer associated with the Partnership IPO. Additionally, we paid approximately \$4.9 million toward our capital lease obligations primarily related to exercising our purchase option related to a corporate asset.

For the nine months ended September 30, 2012, there were no borrowings or repayments under our ABL credit facility or Partnership credit facility. As of September 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 September 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 September 30, 2012 and thereafter. As of September 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						
	Total	2012	2013	2014	2015	2016	Thereafter
	(in millions)						
Contractual Obligations							
Long-term debt(1)	\$ 794.8	\$ —	\$ —	\$ —	\$ 447.1	\$ 125.0	\$ 222.7
Operating leases(2)	41.3	2.6	9.8	7.8	6.3	5.5	9.3
Capital lease obligations(3)	52.5	0.4	1.1	1.2	1.4	1.6	46.8
Unconditional purchase obligations(4)	932.9	32.2	126.7	113.7	103.2	96.6	460.5
Environmental liabilities(5)	1.8	0.1	0.2	0.2	0.2	0.1	1.0
Interest payments(6)	186.4	16.2	24.2	64.5	44.9	24.2	12.4
Total	\$ 2,009.7	\$ 51.5	\$ 162.0	\$ 187.4	\$ 603.1	\$ 253.0	\$ 752.7
Other Commercial Commitments							
Standby letters of credit(7)	\$ 27.2	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —

- (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 September 30, 2012, 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 Company and the Partnership lease various facilities and equipment, including railcars and real property, under long-term 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 \$482.8 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 and the current interest rate for the Partnership's credit facility. 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, \$26.3 million in letters of credit to secure transportation services for crude oil, \$0.6 million issued to guarantee a portion of our insurance policy 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 September 30, 2012, as defined within the rules and regulations of the SEC.

Recent Accounting Pronouncements

In May 2011, the Financial Accounting Standards Board ("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 changed 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 expanded the disclosures for fair value measurements that are estimated using significant unobservable (Level 3) inputs. This new guidance was to be applied prospectively. The provisions of ASU 2011-04 were effective for interim and annual periods beginning after December 15, 2011. We adopted this standard 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 amended former 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, we 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. ASU 2011-05 was effective for interim and annual periods beginning after December 2011 and was to be applied retrospectively. In December 2011, FASB issued ASU 2011-11, which deferred the effective date of the changes in ASU 2011-05 that related to the presentation of reclassification adjustments to again consider whether to present the effects of reclassifications out of accumulated other comprehensive income on the face of the financials. We adopted this standard as of January 1, 2012. The adoption of this standard expanded the condensed consolidated financial statements and footnote disclosures.

In December 2011, the FASB issued ASU No. 2011-11, "*Disclosures about Offsetting Assets and Liabilities*" ("ASU 2011-11") which required new disclosure standards to allow investors to better compare financial statements prepared under U.S. GAAP with financial statements 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 the Company's 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 nine months ended September 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 September 30, 2012, we had over-the-counter commodity swaps consisting of 26.3 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 September 30, 2012 was a net unrealized loss of \$115.7 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 \$26.3 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 September 30, 2012, the effective rate was approximately 4.59%. 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 September 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 September 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

The Company's 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 in our Quarterly Report on Form 10-Q for the quarters ended March 31, 2012 and June 30, 2012, have been amended and restated and are included in full in Exhibit 99.1 attached to this report.

Item 6. Exhibits

<u>Number</u>	<u>Exhibit Title</u>
4.1**	Indenture, dated as of October 23, 2012, among CVR Refining, LLC, Coffeyville Finance Inc., the Guarantors (as defined therein) and Wells Fargo Bank, National Association, as Trustee and Collateral Trustee (incorporated by reference to Exhibit 4.1 to the Company's Form 8-K filed on October 29, 2012).
4.2**	Forms of 6.500% Second Lien Senior Secured Notes due 2022 (incorporated by reference to Exhibit 4.2 to the Company's Form 8-K filed on October 29, 2012).
4.3**	Registration Rights Agreement, dated October 23, 2012, among CVR Refining, LLC, Coffeyville Finance Inc., the Subsidiary Guarantors, and Credit Suisse Securities (USA) LLC and Citigroup Global Markets Inc. as Representatives of the several initial purchasers (incorporated by reference to Exhibit 4.3 to the Company's Form 8-K filed on October 29, 2012).
4.4**	Fifth Supplemental Indenture, dated as of October 23, 2012, among Coffeyville Resources, LLC, Coffeyville Finance Inc., the guarantors named therein and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 4.4 to the Company's Form 8-K filed on October 29, 2012).
10.1*	Third Amended and Restated Employment Agreement, dated as of July 27, 2012, between CVR Energy, Inc. and Susan M. Ball.
10.2*†	Amended and Restated Crude Oil Supply Agreement, dated August 31, 2012, by and between Vitol Inc. and Coffeyville Resources Refining & Marketing, LLC
10.3*	Form of Restricted Stock Unit Agreement
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.
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.
99.1*	Risk Factors.

<u>Number</u>	<u>Exhibit Title</u>
101*	The following financial information for CVR Energy, Inc.'s Quarterly Report on Form 10-Q for the quarter ended September 30, 2012, filed with the SEC on November 6, 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.

† Certain portions of this exhibit have been omitted and separately filed with the SEC pursuant to a request for confidential treatment which is pending at the SEC.

*** 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.

**THIRD AMENDED AND RESTATED
EMPLOYMENT AGREEMENT**

THIRD AMENDED AND RESTATED EMPLOYMENT AGREEMENT, dated as of July 27, 2012 (the "Employment Agreement"), by and between **CVR ENERGY, INC.**, a Delaware corporation (the "Company"), and **SUSAN M. BALL** (the "Executive").

The Company and the Executive entered into an employment agreement dated October 23, 2007, as amended by an amendment to such employment agreement dated March 5, 2009 as further amended by a second amendment to such employment agreement dated October 9, 2009 (as amended, the "Original Agreement"), an amended and restated employment agreement dated January 1, 2010 (the "Amended and Restated Agreement"), and a second amended and restated employment agreement dated January 1, 2011 (the "Second Amended and Restated Agreement").

The Company and the Executive desire to amend and restate the Second Amended and Restated Employment Agreement in its entirety as provided for herein.

In consideration of the mutual covenants contained herein and other valid consideration the sufficiency of which is acknowledged, the parties hereto agree as follows:

Section 1. **Employment.**

1.1. **Term.** The Company agrees to employ the Executive, and the Executive agrees to be employed by the Company, in each case pursuant to this Employment Agreement, for a period commencing on August 7, 2012 (the "Commencement Date") and ending on the earlier of (i) the third (3rd) anniversary of the Commencement Date and (ii) the termination or resignation of the Executive's employment in accordance with Section 3 hereof (the "Term").

1.2. **Duties.** During the Term, the Executive shall serve as Chief Financial Officer and Treasurer of the Company and such other or additional positions as an officer or director of the Company, and of such direct or indirect affiliates of the Company ("Affiliates"), as the Executive and the board of directors of the Company (the "Board") or its designee shall mutually agree from time to time. In such positions, the Executive shall perform such duties, functions and responsibilities during the Term commensurate with the Executive's positions as reasonably directed by the Board.

1.3. **Exclusivity.** During the Term, the Executive shall devote substantially all of Executive's working time and attention to the business and affairs of the Company and its Affiliates, shall faithfully serve the Company and its Affiliates, and shall in all material respects conform to and comply with the lawful and reasonable directions and instructions given to Executive by the Board, or its designee, consistent with Section 1.2 hereof. During the Term, the Executive shall use Executive's best efforts during Executive's working time to promote and serve the interests of the Company and its Affiliates and shall not engage in any other business activity, whether or not such activity shall be engaged in for pecuniary profit. The provisions of this Section 1.3 shall not be construed to prevent the Executive from investing

Executive's personal, private assets as a passive investor in such form or manner as will not require any active services on the part of the Executive in the management or operation of the affairs of the companies, partnerships, or other business entities in which any such passive investments are made.

Section 2. **Compensation.**

2.1. **Salary.** As compensation for the performance of the Executive's services hereunder, during the Term, the Company shall pay to the Executive a salary at an annual rate of \$350,000 which annual salary shall be prorated for any partial year at the beginning or end of the Term and shall accrue and be payable in accordance with the Company's standard payroll policies, as such salary may be adjusted upward by the Compensation Committee of the Board in its discretion (as adjusted, the "Base Salary").

2.2. **Annual Bonus.** For each completed fiscal year occurring during the Term, the Executive shall be eligible to receive an annual cash bonus (the "Annual Bonus"). For fiscal year 2012, the target Annual Bonus shall be equal to (i) 70% of the Executive's Base Salary of \$235,000, prorated for the portion of the year that the Executive served as Vice President and Chief Accounting Officer and (ii) 100% of the Executive's Base Salary of \$350,000, prorated for the portion of the year that the Executive served as Chief Financial Officer, in each case such proration based on the number of days that the Executive served in each position. Commencing with fiscal year 2013, the target Annual Bonus shall be 100% of the Executive's Base Salary as in effect at the beginning of fiscal year 2013 and at the beginning of each such fiscal year thereafter during the Term, the actual Annual Bonus to be based upon such individual and/or Company performance criteria established for each such fiscal year by the Compensation Committee of the Board. The Annual Bonus, if any, payable to Executive for a fiscal year will be paid by the Company to the Executive pursuant to the Company's Performance Incentive Plan.

2.3. **Employee Benefits.** During the Term, the Executive shall be eligible to participate in such health, insurance, retirement, and other employee benefit plans and programs of the Company as in effect from time to time on the same basis as other senior executives of the Company.

2.4. **Paid Time Off.** During the Term, the Executive shall be entitled to twenty-five (25) days of paid time off ("PTO") each year.

2.5. **Business Expenses.** The Company shall pay or reimburse the Executive for all commercially reasonable business out-of-pocket expenses that the Executive incurs during the Term in performing Executive's duties under this Employment Agreement upon presentation of documentation and in accordance with the expense reimbursement policy of the Company as approved by the Board and in effect from time to time. Notwithstanding anything herein to the contrary or otherwise, except to the extent any expense or reimbursement described in this Employment Agreement does not constitute a "deferral of compensation" within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") and the Treasury regulations and other guidance issued thereunder, any expense or reimbursement described in this Employment Agreement shall meet the following requirements:

(i) the amount of expenses eligible for reimbursement provided to the Executive during any calendar year will not affect the amount of expenses eligible for reimbursement to the Executive in any other calendar year; (ii) the reimbursements for expenses for which the Executive is entitled to be reimbursed shall be made on or before the last day of the calendar year following the calendar year in which the applicable expense is incurred; (iii) the right to payment or reimbursement or in-kind benefits hereunder may not be liquidated or exchanged for any other benefit; and (iv) the reimbursements shall be made pursuant to objectively determinable and nondiscretionary Company policies and procedures regarding such reimbursement of expenses.

Section 3. Employment Termination.

3.1. Termination of Employment. The Company may terminate the Executive's employment for any reason during the Term, and the Executive may voluntarily resign Executive's employment for any reason during the Term, in each case (other than a termination by the Company for Cause) at any time upon not less than thirty (30) days' notice to the other party. Upon the termination or resignation of the Executive's employment with the Company for any reason (whether during the Term or thereafter), the Executive shall be entitled to any Base Salary earned but unpaid through the date of termination or resignation, any earned but unpaid Annual Bonus for completed fiscal years, any unused accrued PTO and any unreimbursed expenses in accordance with Section 2.5 hereof (collectively, the "Accrued Amounts").

3.2. Certain Terminations.

(a) Termination by the Company Other Than For Cause or Disability; Resignation by the Executive for Good Reason. If during the Term (i) the Executive's employment is terminated by the Company other than for Cause or Disability or (ii) the Executive resigns for Good Reason, then in addition to the Accrued Amounts the Executive shall be entitled to the following payments and benefits: (x) the continuation of Executive's Base Salary at the rate in effect immediately prior to the date of termination or resignation (or, in the case of a resignation for Good Reason, at the rate in effect immediately prior to the occurrence of the event constituting Good Reason, if greater) for a period of twelve (12) months (or, if earlier, until and including the month in which the Executive attains age 70) (the "Severance Period") and (y) a Pro-Rata Bonus and (z) to the extent permitted pursuant to the applicable plans, the continuation on the same terms as an active employee (including, where applicable, coverage for the Executive and the Executive's dependents) of medical, dental, vision and life insurance benefits ("Welfare Benefits") the Executive would otherwise be eligible to receive as an active employee of the Company for twelve (12) months or, if earlier, until such time as the Executive becomes eligible for Welfare Benefits from a subsequent employer (the "Welfare Benefit Continuation Period") (such payments, collectively, the "Severance Payments"). If the Executive is not permitted to continue participation in the Company's Welfare Benefit plans pursuant to the terms of such plans or pursuant to a determination by the Company's insurance providers or such continued participation in the plan would result in the imposition of an excise tax to the Company pursuant to Section 4980D of the Code, the Company shall use reasonable efforts to obtain individual insurance policies providing the Welfare Benefits to the Executive during the Welfare Benefit Continuation Period and, if applicable, the Additional Welfare Benefit Continuation Period (as defined below), but shall only be required to pay for such policies an

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amount equal to the amount the Company would have paid had the Executive continued participation in the Company's Welfare Benefits plans; provided, that, if such coverage cannot be obtained, the Company shall pay to the Executive monthly during the Welfare Benefit Continuation Period and, if applicable, the Additional Welfare Benefit Continuation Period, an amount equal to the amount the Company would have paid had the Executive continued participation in the Company's Welfare Benefits plans. The Company's obligations to make the Severance Payments shall be conditioned upon: (i) the Executive's continued compliance with Executive's obligations under Section 4 of this Employment Agreement and (ii) the Executive's execution, delivery and non-revocation of a valid and enforceable release of claims arising in connection with the Executive's employment and termination or resignation of employment with the Company (the "Release") in a form reasonably acceptable to the Company and the Executive that becomes effective not later than forty-five (45) days after the date of such termination or resignation of employment. In the event that the Executive breaches any of the covenants set forth in Section 4 of this Employment Agreement, the Executive will immediately return to the Company any portion of the Severance Payments that have been paid to the Executive pursuant to this Section 3.2(a). Subject to the foregoing and Section 3.2(e), the Severance Payments will commence to be paid to the Executive on the forty-fifth (45th) day following the Executive's termination of employment, except that the Pro-Rata Bonus shall be paid at the time when annual bonuses are paid generally to the Company's senior executives for the year in which the Executive's termination of employment occurs.

(b) Change in Control Termination. If (A) (i) the Executive's employment is terminated by the Company other than for Cause or Disability, or (ii) the Executive resigns for Good Reason, and such termination or resignation described in (i) or (ii) of this Clause (A) occurs within the one (1) year period following a Change in Control, or (B) the Executive's termination or resignation is a Change in Control Related Termination, then, in addition to the Severance Payments described in Section 3.2(a), the Executive shall also be entitled to (I) the continuation of Executive's Base Salary at the rate in effect immediately prior to the date of termination or resignation (determined without regard to any reduction in Base Salary subsequent to the Change in Control or in connection with the Change in Control Related Termination) for a period of twelve (12) months (or, if earlier, until and including the month in which the Executive attains age 70) commencing on the one (1) year anniversary of the date of termination or resignation (the "Additional Severance Period"), (II) a payment each month during the Severance Period and the Additional Severance Period equal to one-twelfth (1/12th) of the target Annual Bonus for the year in which the Executive's termination or resignation occurs (determined without regard to any reduction in Base Salary or target Annual Bonus percentage subsequent to the Change in Control or in connection with the Change in Control Related Termination) and (III) the continuation of the Welfare Benefits for the twelve (12) month period commencing on the one (1) year anniversary of the date of termination or resignation or, if earlier, until such time as the Executive becomes eligible for Welfare Benefits from a subsequent employer (the "Additional Welfare Benefit Continuation Period"). Amounts received pursuant to this Section 3.2(b) shall be deemed to be included in the term Severance Payments for purposes of this Employment Agreement.

(c) Retirement. Upon Retirement, the Executive, whether or not Section 3.2(a) also applies but without duplication of benefits, shall be entitled to (i) a Pro-Rata Bonus, (ii) to the extent permitted pursuant to the applicable plans, the continuation on the

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same terms as an active employee of Welfare Benefits the Executive would otherwise be eligible to receive as an active employee of the Company for twenty-four (24) months following the date of the Executive's Retirement or, if earlier, until such time as the Executive becomes eligible for Welfare Benefits from a subsequent employer and, thereafter, shall be eligible to continue participation in the Company's Welfare Benefits plans, provided that such continued participation shall be entirely at the Executive's expense and shall cease when the Executive becomes eligible for Welfare Benefits from a subsequent employer. Notwithstanding the foregoing, (x) if the Executive is not permitted to continue participation in the Company's Welfare Benefit plans pursuant to the terms of such plans or pursuant to a determination by the Company's insurance providers or such continued participation in any plan would result in the plan being discriminatory within the meaning of Section 4980D of the Code, the Company shall use reasonable efforts to obtain individual insurance policies providing the Welfare Benefits to the Executive for such twenty-four (24) months, but shall only be required to pay for such policies an amount equal to the amount the Company would have paid had the Executive continued participation in the Company's Welfare Benefit plans; provided, that, if such coverage cannot be obtained, the Company shall pay to the Executive monthly for such twenty-four (24) months an amount equal to the amount the Company would have paid had the Executive continued participation in the Company's Welfare Benefits plans and (y) any Welfare Benefits coverage provided pursuant to this Section 3.2(b), whether through the Company's Welfare Benefit plans or through individual insurance policies, shall be supplemental to any benefits for which the Executive becomes eligible under Medicare, whether or not the Executive actually obtains such Medicare coverage. The Pro-Rata Bonus shall be paid at the time when annual bonuses are paid generally to the Company's senior executives for the year in which the Executive's Retirement occurs.

(d) Definitions. For purposes of this Section 3.2, the following terms shall have the following meanings:

(1) A resignation for "Good Reason" shall mean a resignation by the Executive within thirty (30) days following the date on which the Company has engaged in any of the following: (i) the assignment of duties or responsibilities to the Executive that reflect a material diminution of the Executive's position with the Company; (ii) a relocation of the Executive's principal place of employment that increases the Executive's commute by more than fifty (50) miles; or (iii) a reduction in the Executive's Base Salary, other than across-the-board reductions applicable to similarly situated employees of the Company; provided, however, that the Executive must provide the Company with notice promptly following the occurrence of any of the foregoing and at least thirty (30) days to cure.

(2) "Cause" shall mean that the Executive has engaged in any of the following: (i) willful misconduct or breach of fiduciary duty; (ii) intentional failure or refusal to perform reasonably assigned duties after written notice of such willful failure or refusal and the failure or refusal is not corrected within ten (10) business days; (iii) the indictment for, conviction of or entering a plea of guilty or nolo contendere to a crime constituting a felony (other than a traffic violation or other offense or violation outside of the course of employment which does not adversely affect the Company and its Affiliates or their reputation or the ability of the Executive to perform Executive's employment-related duties or to represent the Company and its Affiliates); provided, however, that (A) if the Executive is

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terminated for Cause by reason of Executive's indictment pursuant to this clause (iii) and the indictment is subsequently dismissed or withdrawn or the Executive is found to be not guilty in a court of law in connection with such indictment, then the Executive's termination shall be treated for purposes of this Employment Agreement as a termination by the Company other than for Cause, and the Executive will be entitled to receive (without duplication of benefits and to the extent permitted by law and the terms of the then-applicable Welfare Benefits plans) the payments and benefits set forth in Section 3.2(a) and, to the extent either or both are applicable, Section 3.2(b) and Section 3.2(c), following such dismissal, withdrawal or finding, payable in the manner and subject to the conditions set forth in such Sections and (B) if such indictment relates to environmental matters and does not allege that the Executive was directly involved in or directly supervised the action(s) forming the basis of the indictment, Cause shall not be deemed to exist under this Employment Agreement by reason of such indictment until the Executive is convicted or enters a plea of guilty or nolo contendere in connection with such indictment; or (iv) material breach of the Executive's covenants in Section 4 of this Employment Agreement or any material written policy of the Company or any Affiliate after written notice of such breach and failure by the Executive to correct such breach within ten (10) business days, provided that no notice of, nor opportunity to correct, such breach shall be required hereunder if such breach cannot be cured by the Executive.

(3) "Change in Control" shall have the meaning set forth on Appendix A.

(4) "Change in Control Related Termination" shall mean a termination of the Executive's employment by the Company other than for Cause or Executive's resignation for Good Reason, in each case at any time prior to the date of a Change in Control and (A) the Executive reasonably demonstrates that such termination or the basis for resignation for Good Reason occurred in anticipation of a transaction that, if consummated, would constitute a Change in Control, (B) such termination or the basis for resignation for Good Reason occurred after the Company entered into a definitive agreement, the consummation of which would constitute a Change in Control or (C) the Executive reasonably demonstrates that such termination or the basis for resignation for Good Reason was implemented at the request of a third party who has indicated an intention or has taken steps reasonably calculated to effect a Change in Control.

(5) "Disability" shall mean the Executive's inability, due to physical or mental ill health, to perform the essential functions of the Executive's job, with or without a reasonable accommodation, for 180 days during any 365 day period irrespective of whether such days are consecutive.

(6) "Pro-Rata Bonus" shall mean, the product of (A) a fraction, the numerator of which is the number of days the Executive is employed by the Company during the year in which the Executive's employment terminates pursuant to Section 3.2(a) or (c) prior to and including the date of the Executive's termination and the denominator of which is 365 and (B) an amount for that year equal to the Annual Bonus the Executive would have been entitled to receive had her employment not terminated, based on the actual performance of the Company or the Executive, as applicable, for the full year.

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(7) "Retirement" shall mean the Executive's termination or resignation of employment for any reason (other than by the Company for Cause or by reason of the Executive's death) following the date the Executive attains age 62.

(e) Section 409A. To the extent applicable, this Employment Agreement shall be interpreted, construed and operated in accordance with Section 409A of the Code and the Treasury regulations and other guidance issued thereunder. If on the date of the Executive's

separation from service (as defined in Treasury Regulation §1.409A-1(h)) with the Company the Executive is a specified employee (as defined in Code Section 409A and Treasury Regulation §1.409A-1(i)), no payment constituting the “deferral of compensation” within the meaning of Treasury Regulation §1.409A-1(b) and after application of the exemptions provided in Treasury Regulation §§1.409A-1(b)(4) and 1.409A-1(b)(9)(iii) shall be made to Executive at any time during the six (6) month period following the Executive’s separation from service, and any such amounts deferred such six (6) months shall instead be paid in a lump sum on the first payroll payment date following expiration of such six (6) month period. For purposes of conforming this Employment Agreement to Section 409A of the Code, the parties agree that any reference to termination of employment, severance from employment, resignation from employment or similar terms shall mean and be interpreted as a “separation from service” as defined in Treasury Regulation §1.409A-1(h).

3.3. Exclusive Remedy. The foregoing payments upon termination or resignation of the Executive’s employment shall constitute the exclusive severance payments due the Executive upon a termination or resignation of Executive’s employment under this Employment Agreement.

3.4. Resignation from All Positions. Upon the termination or resignation of the Executive’s employment with the Company for any reason, the Executive shall be deemed to have resigned, as of the date of such termination or resignation, from and with respect to all positions the Executive then holds as an officer, director, employee and member of the Board of Directors (and any committee thereof) of the Company and any of its Affiliates.

3.5. Cooperation. For one (1) year following the termination or resignation of the Executive’s employment with the Company for any reason, the Executive agrees to reasonably cooperate with the Company upon reasonable request of the Board and to be reasonably available to the Company with respect to matters arising out of the Executive’s services to the Company and its Affiliates, provided, however, such period of cooperation shall be for three (3) years, following any such termination or resignation of Executive’s employment for any reason, with respect to tax matters involving the Company or any of its Affiliates. The Company shall reimburse the Executive for expenses reasonably incurred in connection with such matters as agreed by the Executive and the Board and the Company shall compensate the Executive for such cooperation at an hourly rate based on the Executive’s most recent base salary rate assuming two thousand (2,000) working hours per year; provided, that if the Executive is required to spend more than forty (40) hours in any month on Company matters pursuant to this Section 3.5, the Executive and the Board shall mutually agree to an appropriate rate of compensation for the Executive’s time over such forty (40) hour threshold.

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Section 4. Unauthorized Disclosure; Non-Competition; Non-Solicitation; Proprietary Rights.

4.1. Unauthorized Disclosure. The Executive agrees and understands that in the Executive’s position with the Company and any Affiliates, the Executive has been and will be exposed to and has and will receive information relating to the confidential affairs of the Company and its Affiliates, including, without limitation, technical information, intellectual property, business and marketing plans, strategies, customer information, software, other information concerning the products, promotions, development, financing, expansion plans, business policies and practices of the Company and its Affiliates and other forms of information considered by the Company and its Affiliates to be confidential and in the nature of trade secrets (including, without limitation, ideas, research and development, know-how, formulas, technical data, designs, drawings, specifications, customer and supplier lists, pricing and cost information and business and marketing plans and proposals) (collectively, the “Confidential Information”); provided, however, that Confidential Information shall not include information which (i) is or becomes generally available to the public not in violation of this Employment Agreement or any written policy of the Company; or (ii) was in the Executive’s possession or knowledge on a non-confidential basis prior to such disclosure. The Executive agrees that at all times during the Executive’s employment with the Company and thereafter, the Executive shall not disclose such Confidential Information, either directly or indirectly, to any individual, corporation, partnership, limited liability company, association, trust or other entity or organization, including a government or political subdivision or an agency or instrumentality thereof (each, for purposes of this Section 4, a “Person”) without the prior written consent of the Company and shall not use or attempt to use any such information in any manner other than in connection with Executive’s employment with the Company, unless required by law to disclose such information, in which case the Executive shall provide the Company with written notice of such requirement as far in advance of such anticipated disclosure as possible. Executive’s confidentiality covenant has no temporal, geographical or territorial restriction. Upon termination or resignation of the Executive’s employment with the Company, the Executive shall promptly supply to the Company all property, keys, notes, memoranda, writings, lists, files, reports, customer lists, correspondence, tapes, disks, cards, surveys, maps, logs, machines, technical data and any other tangible product or document which has been produced by, received by or otherwise submitted to the Executive during or prior to the Executive’s employment with the Company, and any copies thereof in Executive’s (or capable of being reduced to Executive’s) possession.

4.2. Non-Competition. By and in consideration of the Company’s entering into this Employment Agreement and the payments to be made and benefits to be provided by the Company hereunder, and in further consideration of the Executive’s exposure to the Confidential Information of the Company and its Affiliates, the Executive agrees that the Executive shall not, during the Term and for a period of twelve (12) months thereafter (the “Restriction Period”), directly or indirectly, own, manage, operate, join, control, be employed by, or participate in the ownership, management, operation or control of, or be connected in any manner with, including, without limitation, holding any position as a stockholder, director, officer, consultant, independent contractor, employee, partner, or investor in, any Restricted Enterprise (as defined below); provided, that in no event shall ownership of one percent (1%) or less of the outstanding securities of any class of any issuer whose securities are registered under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), standing alone, be

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prohibited by this Section 4.2, so long as the Executive does not have, or exercise, any rights to manage or operate the business of such issuer other than rights as a stockholder thereof. For purposes of this paragraph, “Restricted Enterprise” shall mean any Person that is actively engaged in any business which is either (i) in competition with the business of the Company or any of its Affiliates conducted during the preceding twelve (12) months (or following the Term, the twelve (12) months preceding the last day of the Term), or (ii) proposed to be conducted by the Company or any of its Affiliates in the Company’s or Affiliate’s business plan as in effect at that time (or following the Term, the business plan as in effect as of the last day of the Term); provided, that (x) with respect to any Person that is actively engaged in the refinery business, a Restricted Enterprise shall only include such a Person that operates or markets in any geographic area in which the Company or any of its Affiliates operates or markets with respect to its refinery business and (y) with respect to any Person that is actively engaged in the fertilizer business, a Restricted Enterprise shall only include such a Person that operates or markets in any geographic area in which the Company or any of its Affiliates operates or markets with respect to its fertilizer business. During the Restriction Period, upon request of the Company,

the Executive shall notify the Company of the Executive's then-current employment status. For the avoidance of doubt, a Restricted Enterprise shall not include any Person or division thereof that is engaged in the business of supplying (but not refining) crude oil or natural gas.

4.3. Non-Solicitation of Employees. During the Restriction Period, the Executive shall not directly or indirectly contact, induce or solicit (or assist any Person to contact, induce or solicit) for employment any person who is, or within twelve (12) months prior to the date of such solicitation was, an employee of the Company or any of its Affiliates.

4.4. Non-Solicitation of Customers/Suppliers. During the Restriction Period, the Executive shall not (i) contact, induce or solicit (or assist any Person to contact, induce or solicit) any Person which has a business relationship with the Company or of any of its Affiliates in order to terminate, curtail or otherwise interfere with such business relationship or (ii) solicit, other than on behalf of the Company and its Affiliates, any Person that the Executive knows or should have known (x) is a current customer of the Company or any of its Affiliates in any geographic area in which the Company or any of its Affiliates operates or markets or (y) is a Person in any geographic area in which the Company or any of its Affiliates operates or markets with respect to which the Company or any of its Affiliates has, within the twelve (12) months prior to the date of such solicitation, devoted more than de minimis resources in an effort to cause such Person to become a customer of the Company or any of its Affiliates in that geographic area. For the avoidance of doubt, the foregoing does not preclude the Executive from soliciting, outside of the geographic areas in which the Company or any of its Affiliates operates or markets, any Person that is a customer or potential customer of the Company or any of its Affiliates in the geographic areas in which it operates or markets.

4.5. Extension of Restriction Period. The Restriction Period shall be extended for a period of time equal to any period during which the Executive is in breach of any of Sections 4.2, 4.3 or 4.4 hereof.

4.6. Proprietary Rights. The Executive shall disclose promptly to the Company any and all inventions, discoveries, and improvements (whether or not patentable or registrable under copyright or similar statutes), and all patentable or copyrightable works,

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initiated, conceived, discovered, reduced to practice, or made by Executive, either alone or in conjunction with others, during the Executive's employment with the Company and related to the business or activities of the Company and its Affiliates (the "Developments"). Except to the extent any rights in any Developments constitute a work made for hire under the U.S. Copyright Act, 17 U.S.C. § 101 et seq. that are owned ab initio by the Company and/or its applicable Affiliates, the Executive assigns all of Executive's right, title and interest in all Developments (including all intellectual property rights therein) to the Company or its nominee without further compensation, including all rights or benefits therefor, including without limitation the right to sue and recover for past and future infringement. The Executive acknowledges that any rights in any developments constituting a work made for hire under the U.S. Copyright Act, 17 U.S.C § 101 et seq. are owned upon creation by the Company and/or its applicable Affiliates as the Executive's employer. Whenever requested to do so by the Company, the Executive shall execute any and all applications, assignments or other instruments which the Company shall deem necessary to apply for and obtain trademarks, patents or copyrights of the United States or any foreign country or otherwise protect the interests of the Company and its Affiliates therein. These obligations shall continue beyond the end of the Executive's employment with the Company with respect to inventions, discoveries, improvements or copyrightable works initiated, conceived or made by the Executive while employed by the Company, and shall be binding upon the Executive's employers, assigns, executors, administrators and other legal representatives. In connection with Executive's execution of this Employment Agreement, the Executive has informed the Company in writing of any interest in any inventions or intellectual property rights that Executive holds as of the date hereof. If the Company is unable for any reason, after reasonable effort, to obtain the Executive's signature on any document needed in connection with the actions described in this Section 4.6, the Executive hereby irrevocably designates and appoints the Company, its Affiliates, and their duly authorized officers and agents as the Executive's agent and attorney in fact to act for and in the Executive's behalf to execute, verify and file any such documents and to do all other lawfully permitted acts to further the purposes of this Section with the same legal force and effect as if executed by the Executive.

4.7. Confidentiality of Agreement. Other than with respect to information required to be disclosed by applicable law, the parties hereto agree not to disclose the terms of this Employment Agreement to any Person; provided the Executive may disclose this Employment Agreement and/or any of its terms to the Executive's immediate family, financial advisors and attorneys. Notwithstanding anything in this Section 4.7 to the contrary, the parties hereto (and each of their respective employees, representatives, or other agents) may disclose to any and all Persons, without limitation of any kind, the tax treatment and tax structure of the transactions contemplated by this Employment Agreement, and all materials of any kind (including opinions or other tax analyses) related to such tax treatment and tax structure; provided that this sentence shall not permit any Person to disclose the name of, or other information that would identify, any party to such transactions or to disclose confidential commercial information regarding such transactions.

4.8. Remedies. The Executive agrees that any breach of the terms of this Section 4 would result in irreparable injury and damage to the Company and its Affiliates for which the Company and its Affiliates would have no adequate remedy at law; the Executive therefore also agrees that in the event of said breach or any threat of breach, the Company and its Affiliates shall be entitled to an immediate injunction and restraining order to prevent such

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breach and/or threatened breach and/or continued breach by the Executive and/or any and all Persons acting for and/or with the Executive, without having to prove damages, in addition to any other remedies to which the Company and its Affiliates may be entitled at law or in equity, including, without limitation, the obligation of the Executive to return any Severance Payments made by the Company to the Company. The terms of this paragraph shall not prevent the Company or its Affiliates from pursuing any other available remedies for any breach or threatened breach hereof, including, without limitation, the recovery of damages from the Executive. The Executive and the Company further agree that the provisions of the covenants contained in this Section 4 are reasonable and necessary to protect the businesses of the Company and its Affiliates because of the Executive's access to Confidential Information and Executive's material participation in the operation of such businesses.

Section 5. Representation.

The Executive represents and warrants that (i) Executive is not subject to any contract, arrangement, policy or understanding, or to any statute, governmental rule or regulation, that in any way limits Executive's ability to enter into and fully perform Executive's obligations under this Employment Agreement and (ii) Executive is not otherwise unable to enter into and fully perform Executive's obligations under this Employment Agreement.

Section 6. Withholding.

All amounts paid to the Executive under this Employment Agreement during or following the Term shall be subject to withholding and other employment taxes imposed by applicable law.

Section 7. Effect of Section 280G of the Code.

7.1. Payment Reduction. Notwithstanding anything contained in this Employment Agreement to the contrary, (i) to the extent that any payment or distribution of any type to or for the Executive by the Company, any affiliate of the Company, any Person who acquires ownership or effective control of the Company or ownership of a substantial portion of the Company's assets (within the meaning of Section 280G of the Code and the regulations thereunder), or any affiliate of such Person, whether paid or payable or distributed or distributable pursuant to the terms of this Employment Agreement or otherwise (the "Payments") constitute "parachute payments" (within the meaning of Section 280G of the Code), and if (ii) such aggregate would, if reduced by all federal, state and local taxes applicable thereto, including the excise tax imposed under Section 4999 of the Code (the "Excise Tax"), be less than the amount the Executive would receive, after all taxes, if the Executive received aggregate Payments equal (as valued under Section 280G of the Code) to only three times the Executive's "base amount" (within the meaning of Section 280G of the Code), less \$1.00, then (iii) such Payments shall be reduced (but not below zero) if and to the extent necessary so that no Payments to be made or benefit to be provided to the Executive shall be subject to the Excise Tax; provided, however, that the Company shall use its reasonable best efforts to obtain shareholder approval of the Payments provided for in this Employment Agreement in a manner intended to satisfy requirements of the "shareholder approval" exception to Section 280G of the Code and the regulations promulgated thereunder, such that payment may be made to the

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Executive of such Payments without the application of an Excise Tax. If the Payments are so reduced, the Company shall reduce or eliminate the Payments (x) by first reducing or eliminating the portion of the Payments which are not payable in cash (other than that portion of the Payments subject to clause (z) hereof), (y) then by reducing or eliminating cash payments (other than that portion of the Payments subject to clause (z) hereof) and (z) then by reducing or eliminating the portion of the Payments (whether payable in cash or not payable in cash) to which Treasury Regulation § 1.280G-1 Q/A 24(c) (or successor thereto) applies, in each case in reverse order beginning with payments or benefits which are to be paid the farthest in time.

7.2. Determination of Amount of Reduction (if any). The determination of whether the Payments shall be reduced as provided in Section 7.1 and the amount of such reduction shall be made at the Company's expense by an accounting firm selected by the Company from among the four (4) largest accounting firms in the United States (the "Accounting Firm"). The Accounting Firm shall provide its determination (the "Determination"), together with detailed supporting calculations and documentation, to the Company and the Executive within ten (10) days after the Executive's final day of employment. If the Accounting Firm determines that no Excise Tax is payable by the Executive with respect to the Payments, it shall furnish the Executive with an opinion reasonably acceptable to the Executive that no Excise Tax will be imposed with respect to any such payments and, absent manifest error, such Determination shall be binding, final and conclusive upon the Company and the Executive.

Section 8. Miscellaneous.

8.1. Amendments and Waivers. This Employment Agreement and any of the provisions hereof may be amended, waived (either generally or in a particular instance and either retroactively or prospectively), modified or supplemented, in whole or in part, only by written agreement signed by the parties hereto; provided, that, the observance of any provision of this Employment Agreement may be waived in writing by the party that will lose the benefit of such provision as a result of such waiver. The waiver by any party hereto of a breach of any provision of this Employment Agreement shall not operate or be construed as a further or continuing waiver of such breach or as a waiver of any other or subsequent breach, except as otherwise explicitly provided for in such waiver. Except as otherwise expressly provided herein, no failure on the part of any party to exercise, and no delay in exercising, any right, power or remedy hereunder, or otherwise available in respect hereof at law or in equity, shall operate as a waiver thereof, nor shall any single or partial exercise of such right, power or remedy by such party preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

8.2. Fees and Expenses. The Company shall pay all legal fees and related expenses (including the costs of experts, evidence and counsel) incurred by the Executive as a result of (i) the termination of the Executive's employment by the Company or the resignation by the Executive for Good Reason (including all such fees and expenses, if any, incurred in contesting, defending or disputing the basis for any such termination or resignation of employment) or (b) the Executive seeking to obtain or enforce any right or benefit provided by this Employment Agreement; provided, that, if it is determined that the Executive's termination

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of employment was for Cause, the Executive shall not be entitled to any payment or reimbursement pursuant to this Section 8.2.

8.3. Indemnification. To the extent provided in the Company's Certificate of Incorporation or Bylaws, as in effect from time to time, and subject to any separate agreement (if any) between the Company and the Executive regarding indemnification, the Company shall indemnify the Executive for losses or damages incurred by the Executive as a result of causes of action arising from the Executive's performance of duties for the benefit of the Company, whether or not the claim is asserted during the Term.

8.4. Assignment. This Employment Agreement, and the Executive's rights and obligations hereunder, may not be assigned by the Executive, and any purported assignment by the Executive in violation hereof shall be null and void.

8.5. Payments Following Executive's Death. Any amounts payable to the Executive pursuant to this Employment Agreement that remain unpaid at the Executive's death shall be paid to the Executive's estate.

8.6. Notices. Unless otherwise provided herein, all notices, requests, demands, claims and other communications provided for under the terms of this Employment Agreement shall be in writing. Any notice, request, demand, claim or other communication hereunder shall be sent by (i) personal delivery (including receipted courier service) or overnight delivery service, (ii) facsimile during normal business hours, with confirmation of receipt,

to the number indicated, (iii) reputable commercial overnight delivery service courier or (iv) registered or certified mail, return receipt requested, postage prepaid and addressed to the intended recipient as set forth below:

If to the Company: CVR Energy, Inc.
10 E. Cambridge Circle, Suite 250
Kansas City, KS 66103
Attention: General Counsel
Facsimile: (913) 982-5651

with a copy to: Fried, Frank, Harris, Shriver & Jacobson LLP
One New York Plaza
New York, NY 10004
Attention: Donald P. Carleen, Esq.
Facsimile: (212) 859-4000

If to the Executive: Susan M. Ball
10 East Cambridge Circle Dr., Suite 250
Kansas City, KS 66103
Facsimile: (913) 982-5652

All such notices, requests, consents and other communications shall be deemed to have been given when received. Any party may change its facsimile number or its address to

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which notices, requests, demands, claims and other communications hereunder are to be delivered by giving the other parties hereto notice in the manner then set forth.

8.7. Governing Law. This Employment Agreement shall be construed and enforced in accordance with, and the rights and obligations of the parties hereto shall be governed by, the laws of the State of Kansas, without giving effect to the conflicts of law principles thereof. Each of the parties hereto irrevocably and unconditionally consents to submit to the exclusive jurisdiction of the courts of Kansas (collectively, the “Selected Courts”) for any action or proceeding relating to this Employment Agreement, agrees not to commence any action or proceeding relating thereto except in the Selected Courts, and waives any forum or venue objections to the Selected Courts.

8.8. Severability. Whenever possible, each provision or portion of any provision of this Employment Agreement, including those contained in Section 4 hereof, will be interpreted in such manner as to be effective and valid under applicable law but the invalidity or unenforceability of any provision or portion of any provision of this Employment Agreement in any jurisdiction shall not affect the validity or enforceability of the remainder of this Employment Agreement in that jurisdiction or the validity or enforceability of this Employment Agreement, including that provision or portion of any provision, in any other jurisdiction. In addition, should a court or arbitrator determine that any provision or portion of any provision of this Employment Agreement, including those contained in Section 4 hereof, is not reasonable or valid, either in period of time, geographical area, or otherwise, the parties hereto agree that such provision should be interpreted and enforced to the maximum extent which such court or arbitrator deems reasonable or valid.

8.9. Entire Agreement. From and after the Commencement Date, this Employment Agreement constitutes the entire agreement between the parties hereto, and supersedes all prior representations, agreements and understandings (including any prior course of dealings), both written and oral, relating to any employment of the Executive by the Company or any of its Affiliates including, without limitation, the Original Agreement, the Amended and Restated Agreement and the Second Amended and Restated Agreement.

8.10. Counterparts. This Employment Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all such counterparts shall together constitute one and the same instrument.

8.11. Binding Effect. This Employment Agreement shall inure to the benefit of, and be binding on, the successors and assigns of each of the parties, including, without limitation, the Executive’s heirs and the personal representatives of the Executive’s estate and any successor to all or substantially all of the business and/or assets of the Company.

8.12. General Interpretive Principles. The name assigned this Employment Agreement and headings of the sections, paragraphs, subparagraphs, clauses and subclauses of this Employment Agreement are for convenience of reference only and shall not in any way affect the meaning or interpretation of any of the provisions hereof. Words of inclusion shall not be construed as terms of limitation herein, so that references to “include”, “includes”

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and “including” shall not be limiting and shall be regarded as references to non-exclusive and non-characterizing illustrations.

8.13. Mitigation. Notwithstanding any other provision of this Employment Agreement, (a) the Executive will have no obligation to mitigate damages for any breach or termination of this Employment Agreement by the Company, whether by seeking employment or otherwise and (b) except for Welfare Benefits provided pursuant to Section 3.2(a) or Section 3.2(b), the amount of any payment or benefit due the Executive after the date of such breach or termination will not be reduced or offset by any payment or benefit that the Executive may receive from any other source.

8.14. Company Actions. Any actions, approvals, decisions, or determinations to be made by the Company under this Employment Agreement shall be made by the Company’s Board, except as otherwise expressly provided herein. For purposes of any references herein to the Board’s designee, any such reference shall be deemed to include the Chief Executive Officer of the Company and such other or additional officers, or committees of the Board, as the Board may expressly designate from time to time for such purpose.

IN WITNESS WHEREOF, the parties have executed this Employment Agreement as of the date first written above.

CVR ENERGY, INC.

/s/ Susan M. Ball

SUSAN M. BALL

By: /s/ John J. Lipinski

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

[Signature Page to Employment Agreement]

APPENDIX A

For all times until and including May 3, 2012, "Change in Control" means the occurrence of any of the following:

(a) An acquisition (other than directly from the Company) of any voting securities of the Company (the "Voting Securities") by any "Person" (as the term "person" is used for purposes of Section 13(d) or 14(d) of the Exchange Act), immediately after which such Person has "Beneficial Ownership" (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of more than thirty percent (30%) of (i) the then-outstanding Shares or (ii) the combined voting power of the Company's then-outstanding Voting Securities; provided, however, that in determining whether a Change in Control has occurred pursuant to this paragraph (a), the acquisition of Shares or Voting Securities in a Non-Control Acquisition (as hereinafter defined) shall not constitute a Change in Control. A "Non-Control Acquisition" shall mean an acquisition by (i) an employee benefit plan (or a trust forming a part thereof) maintained by (A) the Company or (B) any corporation or other Person the majority of the voting power, voting equity securities or equity interest of which is owned, directly or indirectly, by the Company (for purposes of this definition, a "Related Entity"), (ii) the Company or any Related Entity, or (iii) any Person in connection with a Non-Control Transaction (as hereinafter defined);

(b) The consummation of:

(i) A merger, consolidation or reorganization (x) with or into the Company or (y) in which securities of the Company are issued (a "Merger"), unless such Merger is a "Non-Control Transaction." A "Non-Control Transaction" shall mean a Merger in which:

(A) the shareholders of the Company immediately before such Merger own directly or indirectly immediately following such Merger at least a majority of the combined voting power of the outstanding voting securities of (1) the corporation resulting from such Merger (the "Surviving Corporation"), if fifty percent (50%) or more of the combined voting power of the then outstanding voting securities by the Surviving Corporation is not Beneficially Owned, directly or indirectly, by another Person (a "Parent Corporation") or (2) if there is one or more than one Parent Corporation, the ultimate Parent Corporation;

(B) the individuals who were members of the Board immediately prior to the execution of the agreement providing for such Merger constitute at least a majority of the members of the board of directors of (1) the Surviving Corporation, if there is no Parent Corporation, or (2) if there is one or more than one Parent Corporation, the ultimate Parent Corporation; and

(C) no Person other than (1) the Company or another corporation that is a party to the agreement of Merger, (2) any Related Entity, (3) any employee benefit plan (or any trust forming a part thereof) that, immediately prior to the Merger, was maintained by the Company or any Related Entity, or (4) any Person who, immediately prior to the Merger, had Beneficial Ownership of thirty percent (30%) or more of the then outstanding Shares or Voting Securities, has Beneficial Ownership, directly or indirectly, of thirty percent (30%) or more of the combined voting power of the outstanding voting securities or common stock of (x) the

Surviving Corporation, if there is no Parent Corporation, or (y) if there is one or more than one Parent Corporation, the ultimate Parent Corporation.

(ii) A complete liquidation or dissolution of the Company; or

(iii) The sale or other disposition of all or substantially all of the assets of the Company and its Subsidiaries taken as a whole to any Person (other than (x) a transfer to a Related Entity or (y) the distribution to the Company's shareholders of the stock of a Related Entity or any other assets).

Notwithstanding the foregoing, a Change in Control shall not be deemed to occur solely because any Person (the "Subject Person") acquired Beneficial Ownership of more than the permitted amount of the then outstanding Shares or Voting Securities as a result of the acquisition of Shares or Voting Securities by the Company which, by reducing the number of Shares or Voting Securities then outstanding, increases the proportional number of shares Beneficially Owned by the Subject Persons; provided that if a Change in Control would occur (but for the operation of this sentence) as a result of the acquisition of Shares or Voting Securities by the Company and, after such share acquisition by the Company, the Subject Person becomes the Beneficial Owner of any additional Shares or Voting Securities and such Beneficial Ownership increases the percentage of the then outstanding Shares or Voting Securities Beneficially Owned by the Subject Person, then a Change in Control shall occur.

For purposes of this definition, the term “Shares” means the common stock, par value \$.01 per share, of the Company and any other securities into which such shares are changed or for which such shares are exchanged.

From and after May 4, 2013, “Change of Control” means at any time any “person” or “group” (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) other than Icahn Enterprises L.P. and/or its Affiliates shall become the “beneficial owner” (as defined in Rules 13(d)-3 and 13(d)-5 under the Exchange Act), directly or indirectly, of more than 50% of the aggregate outstanding common stock of the Company.

PORTIONS OF THIS AGREEMENT DENOTED WITH THREE ASTERISKS (*) HAVE BEEN OMITTED AND WILL BE SUBJECT TO A REQUEST FOR CONFIDENTIAL TREATMENT WITH THE SECURITIES AND EXCHANGE COMMISSION**

Amended and Restated Crude Oil Supply Agreement

Between

Vitol Inc.

And

Coffeyville Resources Refining & Marketing, LLC

Dated August 31, 2012

PORTIONS OF THIS AGREEMENT DENOTED WITH THREE ASTERISKS (*) HAVE BEEN OMITTED AND WILL BE SUBJECT TO A REQUEST FOR CONFIDENTIAL TREATMENT WITH THE SECURITIES AND EXCHANGE COMMISSION**

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PORTIONS OF THIS AGREEMENT DENOTED WITH THREE ASTERISKS (*) HAVE BEEN OMITTED AND WILL BE SUBJECT TO A REQUEST FOR CONFIDENTIAL TREATMENT WITH THE SECURITIES AND EXCHANGE COMMISSION**

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Amended and Restated Crude Oil Supply Agreement

This Amended and Restated Crude Oil Supply Agreement (“Agreement”) is entered into effective as of August 31, 2012, between Vitol Inc., a company incorporated under the laws of Delaware (“**Vitol**”), and Coffeyville Resources Refining & Marketing, LLC, a limited liability company formed under the laws of Delaware (“**Coffeyville**”) (Vitol and Coffeyville are each referred to individually herein as a “**Party**” or collectively as “**Parties**”).

WHEREAS Coffeyville owns a petroleum refinery in Coffeyville, Kansas (“**Coffeyville Refinery**”);

WHEREAS Wynnewood Refining Company, LLC (“**WRC**”) is an affiliate of Coffeyville and WRC owns a petroleum refinery in Wynnewood, Oklahoma (“**WRC Refinery**”); and

WHEREAS Coffeyville purchases crude oil for use at the Coffeyville Refinery and also purchases crude oil for use at the WRC Refinery; and

WHEREAS Coffeyville desires to have Vitol supply Crude Oil to Coffeyville for Coffeyville’s purchase for processing at the Coffeyville Refinery and the WRC Refinery beginning on the Commencement Date and throughout the Term of this Agreement, and Vitol is willing to supply Crude Oil to Coffeyville pursuant to the terms hereof;

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:

ARTICLE 1
DEFINITIONS AND CONSTRUCTION

1.1 **Definitions.** For purposes of this Agreement, including the foregoing recitals, the following terms shall have the meanings indicated below:

“**Accumulation Days**” means, for any Business Day, the number of prior Crude Oil Withdrawal days (including the current Business Day) not documented by either a Crude Oil Withdrawal Invoice or a Provisional Crude Oil Withdrawal Invoice.

“**Adequate Assurance**” has the meaning set forth in Section 11.3.

“**Affiliate**” means, in relation to any Person, any entity controlled, directly or indirectly, by such Person, any entity that controls, directly or indirectly, such Person, or any entity directly or indirectly under common control with such Person. For this purpose, “control” of any entity or Person means ownership of a majority of the issued shares or voting power or control in fact of the entity or Person.

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“**Agreed Costs**” means, for purposes of calculating the Transfer Price, any transportation or other costs that the Parties mutually deem to apply with respect to the specified Transaction. It is the intent of the Parties that Agreed Costs shall only be applicable with the consent of both Parties.

“**Agreement**” or “**this Agreement**” means this Amended and Restated Crude Oil Supply Agreement, as may be amended, modified, supplemented, extended, renewed or restated from time to time in accordance with the terms hereof, including any Exhibits and Schedules attached hereto.

“**API**” means the American Petroleum Institute.

“**Applicable Law**” means (i) any law, statute, regulation, code, ordinance, license, decision, order, writ, injunction, decision, directive, judgment, policy, decree and any judicial or administrative interpretations thereof, (ii) any agreement, concession or arrangement with any Governmental Authority or (iii) any applicable license, permit or compliance requirement applicable to either Party, including Environmental Laws.

“**Bankrupt**” means a Person that (i) is dissolved, other than pursuant to a consolidation, amalgamation or merger, (ii) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due, (iii) makes a general assignment, arrangement or composition with or for the benefit of its creditors, (iv) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditor’s rights, or a petition is presented for its winding-up or liquidation, (v) has a resolution passed for its winding-up, official management or liquidation, other than pursuant to a consolidation, amalgamation or merger, (vi) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for all or substantially all of its assets, (vii) has a secured party take possession of all or substantially all of its assets, or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all of its assets, (viii) causes or is subject to any event with respect to it which, under Applicable Law, has an analogous effect to any of the events specified in clauses (i) through (vii) above, inclusive, or (ix) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in any of the foregoing acts.

“**Bankruptcy Code**” means Title 11, U.S.C. §§ 101 et seq., as amended from time to time.

“**Barrel**” means forty-two (42) net U.S. gallons, measured at 60° F.

“**Base Interest Rate**” means the lesser of (i) the applicable three - month LIBOR rate of interest, as adjusted from time to time, and (ii) the maximum rate of interest permitted by Applicable Law. LIBOR shall be established on the first day on which a

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determination of the Base Interest Rate is to be made under this Agreement and shall be adjusted daily based on available LIBOR quotes.

“**Bill of Sale**” has the meaning set forth in 27.10.

“**B/L Volumes**” has the meaning set forth in Section 8.1.

“**Broome Station**” means the pump station owned by CRCT located near Caney, Kansas, approximately twenty-two (22) miles west of the Coffeyville Refinery where the Plains pipeline delivers crude oil into the CRCT pipeline.

“**Bundled Transactions**” shall mean a series of crude oil purchase, sale and/or exchange transactions that are executed for operational expediency as a unified transaction for the purpose of purchasing a predetermined volume of Crude Oil, of one grade, delivery month and receipt point. For greater certainty, Bundled Transactions shall mean the types of transactions set forth on Schedule D.

“**Business Day**” means a twenty-four (24)-hour period commencing 12:01 am CT on a weekday on which banks are open for general commercial business in New York City.

“**Catastrophic Loss**” means any loss of Crude Oil resulting from a spill, fire, explosion or other casualty loss.

“**Closed Days**” means the number of days between the current Business Day and the next successive Business Day.

“**Coffeyville**” has the meaning set forth in the preamble of this Agreement.

“**Coffeyville Guaranty**” means the guaranty issued by Coffeyville’s parent entity, CVR Energy, Inc., in the form attached hereto as Exhibit A.

“**Coffeyville’s Operational Rights**” means Coffeyville’s rights and remedies with respect to the movement and purchase of Crude Oil after an Event of Default by Vitol, which shall include the right (i) to store Crude Oil in the Designated Tanks and (ii) to instruct Pipeline Operators and Terminal Operators with respect to the delivery of Crude Oil to the Refineries.

“**Commencement Date**” means the first date above written or such other date as is mutually agreed by the Parties.

“**Commencement Date Sale Volumes**” means the total quantity of crude oil contained in the following Designated Tanks and at other locations that, prior to the Commencement Date, was owned by Coffeyville but as of the Commencement Date will be sold by Coffeyville to Vitol including, but not limited to the following: tank numbers (***) at the Plains Marketing terminal in Cushing (“**Wynnewood Cushing Volumes**”); tank numbers (***) in the Plains Marketing terminal in Duncan, Oklahoma

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(“**Wynnewood Duncan Volumes**”); tank numbers (***) in the terminal owned by CRCT in Cushing along with the volumes of crude oil owned by Coffeyville contained in the pipeline connecting the CRCT Cushing Tanks to the Plains Marketing Cushing terminal (the amount of crude oil in such tanks and in such pipeline shall be referred to as the “**CRCT Cushing Volumes**” and such tanks (including such connecting pipeline) themselves shall be referred to as the “**CRCT Cushing Tanks**”); book entry volumes at the Enterprise Cushing Storage Facility (“**Enterprise Cushing Volumes**”) and volumes at the Plains Marketing Midland, Texas terminal (“**Plains Midland Volumes**”) and at the Enterprise Midland, Texas terminal (“**Enterprise Midland Volumes**”). The amount of and the sale price for the Commencement Date Sale Volumes will be determined as set forth in Schedule F.

“**Confirmation**” means a written communication confirming the terms of a Third Party Contract between Vitol and a Counterparty, for the sale of Crude Oil, which shall specify the price, volume, grade, quality, quantity, delivery point, date of delivery, identity of the Counterparty and payment and performance terms.

“**Contract Price**” shall mean the purchase price for Crude Oil specified in a Third Party Contract.

“**Counterparty**” means, with respect to a Third Party Contract, the third party suppliers of Crude Oil to be purchased by Vitol and sold to Coffeyville pursuant to the terms hereof.

“**Cover Exposure**” has the meaning set forth in Section 11.4.

“**CRCT**” means Coffeyville Resources Crude Transportation, LLC, an Affiliate of Coffeyville.

“**CRCT Cushing Tanks**” has the meaning set forth in the definition of Commencement Date Sale Volumes herein.

“**CRCT Cushing Volumes**” has the meaning set forth in the definition of Commencement Date Sale Volumes herein.

“**Crude Oil**” means all crude oil that Vitol purchases and sells to Coffeyville or for which Vitol assumes the payment obligation pursuant to this Agreement. Crude Oil does not, however, include Gathered Crude.

“**Crude Oil Gains and Losses**” means any difference (positive or negative) for a stated period between the volume of Crude Oil purchased by Vitol from one or more Counterparties and the corresponding volume that is actually delivered to Coffeyville at the Delivery Point, which results from in-transit gains and losses excluding any Catastrophic Loss.

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“**Crude Oil Lot**” shall mean (i) the discrete volume of Crude Oil acquired by Vitol from a Counterparty pursuant to a Third Party Contract and (ii) any Crude Oil Lots that Coffeyville elects to pool and treat as a single Crude Oil Lot. For pricing purposes, Coffeyville may only pool Crude Oil Lots that (x) are of the same grade, and (y) are based on the same WTI Contract month. For ease of administration, pooled Crude Oil Lots will be volumetrically averaged and priced as a single Crude Oil Lot. The Parties acknowledge and agree that a Crude Oil Lot may be comprised of more than one parcel (if multiple WTI Contracts are selected) and that such individual parcels of a Crude Oil Lot shall be identified in a given Crude Oil Withdrawal for pricing purposes.

“**Crude Oil Withdrawal**” has the meaning set forth in Section 7.2.

“**Crude Oil Withdrawal Invoice**” means an invoice for a specific Crude Oil Withdrawal.

“**CT**” means the prevailing time in the Central Time zone.

“**Cushing**” means the crude oil storage, blending and transfer facilities located at or near Cushing, Oklahoma. The Cushing located Designated Tanks are set forth on Schedule B.

“**Daily Capital Charge**” has the meaning set forth in Section 9.5.

“**Day Charge**” means the Base Interest Rate (***) , calculated on the basis of a 360-day year.

“**Deemed L/C Fee**” means the fee applicable to all letter of credit transactions entered into in connection with Transactions. For ease of administration, the Parties deem such fee to be equal to (***)% of the principle amount of the subject letter of credit.

“**Default**” or “**Event of Default**” means an occurrence of the events or circumstances described in Article 16.

“**Defaulting Party**” has the meaning set forth in Section 16.2.

“**Delivery Point**” shall be as described on Schedule A attached hereto.

“**Designated Tanks**” means, the tanks set forth on Schedule B in Cushing and Duncan, Oklahoma and the pipeline connecting the Designated Tanks to the Delivery Points; provided, however, that Coffeyville may, upon prior written notice to Vitol, amend Schedule B by adding or deleting tanks therefrom. The Designated Tanks shall only contain Crude Oil.

“**Duncan Junction**” means the pump station owned and operated by Plains, located near Duncan, Oklahoma, in the SW quarter of Section 30-15-7W, Stephens County, OK.

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“**Eligible Collateral**” means, at Coffeyville’s discretion, (a) a Letter of Credit, for a duration and in an amount sufficient to cover the Cover Exposure, (b) a prepayment in an amount equal to the Cover Exposure, or (c) a surety instrument for a duration and in an amount reasonably sufficient to cover a value up to the Cover Exposure, in form and substance reasonably satisfactory to Vitol and issued by a financial institution or insurance company reasonably acceptable to Vitol.

“**Ellis Junction**” means the pump station owned and operated by Plains, located near the town of Elmore City, OK, in the SE quarter of Section 25-25N-2W, Garvin County, OK.

“**Enterprise Cushing Volumes**” has the meaning set forth in the definition of Commencement Date Sale Volumes herein.

“**Environmental Law**” means any existing or past Applicable Law, policy, judicial or administrative interpretation thereof or any legally binding requirement that governs or purports to govern the protection of persons, natural resources or the environment (including the protection of ambient air, surface water, groundwater, land surface or subsurface strata, endangered species or wetlands), occupational health and safety and the manufacture, processing, distribution, use, generation, handling, treatment, storage, disposal, transportation, release or management of solid waste, industrial waste or hazardous substances or materials.

“**Excel Pipeline System**” means the crude oil pipeline transportation system and related facilities located between Duncan, Oklahoma and Wynnewood, Oklahoma that are owned and operated by Sunoco Pipeline L.P, including the pipeline, injection stations, breakout storage tanks, crude oil receiving and delivery facilities and any associated or adjacent facility.

“**FCPA**” has the meaning set forth in Section 27.8.

“**Final Inventory**” shall have the meaning set forth in Section 17.1.

“**Forbearance Period**” has the meaning set forth in Section 16.4.

“**Force Majeure**” means any cause or event reasonably beyond the control of a Party, including fires, earthquakes, lightning, floods, explosions, storms, adverse weather, landslides and other acts of natural calamity or acts of God; navigational accidents or maritime peril; vessel damage or loss; strikes, grievances, actions by or among workers or lock-outs (whether or not such labor difficulty could be settled by acceding to any demands of any such labor group of individuals and whether or not involving employees of Coffeyville Refinery, WRC Refinery or Vitol); accidents at, closing of, or restrictions upon the use of mooring facilities, docks, ports, pipelines, harbors, railroads or other navigational or transportation mechanisms; disruption or breakdown of, explosions or accidents to wells, storage plants, terminals, machinery or other facilities; acts of war,

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hostilities (whether declared or undeclared), civil commotion, embargoes, blockades, terrorism, sabotage or acts of the public enemy; any act or omission of any Governmental Authority; good faith compliance with any order, request or directive of any Governmental Authority; curtailment, interference, failure or cessation of supplies reasonably beyond the control of a Party; or any other cause reasonably beyond the control of a Party, whether similar or dissimilar to those above and whether foreseeable or unforeseeable, which, by the exercise of due diligence, such Party could not have been able to avoid or overcome. For the avoidance of doubt, the termination or expiration of any Terminal Agreement, unless caused by the fault of a Party, shall be an event of Force Majeure provided that substantially similar substitute tankage has not been provided by Coffeyville.

“**GAAP**” means generally accepted accounting principles in the United States, applied consistently with prior practices.

“**Gathered Crude**” means the crude oil acquired by Coffeyville and/or WRC (or any of their Affiliates) in Kansas, Missouri, North Dakota, Oklahoma, Texas, Wyoming and all states adjacent to Kansas, Missouri, North Dakota, Oklahoma, Texas and Wyoming. Notwithstanding anything in this Agreement to the contrary, any crude oil which is transported in whole or in part via railcar or truck shall be considered Gathered Crude for purposes of this Agreement.

“**Governmental Authority**” means any federal, state, regional, local or municipal governmental body, agency, instrumentality, authority or entity established or controlled by a government or subdivision thereof, including any legislative, administrative or judicial body, or any person purporting to act therefor, and shall include NYMEX.

“**Indemnified Party**” has the meaning set forth in [Section 18.3](#).

“**Indemnifying Party**” has the meaning set forth in [Section 18.3](#).

“**Independent Inspector**” means an independent third party inspection company that is generally recognized in the petroleum industry as experienced in measuring the quantity and quality of petroleum products. Unless specifically provided otherwise in this Agreement, the Parties shall mutually appoint the Independent Inspector and the costs thereof shall be included in the calculation of the Transfer Price.

“**Initial Term**” has the meaning set forth in [Section 3.1](#).

“**Keystone**” means, collectively, TransCanada Keystone Pipeline Limited Partnership and TransCanada Keystone Pipeline, LP.

“**Keystone Agreement**” has the meaning set forth in [Section 6.6\(d\)](#).

“**Keystone Pipeline**” means the crude oil pipeline systems of Keystone extending from Hardisty (Alberta — Canada) to Cushing (Oklahoma — USA).

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“**Letter of Credit**” means an originally signed or telex of an irrevocable standby letter of credit issued in favor of Vitol in form and substance satisfactory to Vitol by a bank acceptable to Vitol and delivered to Vitol in an amount acceptable to Vitol, for which all costs incurred in the issuance thereof have been or will be paid by Coffeyville.

“**Liabilities**” means any losses, claims, charges, damages, deficiencies, assessments, interests, penalties, costs and expenses of any kind (including reasonable attorneys’ fees and other fees, court costs and other disbursements), directly or indirectly arising out of or related to any claim, suit, proceeding, judgment, settlement or judicial or administrative order, including any Liabilities with respect to Environmental Laws.

“**LIBOR**” means the London Interbank Offered Rate for three-month U.S. dollar deposits (rounded upwards, if necessary, to the nearest 1/100 of 1%) appearing on Reuters Screen LIBOR01 Page (or any successor page) at approximately 11:00 a.m. (London, England time), two (2) Business Days prior to the first (1st) day of such three-month period. If for any reason such rate is not available, LIBOR shall be, for any specified period, the rate per annum reasonably determined by Vitol as the rate of interest at which U.S. Dollar deposits in the approximate subject amount would be offered by major banks in the London interbank Eurodollar market at their request at or about 10:00 a.m. (London, England time) two (2) Business Days prior to the first day of such period for a term comparable to such period.

“**Liquidation Amount**” has the meaning set forth in [Section 17.2](#).

“**Monthly Crude Nomination**” has the meaning set forth in [Section 7.1](#).

“**NYMEX**” means the New York Mercantile Exchange.

“**NSV**” or “**Net Standard Volume**” means the total volume of all petroleum liquids, excluding sediment and water and free water, corrected by the appropriate volume correction factor for the observed temperature and API Gravity, relative density, or density to a standard temperature such as 60 degrees Fahrenheit and also corrected by the applicable pressure correction factor and meter factor.

“**Origination Fee**” shall mean a fee payable by Coffeyville to Vitol in the amount of \$(***) per Barrel for each Barrel of Crude Oil purchased by Vitol for supply to Coffeyville under the terms of this Agreement; except that, (i) a single fee of \$(***) per Barrel shall apply to the resultant volume of Crude Oil purchased pursuant to a Bundled Transaction, irrespective of the fact that the Bundled Transaction includes multiple related legs; and (ii) no Origination Fee shall apply to Gathered Crude.

“Party” or “Parties” has the meaning set forth in the preamble of this Agreement.

“Payment Days” has the meaning set forth in Section 9.2(c).

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“Payment Terms Adjustment” has the meaning set forth in Section 9.5.

“Performing Party” has the meaning set forth in Section 16.2.

“Person” means an individual, corporation, partnership, limited liability company, joint venture, trust or unincorporated organization, joint stock company or any other private entity or organization, Governmental Authority, court or any other legal entity, whether acting in an individual, fiduciary or other capacity.

“Pipeline Operator” means the entity that schedules and tracks Crude Oil in a Pipeline System.

“Pipeline System” means the Seaway Pipeline System, the Plains Pipeline System, the Excel Pipeline System, the Sunoco Pipeline System or any other pipeline system that may be used to transport Crude Oil to the Delivery Point.

“Plains” means Plains Pipeline, L.P.

“Plains Duncan Volumes” has the meaning set forth in the definition of Commencement Date Sale Volumes herein.

“Plains Marketing” means Plains Marketing, L.P.

“Plains Midland Volumes” has the meaning set forth in the definition of Commencement Date Sale Volumes herein.

“Plains Pipeline System” means the crude oil pipeline transportation system and related facilities located in the states of Kansas and Oklahoma that serve directly or indirectly the Coffeyville Refinery or the WRC Refinery and that are owned and operated by Plains, including the pipeline, injection stations, breakout storage tanks, crude oil receiving and delivery facilities and any associated or adjacent facility.

“Potential Event of Default” means any Event of Default with which notice or the passage of time would constitute an Event of Default.

“Provisional Crude Oil Withdrawal Invoice” means a pro-forma invoice for an anticipated Crude Oil Withdrawal that is not documented by a Crude Oil Withdrawal Invoice.

“Provisional Transfer Price” has the meaning set forth in Section 9.3(a).

“Refineries” means collectively the Coffeyville Refinery and the WRC Refinery and all of the related facilities owned and operated by them or their Affiliates, including the processing, storage, receiving, loading and delivery facilities, piping and related facilities, together with existing or future modifications or additions, and any associated or adjacent facility that is used by the Refineries to carry out the terms of this Agreement.

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“Renewal Term” has the meaning set forth in Section 3.2.

“Required Number of Invoices to be Paid” has the meaning set forth in Section 9.2(d).

“Scheduled Maintenance” means (i) regularly scheduled maintenance of the Refineries required or suggested by manufacturers or operators in the refining industry and (ii) maintenance that is otherwise prudent in accordance with standard industry operating and maintenance practices.

“Seaway Pipeline System” means the crude oil pipeline transportation system and related facilities located between Seaway Crude Pipeline Company’s wharfage facilities in Freeport, Texas, and Cushing, Oklahoma that are owned by Seaway Crude Pipeline Company and operated by Enterprise Pipeline Partners, L.P., including the pipeline, injection stations, breakout storage tanks, crude oil receiving and delivery facilities and any associated or adjacent facility.

“Spearhead Pipeline” means the pipeline system of that name that transports crude oil originating in Canada to Cushing, Oklahoma.

“SEC” means the Securities and Exchange Commission.

“Specified Indebtedness” means any obligation (whether present or future, contingent or otherwise, as principal or surety or otherwise) of Coffeyville in respect of borrowed money.

“Specified Transaction” means (i) any transaction (including an agreement with respect thereto) now existing or hereafter entered into between Vitol (or any Designated Affiliate of Vitol) and Coffeyville (or any Designated Affiliate of Coffeyville) (a) which is a rate swap transaction, swap option, basis swap, forward rate transaction, commodity swap, commodity option, commodity spot transaction, equity or equity index swap, equity or equity index option, bond

option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option, weather swap, weather derivative, weather option, credit protection transaction, credit swap, credit default swap, credit default option, total return swap, credit spread transaction, repurchase transaction, reverse repurchase transaction, buy/sell-back transaction, securities lending transaction, or forward purchase or sale of a security, commodity or other financial instrument or interest (including any option with respect to any of these transactions) or (b) which is a type of transaction that is similar to any transaction referred to in clause (a) that is currently, or in the future becomes, recurrently entered into the financial markets (including terms and conditions incorporated by reference in such agreement) and that is a forward, swap, future, option or other derivative on one or more rates, currencies, commodities, equity securities or other equity instruments, debt securities or other debt instruments, or economic indices or measures of economic risk or value, (ii) any combination of these transactions and (iii) any other transaction identified as a Specified

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Transaction in this Agreement or the relevant confirmation; provided that, without limiting the generality of the foregoing, Specified Transaction shall include any "Transaction" that is subject to an ISDA Master Agreement between Vitol and Coffeyville, including any confirmations subject thereto.

"Specified Transaction Termination Amount" has the meaning set forth in Section 17.4.

"Taxes" means any and all foreign, federal, state and local taxes (other than taxes on income), duties, fees and charges of every description on or applicable to Crude Oil, including all gross receipts, environmental, spill, ad valorem and sales and use taxes, however designated, paid or incurred directly or indirectly with respect to the ownership, purchase, exchange, use, transportation, resale, importation or handling of Crude Oil or related WTI Contracts, including for any Tax, any interest, penalties or additions to tax attributable to any such Tax, including penalties for the failure to file any tax return or report.

"Temporary Assignment" means any of the agreements among Vitol, Coffeyville and a Terminal Operator, pursuant to which any Terminal Agreement is temporarily assigned by Coffeyville to Vitol in accordance with the terms of the Temporary Assignment, in the form attached hereto as Exhibit C.

"Term" has the meaning set forth in Section 3.2.

"Terminal Agreement" or **"Terminal Agreements"** means individually, or collectively, as the case may be, the (i) Lease Storage Agreement between Enterprise Crude Pipeline, LLC and Coffeyville dated March 1, 2011; (ii) Terminalling Agreement dated as of October 15, 2007 between Plains Marketing and Coffeyville; (iii) Amended and Restated Terminalling Agreement dated as of October 15, 2007 between Plains Marketing and Coffeyville; (iv) Throughput Agreement between Wynnewood Energy Company, LLC ("WEC")(formerly known as Gary-Williams Energy Corporation ("GWEC")) and Plains Marketing dated July 1, 2010 and assigned effective August 31, 2012 by WEC to Coffeyville; (v) Cushing Terminal Services Agreement between WEC (formerly known as GWEC) and Plains Marketing dated May 1, 2010 and assigned effective August 31, 2012 by WEC to Coffeyville; and (vi) Lease Storage Agreement between Coffeyville and Vitol dated August 31, 2012.

"Terminal Operator" or **"Terminal Operators"** means individually, or collectively, as the case may be, Enterprise Crude Pipeline LLC, Plains Marketing or Deeprock Oil Operating, LLC.

"Termination Date" has the meaning set forth in Section 17.2.

"Termination Payment" has the meaning set forth in Section 17.2.

"Third Party Claim" has the meaning set forth in Section 18.3.

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"Third Party Contract" means a contract entered into between Vitol and a Counterparty for the supply of Crude Oil to Coffeyville. A Third Party Contract shall include those sales of Crude Oil by Coffeyville to Vitol.

"Third Party Sale Transaction" has the meaning set forth in Section 6.2.

"Transactions" means any agreement by the Parties to purchase and sell Crude Oil pursuant to the terms of this Agreement.

"Transfer Price" has the meaning set forth in Section 9.1.

"Transportation and Direct Costs" has the meaning set forth in Section 9.1(d).

"True-Up Invoice" has the meaning set forth in Section 9.4.

"True-Up Payment" has the meaning set forth in Section 9.4.

"TSA" has the meaning set forth in Section 6.6(d).

"UCC" means the New York Uniform Commercial Code.

“**Undrawn Letters of Credit**” means, as of any date, the aggregate amount that Vitol may draw as of such date under all outstanding standby letters of credit in form and substance reasonably satisfactory to Vitol, in favor of Vitol, issued or confirmed by banks reasonably acceptable to Vitol then held by Vitol as credit support for the performance of Coffeyville’s obligations hereunder; provided that, for purposes of this definition, the available amount under any outstanding standby letter of credit that expires 30 days or less after such date shall be deemed to be zero.

“**Vitol**” has the meaning set forth in the preamble to this Agreement.

“**Vitol Guaranty**” means the guaranty issued by Vitol’s parent entity, Vitol Holdings BV, in the form attached hereto as Exhibit B.

“**Withdrawal Invoice**” means collectively, a Crude Oil Withdrawal Invoice and a Provisional Crude Oil Withdrawal Invoice.

“**Working Capital Balance**” means for each day in the applicable Working Capital Period, the cumulative balance during such Working Capital Period, calculated as the difference between (i) the amount of cash received from Coffeyville for the purchase of Crude Oil and (ii) the amount of cash expended by Vitol to purchase Crude Oil for Coffeyville during such Working Capital Period. It is the intention of the Parties that the Working Capital Balance shall be calculated as a running balance and that a negative balance shall indicate that more money was expended by Vitol during such period than received, and conversely, a positive balance shall indicate that more money was received by Vitol during such period than expended.

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“**Working Capital Period**” has the meaning set forth in Section 9.5.

“**Working Capital Statement**” has the meaning set forth in Section 9.5.

“**WTI**” means West Texas Intermediate crude oil and any crude oil meeting the specifications of the WTI NYMEX futures contract for delivery at Cushing, Oklahoma.

“**WTI Contracts**” means WTI NYMEX futures contracts on which the WTI Price component of the Transfer Price is based.

“**WTI Differential**” has the meaning set forth in Section 9.1(c).

“**WTI Price**” has the meaning set forth in Section 9.1(a).

“**Wynnewood Cushing Volumes**” has the meaning set forth in the definition of Commencement Date Sale Volumes herein.

“**Wynnewood Duncan Volumes**” has the meaning set forth in the definition of Commencement Date Sale Volumes herein.

1.2. Interpretation

(a) All references in this Agreement to Exhibits, Schedules, Articles and Sections refer to the corresponding Exhibits, Schedules, Articles and Sections of or to this Agreement unless expressly provided otherwise. All headings herein are intended solely for convenience of reference and shall not affect the meaning or interpretation of the provisions of this Agreement.

(b) All Exhibits and Schedules to this Agreement are attached hereto and by this reference incorporated herein for all purposes.

(c) Unless expressly provided otherwise, the words “this Agreement,” “herein,” “hereby,” “hereunder” and “hereof,” and words of similar import, refer to this Agreement as a whole and not to any particular Section. The words “this Article” and “this Section,” and words of similar import, refer only to the Article or Section hereof in which such words occur. The word “including” as used herein means “including without limitation” and does not limit the preceding words or terms.

(d) The Parties acknowledge that they and their counsel have reviewed and revised this Agreement and that no presumption of contract interpretation or construction shall apply to the advantage or disadvantage of the drafter of this Agreement.

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ARTICLE 2
TENOR OF THE AGREEMENT

During the Term of this Agreement, the Parties will enter into numerous transactions for the purchase and sale of Crude Oil. The Transfer Price for Transactions shall be a floating price based on the mutually agreed index of market prices (adjusted for contract differentials and index rolls), plus Vitol’s costs to acquire and deliver Crude Oil, and plus the Origination Fee, all as more specifically set forth in Article 9. It is the intention of the Parties that Vitol shall employ its global crude oil supply and distribution organization in an endeavor to identify and present to Coffeyville opportunities for Vitol to purchase for Coffeyville domestic, foreign and Canadian crude oil. Notwithstanding the foregoing, Coffeyville shall also have the right to identify and negotiate the terms and prices of Crude Oil to be acquired hereunder and present such Transactions to Vitol for execution thereof; provided that, such Transactions are in accordance with the provisions of this Agreement. Vitol shall not include any assessments for general marketing overhead to the Transfer Price. While Coffeyville intends to take responsibility to acquire Gathered Crude in its own name and on its own behalf, Vitol shall retain the right to present opportunities to Coffeyville for domestic Crude Oil. The Parties shall mutually cooperate in coordinating such Crude Oil supply activities so as to avoid pricing and

logistic disruptions associated with both Coffeyville and Vitol approaching the same potential suppliers and shippers. Coffeyville shall maintain the right to conduct market enquiries; however, regardless of whether the opportunity is identified by Vitol or Coffeyville, all Crude Oil shall be purchased by Vitol from the Counterparty and resold to Coffeyville pursuant to the terms of this Agreement. For greater certainty, Vitol shall have the sole right to hold, transport and sell all of its Crude Oil as it deems fit, and in no event shall Coffeyville be entitled to claim ownership rights in any Crude Oil until purchased by Coffeyville in accordance with the terms of this Agreement. Notwithstanding the foregoing, Vitol shall be obligated to supply Crude Oil of equal quantity and of the same quality and grade at the applicable Transfer Price and at the time designated by Coffeyville for any Crude Oil acquired or agreed to be dedicated in anticipation of supply to Coffeyville pursuant to this Agreement; such obligation to supply being subject to Coffeyville's compliance with nomination, payment and all other terms of this Agreement.

ARTICLE 3 **TERM OF AGREEMENT**

3.1 **Initial Term.** This Agreement shall become effective on the Commencement Date and shall continue until December 31, 2014 (“**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 May 1, 2013, which termination would be effective December 31, 2013.

3.2 **Renewal.** Subject to the provisions of Section 3.1 above, the Initial Term shall automatically be extended for one or more one-year terms (each a “**Renewal Term**” and collectively the “**Renewal Terms**”), unless either Party delivers notice of its desire to terminate not less than one hundred eighty (180) days prior to the expiration of

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the Initial Term or the then current Renewal Term, as the case may be. The Initial Term and the Renewal Terms, if any, shall constitute the “**Term**” of this Agreement.

ARTICLE 4 **SALE OF CRUDE OIL TO COFFEYVILLE**

4.1 **Supply of Crude Oil.** Beginning on the Commencement Date and subject to the availability of supply, Vitol agrees to locate Crude Oil opportunities for Coffeyville consistent with Coffeyville's nominations made pursuant to Article 7. Vitol shall supply such Crude Oil to Coffeyville and Coffeyville agrees to purchase such Crude Oil from Vitol pursuant to the terms of this Agreement. In no event, however, shall Coffeyville have the right to claim an ownership interest in any volumes of Crude Oil prior to the transfer of title thereof pursuant to the provisions of Section 6.3. At all times prior to such transfer of title, Vitol shall have the exclusive right to store, transport or resell such Crude Oil, as it deems fit.

4.2 **Exclusive Use.** Subject to the provisions of this Agreement, Vitol will, during the Term, have (a) the sole and exclusive right to store Crude Oil in the Designated Tanks, and (b) the right to access the Designated Tanks to remove Crude Oil. Coffeyville shall have the right to add tanks to the list of Designated Tanks and/or delete tanks from the list of Designated Tanks upon delivery of not less than five (5) days prior written notice to Vitol. If a tank is to be removed from the list of Designated Tanks, Vitol shall remove all Crude Oil from such tank prior to the change in status thereof. If such Crude Oil is not transferred to another Designated Tank, any sale of such Crude Oil to a party other than Coffeyville shall be deemed to be a Third Party Sale Transaction subject to the provisions of Section 6.2. All Third Party Sale Transactions shall be made in a commercially reasonable manner with commercially reasonable terms and conditions.

4.3 **Exclusive Supplier.** Except for Gathered Crude, Vitol shall be the exclusive supplier of crude oil to Coffeyville during the Term. Unless otherwise agreed by the Parties, Crude Oil supplied under this Agreement shall be solely for use at the Refineries. Notwithstanding anything to the contrary in this Section 4.3, if Vitol does not supply Crude Oil to Coffeyville in accordance with the Monthly Crude Nomination, for whatever reason, Coffeyville shall have the full and complete right to acquire such volumes of Crude Oil from any Person for processing in the Refineries and this Agreement shall not apply to such purchases by Coffeyville, except that any Crude Oil so purchased by Coffeyville may not be commingled with any Crude Oil held by Vitol other than in connection with the exercise of Coffeyville's Operational Rights.

4.4 **Identification of Supply.** Coffeyville and Vitol shall mutually cooperate to identify and negotiate supply arrangements with Counterparties that are consistent with Coffeyville's nominations made pursuant to Article 7. Prior to the acquisition of any Crude Oil Lots, the Parties shall agree to the quantity and quality of Crude Oil desired by Coffeyville. In the event that such supply opportunities are identified by Coffeyville,

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Coffeyville shall promptly inform Vitol of the opportunity and Vitol shall enter into one or more Third Party Contracts on Coffeyville's behalf. Notwithstanding the foregoing, Vitol shall have the right to reject such proposed opportunity if it determines, in its commercially reasonable discretion, that such Third Party Contract (a) is not structured in accordance with standard industry practices or on commercially marketable terms, (b) is not with a permissible Counterparty under Applicable Law, or (c) exposes Vitol to unacceptable credit or performance risk. In the event that a supply opportunity is identified by Vitol, Vitol will present the opportunity to Coffeyville for its approval, and Coffeyville will promptly advise Vitol in writing (via facsimile or e-mail) whether it accepts such opportunity. If Coffeyville fails to accept such opportunity within twenty-four (24) hours of receipt of Vitol's notice, Coffeyville shall be deemed to have rejected such supply opportunity. Vitol shall supply Coffeyville with Crude Oil conforming to the delivery schedule and the quantity, quality and grade requirements, all as specified by Coffeyville pursuant to this Agreement; provided, however, that Coffeyville shall have no right to, or claim upon, any particular volume of Crude Oil held by Vitol.

4.5 **Acknowledgment.** Coffeyville acknowledges and agrees that (a) Vitol is a merchant of crude oil and may, from time to time, be dealing with prospective Counterparties, or pursuing trading or hedging strategies, in connection with aspects of Vitol's business which are unrelated hereto and that

such dealings and such trading or hedging strategies may be different from or opposite to those being pursued by or for Coffeyville; (b) Vitol may, in its sole discretion, determine whether to advise Coffeyville of any potential transaction with a Counterparty and prior to advising Coffeyville of any such potential transaction Vitol may, in its discretion, determine not to pursue such transaction or to pursue such transaction in connection with another aspect of Vitol's business and Vitol shall have no liability of any nature to Coffeyville as a result of any such determination; (c) Vitol has no fiduciary or trust obligations of any nature with respect to the Refineries or Coffeyville, subject to the provisions herein regarding confidentiality set forth in Article 21 and provided, however, that Vitol shall have the obligation to keep confidential non-public information related to Crude Oil acquisitions by Coffeyville, and the obligation to execute Third Party Contracts in a manner consistent with this Agreement; (d) Vitol may enter into transactions and purchase crude oil for its own account or the account of others at prices more favorable than those being paid by Coffeyville hereunder and (e) nothing herein shall be construed to prevent Vitol, or any of its partners, officers, employees or Affiliates, in any way from purchasing, selling or otherwise trading in crude oil or any other commodity for its or their own account or for the account of others, whether prior to, simultaneously with, or subsequent to any transaction under this Agreement.

ARTICLE 5
PURCHASE OF CRUDE OIL FROM COUNTERPARTIES

5.1 Third Party Contracts.

(a) *Terms of Third Party Contracts.* The quantity and quality of Crude Oil sold and delivered to Coffeyville shall conform in all material respects to such specifications as agreed upon by Coffeyville prior to Vitol's contractual commitment to purchase a Crude

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Oil Lot from a Counterparty. The terms and conditions of each Third Party Contract must conform to standard industry practices unless otherwise specifically agreed to by Vitol. All statements and representations made by Coffeyville's employees shall be made on behalf of Coffeyville in its own capacity, and Coffeyville is not authorized to bind Vitol in connection with the negotiation or execution of any Third Party Contract, nor to make any representations to any Counterparty on behalf of Vitol. Unless expressly authorized by Vitol in writing, any advice, recommendations, warranties or representations made to any Counterparty by Coffeyville shall be the sole and exclusive responsibility of Coffeyville, and Coffeyville shall be liable for all errors, omissions or misinformation that it provides to Vitol or to any Counterparty.

(b) *Conditional Acceptance.* Coffeyville shall have no authority to bind Vitol to, or enter into on Vitol's behalf, any Third Party Contract. If Coffeyville has negotiated an offer from a Counterparty for a quantity of Crude Oil that Coffeyville wishes to have Vitol acquire, Coffeyville may indicate to such Counterparty the conditional acceptance of such offer, which conditional acceptance shall be specifically subject to obtaining the agreement of Vitol to such offer. Promptly after giving such conditional acceptance, Coffeyville shall apprise Vitol in writing of the terms of such offer, and Vitol shall promptly determine and advise Coffeyville as to whether Vitol agrees to accept such offer. If Vitol indicates its desire to accept such offer, then Vitol shall promptly formally communicate its acceptance of such offer directly to such Counterparty (with a copy to Coffeyville), resulting in a binding Third Party Contract between Vitol and such Counterparty.

5.2 Confirmations. For each transaction involving the purchase and sale of Crude Oil, Vitol shall issue and send to Coffeyville a Confirmation.

5.3 Payment Responsibility. Vitol shall be responsible for paying Counterparty and third party invoices for such Crude Oil and all Transportation and Direct Costs, which Transportation and Direct Costs shall be included in the Transfer Price pursuant to Section 9.1(d). Vitol shall promptly provide Coffeyville with copies of all such Counterparty and third party invoices. All refunds or adjustments of any type received by Vitol related to the Transportation and Direct Costs shall be for the account of Coffeyville and a part of the True-Up Payment.

5.4 Crude Oil Gains and Losses. All Crude Oil Gains and Losses not covered by a Pipeline System tariff shall be for Coffeyville's account and shall be included in the Transfer Price. With respect to Crude Oil Gains and Losses which are covered by a Pipeline System tariff, Vitol shall pass through to Coffeyville the positive value of any such Crude Oil gains and the negative value of any such Crude Oil losses provided for by the applicable Pipeline System tariff by adding or deducting, as appropriate, such amount to or from the True-Up Payment.

5.5 WARRANTY OF TITLE; WARRANTY DISCLAIMER. VITOL FULLY AND UNCONDITIONALLY WARRANTS THAT IT HAS CLEAR, GOOD AND MERCHANTABLE TITLE TO ALL CRUDE OIL SOLD TO COFFEYVILLE PURSUANT TO THIS AGREEMENT, AND THAT VITOL WILL FULLY AND COMPLETELY INDEMNIFY COFFEYVILLE FROM AND AGAINST ANY

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AND ALL CLAIMS BY ANY PERSON OR ENTITY FOR LIABILITIES ARISING FROM A BREACH OF THE FOREGOING WARRANTY OF TITLE. EXCEPT FOR THE WARRANTY OF TITLE AS SET FORTH IN THE FIRST SENTENCE OF THIS SECTION 5.5, VITOL MAKES NO WARRANTY, CONDITION OR OTHER REPRESENTATION, WRITTEN OR ORAL, EXPRESS OR IMPLIED, OF MERCHANTABILITY, FITNESS OR SUITABILITY OF CRUDE OIL FOR ANY PARTICULAR PURPOSE OR OTHERWISE. FURTHER, VITOL MAKES NO WARRANTY OR REPRESENTATION THAT CRUDE OIL CONFORMS TO THE SPECIFICATIONS IDENTIFIED IN VITOL'S CONTRACT WITH THE COUNTERPARTY.

5.6 Claims. The Parties shall consult with each other and coordinate how to handle and resolve any claims made by a Counterparty, a Pipeline Operator, Terminal Operator, vessel owner, supplier or transporter against Vitol or any claims that Vitol may bring against any such Person. In all instances wherein claims are made by a third party against Vitol which will be for the account of Coffeyville, Coffeyville shall have the right to either direct Vitol to take commercially reasonable actions in the handling of such claims or assume the handling of such claim in the name of Vitol, all at Coffeyville's cost and expense. To the extent that Coffeyville believes that any claim should be made by Vitol for the account of Coffeyville against any third party (whether a

Counterparty, terminal facility, pipeline, storage facility or otherwise), Vitol will take any commercially reasonable actions as requested by Coffeyville either directly, or by allowing Coffeyville to do so, to prosecute such claim all at Coffeyville's cost and expense and all recoveries resulting from the prosecution of such claim shall be for the account of Coffeyville. Vitol shall, in a commercially reasonable manner, cooperate with Coffeyville in prosecuting any such claim and shall be entitled to assist in the prosecution of such claim at Coffeyville's expense. All costs, expenses and damages arising from such claim (including demurrage) shall be solely for Coffeyville's account except to the extent arising from Vitol's negligence or willful misconduct, it being the express intention of the Parties that Coffeyville shall solely assume all performance and credit risk of such Person's default or nonperformance, regardless of the reason therefore to the extent that such claims relate to the acquisition, transportation or handling of Crude Oil. All amounts required to settle any claims pursuant hereto, shall be included in the Transportation and Direct Costs component of the Transfer Price.

5.7 **Insurance.** Vitol shall procure and maintain in full force and effect throughout the term of this Agreement insurance coverages of the following types and amounts and with insurance companies rated not less than A- by A.M. Best, or otherwise reasonably satisfactory to Coffeyville in respect of Vitol's purchase of Crude Oil under this Agreement (provided the foregoing shall not limit Coffeyville's obligation to reimburse any insurance costs pursuant to Article 9):

(a) Property (cargo) damage coverage on an "all risk" basis in an amount sufficient to cover the market value or potential full replacement cost of all Crude Oil (including, but not limited to Crude Oil cargoes and Crude Oil in transit in pipelines) to be delivered to Coffeyville at a Delivery Point. In the event that the market value or potential full replacement cost of all Crude Oil (Crude Oil cargoes and Crude Oil in transit in pipelines) exceeds the insurance limits available or the insurance limits available at commercially reasonable rates in the insurance marketplace, Vitol will maintain the

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highest insurance limit available at commercially reasonable rates; provided, however, that Vitol will promptly notify Coffeyville (and, in any event prior to the transportation of any Crude Oil that would not be fully insured) of Vitol's inability to fully insure any Crude Oil and provide full details of such inability. Notwithstanding anything to the contrary herein, Coffeyville, may, at its option and expense, upon prior notice to Vitol, endeavor to procure and provide such property damage coverage for the Crude Oil.

(b) Comprehensive or commercial general liability coverage and umbrella or excess liability coverage, which includes bodily injury, broad form property damage and contractual liability, marine or charterers' liability and "sudden and accidental pollution" liability coverage in a minimum amount of \$300,000,000 per occurrence and \$500,000,000 in the aggregate.

5.8 **Additional Insurance Requirements.**

(a) The foregoing policies shall include an endorsement that the underwriters waive all rights of subrogation against Coffeyville.

(b) Vitol shall cause its insurance carriers to furnish Coffeyville with insurance certificates, in a standard form and from a properly authorized party reasonably satisfactory to Coffeyville, evidencing the existence of the coverages and endorsements required. The certificates shall specify that no insurance will be canceled during the term of this Agreement unless Coffeyville is given 30 days advance written notice prior to cancellation becoming effective. Vitol also shall provide renewal certificates within thirty (30) days before expiration of the policy.

(c) The mere purchase and existence of insurance does not reduce or release either Party from any liability incurred or assumed under this Agreement.

(d) Vitol shall comply with all notice and reporting requirements in the foregoing policies and timely pay all premiums.

ARTICLE 6
DELIVERY

6.1 **Delivery Points.** Unless specifically agreed otherwise by the Parties, all Crude Oil shall be delivered to Coffeyville at the Delivery Points. All such deliveries shall be evidenced by a meter ticket issued by the relevant Pipeline System or storage operator at the Delivery Points.

6.2 **Alternate Delivery Point.** In certain cases due to operational constraints or commercial concerns, Coffeyville may direct Vitol to sell or exchange Crude Oil on its behalf to a third party purchaser and any gains or losses from such sales or exchanges shall be for the account of Coffeyville (each a "**Third Party Sale Transaction**"). Any such amounts shall be included in the Withdrawal Invoice, unless the Parties mutually agree to document any such transaction as a price roll, with respect to the WTI Price, in accordance with common oil industry trading practices.

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6.3 **Title and Risk of Loss.** Title and risk of loss to the Crude Oil shall pass from Vitol to Coffeyville at the Delivery Points, and Coffeyville shall assume custody of Crude Oil as it passes the Delivery Points. Before custody transfer at the Delivery Points, Vitol shall be solely responsible for compliance with all Applicable Laws, including all Environmental Laws, pertaining to the possession, handling, use and processing of such Crude Oil and shall indemnify and hold harmless Coffeyville, its Affiliates and their agents, representatives, contractors, employees, directors and officers, for all Liabilities, directly or indirectly, arising therefrom, except to the extent such Liabilities are caused by or attributable to any of the matters for which Coffeyville is indemnifying Vitol pursuant to Article 18. At and after custody transfer at the Delivery Points, Coffeyville shall be solely responsible for compliance with all Applicable Laws, including all Environmental Laws, pertaining to the possession, handling, use and processing of such Crude Oil and shall indemnify and hold harmless Vitol, its Affiliates and their agents, representatives, contractors, employees, directors and officers, for all Liabilities directly or indirectly arising therefrom, except to the extent that such Liabilities are due to the negligence or willful misconduct of Vitol.

6.4 Casualty and Other Losses. If a Catastrophic Loss of Crude Oil occurs but prior to the passage of title to Coffeyville, any such Catastrophic Loss shall be for Vitol's account. Conversely, any Catastrophic Loss of Crude Oil occurring on or after the passage of risk of loss shall be for Coffeyville's account. Notwithstanding anything to the contrary herein, any Crude Oil Gains and Losses shall be borne by and for the account of Coffeyville and shall be included in the Transfer Price.

6.5 Vessel Chartering. Vitol shall be responsible for chartering all vessels required hereunder upon commercially reasonable terms and conditions; Vitol shall make all nominations of vessels and shall negotiate all chartering aspects with the relevant charterparties, including any inspection rights and insurance provisions, and shall otherwise take any and all actions required for the ocean transportation of Crude Oil. Notwithstanding anything to the contrary herein, Coffeyville may recommend to Vitol from time to time particular vessel chartering opportunities that become known to Coffeyville.

6.6 Pipeline Nominations.

(a) *Responsibility of Vitol.* Prior to the beginning of each month of the Term, Vitol shall be responsible for making pipeline and terminal nominations for such month; provided that, Vitol's obligation to make such nominations shall be conditioned on its receiving from Coffeyville the Monthly Crude Nomination in time to comply with the lead times required by such pipelines and terminals. Coffeyville shall provide to Vitol information in a timely manner in order to make such nominations or other scheduling actions. Vitol shall not be responsible if a Pipeline System is unable to accept Vitol's nomination or if the Pipeline System must allocate Crude Oil among its shippers, except to the extent that such non-acceptance is due to the negligence or willful misconduct of Vitol.

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(b) *Responsibility of Coffeyville.* Coffeyville shall have direct contact with the terminal and pipeline personnel and will direct, as Vitol's agent, the daily transportation and blending of Crude Oil in such terminal. Coffeyville shall indemnify and hold harmless Vitol for any and all Liabilities related to or arising out of such agency, and the Parties acknowledge and agree that the scope of such agency is strictly limited to the terms hereof.

(c) *Spearhead Pipeline Procedures.* Notwithstanding anything to the contrary herein, all shipments of Crude Oil on the Spearhead Pipeline shall be subject to the procedures set forth in Schedule C. The Spearhead Pipeline capacity that is subject to this Agreement shall only be used by Vitol for the benefit of Coffeyville.

(d) *TransCanada Keystone Pipeline.* Coffeyville and Vitol have entered into the following agreement with Keystone dated March 28, 2011, to wit: Notice and Acknowledgment of Authorization to Act (Keystone Pipeline System) (the "**Keystone Agreement**"), authorizing Vitol to act for and on behalf of Coffeyville regarding certain transactions on the Keystone Pipeline, including transportation pursuant to Coffeyville's Transportation Services Agreement ("**TSA**") with respect to the Keystone Pipeline. Vitol agrees that it shall only utilize such Keystone Pipeline transportation capacity for the benefit of Coffeyville, and that all rights related to the use of such Keystone Pipeline capacity (including but not limited to Keystone Pipeline allocation rights) shall be the sole and exclusive property of Coffeyville. Except as otherwise provided in Section 16.5, Coffeyville and Vitol agree that the Keystone Agreement shall terminate and be of no further force and effect thirty (30) days after the date that Keystone receives written notice of termination from either Coffeyville or Vitol; provided that, the Party giving such notice simultaneously provides notice thereof to the other Party. All Crude Oil injected into the Keystone Pipeline by Vitol shall be owned exclusively by Vitol and Coffeyville agrees and acknowledges that Vitol shall have no obligation to Keystone, and assumes no liability with respect to any minimum throughput, deficiency fees, or similar obligations of Coffeyville to Keystone; provided, however, that Vitol shall fully and completely indemnify and hold harmless Coffeyville for any such Liabilities to Keystone to the extent, but only to the extent, caused by an Event of Default by Vitol under this Agreement or the failure of Vitol to comply with the terms of the Keystone tariff or the TSA.

6.7 Purchase and Sale of Gathered Crude. Coffeyville and Vitol agree that from time to time upon the request of Coffeyville, Vitol shall enter into a purchase agreement or purchase agreements to purchase Gathered Crude from Coffeyville and resell such Gathered Crude to Coffeyville at any of the Delivery Points. The purchase and resale price for each such described purchase and sale transaction shall be the same and no Origination Fee shall be added thereto.

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**ARTICLE 7
NOMINATIONS**

7.1 Monthly Nomination. No later than the first (1st) day of each month during the Term, Coffeyville shall provide a preliminary nomination, via facsimile to Vitol, of the volume of Crude Oil it desires Vitol to purchase from Counterparties for the following month. Such nomination shall specify the anticipated delivery of Crude Oil by volume and grade. In addition, by the twenty-fifth (25th) day of each month during the Term, Coffeyville will advise Vitol via facsimile of its Crude Oil requirements for the Refinery for the following month (each, the "**Monthly Crude Nomination**"). The Monthly Crude Nomination shall be consistent with the blending program established by Coffeyville with the Terminal Operators.

7.2 Daily Nomination. By 10:30 a.m. CT of each Business Day, Coffeyville shall provide Vitol and the Terminal Operator with a nomination for Crude Oil to be delivered during the 24 hour period immediately following therefrom (the "**Crude Oil Withdrawal**"). For each day that is not a Business Day, Coffeyville shall provide Vitol a nomination for each such non-Business Day during the immediately preceding Business Day. The Parties acknowledge that for pricing purposes a Crude Oil Withdrawal may be comprised of multiple Crude Oil Lots or portions thereof. Coffeyville shall nominate the oldest Crude Oil Lot in the event that there are two (2) or more Crude Oil Lots of the same crude oil grade available for delivery.

7.3 Changes to Nominations. Coffeyville shall notify Vitol promptly upon learning of any material change in any previously provided projections or if it is necessary to reschedule any pipeline nominations confirmed by the applicable Terminal Operator. Vitol shall schedule any changes in nominations through the applicable Terminal Operator, as necessary, and all costs associated therewith shall be for Coffeyville's account, including any costs associated with resetting the applicable WTI Contracts to reflect such changes to the nominated volumes.

ARTICLE 8

CRUDE OIL INSPECTION AND MEASUREMENT

8.1 Delivered Volumes. The volume of all Crude Oil purchased and sold under this Agreement shall be based on the bill of lading volumes (the "B/L Volumes") under the applicable Third Party Contracts. Specifically, the B/L Volumes shall be equal to (a) in the case of FOB marine deliveries based on load port volumes, the quantity of Crude Oil specified in the applicable bill of lading, as determined by the Independent Inspector designated in the Third Party Contract, (b) in the case of marine deliveries based on delivered volumes, the quantity of Crude Oil discharged into shore tanks, as determined by the Independent Inspector designated in the Third Party Contract, and (c) in the case of pipeline deliveries, the pipeline meter ticket volumes received by Vitol under the applicable Third Party Contract. The actual volume of Crude Oil delivered to Coffeyville at a Delivery Point shall be based on the pipeline meter ticket at the flange connection between the applicable delivering pipeline and the receiving storage facility at such Delivery Point. Any differences between the applicable B/L Volumes and the actual

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volumes delivered to Coffeyville at the Delivery Points shall be accounted for as Crude Oil Gains and Losses.

8.2 Quality of Delivered Volumes. The quality of all volumes of Crude Oil delivered to Coffeyville hereunder shall be based on the determination of the Independent Inspector pursuant to the applicable Third Party Contract. Vitol shall promptly deliver to Coffeyville a copy of each such Independent Inspector's report.

8.3 Inspector's Reports. Certificates of quality and quantity countersigned by the Independent Inspector shall be final and binding on both Parties, absent manifest error or fraud. Coffeyville shall instruct the Independent Inspector to retain samples of Crude Oil for a period of ninety (90) days from and after the date of each measurement.

8.4 Recalibration of Designated Tanks. Vitol may, acting reasonably, require at any time that the Designated Tanks be recalibrated in accordance with the procedures set forth in this Section 8.4. Notwithstanding the foregoing, the Parties agree that not less than once each calendar year, the Parties shall instruct the Independent Inspector to calibrate the Designated Tanks and measure the volume of Crude Oil contained therein. The Independent Inspector's report shall be distributed to each Party and the results therein shall be final and binding on the Parties, absent fraud or manifest error. The Parties shall thereafter adjust its books and records to reflect the actual volumes of Crude Oil reflected in the Independent Inspector's report. If such volumes are not consistent with the B/L Volumes, any surplus or shortfall shall be accounted for as Crude Oil Gains and Losses. All costs and fees related to the recalibration of the Designated Tanks shall be for Coffeyville's account.

ARTICLE 9

PRICE AND PAYMENT FOR CRUDE OIL

9.1 Crude Oil Purchase Price. For each Crude Oil Lot to be delivered to the Delivery Points, Coffeyville shall pay Vitol an amount equal to the transfer price (the "**Transfer Price**"), which shall be equal to (***). The provisions of this Article 9 are intended to apply only for pricing purposes and shall not be deemed or construed to alter the intention of the Parties that all Crude Oil shall be owned exclusively by Vitol until the passage of title occurs consistent with the provisions of Section 6.3. Notwithstanding anything to the contrary herein, the Transfer Price for Transactions shall be a floating price based on the mutually agreed index of market prices (adjusted for contract differentials and WTI Price Rolls) plus Vitol's costs to acquire and deliver Crude Oil, and plus the Origination Fee, all as more specifically set forth in Article 9, including but not limited to Section 9.3(b). For purposes of such calculations, the following provisions shall apply:

(a) *WTI Price*. Not later than one (1) Business Day prior to the first (1st) day that the applicable Third Party Contract(s) commences pricing in accordance with the terms thereof, Coffeyville may nominate one or more WTI Contracts to be included in the Transfer Price as the WTI price (the "**WTI Price**"). In the event that Coffeyville nominates more than one WTI Contract, Coffeyville will designate the percentage of the

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Crude Oil Lot applicable to each WTI Contract, with the total of all such percentages to equal one hundred percent (100%). If Coffeyville fails to nominate any WTI Contracts within such time frame, the second-line WTI Contract shall be deemed to be the WTI Price for the subject Crude Oil Lot. The actual WTI Price used in calculating the Transfer Price shall be the settlement value published the first day following the date of delivery of the applicable Crude Oil Withdrawal.

(b) *WTI Price Rolls*. Coffeyville may at any time change a WTI Contract by notifying Vitol of the new WTI Contract. The Parties shall mutually agree to the values applicable to any such changes to the applicable WTI Contract(s). For the avoidance of doubt, the Parties acknowledge that Vitol shall not be required to enter into any such WTI Contracts on Coffeyville's behalf or to deliver evidence of any such WTI Contracts to Coffeyville. Rather, it is the intent of the Parties that any applicable rolls of WTI Contracts shall be accounted for in the valuation process of the WTI Differential. Absent any instructions from Coffeyville to the contrary, the Parties agree that an expiring WTI Contract will roll to the next succeeding month contract, effective on the first (1st) Business Day prior to the day of expiration of such WTI Contract. WTI rolls contemplated by this Section shall be executed at values mutually agreed to by the Parties.

(c) *WTI Differential*. The WTI differential (the “**WTI Differential**”) shall be equal to the difference between the Contract Price and the weighted average of the WTI Contract(s) corresponding to the subject Crude Oil Lot, or portion thereof, where the WTI Contract prices are the settlement prices over the days the Contract Price is determined. The WTI Differential shall be amended, as necessary, to reflect the substitution or replacement of any WTI Contracts, to include, but not be limited to, WTI Price rolls pursuant to [Section 9.1\(b\)](#), and grade exchange differentials, if any. All actual or deemed costs and fees related to any substitution or replacement of any WTI Contracts shall be for Coffeyville’s account.

(d) *Transportation and Direct Costs*. Transportation and direct costs (“**Transportation and Direct Costs**”) shall include all actual direct and indirect third party expenses and/or Agreed Costs associated with acquiring and moving Crude Oil from the acquisition point to the Delivery Points, including, but not limited to, freight, lightering, inspection fees, insurance, wharfage and dock fees, canal fees, port expenses and ship’s agent fees, export charges, customs duties and user fees, tariffs, Taxes (including harbor maintenance Taxes), any charges imposed by a Governmental Authority, tankage and throughput charges, broker’s fees, demurrage, pipeline loss allowances, terminal fees, Deemed L/C Fees. For the sake of greater clarity and without limiting the previous sentence, Transportation and Direct Costs includes all actual direct and indirect third party expenses and/or Agreed Costs associated with the settlement or discharge of crude oil contracts for physical delivery where such physical contracts arise as a necessary and direct consequence of a Crude Oil Lot, including but not limited to exchange for difference contracts, location exchange contracts, and WTS-WTI buy-sell contracts.

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9.2 Withdrawal Invoices.

(a) *Crude Oil Withdrawal Invoices*. With respect to each Crude Oil Withdrawal, Vitol shall prepare and deliver to Coffeyville a Crude Oil Withdrawal Invoice. Such Crude Oil Withdrawal Invoice shall identify the actual volume and grade of Crude Oil delivered at the applicable Delivery Point.

(b) *Provisional Crude Oil Withdrawal Invoices*. In order to accommodate Coffeyville’s need to make Crude Oil Withdrawals during periods that may result in a payment day falling on a date that is not a Business Day, Vitol shall have the right to issue a Provisional Crude Oil Withdrawal Invoice with respect to any Crude Oil Withdrawal that is not documented in a Crude Oil Withdrawal Invoice. Notwithstanding the foregoing, Vitol shall issue a Provisional Crude Oil Invoice only if the Required Number of Invoices to be Paid (as determined pursuant to paragraph (d) below) exceeds the number of outstanding Withdrawal Invoices.

(c) *Payment Days*. Each Crude Oil Withdrawal Invoice shall be due and payable in accordance with the number of payment days (the “**Payment Days**”) designated by Vitol in writing. Vitol shall give Coffeyville written notice of the Payment Days (the “**Notice of Payment Days**”), which notice shall remain in effect until Vitol delivers a subsequent Notice of Payment Days. As of the Commencement Date the Payment Days specified in the Notice of Payment Days attached hereto as [Schedule E](#) shall apply. The provisions of this [Section 9.2\(c\)](#) shall only pertain, however, to Crude Oil Withdrawal Invoices and all other invoices (including any invoices issued pursuant to [Section 9.6](#)) shall be due and payable upon receipt.

(d) *Payment of Withdrawal Invoices*. Each Business Day, Vitol shall calculate the number of Withdrawal Invoices that must be paid by Coffeyville (the “**Required Number of Invoices to be Paid**”) on such Business Day, as well as its forecast of the Required Number of Invoices to be Paid on the immediately following Business Day (which shall be provided for advisory purposes only). Vitol shall deliver written notice of the foregoing calculations to Coffeyville, identifying the specific Withdrawal Invoices to be paid on the then current Business Day, which shall be based on the premise that the oldest Withdrawal Invoice shall be paid first. The Required Number of Invoices to be Paid by Coffeyville as of the date of calculation shall be equal to:

- (i) the number of Withdrawal Invoices unpaid on the date of calculation; *plus*
- (ii) the number of Closed Days between the date of calculation and the next successive Business Day; *plus*
- (iii) the number of Accumulation Days as of the date of calculation; *minus*
- (iv) the number of Payment Days required by Vitol as of the date of calculation.

In the event that the Required Number of Invoices to be Paid exceeds the number of Withdrawal Invoices unpaid on the date of calculation, Vitol shall prepare and deliver to Coffeyville one or more Provisional Crude Oil Invoices so that the Required Number of Invoices to be Paid equals the number of Withdrawal

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Invoices outstanding. In the event that a Provisional Crude Oil Invoice is issued pursuant hereto, such invoice shall be due and payable on the date of issuance.

9.3 Calculation of the Transfer Price.

(a) *Invoice Calculations*. The purchase price set forth in the Withdrawal Invoice (the “**Provisional Transfer Price**”) shall be equal to the Transfer Price for the specified Crude Oil Withdrawal. Vitol, acting reasonably, shall use its best estimates for calculating the Transportation and Direct Costs applicable to such Crude Oil Withdrawal to the extent that such amounts are not yet ascertainable. Each Crude Oil Lot, or portion thereof, included in a Crude Oil Withdrawal shall be allocated on a first-in, first-out basis, and the Withdrawal Invoice shall be based on the Transfer Price applicable, on a volumetric basis, to each such Crude Oil Lot, or portion thereof. Vitol shall use its best estimate of the trading price for purposes of calculating the WTI Price component of the Transfer Price. In the event that two or more WTI Contracts apply to a Crude Oil Lot, the Provisional Transfer Price shall be computed

using the WTI Contracts in sequential order beginning with the most prompt contract first. The Parties acknowledge that the Provisional Transfer Price will be true-up in accordance with Section 9.4 to reflect the actual Transfer Price based on the actual components set forth in Section 9.1.

(b) *Components of Transfer Price.* Prior to a Crude Oil Withdrawal of a Crude Oil Lot, or portion thereof, Vitol shall continuously update its books and records to reflect the best information available with respect to each component of the Transfer Price for such Crude Oil Lot, or portion thereof, including volume and costs. Upon the occurrence of the first Crude Oil Withdrawal with respect to a Crude Oil Lot, or portion thereof, the Transportation and Direct Costs component of the Transfer Price for purposes of the Provisional Invoice shall be established and any subsequent revisions to the Transfer Price as a result of obtaining more accurate information with respect to the Transportation and Direct Costs shall be addressed in the true-up calculations pursuant to Section 9.4. All other components of the Transfer Price (other than the Transportation and Direct Costs and the Origination Fee) shall be continually updated by Vitol and the best available information shall be used for purposes of calculating the Provisional Invoice.

9.4 True-Ups. Once the volume of a Crude Oil Lot has been delivered to a Delivery Point or an Alternate Delivery Point and all pipeline statements related to such Crude Oil Lot have been received, Vitol shall prepare and deliver to Coffeyville an invoice (the “**True-Up Invoice**”) that corrects the Withdrawal Invoices previously issued related to such Crude Oil Lot to reflect the actual prices and actual volumes applicable to each component of the Transfer Price for each such Crude Oil Lot. Vitol shall have the right to issue additional True-Up Invoices until all numbers are final and accurate. In addition, if the actual volume of a Crude Oil Lot differs from the volumes used in calculating the Withdrawal Invoices, then the true-up for such volume correction shall use the Transfer Prices applicable to such Crude Oil Lot. In the event that the sum set forth in the True-Up Invoice is greater than the sum set forth in the Withdrawal Invoices, the difference shall be paid by Coffeyville to Vitol; however, if the sum set forth in the Withdrawal Invoice exceeds the sum set forth in the True-Up Invoice, the difference shall

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be paid by Vitol to Coffeyville. All amounts due and owing hereunder (the “**True-Up Payment**”) shall be paid by the owing Party to the other Party on the next Business Day following Coffeyville’s receipt of the corrected invoice.

9.5 Payment Terms Adjustment. Vitol will compute an adjustment to the Transfer Price to give Coffeyville the equivalent economic benefit of standard industry payment terms for Crude Oil acquired by Coffeyville (the “**Payment Terms Adjustment**”). On the first (1st) Business Day following the nineteenth (19th) day of each month, Vitol shall compute the Payment Terms Adjustment for the period from the nineteenth (19th) day of the previous month until the eighteenth (18th) day of such current month (the “**Working Capital Period**”), and shall deliver to Coffeyville a working capital statement in sufficient detail (the “**Working Capital Statement**”). The Payment Terms Adjustment shall be equal to (***) for each day in the Working Capital Period. The Daily Capital Charge shall be equal to (***). Any payments due under this Section 9.5, shall be payable on the fifth (5th) Business Day following Vitol’s delivery of the Working Capital Statement to Coffeyville but, in no event, later than the last day of the calendar month which immediately follows the calendar month to which such payment applies.

9.6 Other Statements. If any other amount is due from one Party to the other hereunder (not including the Transfer Price), and if provision for the invoicing of that amount due is not made elsewhere in this Agreement, then the Party to whom such amount is due shall furnish a statement therefore to the other Party, along with pertinent information showing the basis for the calculation thereof. Upon request, the Party who issued a statement under this Section 9.6 shall provide reasonable supporting documentation to substantiate any amount claimed to be due.

9.7 Payment.

(a) *Form of Payment.* Each Party shall pay, or cause to be paid, by telegraphic transfer of same day funds in U.S. Dollars, all amounts that become due and payable by such Party to a bank account or accounts designated by and in accordance with instructions issued by the other Party. Each payment of undisputed amounts (the disputed portion of which is addressed under Section 9.8) owing hereunder shall be in the full amount due without reduction or offset for any reason (except as expressly allowed under this Agreement), including Taxes, exchange charges or bank transfer charges. Notwithstanding the immediately preceding sentence, the paying Party shall not be responsible for a designated bank’s disbursement of amounts remitted to such bank, and a deposit in same day funds of the full amount of each statement with such bank shall constitute full discharge and satisfaction of such statement.

(b) *Payment Date.* If any payment due date should fall on a Saturday or non-Monday weekday that is not a Business Day in New York City, payment is to be made on the immediately preceding Business Day. If the payment due date should fall on a

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Sunday or Monday which is not a Business Day in New York City, payment is to be made on the immediately following Business Day.

(c) *Interest.* All payments under this Agreement not paid by the due date as defined herein shall accrue interest at the Base Interest Rate. Interest shall run from, and including, the applicable due date of the payment to, but excluding, the date that payment is received.

9.8 Disputed Payments. In the event of a disagreement concerning any statement or invoice issued pursuant hereto, the owing Party shall make provisional payment of the total amount owing and shall promptly notify the receiving Party of the reasons for such disagreement, except that in the case of an obvious error in computation, the owing Party shall pay the correct amount disregarding such error. Statements may be contested by a Party only if, within a period of one (1) year after a Party’s receipt thereof, the owing Party serves on the receiving Party notice questioning their correctness. If no such notice is served, statements shall be deemed correct and accepted by all Parties. The Parties shall cooperate in resolving any dispute expeditiously. Within five (5) Business Days after resolution of any dispute as to a statement, the Party owing a disputed amount, if any, shall pay such amount, with interest at the Base Interest Rate from the original due date to but not including the date of payment.

ARTICLE 10
TAXES

Coffeyville shall be liable for (i) all Taxes imposed on Crude Oil as a result of the transportation, storage, importation or transfer of title of such Crude Oil from Vitol to Coffeyville at the Delivery Points, and (ii) all Taxes imposed after delivery of such Crude Oil to Coffeyville at the Delivery Points.

ARTICLE 11
INFORMATION AND REQUESTS FOR ADEQUATE ASSURANCES

11.1 **Financial Information.** Coffeyville shall provide Vitol (a) within ninety (90) days following the end of each of its fiscal years (or such later date on which the annual report is delivered by Coffeyville or its Affiliates to the SEC), a copy of its or its Affiliate's annual report, containing audited consolidated financial statements for such fiscal year certified by independent certified public accountants, (b) within forty-five (45) days after the end of its first three (3) fiscal quarters of each fiscal year (or such later date on which the applicable quarterly report is delivered by Coffeyville or its Affiliates to the SEC), a copy of its quarterly report, containing unaudited consolidated financial statements for such fiscal quarter and (c) within fifty (50) days after the end of each month, a monthly income statement, balance sheet and cash flow statement prepared consistently with prior practices. In all cases the statements shall be for the most recent accounting period and the annual and quarterly statements shall be prepared in accordance with GAAP; provided, however, that should any such statements not be timely available due to a delay in preparation or certification, such delay shall not be considered an Event of Default so long as Coffeyville or its Affiliates diligently pursues

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the preparation, certification and delivery of such statements and provided further, however, that in the event Coffeyville or its Affiliates cease filing such reports with the SEC, then Coffeyville shall provide to Vitol financial reports in the same form and on the same schedule as Coffeyville or its Affiliates provide such financial reports to its/their lenders. For purposes of this Section 11.1, "Affiliate" will include any Affiliate whose annual report or quarterly report includes Coffeyville.

11.2 **Notification of Certain Events.** Each Party shall notify the other Party at least one Business Day prior to any of the following events, as applicable:

(a) As to Coffeyville, it or any of its Affiliates' binding agreement to sell, lease, sublease, transfer or otherwise dispose of, or grant any Person (including an Affiliate) an option to acquire, in one transaction or a series of related transactions, all or a material portion of the Refinery assets; or

(b) As to either Party, its or any of its Affiliates' binding agreement to consolidate or amalgamate with, merge with or into, or transfer all or substantially all of its assets to, another entity (including an Affiliate).

For purposes of this Section 11.2, an Affiliate of Coffeyville shall include entities up to the level of CVR Energy, Inc., but not above CVR Energy, Inc., and an Affiliate of Vitol shall include only Vitol Holdings BV. In addition, this Section 11.2 shall not apply to any future public offering of stock (or partnership units) of Coffeyville or any of its Affiliates, including, but not limited to CVR Partners, LP, or to an internal corporate reorganization where the ultimate beneficial ownership of such party does not change.

11.3 **Adequate Assurances.** Vitol may, in its sole discretion and upon notice to Coffeyville, require that Coffeyville provide it with satisfactory security for or adequate assurance ("**Adequate Assurance**") of Coffeyville's performance within three (3) Business Days of giving such notice if:

(a) Vitol reasonably determines that reasonable grounds for insecurity exist with respect to Coffeyville's ability to perform its obligations hereunder; or

(b) Coffeyville defaults with respect to any payment hereunder (after giving effect to any applicable grace period).

Vitol's right to request Adequate Assurance pursuant to Section 11.3(a) shall include, but not be limited to any internal corporate reorganization where Coffeyville or CVR Energy, Inc., as the case may be, is not as creditworthy following such transaction as prior thereto.

In the event Vitol gives such a notice pursuant to Section 11.3(a) above, such notice shall include a summary of the information upon which Vitol has based its determination that such reasonable grounds for insecurity exist. Such summary shall be in sufficient detail to reasonably communicate Vitol's grounds that insecurity exists; however, in no event

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shall the nature of Vitol's notice relieve Coffeyville of its obligation to provide Adequate Assurance hereunder.

11.4 **Eligible Collateral.** Any requirement for Adequate Assurance shall be satisfied only by Coffeyville's delivery of Eligible Collateral. Eligible Collateral shall be posted in an amount equal to not less than Vitol's financial exposure under this Agreement (the "**Cover Exposure**"). Cover Exposure shall mean the amount that is the difference between the Crude Oil valued at the applicable Provisional Transfer Prices and the fair market value of the Crude Oil, which shall reflect any adjustments for the quality of the Crude Oil as compared to WTI and which amount is not negative. (For the avoidance of doubt, Crude Oil shall mean the total aggregate volume of all Crude Oil held by Vitol on the date of such calculations). In addition, in order to continue to satisfy any requirement for Adequate Assurance, the amount of any Eligible Collateral shall be adjusted from time to time so that it is sufficient to satisfy the Cover Exposure, as it may fluctuate from time to time. Vitol shall, from time to time, compute the Cover Exposure in a commercially reasonable manner.

11.5 Failure to Give Adequate Assurance. Without prejudice to any other legal remedies available to Vitol and without Vitol incurring any Liabilities (whether to Coffeyville or to a third party), Vitol may, at its sole discretion, take any or all of the following actions if Coffeyville fails to give Adequate Assurance as required pursuant to Section 11.3: (a) withhold or suspend its obligations, including payment obligations, under this Agreement, (b) proceed against Coffeyville for damages occasioned by Coffeyville's failure to perform or (c) exercise its termination rights under Article 17.

11.6 Coffeyville Right to Terminate. Notwithstanding anything to the contrary herein, Coffeyville may, within sixty (60) days of its providing Adequate Assurance hereunder and upon five (5) days prior written notice to Vitol, terminate this Agreement. Such termination by Coffeyville shall not be a default hereunder and shall be deemed a termination pursuant to Article 17; provided that nothing in this Section 11.6 shall limit any of Vitol's rights in the event Coffeyville fails to maintain Adequate Assurance or any other Event of Default with respect to Coffeyville occurs.

ARTICLE 12

REFINERY TURNAROUND, MAINTENANCE AND CLOSURE

12.1 Scheduled Maintenance. Coffeyville shall provide to Vitol on the Commencement Date and on an annual basis thereafter, at least thirty (30) days prior to the beginning of each calendar year during the Term, its anticipated timing of Scheduled Maintenance during the upcoming year, and shall update such schedule as soon as practical following any change to the maintenance schedule. The Parties shall cooperate with each other in establishing maintenance and turnaround schedules that do not unnecessarily interfere with the receipt of Crude Oil that Vitol has committed to purchase.

12.2 Unscheduled Maintenance. Coffeyville shall immediately notify Vitol orally (followed by prompt written notice) of any previously unscheduled downtime,

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maintenance or turnaround and the expected duration of such unscheduled downtime, maintenance or turnaround.

12.3 Failure to Accept Deliveries. In the event that the Refinery is unable, for whatever reason other than Scheduled Maintenance, to accept deliveries of Crude Oil for a period of thirty (30) consecutive days, consistent with prior practices, then Vitol shall be entitled to suspend deliveries of Crude Oil until such time as the Refinery has resumed its normal receipt schedule. During such period of suspension, Vitol, at its option and its sole discretion, shall be entitled to (a) deliver the Crude Oil to an alternate location in accordance with instructions received from Coffeyville and demand immediate payment from Coffeyville for such Crude Oil, or (b) sell such Crude Oil to a third party, in which case Coffeyville shall be liable to Vitol for any shortfall, or Vitol shall be liable to Coffeyville for any excess, between (i) the revenues received by Vitol from such third party sale and (ii) the price that Coffeyville would have paid Vitol pursuant to this Agreement, *plus* all direct and indirect costs of cover and documented hedge expenses. Any amount owed to a Party pursuant to this Section 12.3 shall be included in the next True-Up Payment.

ARTICLE 13

COMPLIANCE WITH APPLICABLE LAWS

13.1 Compliance With Laws. Each Party shall, in the performance of its duties under this Agreement, comply in all material respects with all Applicable Laws. Each Party shall maintain the records required to be maintained by Environmental Laws and shall make such records available to the other Party upon request.

13.2 Reports. All reports or documents rendered by either Party to the other Party shall, to the best of such rendering Party's knowledge and belief, accurately and completely reflect the facts about the activities and transactions to which they relate. Each Party shall promptly notify the other Party if at any time such rendering Party has reason to believe that the records or documents previously furnished to such other Party are no longer accurate or complete in any material respect.

ARTICLE 14

FORCE MAJEURE

14.1 Event of Force Majeure. Neither Party shall be liable to the other Party if it is rendered unable by an event of Force Majeure to perform in whole or in part any of its obligations hereunder, for so long as the event of Force Majeure exists and to the extent that performance is hindered by the event of Force Majeure; provided, however, that the Party unable to perform shall use all commercially reasonable efforts to avoid or remove the event of Force Majeure. During the period that performance by one of the Parties of a part or whole of its obligations has been suspended by reason of an event of Force Majeure, the other Party likewise may suspend the performance of all or a part of its obligations to the extent that such suspension is commercially reasonable, except for any payment and indemnification obligations.

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14.2 Notice. The Party rendered unable to perform its obligations hereunder shall give notice to the other Party within twenty-four (24) hours after receiving notice of the occurrence of an event of Force Majeure, including, to the extent feasible, the details and the expected duration of the event of Force Majeure and the volume of Crude Oil affected. Such Party shall promptly notify the other Party when the event of Force Majeure is terminated.

14.3 Termination and Curtailment. In the event that a Party's performance is suspended due to an event of Force Majeure in excess of ninety (90) consecutive days from the date that notice of such event is given, and so long as such event is continuing, the non-claiming Party, in its sole discretion, may terminate or curtail its obligations under this Agreement by notice to the other Party, and neither Party shall have any further liability to the other Party in

respect of this Agreement except for the rights and remedies previously accrued under this Agreement, including any payment and indemnification obligations by either Party under this Agreement.

14.4 **Resumption of Performance.** If this Agreement is not terminated pursuant to this Article 14 or any other provision of this Agreement, performance of this Agreement shall resume to the extent made possible by the end or amelioration of the event of Force Majeure in accordance with the terms of this Agreement; provided, however, that the Term of this Agreement shall not be extended for the period of any event of Force Majeure.

ARTICLE 15
MUTUAL REPRESENTATIONS, WARRANTIES AND COVENANTS

Each Party represents and warrants to the other Party as of the Commencement Date of this Agreement and as of the date of each purchase and sale of Crude Oil hereunder, that:

(a) It is an “Eligible Contract Participant” as defined in Section 1a (12) of the Commodity Exchange Act, as amended.

(b) It is a “forward contract merchant” in respect of this Agreement and each sale of Crude Oil hereunder is a forward contract for purposes of the Bankruptcy Code.

(c) It is duly organized and validly existing under the laws of the jurisdiction of its organization or incorporation and in good standing under such laws.

(e) It has the corporate, governmental or other legal capacity, authority and power to execute this Agreement, to deliver this Agreement and to perform its obligations under this Agreement, and has taken all necessary action to authorize the foregoing.

(e) The execution, delivery and performance in the preceding paragraph (d) do not violate or conflict with any Applicable Law, any provision of its constitutional documents, any order or judgment of any court or Governmental Authority applicable to

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it or any of its assets or any contractual restriction binding on or affecting it or any of its assets.

(f) All governmental and other authorizations, approvals, consents, notices and filings that are required to have been obtained or submitted by it with respect to this Agreement have been obtained or submitted and are in full force and effect, and all conditions of any such authorizations, approvals, consents, notices and filings have been complied with.

(g) Its obligations under this Agreement constitute its legal, valid and binding obligations, enforceable in accordance with its terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium, fraudulent conveyance or similar laws affecting creditors’ rights generally and subject, as to enforceability, to equitable principles of general application regardless of whether enforcement is sought in a proceeding in equity or at law and an implied covenant of good faith and fair dealing).

(h) No Event of Default under Article 16 with respect to it has occurred and is continuing, and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement.

(i) There is not pending or, to its knowledge, threatened against it any action, suit or proceeding at law or in equity or before any court, tribunal, Governmental Authority, official or any arbitrator that is likely to affect the legality, validity or enforceability against it of this Agreement or its ability to perform its obligations under this Agreement.

(j) It is not relying upon any representations of the other Party, other than those expressly set forth in this Agreement.

(k) It has entered into this Agreement as principal (and not as advisor, agent, broker or in any other capacity, fiduciary or otherwise), with a full understanding of the material terms and risks of the same, and is capable of assuming those risks.

(l) It has made its trading and investment decisions (including their suitability) based upon its own judgment and any advice from its advisors as it has deemed necessary, and not in reliance upon any view expressed by the other Party.

(m) The other Party (i) is acting solely in the capacity of an arm’s-length contractual counterparty with respect to this Agreement, (ii) is not acting as a financial advisor or fiduciary or in any similar capacity with respect to this Agreement and (iii) has not given to it any assurance or guarantee as to the expected performance or result of this Agreement.

(n) Neither it nor any of its Affiliates has been contacted by or negotiated with any finder, broker or other intermediary in connection with the sale of Crude Oil hereunder who is entitled to any compensation with respect thereto (other than brokers’ fees agreed upon by the Parties).

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(o) None of its directors, officers, employees or agents or those of its Affiliates has received or will receive any commission, fee, rebate, gift or entertainment of significant value in connection with this Agreement.

ARTICLE 16
DEFAULT AND REMEDIES

16.1 **Events of Default.** Notwithstanding any other provision of this Agreement, an Event of Default shall be deemed to occur with respect to a Party when:

(a) Such Party fails to make payment when due under this Agreement, within one (1) Business Day of a written demand therefor.

(b) Other than a Default described in Sections 16.1(a) and (c), such Party fails to perform any obligation or covenant to the other Party under this Agreement, which failure is not cured to the satisfaction of the other Party (in its sole discretion) within five (5) Business Days from the date that such Party receives written notice that corrective action is needed.

(c) Such Party breaches any material representation or material warranty made or repeated or deemed to have been made or repeated in this Agreement by such Party, or any warranty or representation in this Agreement proves to have been incorrect or misleading in any material respect when made or repeated or deemed to have been made or repeated under this Agreement; provided, however, that if such breach is curable, it is only an Event of Default if such breach is not cured to the reasonable satisfaction of the other Party (in its sole discretion) within ten (10) Business Days from the date that such Party receives notice that corrective action is needed.

(d) Such Party or its Designated Affiliate (i) defaults under a Specified Transaction and, after giving effect to any applicable notice requirement or grace period, there occurs a liquidation of, an acceleration of obligations under, or any early termination of, such Specified Transaction, (ii) defaults, after giving effect to any applicable notice requirement or grace period, in making any payment or delivery due on the last payment, delivery or exchange date of, or any payment on early termination of, a Specified Transaction (or such default continues for at least three (3) Business Days if there is no applicable notice requirement or grace period) or (iii) disaffirms, disclaims, repudiates or rejects, in whole or in part, a Specified Transaction (or such action is taken by any Person appointed or empowered to operate it or act on its behalf).

(e) Such Party becomes Bankrupt.

(f) Coffeyville fails to provide Adequate Assurance in accordance with Section 11.3.

(g) Coffeyville or any of its Affiliates sells, leases, subleases, transfers or otherwise disposes of, in one transaction or a series of related transactions, all or a material portion of the assets of the Refineries to a completely unrelated third party which is not an Affiliate.

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(h) There shall occur either (i) a default, event of default or other similar condition or event (however described) in respect of Coffeyville or any of its Affiliates under one or more agreements or instruments relating to any Specified Indebtedness in an aggregate amount of not less than \$20,000,000 which has resulted in such Specified Indebtedness becoming due and payable under such Specified Indebtedness and instruments before it would have otherwise been due and payable or (ii) a default by Coffeyville or any of its Affiliates (individually or collectively) in making one or more payments on the due date thereof in an aggregate amount of not less than \$10,000,000 under such agreements or instruments relating to any Specified Indebtedness (after giving effect to any applicable notice requirement or grace period), provided that a default under clause (ii) above shall not constitute an Event of Default if (a) the default was caused solely by error or omission of an administrative or operational nature; (b) funds were available to enable Coffeyville or its Affiliate, as the case may be, to make the payment when due; and (c) the payment is made within two (2) Business Days of such Coffeyville's or its Affiliates, as the case may be, receipt of written notice of its failure to pay.

(i) Coffeyville or CVR Energy, Inc. (i) consolidates or amalgamates with, merges with or into, or transfers all or substantially all of its assets to, another entity (including an Affiliate) or any such consolidation, amalgamation, merger or transfer is consummated, and (ii) the successor entity resulting from any such consolidation, amalgamation or merger or the Person that otherwise acquires all or substantially all of the assets of Coffeyville or CVR Energy, Inc. (a) does not assume, in a manner reasonably satisfactory to Vitol, all of Coffeyville's obligations hereunder, or (b) has an "issuer credit" rating below BBB- by Standard and Poor's Ratings Group or Baa3 by Moody's Investors Service, Inc. (or an equivalent successor rating classification).

Neither a future public offering of stock of Coffeyville or any of its Affiliates (including, but not limited to CVR Energy, Inc.) nor a future public offering of units of CVR Partners, LP, or any internal corporate reorganization in connection therewith, shall result in an Event of Default under this Agreement pursuant to clauses (g) and (i) above. In addition, a spin-off of CVR Partners, LP to the stockholders of CVR Energy, Inc. and/or an internal corporate reorganization where the ultimate beneficial ownership of such Party does not change shall not result in an Event of Default under this Agreement pursuant to clauses (g) and (i) above.

Coffeyville shall be the Defaulting Party upon the occurrence of any of the events described in clauses (f), (g), (h) and (i) above.

16.2 **Remedies.** Notwithstanding any other provision of this Agreement, upon the occurrence of an Event of Default with respect to either Party (the "**Defaulting Party**"), the other Party (the "**Performing Party**") shall in its sole discretion, in addition to all other remedies available to it and without incurring any Liabilities to the Defaulting Party or to third parties, be entitled to do one or more of the following: (a) suspend its performance under this Agreement without prior notice to the Defaulting Party, (b) proceed against the Defaulting Party for damages occasioned by the Defaulting Party's failure to perform, (c) upon one (1) Business Day's notice to the Defaulting Party,

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immediately terminate and liquidate all Transactions between the Parties by calculating a Termination Payment, in the manner set forth in Section 17.2, and (iv) exercise its rights of liquidation and setoff with respect to all Specified Transactions as set forth in Section 17.4. Notwithstanding the foregoing, in the case of an Event of Default described in Section 16.1(e), no prior notice shall be required.

16.3 Instructions Concerning Operational Matters. At any time upon an Event of Default by Coffeyville, Vitol may instruct (a) the Terminal Operators to cancel any Crude Oil nominations scheduled for delivery from Vitol to Coffeyville and re-nominate such Crude Oil to Vitol's consignee as Vitol may direct and (b) the relevant Pipeline Systems that Vitol will be using Coffeyville's nominated shipping capacity to ship Crude Oil that otherwise would be sold to Coffeyville to Vitol's consignee as Vitol may direct. It is the Parties' understanding that all Crude Oil shall be exclusively owned and controlled by Vitol until delivered to Coffeyville at a Delivery Point.

16.4 Forbearance Period. If an Event of Default of the type referred to in Section 16.1(h) occurs, Vitol agrees that, for a period of up to sixty (60) consecutive calendar days thereafter (the "**Forbearance Period**"), it shall forbear from exercising its rights and remedies under Section 16.2 to the extent it is otherwise entitled to do so based on such occurrence; provided that:

(a) at all times during the Forbearance Period, either the Cover Exposure shall equal zero or the aggregate amount of Undrawn Letters of Credit shall exceed the Cover Exposure; and

(b) at no time during the Forbearance Period shall any other Event of Default have occurred.

The Forbearance Period shall end on the earlier to occur of (i) the sixtieth (60th) day following the occurrence of the Specified Indebtedness Event of Default or (ii) the time as of which the condition in either clause (a) or (b) of Section 16.4 is no longer satisfied. During the Forbearance Period, Vitol shall continue to supply Crude Oil to Coffeyville pursuant to the provisions hereof.

From and after the end of the Forbearance Period, Vitol shall be entitled to exercise any and all of the rights and remedies it may have (including under Section 16.2) based on the occurrence of such Event of Default as if no Forbearance Period had occurred (regardless of whether such Event of Default has been remedied or waived during such Forbearance Period).

16.5 Additional Remedies for Vitol Event of Default. If Vitol commits an Event of Default, including becoming Bankrupt, then in addition to any other rights or remedies available hereunder, Coffeyville may cause the termination of this Agreement within the meaning of Section 556 of the Bankruptcy Code by (i) providing notice of termination to Vitol, and (ii) providing notice of termination to third parties of any and all assignments of lease storage agreements, terminalling agreements, throughput agreements and pipeline transportation rights agreements, including but not limited to the Keystone

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Notice of Agency and Acknowledgement of Authorization to Act, the Enterprise Temporary Assignment of Lease Storage Agreement, the Plains Marketing Temporary Assignment of Terminalling Agreement (No. 1), the Plains Marketing Temporary Assignment of Amended and Restated Terminalling Agreement, the Plains Marketing Temporary Assignment of Terminalling Agreement (No. 2) and the Plains Marketing Temporary Assignment of Throughput Agreement (Duncan) and any future similar agreements or amendments thereof. In this regard, Vitol acknowledges that time is of the essence and Coffeyville may act unilaterally to minimize economic damages and disruption to its business. Such notices of termination referenced in this Section 16.5 shall be effective five (5) days after the date of such notices. Any Crude Oil not purchased by Coffeyville within such five (5) day period shall be sold by Vitol and any such sale shall be treated as a Third Party Sale Transaction.

ARTICLE 17
FINAL SETTLEMENT AT TERMINATION

17.1 Effects of Termination. Upon the termination or expiration of this Agreement, Coffeyville shall acquire (a) all Crude Oil located in the Designated Tanks and (b) all Crude Oil in transit by vessel or in pipelines to be delivered into the Designated Tanks (collectively, the "**Final Inventory**"), all of which shall be purchased by Coffeyville at the Transfer Price effective as of the date of termination or expiration. Such final purchase and sale Transactions shall be invoiced by Vitol and paid for by Coffeyville in accordance with the procedures set forth in Article 9, except that Vitol may prepare and deliver to Coffeyville True-Up Invoices as soon as the necessary information becomes available. The Final Inventory volumes shall be the sum of the following: (i) the volume of Crude Oil in the Designated Tanks as determined by the records of each Designated Tank operator, (ii) the volume of Crude Oil in transit by vessel or pipeline as determined by the records of each vessel or pipeline operator and (iii) the CRCT Cushing Volumes as determined by the Independent Inspector in accordance with Schedule E. In the event that Coffeyville fails to purchase such Crude Oil in accordance with the terms of this Section 17.1, Vitol shall be entitled to sell the Crude Oil and such sale shall be treated as a Third Party Sale Transaction.

17.2 Close Out of Transactions Under the Agreement. Upon the occurrence of an Event of Default, the Performing Party shall, in its sole discretion, in addition to all other remedies available to it and without incurring any Liabilities to the Defaulting Party or to third parties, be entitled to designate a date not earlier than the date of such notice (the "**Termination Date**") on which all Transactions shall terminate. The Performing Party shall be entitled to close out and liquidate each Transaction at its market price, as determined by the Performing Party in a commercially reasonable manner as of the Termination Date, and to calculate an amount equal to the difference, if any, between the market price and the Transfer Price for each Transaction. The Performing Party shall aggregate the net gain or loss with respect to all terminated Transactions as of the Termination Date to a single dollar amount (the "**Liquidation Amount**"). The Performing Party shall notify the Defaulting Party of the Liquidation Amount due from or due to the Defaulting Party, after taking into account any collateral or margin held by either Party (the "**Termination Payment**").

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17.3 Payment of Termination Payment. As soon as reasonably practicable after the Termination Date, the Performing Party shall provide the Defaulting Party with a statement showing, in reasonable detail, the calculation of the Liquidation Amount and the Termination Payment. If the Defaulting Party owes the Termination Payment to the Performing Party, the Defaulting Party shall pay the Termination Payment on the first (1st) Business Day after it receives the statement. If the Performing Party owes the Termination Payment to the Defaulting Party, the Performing Party shall pay the Termination Payment once it has reasonably determined all amounts owed by the Defaulting Party to it under all Transactions and its rights of setoff under Section 17.4.

17.4 Close Out of Specified Transactions. An Event of Default under this Agreement shall constitute a material breach and an event of default, howsoever described, under all Specified Transactions. The Performing Party (or any of its Affiliates) may, by giving a notice to the Defaulting Party, designate a Termination Date for all Specified Transactions and, upon such designation, terminate, liquidate and otherwise close out all Specified Transactions. If the Performing Party elects to designate a Termination Date under this Section 17.4 for Specified Transactions, the Performing Party shall calculate, in accordance with the terms set forth in such Specified Transactions, the amounts, whether positive or negative, due upon early termination under each Specified Transaction and shall determine in good faith and fair dealing the aggregate sum of such amounts, whether positive or negative ("**Specified Transaction Termination Amount**"). If a particular Specified Transaction does not provide a method for determining what is owed upon termination, then the amount due upon early termination shall be determined pursuant to Section 17.2, as if the Specified Transaction was a Transaction. On the Termination Date or as soon as reasonably practicable thereafter, the Performing Party shall provide the Defaulting Party with a statement showing, in reasonable detail, the calculation of the Specified Transaction Termination Amount. If the Specified Transaction Termination Amount is a negative number, and the Performing Party owes a Termination Payment to the Defaulting Party, the Performing Party shall pay the Defaulting Party the Specified Transaction Termination Amount at the time of its payment of the Termination Payment under Section 17.2. If the Specified Transaction Termination Amount is a positive number, the Defaulting Party shall pay the Performing Party such Specified Transaction Termination Amount on demand; provided, however, that the Performing Party, at its election, may setoff any Termination Payment owed by the Defaulting Party to the Performing Party pursuant to Section 17.2 against any Specified Transaction Termination Amount owed by the Performing Party to the Defaulting Party and may setoff any Specified Transaction Termination Amount owed to the Performing Party by the Defaulting Party against any Termination Payment owed by the Performing Party to the Defaulting Party pursuant to Section 17.2. The Performing Party shall notify the Defaulting Party of any setoff affected under this Section 17.4.

17.5 Non-Exclusive Remedy. The Performing Party's rights under this Article 17 shall be in addition to, and not in limitation or exclusion of, any other rights that it may have (whether by agreement, operation of law or otherwise), including any rights and remedies under the UCC; provided, however, that (a) if the Performing Party elects to exercise its rights under Section 17.2, it shall do so with respect to all Transactions, and (b) if the Performing Party elects to exercise its rights under Section 17.4, it shall do

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so with respect to all Specified Transactions. The Performing Party may enforce any of its remedies under this Agreement successively or concurrently at its option. No delay or failure on the part of a Performing Party to exercise any right or remedy to which it may become entitled on account of an Event of Default shall constitute an abandonment of any such right, and the Performing Party shall be entitled to exercise such right or remedy at any time during the continuance of an Event of Default. All of the remedies and other provisions of this Article 17 shall be without prejudice and in addition to any right of setoff, recoupment, combination of accounts, lien or other right to which any Party is at any time otherwise entitled (whether by operation of law, in equity, under contract or otherwise).

17.6 Indemnity. The Defaulting Party shall indemnify and hold harmless the Performing Party for all Liabilities incurred as a result of the Default or in the exercise of any remedies under this Article 17, including any damages, losses and expenses incurred in obtaining, maintaining or liquidating commercially reasonable hedges relating to any Crude Oil sold and WTI Contracts entered into hereunder, all as determined in a commercially reasonable manner by the Performing Party.

ARTICLE 18 **INDEMNIFICATION AND CLAIMS**

18.1 Vitol's Duty to Indemnify. To the fullest extent permitted by Applicable Law and except as specified otherwise elsewhere in this Agreement, Vitol shall defend, indemnify and hold harmless Coffeyville, its Affiliates, and their directors, officers, employees, representatives, agents and contractors for and against any Liabilities directly or indirectly arising out of (i) any breach by Vitol of any covenant or agreement contained herein or made in connection herewith or any representation or warranty of Vitol made herein or in connection herewith proving to be false or misleading, (ii) Vitol's handling, storage or refining of any Crude Oil or the products thereof, (iii) any failure by Vitol to comply with or observe any Applicable Law, (iv) Vitol's negligence or willful misconduct, or (v) injury, disease, or death of any person or damage to or loss of any property, fine or penalty, as well as any Liabilities directly or indirectly arising out of or relating to environmental losses such as oil discharges or violations of Environmental Law before a Delivery Point in performing its obligations under this Agreement, except to the extent that such injury, disease, death, or damage to or loss of property was caused by the negligence or willful misconduct on the part of Coffeyville, its Affiliates or any of their respective employees, representatives, agents or contractors.

18.2 Coffeyville's Duty to Indemnify. To the fullest extent permitted by Applicable Law and except as specified otherwise elsewhere in this Agreement, Coffeyville shall defend, indemnify and hold harmless Vitol, its Affiliates, and their directors, officers, employees, representatives, agents and contractors for and against any Liabilities directly or indirectly arising out of (i) any breach by Coffeyville of any covenant or agreement contained herein or made in connection herewith or any representation or warranty of Coffeyville made herein or in connection herewith proving to be false or misleading, (ii) Coffeyville's handling, storage or refining of any Crude Oil or the products thereof, (iii) Coffeyville's negligence or willful misconduct, (iv) any

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failure by Coffeyville to comply with or observe any Applicable Law, or (v) injury, disease, or death of any person or damage to or loss of any property, fine or penalty, any of which is caused by Coffeyville or its employees, representatives, agents or contractors in the exercise of any of the rights granted hereunder,

except to the extent that such injury, disease, death, or damage to or loss of property was caused by the negligence or willful misconduct on the part of Vitol, its Affiliates or any of their respective employees, representatives, agents or contractors.

18.3 **Notice of Indemnity Claim.** The Party to be indemnified (the “**Indemnified Party**”) shall notify the other Party (the “**Indemnifying Party**”) as soon as practicable after receiving notice of any claim, demand, suit or proceeding brought against it which may give rise to the Indemnifying Party’s obligations under this Agreement (such claim, demand, suit or proceeding, a “**Third Party Claim**”), and shall furnish to the Indemnifying Party the complete details within its knowledge. Any delay or failure by the Indemnified Party to give notice to the Indemnifying Party shall not relieve the Indemnifying Party of its obligations except to the extent, if any, that the Indemnifying Party shall have been materially prejudiced by reason of such delay or failure.

18.4 **Defense of Indemnity Claim.** The Indemnifying Party shall have the right to assume the defense, at its own expense and by its own counsel, of any Third Party Claim; provided, however, that such counsel is reasonably acceptable to the Indemnified Party. Notwithstanding the Indemnifying Party’s appointment of counsel to represent an Indemnified Party, the Indemnified Party shall have the right to employ separate counsel, and the Indemnifying Party shall bear the reasonable fees, costs and expenses of such separate counsel if (i) the use of counsel chosen by the Indemnifying Party to represent the Indemnified Party would present a conflict of interest or (ii) the Indemnifying Party shall not have employed counsel to represent the Indemnified Party within a reasonable time after notice of the institution of such Third Party Claim. If requested by the Indemnifying Party, the Indemnified Party agrees to reasonably cooperate with the Indemnifying Party and its counsel in contesting any claim, demand or suit that the Indemnifying Party defends, including, if appropriate, making any counterclaim or cross-complaint. All costs and expenses incurred in connection with the Indemnified Party’s cooperation shall be borne by the Indemnifying Party.

18.5 **Settlement of Indemnity Claim.** No Third Party Claim may be settled or compromised (i) by the Indemnified Party without the consent of the Indemnifying Party or (ii) by the Indemnifying Party without the consent of the Indemnified Party. Notwithstanding the foregoing, an Indemnifying Party shall not be entitled to assume responsibility for and control of any judicial or administrative proceedings if such proceedings involves an Event of Default by the Indemnifying Party which shall have occurred and be continuing. The mere purchase and existence of insurance does not reduce or release either Party from any liability incurred or assumed under this Agreement.

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ARTICLE 19
LIMITATION ON DAMAGES

Except as otherwise expressly provided in this Agreement, the Parties’ liability for damages is limited to direct, actual damages only, and neither Party shall be liable for specific performance, lost profits or other business interruption damages, or special, consequential, incidental, punitive, exemplary or indirect damages, in tort, contract or otherwise, of any kind, arising out of or in any way connected with the performance, the suspension of performance, the failure to perform or the termination of this Agreement. Each Party acknowledges the duty to mitigate damages hereunder.

ARTICLE 20
AUDIT RIGHTS

During the Term, either Party and its duly authorized representatives, upon reasonable notice and during normal working hours, shall have access to the accounting records and other documents maintained by the other Party that relate to this Agreement. Notwithstanding the foregoing, in no event shall either Party have any obligation to share with the other Party any books and records for transactions other than Transactions under this Agreement.

ARTICLE 21
CONFIDENTIALITY

21.1 **Confidentiality Obligation.** The Parties agree that the specific terms and conditions of this Agreement and any information exchanged between the Parties under this Agreement are confidential and shall not disclose them to any third party, except (a) as may be required by court order, Applicable Laws or a Governmental Authority or (b) to such Party’s or its Affiliates’ employees, auditors, directors, consultants, banks, financial advisors, rating agencies, insurance companies, insurance brokers and legal advisors. All information subject to this confidentiality obligation shall only be used for purposes of and with regard to this Agreement and shall not be used by either Coffeyville or Vitol for any other purpose. Vitol acknowledges that pursuant to this Agreement it will be receiving material nonpublic information with regard to CVR Energy, Inc. and will be prohibited from trading in CVR Energy’s, Inc. shares while in possession of such information, as U.S. securities laws prohibit trading shares of a company while in possession of material nonpublic information. The confidentiality obligations under this Agreement shall survive termination of this Agreement for a period of one (1) year following the Termination Date. Notwithstanding anything to the contrary herein, the Parties agree that this Agreement may be filed at the SEC with any redactions therein, that may be requested by Coffeyville (after consultation with Vitol) and accepted by the SEC.

21.2 **Disclosure.** In the case of disclosure covered by Section 21.1(a) and if the disclosing Party’s counsel advises that it is permissible to do so, the disclosing Party shall notify the other Party in writing of any proceeding of which it is aware that may result in disclosure, and use reasonable efforts to prevent or limit such disclosure. The Parties

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shall be entitled to all remedies available at law, or in equity, to enforce or seek relief in connection with the confidentiality obligations contained herein.

21.3 Tax Matters. Notwithstanding the foregoing, each Party agrees that it and its parent, subsidiaries and their directors, officers, employees, agents or attorneys may disclose to any and all persons the structure and any of the tax aspects of this Agreement transaction that are necessary to describe or support any U.S. federal income tax benefits that may result therefrom, or any materials relating thereto, that either Party has provided or will provide to the other Party and its subsidiaries and their directors, officers, employees, agents or attorneys in connection with this Agreement, except where confidentiality is reasonably necessary to comply with Applicable Laws.

ARTICLE 22 **GOVERNING LAW**

22.1 Choice of Law. THIS AGREEMENT SHALL BE GOVERNED BY, CONSTRUED AND ENFORCED UNDER THE LAWS OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO ITS CONFLICTS OF LAWS PRINCIPLES.

22.2 Jurisdiction. EACH OF THE PARTIES HEREBY IRREVOCABLY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF ANY FEDERAL COURT OF COMPETENT JURISDICTION SITUATED IN THE BOROUGH OF MANHATTAN, NEW YORK, OR, IF ANY FEDERAL COURT DECLINES TO EXERCISE OR DOES NOT HAVE JURISDICTION, IN ANY NEW YORK STATE COURT IN THE BOROUGH OF MANHATTAN (WITHOUT RECOURSE TO ARBITRATION UNLESS BOTH PARTIES AGREE IN WRITING), AND TO SERVICE OF PROCESS BY CERTIFIED MAIL, DELIVERED TO THE PARTY AT THE ADDRESS INDICATED BELOW. EACH PARTY HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION TO PERSONAL JURISDICTION, WHETHER ON GROUNDS OF VENUE, RESIDENCE OR DOMICILE.

22.3 Waiver. EACH PARTY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY PROCEEDINGS RELATING TO THIS AGREEMENT.

ARTICLE 23 **ASSIGNMENT**

23.1 Successors. This Agreement shall inure to the benefit of and be binding upon the Parties, their respective successors and permitted assigns.

23.2 No Assignment. Neither Party shall assign this Agreement or its rights or interests hereunder in whole or in part, or delegate its obligations hereunder in whole or in part, without the express written consent, which consent shall not be unreasonably withheld, of the other Party except in the case of assignment to an Affiliate if (a) such Affiliate assumes in writing all of the obligations of the assignor and (b) the assignor provides the other Party with evidence of the Affiliate's financial responsibility at least equal to that of the assignor. Further, no consent shall be required for transfer of an interest in this Agreement by merger provided that the transferee entity (x) assumes in

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writing all of the obligations of the transferor and (y) provides the other Party with evidence of financial responsibility at least equal to that of the transferor. If written consent is given for any assignment, the assignor shall remain jointly and severally liable with the assignee for the full performance of the assignor's obligations under this Agreement, unless the Parties otherwise agree in writing.

23.3 Null and Void. Any attempted assignment in violation of this Article 23 shall be null and void *ab initio* and the non-assigning Party shall have the right, without prejudice to any other rights or remedies it may have hereunder or otherwise, to terminate this Agreement effective immediately upon notice to the Party attempting such assignment.

23.4 Assignment of Claims. If a dispute, claim or controversy should arise hereunder between Vitol and any Counterparty and Vitol is unwilling to contest or litigate such matter, the Parties shall agree to an assignment of Vitol's rights and interests as necessary to allow Coffeyville to contest, litigate or resolve such matter by a mutually acceptable alternative means that will allow Coffeyville to pursue the claim.

ARTICLE 24 **NOTICES**

All invoices, notices, requests and other communications given pursuant to this Agreement shall be in writing and sent by facsimile, electronic mail or overnight courier. A notice shall be deemed to have been received when transmitted (if confirmed by the notifying Party's transmission report), or on the following Business Day if received after 5:00 p.m. EST, at the respective Party's address set forth below and to the attention of the person or department indicated. A Party may change its address, facsimile number or electronic mail address by giving written notice in accordance with this Article 24, which notice is effective upon receipt.

If to Coffeyville to:

Coffeyville Resources Refining & Marketing, LLC
2277 Plaza Drive, Suite 500
Sugar Land, Texas 77479
Attn: Chief Executive Officer
Fax: (281) 207- 3505
E-Mail: jjlipinski@cvrenergy.com

With a copy to:

Coffeyville Resources Refining & Marketing, LLC
10 East Cambridge Circle Drive, Suite 250
Kansas City, Kansas 66103

PORTIONS OF THIS AGREEMENT DENOTED WITH THREE ASTERISKS (*) HAVE BEEN OMITTED AND WILL BE SUBJECT TO A REQUEST FOR CONFIDENTIAL TREATMENT WITH THE SECURITIES AND EXCHANGE COMMISSION**

If to VITOL to:

Vitol Inc.
1100 Louisiana Street, Suite 55
Houston, Texas 77002
Attn: James Dyer, IV
Fax: 713-230-1111
E-Mail: jcd@vitol.com

With a copy to:

Robbi Rossi
8904 FM 2920
Spring, Texas 77379
Fax: 281-251-7416
E-Mail: robbi@robbirossi.com

ARTICLE 25
NO WAIVER, CUMULATIVE REMEDIES

25.1 **No Waiver.** The failure of a Party hereunder to assert a right or enforce an obligation of the other Party shall not be deemed a waiver of such right or obligation. The waiver by any Party of a breach of any provision of, Event of Default or Potential Event of Default under this Agreement shall not operate or be construed as a waiver of any other breach of that provision or as a waiver of any breach of another provision of, Event of Default or Potential Event of Default under this Agreement, whether of a like kind or different nature.

25.2 **Cumulative Remedies.** Each and every right granted to the Parties under this Agreement or allowed to the Parties by law or equity, shall be cumulative and may be exercised from time to time in accordance with the terms thereof and applicable law.

ARTICLE 26
NATURE OF THE TRANSACTION AND RELATIONSHIP OF PARTIES

26.1 **No Partnership.** This Agreement shall not be construed as creating a partnership, association or joint venture between the Parties. It is understood that Coffeyville is an independent contractor with complete charge of its employees and agents in the performance of its duties hereunder, and, except as specifically set forth in Section 6.6(b), nothing herein shall be construed to make Coffeyville, or any employee or agent of Coffeyville, an agent or employee of Vitol.

26.2 **Nature of the Transaction.** Although the Parties intend and expect that the transactions contemplated hereunder constitute purchases and sales of Crude Oil between them, in the event that any transaction contemplated hereunder is reconstrued by any court, bankruptcy trustee or similar authority to constitute a loan from Vitol to Coffeyville, then Coffeyville shall be deemed to have pledged all Crude Oil (until such

PORTIONS OF THIS AGREEMENT DENOTED WITH THREE ASTERISKS (*) HAVE BEEN OMITTED AND WILL BE SUBJECT TO A REQUEST FOR CONFIDENTIAL TREATMENT WITH THE SECURITIES AND EXCHANGE COMMISSION**

time as payment in respect of such Crude Oil has been made in accordance with the terms of this Agreement) as security for the performance of Coffeyville's obligations under this Agreement, and shall be deemed to have granted to Vitol a first priority lien and security interest in such Crude Oil and all the proceeds thereof. Coffeyville hereby authorizes Vitol to file a UCC financing statement with respect to all Crude Oil, whether now owned or hereafter acquired, and all proceeds thereof. Notwithstanding the foregoing, the filing of any UCC financing statements made pursuant to this Agreement shall in no way be construed as being contrary to the intent of the Parties that the transactions evidenced by this Agreement be treated as sales of Crude Oil by Vitol to Coffeyville.

26.3 **No Authority.** Neither Party shall have the right or authority to negotiate, conclude or execute any contract or legal document with any third person on behalf of the other Party, to assume, create, or incur any liability of any kind, express or implied, against or in the name of the other Party, or to otherwise act as the representative of the other Party, unless expressly authorized in writing by the other Party.

ARTICLE 27
MISCELLANEOUS

27.1 **Severability.** If any Article, Section or provision of this Agreement shall be determined to be null and void, voidable or invalid by a court of competent jurisdiction, then for such period that the same is void or invalid, it shall be deemed to be deleted from this Agreement and the remaining portions of this Agreement shall remain in full force and effect.

27.2 Entire Agreement. The terms of this Agreement constitute the entire agreement between the Parties with respect to the matters set forth in this Agreement, supersedes all prior representations, agreements and understandings (including the Crude Oil Supply Agreement between the Parties, dated March 30, 2011, as amended April 24, 2012) and no representations or warranties shall be implied or provisions added in the absence of a written agreement to such effect between the Parties. This Agreement shall not be modified or changed except by written instrument executed by a duly authorized representative of each Party.

27.3 No Representations. No promise, representation or inducement has been made by either Party that is not embodied in this Agreement, and neither Party shall be bound by or liable for any alleged representation, promise or inducement not so set forth.

27.4 Time of the Essence. Time is of the essence with respect to all aspects of each Party's performance of any obligations under this Agreement.

27.5 No Third Party Beneficiary. Nothing expressed or implied in this Agreement is intended to create any rights, obligations or benefits under this Agreement in any Person other than the Parties and their successors and permitted assigns.

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PORTIONS OF THIS AGREEMENT DENOTED WITH THREE ASTERISKS (*) HAVE BEEN OMITTED AND WILL BE SUBJECT TO A REQUEST FOR CONFIDENTIAL TREATMENT WITH THE SECURITIES AND EXCHANGE COMMISSION**

27.6 Survival. All confidentiality, payment and indemnification obligations (including the payment and indemnification obligations that arise out of termination) shall survive the expiration or termination of this Agreement.

27.7 Counterparts. This Agreement 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 shall together constitute one and the same instrument.

27.8 FCPA. Each Party will comply strictly with the United States Foreign Corrupt Practices Act (the "FCPA") and all anti-corruption laws and regulations of any country in which a Party performs obligations related to this Agreement. In furtherance of each Party's FCPA compliance obligations, at no time during the continuance of this Agreement, will either Party pay, offer, give or promise to pay or give, any monies or any other thing of value, directly or indirectly to: (a) any officer or employee of any government, or any department, agency or instrumentality of any government; (b) any other person acting for, or on behalf of, any government, or any department, agency or instrumentality of any government; (c) any political party or any official of a political party; (d) any candidate for political office; (e) any officer, employee or other person acting for, or on behalf of, any public international organization; or (f) any other person, firm, corporation or other entity at the suggestion, request or direction of, or for the benefit of, any of the foregoing persons. Each Party represents and warrants that: (i) it is not owned or controlled by, or otherwise affiliated with, any government, or any department, agency or instrumentality of any government; and (ii) none of its officers, directors, principal shareholders or owners is an official or employee of any government or any department, agency or instrumentality of any government. Each Party acknowledges and agrees that breach of this section by one Party will be grounds for termination of this Agreement by the other Party.

27.9 Guaranties. On or before the Commencement Date, Coffeyville shall deliver to Vitol the Coffeyville Guaranty in the form set forth and attached hereto as Exhibit A and Vitol shall deliver to Coffeyville the Vitol Guaranty in the form set forth and attached hereto as Exhibit B.

27.10 Bill of Sale. On the Commencement Date, Coffeyville shall deliver to Vitol a Bill of Sale in the form set forth and attached hereto as Exhibit D for the Commencement Date Sale Volumes.

[SIGNATURE PAGES FOLLOW]

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PORTIONS OF THIS AGREEMENT DENOTED WITH THREE ASTERISKS (*) HAVE BEEN OMITTED AND WILL BE SUBJECT TO A REQUEST FOR CONFIDENTIAL TREATMENT WITH THE SECURITIES AND EXCHANGE COMMISSION**

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

Vitol Inc.

By: /s/ Miguel A. Loya

Title: President

Date: Sep. 1, 2012

2012 Crude Oil Supply Agreement Signature Page

PORTIONS OF THIS AGREEMENT DENOTED WITH THREE ASTERISKS (*) HAVE BEEN OMITTED AND WILL BE SUBJECT TO A REQUEST FOR CONFIDENTIAL TREATMENT WITH THE SECURITIES AND EXCHANGE COMMISSION**

Coffeyville Resources Refining & Marketing, LLC

By: /s/ John J. Lipinski

Title: CEO

Date: 8/29/12

2012 Crude Oil Supply Agreement Signature Page

PORTIONS OF THIS AGREEMENT DENOTED WITH THREE ASTERISKS () HAVE BEEN OMITTED AND WILL BE SUBJECT TO A REQUEST FOR CONFIDENTIAL TREATMENT WITH THE SECURITIES AND EXCHANGE COMMISSION***

**SCHEDULE A
TO AMENDED AND RESTATED CRUDE OIL SUPPLY AGREEMENT BETWEEN VITOL INC. AND
COFFEYVILLE RESOURCES REFINING & MARKETING, LLC DATED
AUGUST 31, 2012**

DELIVERY POINTS

“Delivery Point” means as follows:

- (1) The outlet flange of the meter at the connection between the Plains Pipeline system and the Broome Station storage facility;
 - (2) The outlet flange of the meter at the connection between tanks (***) located at the Plains Marketing crude oil storage facility in Cushing and the Plains Red River Pipeline that delivers crude oil from Cushing to Ellis Junction, and
 - (3) The outlet flange of the meter at the connection between tanks (***) located at Duncan Junction and the Sunoco Excel Pipeline System at Duncan Junction.
-

PORTIONS OF THIS AGREEMENT DENOTED WITH THREE ASTERISKS () HAVE BEEN OMITTED AND WILL BE SUBJECT TO A REQUEST FOR CONFIDENTIAL TREATMENT WITH THE SECURITIES AND EXCHANGE COMMISSION***

**SCHEDULE B
TO AMENDED AND RETATED CRUDE OIL SUPPLY AGREEMENT BETWEEN VITOL INC. AND
COFFEYVILLE RESOURCES REFINING & MARKETING, LLC DATED
AUGUST 31, 2012**

DESIGNATED TANKS

The Designated Tanks are as follows:

1. Plains Marketing Terminal in Cushing:
Tank Numbers: (***)
 2. Plains Marketing Terminal in Duncan, Oklahoma:
Tank Numbers: (***)
 3. Terminal owned by CRCT (operated by Deeprock Oil Operating, LLC) in Cushing:
Tank Numbers: (***)
 4. Enterprise Crude Pipeline LLC Terminal in Cushing, Oklahoma
Tank Numbers: (***)
-

PORTIONS OF THIS AGREEMENT DENOTED WITH THREE ASTERISKS () HAVE BEEN OMITTED AND WILL BE SUBJECT TO A REQUEST FOR CONFIDENTIAL TREATMENT WITH THE SECURITIES AND EXCHANGE COMMISSION***

**SCHEDULE C
TO AMENDED AND RESTATED CRUDE OIL SUPPLY AGREEMENT BETWEEN VITOL INC. AND
COFFEYVILLE RESOURCES REFINING & MARKETING, LLC DATED
AUGUST 31, 2012**

PROCEDURE FOR CRUDE OIL SHIPMENTS ON THE SPEARHEAD PIPELINE

The following procedures shall apply to all shipments of Crude Oil pursuant to the Agreement on the Spearhead Pipeline (“Spearhead P/L”)(any terms not specifically defined in this Schedule B shall have the meanings set forth in that Amended and Restated Crude Oil Supply Agreement Between Vitol Inc. and Coffeyville Resources Refining & Marketing, LLC dated August 31, 2012):

Transportation on Spearhead.

1.1 Vitol is a recognized “Shipper” on Spearhead P/L, as defined in the applicable tariff. As a Shipper, Vitol shall take delivery of and title to all Crude Oil that is to be transported over Spearhead P/L at the time such Crude Oil is injected into Spearhead P/L, which shall occur at Spearhead P/L’s intake flange located at Flanagan, Illinois or at any other alternative entry location as may become available on Spearhead P/L (each, an “Intake Point”).

1.2 All notifications and nominations with respect to any Crude Oil injected at the Intake Point shall be made exclusively by Vitol and/or the party selling Crude Oil to Vitol, and such notifications and nominations shall confirm that exclusive title to such Crude Oil is held by or is being transferred to Vitol as such Crude Oil is injected into Spearhead P/L.

1.3 At all times prior to any such Crude Oil entering the entry flange of the exit meter of Spearhead P/L, which exit meter is located in Cushing, Oklahoma (the “Exit Meter”), Vitol shall have exclusive and complete title to such Crude Oil, subject only to the rights of Spearhead P/L as a common carrier pursuant to the applicable tariff.

Exchange Transactions.

2.1 Subject to Section 2.4 below, on each calendar day from and including the date hereof through and including the day prior to the Termination Date, Vitol and Coffeyville shall be deemed to enter into an exchange transaction (each, an “Exchange Transaction”), upon and subject to the following terms and conditions:

(a) the exchange of Crude Oil contemplated by each Exchange Transaction shall commence on the day on which the Parties are deemed to have entered into that Exchange Transaction (each, an “Exchange Date”);

(b) a separate Exchange Transaction shall relate to each Exchange Date;

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PORTIONS OF THIS AGREEMENT DENOTED WITH THREE ASTERISKS (*) HAVE BEEN OMITTED AND WILL BE SUBJECT TO A REQUEST FOR CONFIDENTIAL TREATMENT WITH THE SECURITIES AND EXCHANGE COMMISSION**

(c) the quantity of Crude Oil subject to each Exchange Transaction shall equal the Daily Batch (as defined below) for the relevant Exchange Date, and no other quantity of Crude Oil shall be subject to that Exchange Transaction;

(d) under each Exchange Transaction, (i) Vitol shall transfer to Coffeyville, as the Daily Batch for the relevant Exchange Date passes the entry flange of the Exit Meter, title in and to that Daily Batch, but only to the extent provided in Section 2.1(e) below; and in exchange therefor, (ii) Coffeyville shall transfer to Vitol, as such Daily Batch passes the intake flange of the pipeline or terminal that is directly connected to the exit flange of the Exit Meter (the “Receiving Facility”), all title that Coffeyville has or may be deemed to have in and to that Daily Batch;

(e) as to each Exchange Transaction, Coffeyville is acting and receiving the Crude Oil subject thereto solely as trustee, for the benefit of Vitol, and in its capacity as trustee it is acquiring mere legal title to such Crude Oil;

(f) at all times during an Exchange Transaction, Vitol shall retain all equitable title and beneficial interest in and to the Crude Oil subject thereto, Coffeyville shall hold legal title to such Crude Oil solely for the period contemplated by Section 2.1(d) above and, at the time specified in subclause (ii) of Section 2.1(d), Vitol shall reacquire all legal title thereto; and

(g) notwithstanding anything to the contrary in this Schedule C or any other documentation (including any documentation with or relating to Spearhead P/L or the Receiving Facility), Coffeyville’s legal title in and to any Crude Oil subject to an Exchange Transaction shall not arise until immediately prior to the time at which the Daily Batch subject to such Exchange Transaction begins to enter the entry flange of the Exit Meter.

2.2 Vitol and Coffeyville shall use their respective commercially reasonable efforts to give notification to Spearhead P/L and/or the Receiving Facility and to otherwise provide such nominations and documentation and comply with such procedures as shall be necessary to effect an in-line transfer of each Daily Batch (i) from Vitol to Coffeyville as close as practicable, but prior to, the commencement of such Daily Batch entering the entry flange of the Exit Meter and (ii) from Coffeyville to Vitol immediately upon such Daily Batch passing the exit flange of the Exit Meter.

2.3 For each Exchange Transaction, notwithstanding any losses of any nature that may occur, the quantity and quality of Crude Oil to be transferred to Vitol pursuant to Section 2.1(d)(ii) above shall be equal to the quantity and quality of Crude Oil transferred to Coffeyville pursuant to Section 2.1(d) (i) above. All losses of any nature occurring during or as a result of an Exchange Transaction shall be for the exclusive account of Coffeyville.

2.4 “Daily Batch” means, for any Exchange Date, the quantity of Crude Oil that, after having been transported on the Spearhead P/L for the account of Vitol, is metered through the entry flange of the Exit Meter during the 24 hour period commencing at 00:01 (CST) on that Exchange Date.

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PORTIONS OF THIS AGREEMENT DENOTED WITH THREE ASTERISKS (*) HAVE BEEN OMITTED AND WILL BE SUBJECT TO A REQUEST FOR CONFIDENTIAL TREATMENT WITH THE SECURITIES AND EXCHANGE COMMISSION**

3. Rights and Obligations under Agreement.

3.1 This Schedule C shall in no way limit or diminish the rights and obligations of the Parties under the Agreement and is solely for the purpose of supplementing the Agreement with respect to shipments of Crude Oil on the Spearhead P/L.

PORTIONS OF THIS AGREEMENT DENOTED WITH THREE ASTERISKS (*) HAVE BEEN OMITTED AND WILL BE SUBJECT TO A REQUEST FOR CONFIDENTIAL TREATMENT WITH THE SECURITIES AND EXCHANGE COMMISSION**

**SCHEDULE D
TO AMENDED AND RESTATED CRUDE OIL SUPPLY AGREEMENT BETWEEN VITOL INC. AND
COFFEYVILLE RESOURCES REFINING & MARKETING, LLC DATED
AUGUST 31, 2012**

BUNDLED TRANSACTIONS

Bundled Transactions mean the following:

1. Western Canadian Select / Cold Lake Bundled Transaction:

- (a) initial purchase of WCS (Canadian benchmark grade),
- (b) sale of WCS verses the purchase of Cold Lake with a differential, and
- (c) sale of the Cold Lake barrel at the inlet flange of the Hardisty terminal verses the purchase of a Cold Lake barrel at the exit flange of the Hardisty terminal.

This Bundled Transaction represents a total of three purchase transactions and two sale transactions; however, only the resulting purchased Barrels will be subject to the Origination Fee.

2. West Texas Intermediate / West Texas Sour Bundled Transaction:

- (a) initial purchase of WTI at Cushing (U.S. benchmark grade),
- (b) sale of the WTI at Cushing verses the purchase of WTS at Midland (Enterprise terminal) with differential, and
- (c) sale of the WTS at Enterprise Midland verses the purchase of WTS at Plains Midland, with a differential reflecting terminal pump over charges, therefore allowing movement via Plains Pipeline system to Duncan, Oklahoma.

This Bundled Transaction represents a total of three purchase transactions and two sale transaction; however only the resulting purchased Barrels will be subject to the Origination Fee.

3. Other Bundled Transactions: The Parties acknowledge that there are many possible other types of Bundled Transactions. Coffeyville shall have the right to enter into any transaction it desires and request that such transaction be deemed to be a "Bundled Transaction." Vitol, acting in a commercially reasonable manner, will either approve such transaction as a Bundled Transaction or reject such designation within three Business Days of Coffeyville's request that such transaction be deemed to be a Bundled Transaction. If such transaction is approved by Vitol, such specific type of transaction shall thereafter be designated a Bundled Transaction.

PORTIONS OF THIS AGREEMENT DENOTED WITH THREE ASTERISKS (*) HAVE BEEN OMITTED AND WILL BE SUBJECT TO A REQUEST FOR CONFIDENTIAL TREATMENT WITH THE SECURITIES AND EXCHANGE COMMISSION**

**SCHEDULE E
TO AMENDED AND RESTATED CRUDE OIL SUPPLY AGREEMENT BETWEEN VITOL INC. AND
COFFEYVILLE RESOURCES REFINING & MARKETING, LLC DATED
AUGUST 31, 2012**

NOTICE OF PAYMENT DAYS

Coffeyville Resources Refining & Marketing, LLC
2277 Plaza Drive, Suite 500
Sugar Land, Texas 77479
Attn: August 31, 2012

Gentlemen:

In accordance with the provisions of Section 9.2(c) of the Amended and Restated Crude Oil Supply Agreement dated August 31, 2012 (the "Agreement"), between Vitol Inc. ("Vitol") and Coffeyville Resources Refining & Marketing, LLC ("Coffeyville"), Vitol Inc. hereby gives notice to Coffeyville that the number of Payment Days for purposes of calculating the Required Number of Invoices to be Paid under the Agreement is (***)

This notice shall be effective as of the date hereof and shall remain in effect until Vitol issues and delivers a subsequent Notice of Payment Days to Coffeyville.

Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Agreement.

Sincerely,

PORTIONS OF THIS AGREEMENT DENOTED WITH THREE ASTERISKS (*) HAVE BEEN OMITTED AND WILL BE SUBJECT TO A REQUEST FOR CONFIDENTIAL TREATMENT WITH THE SECURITIES AND EXCHANGE COMMISSION**

**SCHEDULE F
TO AMENDED AND RESTATED CRUDE OIL SUPPLY AGREEMENT BETWEEN VITOL INC. AND
COFFEYVILLE RESOURCES REFINING & MARKETING, LLC DATED
AUGUST 31, 2012**

**VOLUME DETERMINATION AND PAYMENT PROCEDURE FOR COMMENCEMENT DATE SALE VOLUMES AND CRCT CUSHING
VOLUMES PORTION OF FINAL INVENTORY**

1. GENERAL PROVISIONS

- A. Except as otherwise specifically provided herein, the following procedures shall apply to both the Commencement Date Sale Volumes and that portion of the Final Inventory that consists of the CRCT Cushing Volumes.
- B. The Commencement Date Sale Volumes shall be determined as follows:
- (1) The Wynnewood Cushing Volumes shall be equal to the ending inventory volume on the Plains Marketing Shipper Status Report-Crude Oil Inventory report for the month of August, 2012;
- (2) The Wynnewood Duncan Volumes shall be equal to the ending volume on the Plains Marketing Basin PL-Duncan Station inventory report for the month of August, 2012;
- (3) The Enterprise Cushing Volumes shall be equal to the ending volume on the Enterprise inventory report for such Enterprise Cushing Volumes for the month of August, 2012 (approximately 38 Barrels);
- (4) The Plains Midland Volumes and the Enterprise Midland Volumes shall be equal to the ending volume on the respective Plains Marketing Midland and the Enterprise Midland inventory reports for the month of August, 2012; and
- (5) The CRCT Cushing Volumes (both quality and quantity) will be determined by the Independent Inspector in accordance with the procedures set forth in this Schedule F no earlier than 12:01 am CT on the Commencement Date.
- C. Purchase of Commencement Date Sale Volumes. Vitol shall purchase from Coffeyville the Commencement Date Sale Volumes as of 12:01 am CT on the Commencement Date.
- D. Purchase Price for Commencement Date Sale Volumes. The Commencement Date Sale Volumes shall be purchased and sold in accordance with the pricing provisions set forth in Article 9.1, except that no Origination Fee shall apply to such volumes. Payment for the Commencement Date Sale Volumes shall be due and payable in accordance with the procedures set forth in this Schedule F.

PORTIONS OF THIS AGREEMENT DENOTED WITH THREE ASTERISKS (*) HAVE BEEN OMITTED AND WILL BE SUBJECT TO A REQUEST FOR CONFIDENTIAL TREATMENT WITH THE SECURITIES AND EXCHANGE COMMISSION**

- E. Transfer of title and risk of loss to the Commencement Date Sale Volumes from Coffeyville to Vitol shall be deemed to have occurred simultaneously with Coffeyville's receipt of the Provisional Payment for such Commencement Date Sale Volumes into the account designated by Coffeyville and transfer of the Final Inventory shall be deemed to have occurred simultaneously with Vitol's receipt of payment into the account designated by Vitol.
- 2. PROCEDURES FOR ESTIMATING COMMENCEMENT DATE SALE VOLUMES**
- A. Before the close of business on August 29, 2012, Coffeyville shall deliver to Vitol a statement (the "**August 29 Statement**") of its estimated Commencement Date Sale Volumes by quantity and grade. Such statement shall be based on Coffeyville's July 31, 2012 physical inventory of the CRCT Cushing Volumes and the July 31, 2012 month end inventory statement from Plains Marketing for the Plains Midland Volumes and the July 31, 2012 month end inventory statement from Enterprise for the Enterprise Midland Volumes adjusted for (i) all crude oil in and out movements since such date, and (ii) all anticipated movements to occur prior to 12:01am CT on September 1, 2012. The statement shall include Coffeyville's estimated price for each Crude Oil Lot included in the estimated Commencement Date Sale Volumes, in accordance with the pricing provisions set forth in Article 9.1 of the Agreement, based on the best available information. Vitol shall timely provide Coffeyville with comments, if any, concerning the August 29 Statement.
- B. Before the close of business on August 30, 2012, Coffeyville shall update the August 29 Statement and deliver to Vitol a revised statement based on the most current information available (the "**August 30 Statement**"). The August 30 Statement shall reflect any volumetric or pricing adjustments to Coffeyville's estimates set forth in the August 29 Statement. Vitol shall timely provide Coffeyville with comments, if any, concerning the August 30 Statement.

- C. As soon as commercially possible on August 31, 2012, Coffeyville shall update the August 30 Statement and deliver to Vitol its revised closing statement based on the most current information available (the “**August 31 Statement**”). The prices set forth in the August 31 Statement shall be calculated pursuant to Article 9.1 of the Agreement with the final settlement prices as of August 30, 2012. The total value of the estimated Commencement Date Sale Volumes set forth in the August 31 Statement shall be the “**Estimated Commencement Date Sale Volumes**”. The Estimated Commencement Date Sale Volumes shall be subject to true-up pursuant to the provisions set forth below.
- D. Upon receipt of Coffeyville’s August 31 Statement in accordance with the foregoing procedure, Vitol shall pay Coffeyville or an account designated in writing by Coffeyville, no later than the close of business on August 31, 2012 via wire transfer of immediately available funds, an amount equal to ninety (90)

PORTIONS OF THIS AGREEMENT DENOTED WITH THREE ASTERISKS (*) HAVE BEEN OMITTED AND WILL BE SUBJECT TO A REQUEST FOR CONFIDENTIAL TREATMENT WITH THE SECURITIES AND EXCHANGE COMMISSION**

percent of the invoiced amount (“**Provisional Payment**”) set forth in Coffeyville’s August 31 Statement.

3. PROCEDURE FOR PHYSICAL INVENTORY OF CRCT CUSHING VOLUMES PORTION OF THE COMMENCEMENT DATE SALE VOLUMES

- A. The Parties hereby mutually appoint Intertek Caleb Brett to act as the independent inspector (the “**Independent Inspector**”) with respect to the physical inventory determination of the CRCT Cushing Volumes. Prior to the Commencement Date, the Parties shall mutually cooperate to provide any necessary information to the Independent Inspector or to arrange any necessary site visits in preparation for the physical inventory of the CRCT Cushing Volumes on September 1, 2012. The Parties and the Independent Inspector shall mutually agree to an inventory schedule and pre-inventory procedures.
- B. The Independent Inspector shall conduct a physical inventory of the CRCT Cushing Volumes as of 12:01 on September 1, 2012. All gauging, temperature determinations, sampling and testing and net volume calculations will be performed by the Independent Inspector in accordance with the Independent Inspector’s standard practices and procedures. All CRCT Cushing Volumes shall be determined on a Net Standard Volume basis. Vitol and Coffeyville shall have the right to participate in the physical measurement of the CRCT Cushing Volumes by observing the gauging, temperature readings, sampling, calculations, etc.
- C. The Parties shall be deemed to have accepted the accuracy of the gauging and temperature measurements of the CRCT Cushing Volumes as recorded by the Independent Inspector. The tank gauge worksheets for the CRCT Cushing Volumes shall either be the Independent Inspector’s standard tank gauging worksheet or a form mutually developed.

4. PROCEDURE FOR PHYSICAL INVENTORY OF CRCT CUSHING PORTION OF THE FINAL INVENTORY

- A. Upon expiration or termination of the Agreement, the Parties shall use the same physical inventory procedures as set forth above for the CRCT Cushing Volumes portion of the Commencement Date Sales Volumes for purposes of determining the quantity of the CRCT Cushing Volumes portion of the Final Inventory.
- B. Absent fraud or manifest error, the Independent Inspector’s calculation shall conclusively determine the volume of the CRCT Cushing Volumes portion of the net Inventory. Any Crude Oil not meeting its specifications in typical properties, as appropriate, will be dealt with separately between the Parties.

PORTIONS OF THIS AGREEMENT DENOTED WITH THREE ASTERISKS (*) HAVE BEEN OMITTED AND WILL BE SUBJECT TO A REQUEST FOR CONFIDENTIAL TREATMENT WITH THE SECURITIES AND EXCHANGE COMMISSION**

5. FINAL REPORT

- A. Within twenty (25) Business Days after the Commencement Date or Termination Date, as applicable, the Independent Inspector shall provide the Parties with a final report of the physical inventory (the “**Inspector’s Report**”) of the CRCT Cushing Volumes portion of the Commencement Date Sales Volumes and the Final Inventory, as appropriate. Each Party shall have five (5) Business Days after receipt of the Inspector’s Report to question any provisions thereof; however, notwithstanding the foregoing, the provisions of the Inspector’s Report shall be final and binding absent fraud or manifest error.

6. TRUE UP OF CRUDE OIL VALUATION

- A. The Estimated Commencement Date Sale Volumes will be trueed up to actual based on (i) for the CRCT Cushing Volumes portion of the Commencement Date Sale Volumes, the Inspector’s Report and (ii) for the Plains Midland Volumes and the Enterprise Midland Volumes, the respective Plains Marketing and Enterprise inventory reports for August 2012 month end. The pricing used for calculating the value of any true-up volumes shall be the Transfer Price as of September 1, 2012 minus the Origination Fee. If the Commencement Date Sale Volumes is greater than ninety percent (90%) of the Estimated Commencement Date Sale Volumes (the “**Preliminary Inventory Amount**”), then Vitol shall make an additional payment to Coffeyville in an amount equal to the excess of the Commencement Date Sale Volumes over the Preliminary Inventory Amount. If the Estimated Commencement Sale Volumes is less than the Preliminary Inventory Amount, Coffeyville shall pay to Vitol an amount equal to the excess of the Preliminary Inventory Amount over the Commencement Date Sale Volumes. Any payment required by this Paragraph 7A shall be made no later than the second Business Day which immediately follows the date that the Commencement Date Sale Volumes is finally determined in accordance with this Schedule F.

CVR ENERGY, INC.
LONG-TERM INCENTIVE PLAN
RESTRICTED STOCK UNIT AGREEMENT

THIS RESTRICTED STOCK UNIT AGREEMENT (this "Agreement"), made as of the day of , 20 (the "Grant Date"), between CVR Energy, Inc., a Delaware corporation (the "Company"), and the individual grantee designated on the signature page hereof (the "Grantee").

WHEREAS, the Company has adopted the CVR Energy, Inc. 2007 Long Term Incentive Plan (the "Plan") in order to provide an additional incentive to certain employees and directors of the Company and its Subsidiaries; and

WHEREAS, the Committee responsible for administration of the Plan has authorized the grant of an award to the Grantee as provided herein.

NOW, THEREFORE, the parties hereto agree as follows:

1. Grant of Restricted Stock Units.

1.1 The Company hereby grants to the Grantee, and the Grantee hereby accepts from the Company, Restricted Stock Units on the terms and conditions set forth in this Agreement. Subject to the terms of this Agreement, each Restricted Stock Unit represents the right of the Grantee to receive, if such Restricted Stock Unit becomes vested, a cash payment on the date specified in Section 4 equal to the lesser of (a) \$30 or (b) the Fair Market Value of one (1) Restricted Share, as defined in subsection d. of Appendix I of the Transaction Agreement among the Company, IEP Energy LLC and each of the other parties thereto dated as of April 18, 2012 (the "Payment Amount").

1.2 This Agreement shall be construed in accordance with and consistent with, and subject to, the provisions of the Plan (the provisions of which are incorporated herein by reference). Except as otherwise expressly set forth herein, the capitalized terms used in this Agreement shall have the same definitions as set forth in the Plan.

2. Vesting Date.

The Restricted Stock Units shall vest, with respect to thirty-three and one-third percent (33 – 1/3%) of the total number of Restricted Stock Units granted hereunder, on each of the first three anniversaries of the Grant Date (each such date, a "Vesting Date"), provided the Grantee continues to serve as an employee of the Company, a Subsidiary or Division on the applicable Vesting Date.

3. Termination of Employment.

(a) In the event of the Grantee's termination of employment with the Company, a Subsidiary or Division prior to any Vesting Date by reason of his or her death, Disability or Retirement, any Restricted Stock Units that have not vested shall become immediately vested.

(b) If (i) the Grantee's employment is terminated by the Company, a Subsidiary or Division other than for Cause or Disability at any time on or following the date the Grantee attains age 60, (ii) the Grantee's employment is terminated by the Company, a Subsidiary or Division other than for Cause or Disability within the one (1) year period following a Change in Control, (iii) the Grantee resigns from employment with the Company, a Subsidiary or Division for Good Reason within the one (1) year period following a Change in Control or (iv) the Grantee's termination or resignation is a Change in Control Related Termination (as defined in the employment agreement between the Grantee and the Company), then any Restricted Stock Units that have not vested shall become immediately vested. For purposes of this Agreement, the term "Change in Control" will have the meaning set forth in the Agreement dated by and between the Company and Grantee.

(c) Any Restricted Stock Units that do not become vested in connection with the Grantee's termination of employment in accordance with Sections 3(a) or (b) of this Agreement shall be forfeited immediately upon the Grantee's termination of employment.

(d) To the extent any payments provided for under this Agreement are treated as "nonqualified deferred compensation" subject to Section 409A of the Code, (i) this Agreement shall be interpreted, construed and operated in accordance with Section 409A of the Code and the Treasury regulations and other guidance issued thereunder, (ii) if on the date of the Grantee's separation from service (as defined in Treasury Regulation §1.409A-1(h)) with the Company, a Subsidiary or Division the Grantee is a specified employee (as defined Section 409A of the Code and Treasury Regulation §1.409A-1(i)), no payment constituting the "deferral of compensation" within the meaning of Treasury Regulation §1.409A-1(b) and after application of the exemptions provided in Treasury Regulation §§1.409A-1(b)(4) and 1.409A-1(b)(9)(iii) shall be made to the Grantee at any time prior to the earlier of (A) the expiration of the six (6) month period following the Grantee's separation from service or (B) the Grantee's death, and any such amounts deferred during such applicable period shall instead be paid in a lump sum to the Grantee (or, if applicable, to the Grantee's estate) on the first payroll payment date following expiration of such six (6) month period or, if applicable, the Grantee's death, and (iii) for purposes of conforming this Agreement to Section 409A of the Code, any reference to termination of employment, severance from employment, resignation from employment or similar terms shall mean and be interpreted as a "separation from service" as defined in Treasury Regulation §1.409A-1(h).

4. Payment Date.

Promptly following (i) each Vesting Date, or (ii) if, prior to any Vesting Date, the Grantee's termination of employment with the Company, a Subsidiary or Division under circumstances described in Section 3(a) or (b), the date of such termination of employment, the

Company will deliver to the Grantee the Payment Amount in respect of each Restricted Stock Unit that becomes vested pursuant to Section 2 or 3 of this Agreement on such Vesting Date or termination of employment.

5. Non-transferability.

The Restricted Stock Units may not be sold, transferred or otherwise disposed of and may not be pledged or otherwise hypothecated.

6. No Right to Continued Employment.

Nothing in this Agreement or the Plan shall be interpreted or construed to confer upon the Grantee any right with respect to continuance of employment by the Company, a Subsidiary or Division, nor shall this Agreement or the Plan interfere in any way with the right of the Company, a Subsidiary or Division to terminate the Grantee's employment therewith at any time.

7. Withholding of Taxes.

The Grantee shall pay to the Company, or the Company and the Grantee shall agree on such other arrangements necessary for the Grantee to pay, the applicable federal, state and local income taxes required by law to be withheld (the "Withholding Taxes"), if any, upon the vesting of the Restricted Stock Units. The Company shall have the right to deduct from any payment of cash to the Grantee an amount equal to the Withholding Taxes in satisfaction of the Grantee's obligation to pay Withholding Taxes.

8. Grantee Bound by the Plan.

The Grantee hereby acknowledges receipt of a copy of the Plan and agrees to be bound by all the terms and provisions thereof.

9. Modification of Agreement.

This Agreement may be modified, amended, suspended or terminated, and any terms or conditions may be waived, but only by a written instrument executed by the parties hereto. No waiver by either party hereto of any breach by the other party hereto of any provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions at the time or at any prior or subsequent time.

10. Severability.

Should any provision of this Agreement be held by a court of competent jurisdiction to be unenforceable or invalid for any reason, the remaining provisions of this Agreement shall not be affected by such holding and shall continue in full force in accordance with their terms.

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11. Governing Law.

The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of Delaware without giving effect to the conflicts of laws principles thereof.

12. Successors in Interest.

This Agreement shall inure to the benefit of and be binding upon any successor to the Company. This Agreement shall inure to the benefit of the Grantee's beneficiaries, heirs, executors, administrators, successors and legal representatives. All obligations imposed upon the Grantee and all rights granted to the Company under this Agreement shall be final, binding and conclusive upon the Grantee's beneficiaries, heirs, executors, administrators, successors and legal representatives.

13. Resolution of Disputes.

Any dispute or disagreement which may arise under, or as a result of, or in any way relate to, the interpretation, construction or application of this Agreement shall be determined by the Committee. Any determination made hereunder shall be final, binding and conclusive on the Grantee and the Company for all purposes.

[signature page follows]

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IN WITNESS WHEREOF, this Agreement has been executed as of the date first written above.

CVR ENERGY, INC.

GRANTEE

By:
Title:

Name:

**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: November 6, 2012

QuickLinks

[Exhibit 31.1](#)

**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, Susan M. Ball, 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/ SUSAN M. BALL

Susan M. Ball
Chief Financial Officer

Date: November 6, 2012

QuickLinks

[Exhibit 31.2](#)

**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 September 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: November 6, 2012

QuickLinks

[Exhibit 32.1](#)

**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 September 30, 2012, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Susan M. Ball, 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/ SUSAN M. BALL

Susan M. Ball
Chief Financial Officer

Dated: November 6, 2012

QuickLinks

[Exhibit 32.2](#)

Item 1A. Risk Factors

The Company's 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 in our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2012 and June 30, 2012, have been amended and restated and are included in full in Exhibit 99.1 attached to this report.

Risks Related to the Petroleum Business

The price volatility of crude oil and other feedstocks, refined products and utility services may have a material adverse effect on our earnings, profitability and cash flows.

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

Our profitability is also impacted by the ability to purchase crude oil at a discount to benchmark crude oils, such as WTI, as we do not produce any crude oil and must purchase all of the crude oil we refine. Crude oil differentials can fluctuate significantly based upon overall economic and crude oil market conditions. Declines in crude oil differentials can adversely impact refining margins, earnings and cash flows. For example, infrastructure and logistical improvements could result in a reduction of the WTI-Brent differential that has recently provided us with increased profitability. In addition, our purchases of crude oil, although based on WTI prices, have historically been at a discount to WTI because of our proximity to the sources, existing logistics infrastructure and quality differences. Any change in the sources of our crude oil, infrastructure or logistical improvements or quality differences could result in a reduction of our historical discount to WTI and may result in a reduction of our cost advantage.

Refining margins are also impacted by domestic and global refining capacity. Continued downturns in the economy impact the demand for refined fuels and, in turn, generate excess capacity. In addition, the expansion and construction of refineries domestically and globally can increase refined fuel production capacity. Excess capacity can adversely impact refining margins, earnings and cash flows.

During 2011 and the nine months ended September 30, 2012, favorable crack spreads and access to a variety of price advantaged crude oils have resulted in EBITDA and cash flow generation that is higher than usual. We cannot assure you that these favorable conditions will continue and, in fact, crack spreads, refining margins and crude oil prices could decline, possibly materially, at any time. In particular, Enbridge Inc.'s purchase of 50% of the Seaway crude oil pipeline and the recent reversal of the pipeline to make it flow from Cushing to the U.S. Gulf Coast and the Seaway capacity expansion project may contribute to the decline of such favorable conditions by providing mid-continent producers with the ability to transport crude oil to Gulf Coast refiners in an economic manner. Since May 19, 2012, when crude oil began flowing through the Seaway Pipeline from Cushing to the Gulf Coast, volumes have steadily increased towards the current capacity of 150,000 bpd. Work is underway and on schedule to add incremental pumping capacity that would allow the existing Seaway Pipeline to transport up to 400,000 bpd by the first quarter of 2013. Moreover, the planned construction of a loop (twin) of the Seaway Pipeline, a new pipeline designed to parallel the existing right-of-way from Cushing to the Gulf Coast, is expected to more than double Seaway's capacity to 850,000 bpd by mid-2014. Any deterioration of the current favorable conditions would have a material adverse effect on our earnings, results of operations and cash flows. Volatile prices for natural gas and

electricity also affect our manufacturing and operating costs. Natural gas and electricity prices have been, and will continue to be, affected by supply and demand for fuel and utility services in both local and regional markets.

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

Since December 31, 2009, we have obtained substantially all of our crude oil supply for the Coffeyville refinery, other than the crude oil we gather, through a Crude Oil Supply Agreement (as amended, the "Supply Agreement"), with Vitol Inc. The Supply Agreement was amended and restated on August 31, 2012 to include the provision of crude oil intermediation services to our Wynnewood refinery. The agreement, whose initial term expires on December 31, 2014, minimizes the amount of in-transit inventory and mitigates crude oil pricing risks by ensuring pricing takes place extremely close to the time when the crude oil is refined and the yielded products are sold. If we were required to obtain our crude oil supply without the benefit of a supply intermediation agreement, our exposure to crude oil pricing risks may increase, despite any hedging activity in which we may engage, and our liquidity would be negatively impacted due to increased inventory and the negative impact of market volatility.

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

For the Coffeyville refinery, in addition to the crude oil we gather locally in Kansas, Oklahoma, Missouri, and Nebraska, we purchased an additional 80,000 to 90,000 bpd of crude oil to be refined into liquid fuels in 2011. For the nine months ended September 30, 2012, we purchased approximately an additional 71,000 bpd of crude oil to be refined into liquid fuels in addition to the approximately 41,000 bpd of gathered crude oil. Although the Wynnewood refinery has historically acquired most of its crude oil from Texas and Oklahoma, it also purchases crude oil from other regions. Coffeyville obtains a portion of its non-gathered crude oil, approximately 19% in 2011, from foreign sources and Wynnewood obtained a small amount from foreign sources as well. The majority of these foreign sourced crude oil barrels were derived from Canada. The actual amount of foreign crude oil we purchase is dependent on market

conditions and will vary from year to year. We are subject to the political, geographic, and economic risks attendant to doing business with foreign suppliers. Disruption of production in any of these regions for any reason could have a material impact on other regions and our business.

In the event that one or more of our traditional suppliers becomes unavailable to us, we may be unable to obtain an adequate supply of crude oil, or we may only be able to obtain our crude oil supply at unfavorable prices. As a result, we may experience a reduction in our liquidity and our results of operations could be materially adversely affected.

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

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

The geographic concentration of our refineries and related assets creates an exposure to the risks of the local economy and other local adverse conditions. The location of our refineries also creates the risk of increased transportation costs should the supply/demand balance change in our region such that regional supply exceeds regional demand for refined products.

As our refineries are both located in the southern portion of Group 3 of the PADD II region, we primarily market our refined products in a relatively limited geographic area. As a result, we are more susceptible to regional economic conditions than the operations of more geographically diversified competitors, and any unforeseen events or circumstances that affect our operating area could also materially adversely affect our revenues and cash flows.

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These factors include, among other things, changes in the economy, weather conditions, demographics and population, increased supply of refined products from competitors and reductions in the supply of crude oil.

Should the supply/demand balance shift in our region as a result of changes in the local economy discussed above, an increase in refining capacity or other reasons, resulting in supply in the region exceeding demand, we may have to deliver refined products to customers outside of the region and thus incur considerably higher transportation costs, resulting in lower refining margins, if any. Changes in market conditions could have a material adverse effect on our business, financial condition, results of operations and cash flows.

If sufficient Renewable Identification Numbers (RINs) are unavailable for purchase or if we have to pay a significantly higher price for RINs, or if we are otherwise unable to meet the EPA's Renewable Fuels Standard mandates, our business, financial condition and results of operations could be materially adversely affected.

Pursuant to the Energy Independence and Security Act of 2007, the U.S. Environmental Protection Agency, or the EPA, has promulgated the Renewable Fuel Standard, or RFS, which requires refiners to blend "renewable fuels," such as ethanol, with their petroleum fuels or purchase renewable energy credits, known as renewable identification numbers, or RINs, in lieu of blending. Under the RFS, the volume of renewable fuels refineries like us are obligated to blend into their finished petroleum products increases annually over time until 2022. Beginning in 2011, our Coffeyville refinery was required to blend renewable fuels into its gasoline and diesel fuel or purchase RINs in lieu of blending. The Wynnewood refinery is a small refinery under the RFS and has received a two year extension to comply, which expires on January 1, 2013. We currently purchase RINs for some fuel categories on the open market, as well as waiver credits for cellulosic biofuels from the EPA, in order to comply with the RFS. We estimate that we will spend approximately \$21.0 million in 2012 on RINs and waiver credits for Coffeyville. Existing laws or regulations could change, and the minimum volumes of renewable fuels that must be blended with refined petroleum products may increase. In the future, we may be required to purchase additional RINs on the open market and waiver credits from EPA in order to comply with the RFS. We cannot currently predict the future prices of RINs or waiver credits, but the costs to obtain the necessary number of RINs and waiver credits could be material. Additionally, because we do not produce renewable fuels, increasing the volume of renewable fuels that must be blended into our products displaces an increasing volume of our refineries' product pool, potentially resulting in lower earning and materially adversely affecting our cash flows.

If we are unable to pass the costs of compliance with RFS on to our customers, our profits would be significantly lower. Moreover, if sufficient RINs are unavailable for purchase or if we have to pay a significantly higher price for RINs, or if we are otherwise unable to meet the EPA's RFS mandates, our business, financial condition and results of operations could be materially adversely affected.

Our petroleum business' financial results are seasonal and generally lower in the first and fourth quarters of the year.

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

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

The refining industry is highly competitive with respect to both crude oil and other feedstock supply and refined product markets. We may be unable to compete effectively with our competitors within and outside of our industry, which could result in reduced profitability. We compete with numerous other companies for available supplies of crude oil and other feedstocks and for outlets for our refined products. We are not engaged in the petroleum

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exploration and production business and therefore we do not produce any of our crude oil feedstocks. We do not have a retail business and therefore are dependent upon others for outlets for our refined products. We do not have any long-term arrangements (those exceeding more than a twelve-month period) for much of our output. Many of our competitors obtain significant portions of their crude oil and other feedstocks from company-owned production and have extensive retail outlets. Competitors that have their own production or extensive retail outlets with brand-name recognition are at times able to offset losses from refining operations with profits from producing or retailing operations, and may be better positioned to withstand periods of depressed refining margins or feedstock shortages.

A number of our competitors also have materially greater financial and other resources than us. These competitors may have a greater ability to bear the economic risks inherent in all aspects of the refining industry. An expansion or upgrade of our competitors' facilities, price volatility, international political and economic developments and other factors are likely to continue to play an important role in refining industry economics and may add additional competitive pressure on us.

In addition, we compete with other industries that provide alternative means to satisfy the energy and fuel requirements of our industrial, commercial and individual customers. There are presently significant governmental incentives and consumer pressures to increase the use of alternative fuels in the United States. The more successful these alternatives become as a result of governmental incentives or regulations, technological advances, consumer demand, improved pricing or otherwise, the greater the negative impact on pricing and demand for our products and our profitability.

Changes in our credit profile may affect our relationship with our suppliers, which could have a material adverse effect on our liquidity and our ability to operate our refineries at full capacity.

Changes in our credit profile may affect the way crude oil suppliers view our ability to make payments and may induce them to shorten the payment terms for our purchases or require us to post security prior to payment. Given the large dollar amounts and volume of our crude oil and other feedstock purchases, a burdensome change in payment terms may have a material adverse effect on our liquidity and our ability to make payments to our suppliers. This, in turn, could cause us to be unable to operate our refineries at full capacity. A failure to operate our refineries at full capacity could adversely affect our profitability and cash flows.

Our commodity derivative contracts may limit our potential gains, exacerbate potential losses and involve other risks.

We enter into commodity derivatives contracts to mitigate our crack spread risk with respect to a portion of our expected refined products production. The purpose of these hedging arrangements is to secure a minimum fixed cash flow stream on the volume of products hedged during the hedge term. However, our hedging arrangements may fail to fully achieve these objectives for a variety of reasons, including our failure to have adequate hedging contracts, if any, in effect at any particular time and the failure of our hedging arrangements to produce the anticipated results. We may not be able to procure adequate hedging arrangements due to a variety of factors. Moreover, while intended to reduce the adverse effects of fluctuations in crude oil and refined product prices, such transactions may limit our ability to benefit from favorable changes in margins. In addition, our hedging activities may expose us to the risk of financial loss in certain circumstances, including instances in which:

- the volumes of our actual use of crude oil or production of the applicable refined products is less than the volumes subject to the hedging arrangement;
- the counterparties to our futures contracts fail to perform under the contracts; or
- a sudden, unexpected event materially impacts the commodity or crack spread subject to the hedging arrangement.

As a result, the effectiveness of our risk mitigation strategy could have a material adverse impact on our financial results and cash flows.

The adoption of derivatives legislation by the U.S. Congress could have an adverse effect on our ability to hedge risks associated with our petroleum business.

The U.S. Congress has adopted the Dodd-Frank Act, comprehensive financial reform legislation that establishes federal oversight and regulation of the over-the-counter derivatives market and entities that participate in that market, and requires the Commodities Futures Trading Commission ("CFTC") to institute broad new position limits for futures and options traded on regulated exchanges. The Dodd-Frank Act requires the CFTC and the SEC to promulgate rules and regulations implementing the new legislation. The rulemaking process is still ongoing, and we cannot predict the ultimate outcome of the rulemakings. New regulations in this area may result in increased costs and cash collateral requirements for derivative instruments we may use to hedge and otherwise manage our financial risks related to volatility in oil and gas commodity prices.

Existing design, operational, and maintenance issues associated with our newly acquired Wynnewood refinery or other future acquisitions may not be identified immediately and may require additional unanticipated capital expenditures that could impact our financial condition, results of operations or cash flows.

Our due diligence associated with asset acquisitions may result in assuming liabilities associated with unknown conditions or deficiencies, as well as known but undisclosed conditions and deficiencies that we may have limited, if any, recourse for cost recovery. In the case of Wynnewood, we have specific language in the Purchase and Sale Agreement that provides us with a limited amount of cost recovery for known, but undisclosed, operational and environmental conditions that had not been specifically scheduled with a very limited time for notice of the condition. Many acquisition agreements have similar terms, conditions and timing of cost recovery that may not become evident until sometime after cost recovery provisions, if any, have expired.

We must make substantial capital expenditures on our refineries and other facilities to maintain their reliability and efficiency. If we are unable to complete capital projects at their expected costs and/or in a timely manner, or if the market conditions assumed in our project economics deteriorate, our financial condition, results of operations or cash flows could be adversely affected.

Delays or cost increases related to the engineering, procurement and construction of new facilities, or improvements and repairs to our existing facilities and equipment, could have a material adverse effect on our business, financial condition, results of operations or cash flows. Such delays or cost increases

may arise as a result of unpredictable factors in the marketplace, many of which are beyond our control, including:

- denial or delay in obtaining regulatory approvals and/or permits;
- unplanned increases in the cost of equipment, materials or labor;
- disruptions in transportation of equipment and materials;
- severe adverse weather conditions, natural disasters or other events (such as equipment malfunctions, explosions, fires or spills) affecting our facilities, or those of our vendors and suppliers;
- shortages of sufficiently skilled labor, or labor disagreements resulting in unplanned work stoppages;
- market-related increases in a project's debt or equity financing costs; and/or
- nonperformance or force majeure by, or disputes with, our vendors, suppliers, contractors or sub-contractors.

Our refineries have been in operation for many years. Equipment, even if properly maintained, may require significant capital expenditures and expenses to keep it operating at optimum efficiency. For example, we have spent approximately \$89 million on the most recently completed turnaround at the Coffeyville refinery and we estimate that we will spend approximately \$100.0 million associated with the turnaround for the Wynnewood refinery which began in the fourth quarter of 2012. These costs do not result in increases in unit capacities, but rather are limited to trying to maintain safe, reliable operations.

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Any one or more of these occurrences noted above could have a significant impact on our business. If we were unable to make up the delays or to recover the related costs, or if market conditions change, it could materially and adversely affect our financial position, results of operations or cash flows.

Our plans to expand the gathering assets making up part of our supporting logistics businesses, which assist us in reducing our costs and increasing our processing margins, may expose us to significant additional risks, compliance costs and liabilities.

We plan to continue to make investments to enhance the operating flexibility of our refineries and to improve our crude oil sourcing advantage through additional investments in our gathering and logistics operations. If we are able to successfully increase the effectiveness of our supporting logistics businesses, including our crude oil gathering operations, we believe we will be able to enhance our crude oil sourcing flexibility and reduce related crude oil purchasing and delivery costs. However, the acquisition of infrastructure assets to expand our gathering operations may expose us to risks in the future that are different than or incremental to the risks we face with respect to our refineries and existing gathering and logistics operations. The storage and transportation of liquid hydrocarbons, including crude oil and refined products, are subject to stringent federal, state, and local laws and regulations governing the discharge of materials into the environment, operational safety and related matters. Compliance with these laws and regulations could adversely affect our operating results, financial condition and cash flows. Moreover, failure to comply with these laws and regulations may result in the assessment of administrative, civil, and criminal penalties, the imposition of investigatory and remedial liabilities, the issuance of injunctions that may restrict or prohibit our operations, or claims of damages to property or persons resulting from our operations.

Any businesses or assets that we may acquire in connection with an expansion of our crude oil gathering operations could expose us to the risk of releasing hazardous materials into the environment. These releases would expose us to potentially substantial expenses, including cleanup and remediation costs, fines and penalties, and third party claims for personal injury or property damage related to past or future releases. Accordingly, if we do acquire any such businesses or assets, we could also incur additional expenses not covered by insurance which could be material.

More stringent trucking regulations may increase our costs and negatively impact our results of operations.

In connection with the trucking operations conducted by our crude gathering division, we operate as a motor carrier and therefore are subject to regulation by the U.S. Department of Transportation (the "U.S. DOT") and various state agencies. These regulatory authorities exercise broad powers, governing activities such as the authorization to engage in motor carrier operations and regulatory safety, and hazardous materials labeling, placarding and marking. There are additional regulations specifically relating to the trucking industry, including testing and specification of equipment and product handling requirements. The trucking industry is subject to possible regulatory and legislative changes that may affect the economics of the industry by requiring changes in operating practices or by changing the demand for common or contract carrier services or the cost of providing truckload services. Some of these possible changes include increasingly stringent environmental regulations, changes in the hours of service regulations that govern the amount of time a driver may drive in any specific period, onboard black box recorder devices or limits on vehicle weight and size.

To a large degree, intrastate motor carrier operations are subject to state safety regulations that mirror federal regulations. Such matters as weight and dimension of equipment are also subject to federal and state regulations. Furthermore, from time to time, various legislative proposals are introduced, such as proposals to increase federal, state or local taxes, including taxes on motor fuels, which may increase our costs or adversely impact the recruitment of drivers. We cannot predict whether, or in what form, any increase in such taxes will be enacted or the extent to which they will apply to us and our operations.

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Risks Related to the Nitrogen Fertilizer Business

The nitrogen fertilizer business is, and nitrogen fertilizer prices are, cyclical and highly volatile, and the nitrogen fertilizer business has experienced substantial downturns in the past. Cycles in demand and pricing could potentially expose the nitrogen fertilizer business to significant fluctuations in its operating and financial results and have a material adverse effect on our results of operations, financial condition and cash flows.

The nitrogen fertilizer business is exposed to fluctuations in nitrogen fertilizer demand in the agricultural industry. These fluctuations historically have had and could in the future have significant effects on prices across all nitrogen fertilizer products and, in turn, our results of operations, financial condition and

cash flows.

Nitrogen fertilizer products are commodities, the price of which can be highly volatile. The prices of nitrogen fertilizer products depend on a number of factors, including general economic conditions, cyclical trends in end-user markets, supply and demand imbalances, and weather conditions, which have a greater relevance because of the seasonal nature of fertilizer application. If seasonal demand exceeds the projections on which the nitrogen fertilizer business bases production, customers may acquire nitrogen fertilizer products from competitors, and the profitability of the nitrogen fertilizer business will be negatively impacted. If seasonal demand is less than expected, the nitrogen fertilizer business will be left with excess inventory that will have to be stored or liquidated.

Demand for nitrogen fertilizer products is dependent on demand for crop nutrients by the global agricultural industry. Nitrogen-based fertilizers are currently in high demand, driven by a growing world population, changes in dietary habits and an expanded use of corn for the production of ethanol. Supply is affected by available capacity and operating rates, raw material costs, government policies and global trade. A decrease in nitrogen fertilizer prices would have a material adverse effect on our results of operations, financial condition and cash flows.

The costs associated with operating the nitrogen fertilizer plant are largely fixed. If nitrogen fertilizer prices fall below a certain level, the nitrogen fertilizer business may not generate sufficient revenue to operate profitably or cover its costs.

Unlike our competitors, whose primary costs are related to the purchase of natural gas and whose costs are therefore largely variable, the nitrogen fertilizer business has largely fixed costs that are not dependent on the price of natural gas because it uses pet coke as the primary feedstock in the nitrogen fertilizer plant. As a result of the fixed cost nature of our operations, downtime, interruptions or low productivity due to reduced demand, adverse weather conditions, equipment failure, a decrease in nitrogen fertilizer prices or other causes can result in significant operating losses could have a material adverse effect on our results of operations, financial condition and cash flows.

A decline in natural gas prices could impact the nitrogen fertilizer business' relative competitive position when compared to other nitrogen fertilizer producers.

Most nitrogen fertilizer manufacturers rely on natural gas as their primary feedstock, and the cost of natural gas is a large component of the total production cost for natural gas-based nitrogen fertilizer manufacturers. The dramatic increase in nitrogen fertilizer prices in recent years has not been the direct result of an increase in natural gas prices, but rather the result of increased demand for nitrogen-based fertilizers due to historically low stocks of global grains and a surge in the prices of corn and wheat, the primary crops in the nitrogen fertilizer business' region. This increase in demand for nitrogen-based fertilizers has created an environment in which nitrogen fertilizer prices have disconnected from their traditional correlation with natural gas prices. A decrease in natural gas prices would benefit the nitrogen fertilizer business' competitors and could disproportionately impact our operations by making the nitrogen fertilizer business less competitive with natural gas-based nitrogen fertilizer manufacturers. A decline in natural gas prices could impair the nitrogen fertilizer business' ability to compete with other nitrogen fertilizer producers who utilize natural gas as their primary feedstock, and therefore have a material adverse impact on the cash flows of the nitrogen fertilizer business. In addition, if natural gas prices in the United States were to decline to a level that prompts those U.S. producers who have permanently or temporarily closed production facilities to resume fertilizer production, this would likely contribute to a global supply/demand imbalance that could negatively affect nitrogen fertilizer prices and therefore have a material adverse effect on our results of operations, financial condition and cash flows.

Any decline in U.S. agricultural production or limitations on the use of nitrogen fertilizer for agricultural purposes could have a material adverse effect on the sales of nitrogen fertilizer, and on our results of operations, financial condition and cash flows.

Conditions in the U.S. agricultural industry significantly impact the operating results of the nitrogen fertilizer business. The U.S. agricultural industry can be affected by a number of factors, including weather patterns and field conditions, current and projected grain inventories and prices, domestic and international population changes and demand for U.S. agricultural products and U.S. and foreign policies regarding trade in agricultural products.

State and federal governmental policies, including farm and biofuel subsidies and commodity support programs, as well as the prices of fertilizer products, may also directly or indirectly influence the number of acres planted, the mix of crops planted and the use of fertilizers for particular agricultural applications. Developments in crop technology, such as nitrogen fixation (the conversion of atmospheric nitrogen into compounds that plants can assimilate), could also reduce the use of chemical fertilizers and adversely affect the demand for nitrogen fertilizer. In addition, from time to time various state legislatures have considered limitations on the use and application of chemical fertilizers due to concerns about the impact of these products on the environment. Unfavorable state and federal governmental policies could negatively affect nitrogen fertilizer prices and therefore have a material adverse effect on our results of operations, financial condition and cash flows.

A major factor underlying the current high level of demand for nitrogen-based fertilizer products is the expanding production of ethanol. A decrease in ethanol production, an increase in ethanol imports or a shift away from corn as a principal raw material used to produce ethanol could have a material adverse effect on our results of operations, financial condition and cash flows.

A major factor underlying the current high level of demand for nitrogen-based fertilizer products produced by the nitrogen fertilizer business is the expanding production of ethanol in the United States and the expanded use of corn in ethanol production. Ethanol production in the United States is highly dependent upon a myriad of federal and state legislation and regulations, and is made significantly more competitive by various federal and state incentives, mandated production of ethanol pursuant to federal renewable fuel standards, and permitted increases in ethanol percentages in gasoline blends, such as E15, a gasoline blend with 15% ethanol. However, a number of factors, including a continuing "food versus fuel" debate and studies showing that expanded ethanol production may increase the level of greenhouse gases in the environment, have resulted in calls to reduce subsidies for ethanol, allow increased ethanol imports and adopt temporary waivers of the current renewable fuel standard levels, any of which could have an adverse effect on corn-based ethanol production, planted corn acreage and fertilizer demand. Therefore, ethanol incentive programs may not be renewed, or if renewed, they may be renewed on terms significantly less favorable to ethanol producers than current incentive programs. For example, on December 31, 2011, Congress allowed both the 45 cents per gallon ethanol tax credit and the 54 cents per gallon ethanol import tariff to expire. Similarly, the EPA's waivers partially approving the use of E15 could be revised, rescinded or delayed. These actions could have a material adverse effect on ethanol production in the United States, which could have a material adverse effect on our results of operations, financial condition and cash flows.

Further, most ethanol is currently produced from corn and other raw grains, such as milo or sorghum — especially in the Midwest. The current trend in ethanol production research is to develop an efficient method of producing ethanol from cellulose-based biomass, such as agricultural waste, forest residue, municipal solid waste and energy crops (plants grown for use to make biofuels or directly exploited for their energy content). If an efficient method of producing ethanol from cellulose-based biomass is developed, the demand for corn may decrease significantly, which could reduce demand for nitrogen fertilizer products and have a material adverse effect on our results of operations, financial condition and cash flows.

Nitrogen fertilizer products are global commodities, and the nitrogen fertilizer business faces intense competition from other nitrogen fertilizer producers.

The nitrogen fertilizer business is subject to intense price competition from both U.S. and foreign sources, including competitors operating in the Persian Gulf, the Asia-Pacific region, the Caribbean, Russia and the Ukraine. Fertilizers are global commodities, with little or no product differentiation, and customers make their purchasing decisions principally on the basis of delivered price and availability of the product. Furthermore, in recent years the

price of nitrogen fertilizer in the United States has been substantially driven by pricing in the global fertilizer market. The nitrogen fertilizer business competes with a number of U.S. producers and producers in other countries, including state-owned and government-subsidized entities. Some competitors have greater total resources and are less dependent on earnings from fertilizer sales which makes them less vulnerable to industry downturns and better positioned to pursue new expansion and development opportunities. The nitrogen fertilizer business' competitive position could suffer to the extent it is not able to expand its resources either through investments in new or existing operations or through acquisitions, joint ventures or partnerships, or otherwise compete successfully in the global nitrogen fertilizer market. An inability to compete successfully could result in a loss of customers, which could adversely affect the sales, profitability and the cash flows of the nitrogen fertilizer business and therefore have a material adverse effect on our results of operations, financial condition and cash flows.

The nitrogen fertilizer business is seasonal, which may result in it carrying significant amounts of inventory and seasonal variations in working capital. Our inability to predict future seasonal nitrogen fertilizer demand accurately may result in excess inventory or product shortages.

The nitrogen fertilizer business is seasonal. Farmers tend to apply nitrogen fertilizer during two short application periods, one in the spring and the other in the fall. The strongest demand for nitrogen fertilizer products typically occurs during the planting season. In contrast, the nitrogen fertilizer business and other nitrogen fertilizer producers generally produce products throughout the year. As a result, the nitrogen fertilizer business and its customers generally build inventories during the low demand periods of the year in order to ensure timely product availability during the peak sales seasons. The seasonality of nitrogen fertilizer demand results in sales volumes and net sales being highest during the North American spring season and working capital requirements typically being highest just prior to the start of the spring season.

If seasonal demand exceeds projections, the nitrogen fertilizer business will not have enough product and its customers may acquire products from its competitors, which would negatively impact profitability. If seasonal demand is less than expected, the nitrogen fertilizer business will be left with excess inventory and higher working capital and liquidity requirements.

The degree of seasonality of the nitrogen fertilizer business can change significantly from year to year due to conditions in the agricultural industry and other factors. As a consequence of such seasonality, it is expected that the distributions we receive from the nitrogen fertilizer business will be volatile and will vary quarterly and annually.

Adverse weather conditions during peak fertilizer application periods may have a material adverse effect on our results of operations, financial condition and cash flows, because the agricultural customers of the nitrogen fertilizer business are geographically concentrated.

The nitrogen fertilizer business' sales to agricultural customers are concentrated in the Great Plains and Midwest states and are seasonal in nature. The nitrogen fertilizer business' quarterly results may vary significantly from one year to the next due largely to weather-related shifts in planting schedules and purchase patterns. For example, the nitrogen fertilizer business generates greater net sales and operating income in the first half of the year, which is referred to herein as the planting season, compared to the second half of the year. Accordingly, an adverse weather pattern affecting agriculture in these regions or during the planting season could have a negative effect on fertilizer demand, which could, in turn, result in a material decline in the nitrogen fertilizer business' net sales and margins and otherwise have a material adverse effect on our results of operations, financial condition and cash flows. The nitrogen fertilizer business' quarterly results may vary significantly from one year to the next due largely to weather-related shifts in planting schedules and purchase patterns. As a result, it is expected that the nitrogen fertilizer business' distributions to holders of its common units (including us) will be volatile and will vary quarterly and annually.

The nitrogen fertilizer business' operations are dependent on third party suppliers, including Linde LLC ("Linde"), which owns an air separation plant that provides oxygen, nitrogen and compressed dry air to its gasifiers, and the City of Coffeyville, which supplies the nitrogen fertilizer business with electricity. A deterioration in the financial condition of a third party supplier, a mechanical problem with the air separation plant, or the inability of a third party supplier to perform in accordance with its contractual obligations could have a material adverse effect on our results of operations, financial condition and cash flows.

The operations of the nitrogen fertilizer business depend in large part on the performance of third party suppliers, including Linde for the supply of oxygen, nitrogen and compressed dry air, and the City of Coffeyville for the supply of electricity. With respect to Linde, operations could be adversely affected if there were a deterioration in Linde's financial condition such that the operation of the air separation plant located adjacent to the nitrogen fertilizer plant was disrupted. Additionally, this air separation plant in the past has experienced numerous short-term interruptions, causing interruptions in gasifier operations. With respect to electricity, in 2010, the nitrogen fertilizer business settled litigation with the City of Coffeyville regarding the price they sought to charge the nitrogen fertilizer business for electricity and entered into an amended and restated electric services agreement which gives the nitrogen fertilizer business an option to extend the term of such agreement through June 30, 2024. Should Linde, the City of Coffeyville or any of its other third party suppliers fail to perform in accordance with existing contractual arrangements, operations could be forced to halt. Alternative sources of supply could be difficult to obtain. Any shutdown of operations at the nitrogen fertilizer plant, even for a limited period, could have a material adverse effect on our results of operations, financial condition and cash flows.

The nitrogen fertilizer business' results of operations, financial condition and cash flows may be adversely affected by the supply and price levels of pet coke.

The profitability of the nitrogen fertilizer business is directly affected by the price and availability of pet coke obtained from our Coffeyville refinery pursuant to a long-term agreement and pet coke purchased from third parties, both of which vary based on market prices. Pet coke is a key raw material used by the nitrogen fertilizer business in the manufacture of nitrogen fertilizer products. If pet coke costs increase, the nitrogen fertilizer business may not be able to increase its prices to recover these increased costs, because market prices for nitrogen fertilizer products are not correlated with pet coke prices.

The nitrogen fertilizer business may not be able to maintain an adequate supply of pet coke. In addition, it could experience production delays or cost increases if alternative sources of supply prove to be more expensive or difficult to obtain. The nitrogen fertilizer business currently purchases 100% of the pet coke the Coffeyville refinery produces. Accordingly, if the nitrogen fertilizer business increases production, it will be more dependent on pet coke purchases from third party suppliers at open market prices. The nitrogen fertilizer business 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. There is no assurance that the nitrogen fertilizer business would be able to purchase pet coke on comparable terms from third parties or at all.

The nitrogen fertilizer business relies on third party providers of transportation services and equipment, which subjects it to risks and uncertainties beyond its control that may have a material adverse effect on our results of operations, financial condition and cash flows.

The nitrogen fertilizer business relies on railroad and trucking companies to ship finished products to its customers. The nitrogen fertilizer business also leases railcars from railcar owners in order to ship its finished products. These transportation operations, equipment and services are subject to various hazards, including extreme weather conditions, work stoppages, delays, spills, derailments and other accidents and other operating hazards.

These transportation operations, equipment and services are also subject to environmental, safety and other regulatory oversight. Due to concerns related to terrorism or accidents, local, state and federal governments could implement new regulations affecting the transportation of the nitrogen fertilizer business' finished products. In addition, new regulations could be implemented affecting the equipment used to ship its finished products.

Any delay in the nitrogen fertilizer business' ability to ship its finished products as a result of these transportation companies' failure to operate properly, the implementation of new and more stringent regulatory requirements

affecting transportation operations or equipment, or significant increases in the cost of these services or equipment could have a material adverse effect on our results of operations, financial condition and cash flows.

The nitrogen fertilizer business' results of operations are highly dependent upon and fluctuate based upon business and economic conditions and governmental policies affecting the agricultural industry. These factors are outside of our control and may significantly affect our profitability.

The nitrogen fertilizer business' results of operations are highly dependent upon business and economic conditions and governmental policies affecting the agricultural industry, which we cannot control. The agricultural products business can be affected by a number of factors. The most important of these factors in the United States are:

- weather patterns and field conditions (particularly during periods of traditionally high nitrogen fertilizer consumption);
- quantities of nitrogen fertilizers imported to and exported from North America;
- current and projected grain inventories and prices, which are heavily influenced by U.S. exports and world-wide grain markets; and
- U.S. governmental policies, including farm and biofuel policies, which may directly or indirectly influence the number of acres planted, the level of grain inventories, the mix of crops planted or crop prices.

International market conditions, which are also outside of the nitrogen fertilizer business' control, may also significantly influence its operating results. The international market for nitrogen fertilizers is influenced by such factors as the relative value of the U.S. dollar and its impact upon the cost of importing nitrogen fertilizers, foreign agricultural policies, the existence of, or changes in, import or foreign currency exchange barriers in certain foreign markets, changes in the hard currency demands of certain countries and other regulatory policies of foreign governments, as well as the laws and policies of the United States affecting foreign trade and investment.

Ammonia can be very volatile and extremely hazardous. Any liability for accidents involving ammonia or other products we produce or transport that cause severe damage to property or injury to the environment and human health could have a material adverse effect on our results of operations, financial condition and cash flows. In addition, the costs of transporting ammonia could increase significantly in the future.

The nitrogen fertilizer business manufactures, processes, stores, handles, distributes and transports ammonia, which can be very volatile and extremely hazardous. Major accidents or releases involving ammonia could cause severe damage or injury to property, the environment and human health, as well as a possible disruption of supplies and markets. Such an event could result in civil lawsuits, fines, penalties and regulatory enforcement proceedings, all of which could lead to significant liabilities. Any damage to persons, equipment or property or other disruption of the ability of the nitrogen fertilizer business to produce or distribute its products could result in a significant decrease in operating revenues and significant additional cost to replace or repair and insure its assets, which could have a material adverse effect on our results of operations, financial condition and cash flows. The nitrogen fertilizer facility periodically experiences minor releases of ammonia related to leaks from its equipment. It experienced more significant ammonia releases in August 2007 due to the failure of a high-pressure pump and in August and September 2010 due to a heat exchanger leak and a UAN vessel rupture. Similar events may occur in the future and could have a material adverse effect on our results of operations, financial condition and cash flows.

In addition, the nitrogen fertilizer business may incur significant losses or costs relating to the operation of railcars used for the purpose of carrying various products, including ammonia. Due to the dangerous and potentially toxic nature of the cargo, in particular ammonia, on board railcars, a railcar accident may result in fires, explosions and pollution. These circumstances may result in sudden, severe damage or injury to property, the environment and human health. In the event of pollution, the nitrogen fertilizer business may be held responsible even if it is not at fault and it complied with the laws and regulations in

business or us being named as a defendant in lawsuits asserting claims for large amounts of damages, which could have a material adverse effect on our results of operations, financial condition and cash flows.

Given the risks inherent in transporting ammonia, the costs of transporting ammonia could increase significantly in the future. Ammonia is most typically transported by pipeline and railcar. A number of initiatives are underway in the railroad and chemical industries that may result in changes to railcar design in order to minimize railway accidents involving hazardous materials. In addition, in the future, laws may more severely restrict or eliminate the ability of the nitrogen fertilizer business to transport ammonia via railcar. If any railcar design changes are implemented, or if accidents involving hazardous freight increase the insurance and other costs of railcars, freight costs of the nitrogen fertilizer business could significantly increase.

Environmental laws and regulations on fertilizer end-use and application and numeric nutrient water quality criteria could have a material adverse impact on fertilizer demand in the future.

Future environmental laws and regulations on the end-use and application of fertilizers could cause changes in demand for the nitrogen fertilizer business' products. In addition, future environmental laws and regulations, or new interpretations of existing laws or regulations, could limit the ability of the nitrogen fertilizer business to market and sell its products to end users. From time to time, various state legislatures have proposed bans or other limitations on fertilizer products. In addition, a number of states have adopted or proposed numeric nutrient water quality criteria that could result in decreased demand for fertilizer products in those states. Similarly, a new final rule of the EPA establishing numeric nutrient criteria for certain Florida water bodies may require farmers to implement best management practices, including the reduction of fertilizer use, to reduce the impact of fertilizer on water quality. The rule has been challenged and may be replaced with a state rule imposing similar numeric nutrient criteria. Such laws, regulations or interpretations could have a material adverse effect on our results of operations, financial condition and cash flows.

If licensed technology were no longer available, the nitrogen fertilizer business may be adversely affected.

The nitrogen fertilizer business has licensed, and may in the future license, a combination of patent, trade secret and other intellectual property rights of third parties for use in its business. In particular, the gasification process it uses to convert pet coke to high purity hydrogen for subsequent conversion to ammonia is licensed from General Electric. The license, which is fully paid, grants the nitrogen fertilizer business perpetual rights to use the pet coke gasification process on specified terms and conditions and is integral to the operations of the nitrogen fertilizer facility. If this license or any other license agreements on which the nitrogen fertilizer business' operations rely, were to be terminated, licenses to alternative technology may not be available, or may only be available on terms that are not commercially reasonable or acceptable. In addition, any substitution of new technology for currently-licensed technology may require substantial changes to manufacturing processes or equipment and may have a material adverse effect on our results of operations, financial condition and cash flows.

The nitrogen fertilizer business may face third party claims of intellectual property infringement, which if successful could result in significant costs.

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

There can be no assurance that the transportation costs of the nitrogen fertilizer business' competitors will not decline.

The nitrogen fertilizer plant is located within the U.S. farm belt, where the majority of the end users of its nitrogen fertilizer products grow their crops. Many of its competitors produce fertilizer outside of this region and incur greater costs in transporting their products over longer distances via rail, ships and pipelines. There can be no assurance that competitors' transportation costs will not decline or that additional pipelines will not be built, lowering the price at which competitors can sell their products, which would have a material adverse effect on our results of operations, financial condition and cash flows.

Risks Related to Our Entire Business

Instability and volatility in the capital, credit and commodity markets in the global economy could negatively impact our business, financial condition, results of operations and cash flows.

Our business, financial condition and results of operations could be negatively impacted by difficult conditions and volatility in the capital, credit and commodities markets and in the global economy. For example:

- Although we believe we have sufficient liquidity under our \$400.0 million ABL credit facility to operate both the Coffeyville and Wynnewood refineries, and that the nitrogen fertilizer business has sufficient liquidity under its revolving credit facility to run the nitrogen fertilizer businesses, under extreme market conditions there can be no assurance that such funds would be available or sufficient, and in such a case, we may not be able to successfully obtain additional financing on favorable terms, or at all.

- Market volatility could exert downward pressure on our stock price, which may make it more difficult for us to raise additional capital and thereby limit our ability to grow. Similarly, market volatility could exert downward pressure on the price of the Partnership's common units, which may make it more difficult for the Partnership to raise additional capital and thereby limit its ability to grow.
- Our ABL credit facility, the indentures governing our notes and the nitrogen fertilizer business' revolving credit facility contain various covenants that must be complied with, and if we or the Partnership are not in compliance, there can be no assurance that we or the Partnership would be able to successfully amend the agreement in the future. Further, any such amendment could be very expensive.
- Market conditions could result in our significant customers experiencing financial difficulties. We are exposed to the credit risk of our customers, and their failure to meet their financial obligations when due because of bankruptcy, lack of liquidity, operational failure or other reasons could result in decreased sales and earnings for us.

Our refineries and nitrogen fertilizer facility face operating hazards and interruptions, including unplanned maintenance or downtime. We could face potentially significant costs to the extent these hazards or interruptions cause a material decline in production and are not fully covered by our existing insurance coverage. Insurance companies that currently insure companies in the energy industry may cease to do so, may change the coverage provided or may substantially increase premiums in the future.

Our operations are subject to significant operating hazards and interruptions. If any of our facilities, including our Coffeyville or Wynnewood refineries or the nitrogen fertilizer plant, experiences a major accident or fire, is damaged by severe weather, flooding or other natural disaster, or is otherwise forced to significantly curtail its operations or shut down, we could incur significant losses which could have a material adverse effect on our results of operations, financial condition and cash flows. Conducting the majority of our refining operations and all of our fertilizer manufacturing at a single location compounds such risks.

Operations at either or both of our refineries and the nitrogen fertilizer plant could be curtailed or partially or completely shut down, temporarily or permanently, as the result of a number of circumstances, most of which are not within our control, such as:

- unplanned maintenance or catastrophic events such as a major accident or fire, damage by severe weather, flooding or other natural disaster;
- labor difficulties that result in a work stoppage or slowdown;
- environmental proceedings or other litigation that compel the cessation of all or a portion of the operations;
- state and federal agencies changing interpretations and enforcement of historical environmental rules and regulations; and
- increasingly stringent environmental regulations.

The magnitude of the effect on us of any shutdown will depend on the length of the shutdown and the extent of the plant operations affected by the shutdown. Our refineries require a planned maintenance turnaround every four to five years for each unit, and the nitrogen fertilizer plant requires a planned maintenance turnaround every two years. A major accident, fire, flood, or other event could damage our facilities or the environment and the surrounding community or result in injuries or loss of life. For example, the flood that occurred during the weekend of June 30, 2007 shut down our Coffeyville refinery for seven weeks, shut down the nitrogen fertilizer facility for approximately two weeks and required significant expenditures to repair damaged equipment. In addition, the nitrogen fertilizer business' UAN plant was out of service for approximately six weeks after the rupture of a high pressure vessel in September 2010 which required significant expenditures to repair. Our Coffeyville refinery experienced an equipment malfunction and small fire in connection with its fluid catalytic cracking unit on December 28, 2010, which led to reduced crude oil throughput for approximately one month and required significant expenditures to repair. Similarly, the Wynnewood refinery experienced a small explosion and fire in its hydrocracker process unit due to metal failure in December 2010. In addition, on September 28, 2012, a boiler explosion occurred at the Wynnewood refinery, fatally injuring two employees. We have launched an internal investigation into the cause of the boiler explosion, which occurred as operators were restarting a boiler that had been temporarily shut down as part of the refinery's turnaround process. Damage at the refinery was limited to the boiler. This matter is currently under investigation by the federal Occupational Safety and Health Administration, which could impose penalties if it determines that a violation of Occupational Safety and Health Act ("OSHA") standards has occurred. Scheduled and unscheduled maintenance could reduce our net income and cash flows during the period of time that any of our units is not operating. Any unscheduled future downtime could have a material adverse effect on our results of operations, financial condition and cash flows.

If we experience significant property damage, business interruption, environmental claims or other liabilities, our business could be materially adversely affected to the extent the damages or claims exceed the amount of valid and collectible insurance available to us. Our property and business interruption insurance policies (that cover the Coffeyville refinery and nitrogen fertilizer plant) have a \$1.0 billion limit, with a \$2.5 million deductible for physical damage and a 45- to 60-day waiting period (depending on the insurance carrier) before losses resulting from business interruptions are recoverable. We are fully exposed to all losses in excess of the applicable limits and sub-limits and for losses due to business interruptions of fewer than 45 to 60 days. Our Wynnewood refinery, effective November 1, 2012, is insured with a \$1.0 billion limit, \$10 million property damage deductible and a 75 days waiting period deductible for business interruption. The property and business interruption insurance policies insuring Coffeyville and Wynnewood assets contain various sub-limits, exclusions, and conditions that could have a material adverse impact on the insurance indemnification of any particular catastrophic loss occurrence. For example, the Company's current property policy contains varying specific sub-limits of \$128.5 million (for Coffeyville assets) and \$115 million (for Wynnewood assets) for damage caused by flooding. Insurance policy language and terms maintained by our Company are generally consistent with standards for the energy and fertilizer manufacturing industries.

The insurance market for energy and fertilizer manufacturing industries is highly specialized with a finite aggregate capacity of insurance. It is currently not feasible to purchase insurance limits up to the maximum foreseeable loss occurrence due to insurance capacity constraints. Our insurance program is renewed annually, and our ability to maintain current levels of insurance is dependent on the conditions and financial stability of the commercial insurance

markets serving our industries. Factors that impact insurance cost and availability include, but are not limited to: industry-wide losses, natural disasters, specific losses incurred by us, and the investment returns earned by the insurance industry. The energy insurance market underwrites many refineries having coastal hurricane risk exposure and off shore platforms, thus a significant hurricane occurrence could impact a number of refineries and have a catastrophic impact on the financial results of the entire insurance and reinsurance market serving our industry. If the supply of commercial insurance is curtailed due to highly adverse financial results we may not be able to continue our present limits of insurance coverage, or obtain sufficient insurance capacity to adequately insure our risks for property damage or business interruption.

Environmental laws and regulations could require us to make substantial capital expenditures to remain in compliance or to remediate current or future contamination that could give rise to material liabilities.

Our operations are subject to a variety of federal, state and local environmental laws and regulations relating to the protection of the environment, including those governing the emission or discharge of pollutants into the environment, product specifications and the generation, treatment, storage, transportation, disposal and remediation of solid and hazardous wastes. Violations of these laws and regulations or permit conditions can result in substantial penalties, injunctive orders compelling installation of additional controls, civil and criminal sanctions, permit revocations and/or facility shutdowns.

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

Our facilities operate under a number of federal and state permits, licenses and approvals with terms and conditions containing a significant number of prescriptive limits and performance standards in order to operate. All of these permits, licenses, approval limits and standards require a significant amount of monitoring, record keeping and reporting in order to demonstrate compliance with the underlying permit, license, approval limit or standard. Noncompliance or incomplete documentation of our compliance status may result in the imposition of fines, penalties and injunctive relief. Additionally, due to the nature of our manufacturing and refining processes, there may be times when we are unable to meet the standards and terms and conditions of our permits, licenses and approvals due to operational upsets or malfunctions, which may lead to the imposition of fines and penalties or operating restrictions that may have a material adverse effect on our ability to operate our facilities and accordingly our financial performance.

Our businesses are subject to the occurrence of accidental spills, discharges or other releases of petroleum or hazardous substances into the environment. Past or future spills related to any of our current or former operations, including our refineries, pipelines, product terminals, fertilizer plant or transportation of products or hazardous substances from those facilities, may give rise to liability (including strict liability, or liability without fault, and potential cleanup responsibility) to governmental entities or private parties under federal, state or local environmental laws, as well as under common law. For example, we could be held strictly liable under the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), and similar state statutes for past or future spills without regard to fault or whether our actions were in compliance with the law at the time of the spills. Pursuant to CERCLA and similar state statutes, we could be held liable for contamination associated with facilities we currently own or operate (whether or not such contamination occurred prior to our acquisition thereof), facilities we formerly owned or operated (if any) and facilities to which we transported or arranged for the transportation of wastes or byproducts containing hazardous substances for treatment, storage, or disposal.

The potential penalties and cleanup costs for past or future releases or spills, liability to third parties for damage to their property or exposure to hazardous substances, or the need to address newly discovered information or conditions that may require response actions could be significant and could have a material adverse effect on our results of operations, financial condition and cash flows. In addition, we may incur liability for alleged personal injury or property damage due to exposure to chemicals or other hazardous substances located at or released from our facilities. We may also face liability for personal injury, property damage, natural resource damage or for cleanup costs for the alleged migration of contamination or other hazardous substances from our facilities to adjacent and other nearby properties.

On September 12, 2012, the EPA published in the Federal Register final revisions to its New Source Performance Standards for process heaters and flares at petroleum refineries. EPA originally issued final standards in June 2008, but the effective date of the regulation was stayed pending reconsideration of certain provisions. The final standards regulate emissions of nitrogen oxide from process heaters and emissions of sulfur dioxide from flares, as well as require certain work practice and monitoring standards for flares. We are reviewing the rule and expect to make any required capital expenditure to comply with the new requirements. We do not believe that the costs of complying with the rule will be material.

On August 14, 2012, the EPA sent both the Wynnewood and Coffeyville refineries letters regarding the EPA's recently issued enforcement alert entitled EPA Enforcement Targets Flaring Efficiency Violations and the EPA's related effort to conduct compliance evaluations and, where warranted, bring enforcement actions against petroleum refining companies that operate flares that are in noncompliance. Because the EPA has not specifically told us that our operations are in non-compliance, we cannot currently predict whether we may have to incur costs related to this EPA initiative.

In March 2004, Coffeyville Resources Refining & Marketing, LLC ("CRRM") and Coffeyville Resources Terminal, LLC ("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 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.

In March 2012, CRRM entered into a "Second Consent Decree" with the EPA, which replaces the 2004 Consent Decree (other than the clean-up obligations). 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 refineries enter into "global settlements" pertaining to all "marquee" issues. Under the Second Consent Decree, Coffeyville Resources was required to pay a civil penalty of approximately \$0.7 million and is required to 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 U.S. District Court for the District of Kansas on April 19, 2012.

Wynnewood Refining Company, LLC (“WRC”) 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 ODEQ about doing so. Instead, WRC entered into a Consent Order

(the “Wynnewood Consent Order”) with ODEQ in August 2011 addressing some, but not all of the traditional marquee issues under the EPA’s National Petroleum Refining Initiative and addressing certain historic Clean Air Act compliance issues that are generally beyond the scope of a traditional global settlement. Under the Wynnewood Consent Order, WRC agreed to pay a civil penalty, install certain controls, enhance certain compliance programs, and undertake additional testing and auditing. The remaining costs of complying with the Wynnewood Consent Order past 2012, other than costs associated with a scheduled turnaround, are not expected to be material.

In August 2012, Wynnewood received a letter from ODEQ alleging certain potential air quality emission violations. Wynnewood responded in September 2012 that it is not subject to any penalties for these alleged violations because they are covered by the Wynnewood Consent Order. Wynnewood hopes to settle these alleged violations, but there can be no assurance that the matter will settle and if it does not, Wynnewood will contest the alleged violations.

A number of factors could affect our ability to meet the requirements imposed by either the Second Consent Decree or the Wynnewood Consent Order and could have a material adverse effect on our results of operations, financial condition and cash flows.

Three of our facilities, including our Coffeyville refinery, the now-closed Phillipsburg terminal (which operated as a refinery until 1991), and the Wynnewood refinery have environmental contamination. We have assumed Farmland’s responsibilities under certain Resource Conservation and Recovery Act (“RCRA”) administrative orders related to contamination at or that originated from the Coffeyville refinery and the Phillipsburg terminal. The Wynnewood refinery is required to conduct investigations to address potential off-site migration of contaminants from the west side of the property. Other known areas of contamination at the Wynnewood refinery have been partially addressed but corrective action has not been completed, and limited portions of the Wynnewood refinery have not yet been investigated to determine whether corrective action is necessary. If significant unknown liabilities are identified at any of our facilities, that liability could have a material adverse effect on our results of operations, financial condition and cash flows and may not be covered by insurance.

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

We may be unable to obtain or renew permits necessary for our operations, which could inhibit our ability to do business.

We hold numerous environmental and other governmental permits and approvals authorizing operations at our facilities. Future expansion of our operations is predicated upon securing the necessary environmental or other permits or approvals. A decision by a government agency to deny or delay issuing a new or renewed material permit or approval, or to revoke or substantially modify an existing permit or approval, could have a material adverse effect on our ability to continue operations and on our financial condition, results of operations and cash flows. For example, WRC’s waste water permit has expired and is in the renewal process. At this time the facility is operating under its expired permit terms and conditions (called a permit shield) until the ODEQ renews the permit. The renewal permit may contain different terms and conditions that would require unplanned or unanticipated costs.

Climate change laws and regulations could have a material adverse effect on our results of operations, financial condition, and cash flows.

Various regulatory and legislative measures to address greenhouse gas emissions (including CO₂, methane and nitrous oxides) are in different phases of implementation or discussion. In the aftermath of its 2009 “endangerment finding” that greenhouse gas emissions pose a threat to human health and welfare, the EPA has begun to regulate greenhouse gas emissions under the Clean Air Act. In October 2009, the EPA finalized a rule requiring certain large emitters of greenhouse gases to inventory and annually report their greenhouse gas emissions to the EPA. In accordance with the rule, we have begun monitoring our greenhouse gas emissions and have already reported the emissions to the EPA for the year ended 2011. In May 2010, the EPA finalized the “Greenhouse Gas Tailoring

Rule,” which established new greenhouse gas emissions thresholds that determine when stationary sources, such as the refineries and the nitrogen fertilizer plant, must obtain permits under Prevention of Significant Deterioration (“PSD”), and Title V programs of the federal Clean Air Act. The significance of the permitting requirement is that, in cases where a new source is constructed or an existing source undergoes a major modification, the facility would need to evaluate and install best available control technology (“BACT”), to control greenhouse gas emissions. A major modification resulting in a significant expansion of production at the nitrogen fertilizer plant or one of our refineries that could cause a significant increase in greenhouse gas emissions could necessitate the installation of BACT controls. The EPA’s endangerment finding, Greenhouse Gas Tailoring Rule and certain other greenhouse gas emission rules have been challenged and are subject to extensive litigation. In December 2010, the EPA reached a settlement agreement with numerous parties under which it agreed to promulgate New Source Performance Standards (“NSPS”) to regulate greenhouse gas emissions from petroleum refineries by November 2012.

At the federal legislative level, Congressional passage of legislation adopting some form of federal mandatory greenhouse gas emission reduction, such as a nationwide cap-and-trade program, does not appear likely at this time, although it could be adopted at a future date. It is also possible that Congress may

pass alternative climate change bills that do not mandate a nationwide cap-and-trade program and instead focus on promoting renewable energy and energy efficiency.

In addition to potential federal legislation, a number of states have adopted regional greenhouse gas initiatives to reduce CO₂ and other greenhouse gas emissions. In 2007, a group of Midwest states, including Kansas (where our Coffeyville refinery and the nitrogen fertilizer facility are located), formed the Midwestern Greenhouse Gas Reduction Accord, which calls for the development of a cap-and-trade system to control greenhouse gas emissions and for the inventory of such emissions. However, the individual states that have signed on to the accord must adopt laws or regulations implementing the trading scheme before it becomes effective, and it is unclear whether Kansas still intends to do so.

The implementation of EPA greenhouse gas regulations or potential federal, state or regional programs to reduce greenhouse gas emissions will result in increased costs to (i) operate and maintain our facilities, (ii) install new emission controls on our facilities and (iii) administer and manage any greenhouse gas emissions program. Increased costs associated with compliance with any future legislation or regulation of greenhouse gas emissions, if it occurs, may have a material adverse effect on our results of operations, financial condition and cash flows.

In addition, climate change legislation and regulations may result in increased costs not only for our business but also for users of our refined and fertilizer products, thereby potentially decreasing demand for our products. Decreased demand for our products may have a material adverse effect on our results of operations, financial condition and cash flows.

We are subject to strict laws and regulations regarding employee and process safety, and failure to comply with these laws and regulations could have a material adverse effect on our results of operations, financial condition and profitability.

We are subject to the requirements of OSHA and comparable state statutes that regulate the protection of the health and safety of workers, and the proper design, operation and maintenance of our refinery equipment. In addition, OSHA and certain environmental regulations require that we maintain information about hazardous materials used or produced in our operations and that we provide this information to employees and state and local governmental authorities. Failure to comply with these requirements, including general industry standards, record keeping requirements and monitoring and control of occupational exposure to regulated substances, may result in significant fines or compliance costs, which could have a material adverse effect on our results of operations, financial condition and cash flows.

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Security breaches and other disruptions could compromise our information and expose us to liability, which would cause our business and reputation to suffer.

In the ordinary course of our business, we collect and store sensitive data, including intellectual property, our proprietary business information and that of our customers and suppliers, and personally identifiable information of our employees, in our facilities and on our networks. The secure processing, maintenance and transmission of this information is critical to our operations. Despite our security measures, our information technology and infrastructure may be vulnerable to attacks by hackers or breached due to employee error, malfeasance or other disruptions. Any such breach could compromise our networks and the information stored there could be accessed, publicly disclosed, lost or stolen. Any such access, disclosure or other loss of information could result in legal claims or proceedings, disrupt our operations, damage our reputation, and cause a loss of confidence, which could adversely affect our business.

Deliberate, malicious acts, including terrorism, could damage our facilities, disrupt our operations or injure employees, contractors, customers or the public and result in liability to us.

Intentional acts of destruction could hinder our sales or production and disrupt our supply chain. Our facilities could be damaged or destroyed, reducing our operational production capacity and requiring us to repair or replace our facilities at substantial cost. Employees, contractors and the public could suffer substantial physical injury for which we could be liable. Governmental authorities may impose security or other requirements that could make our operations more difficult or costly. The consequences of any such actions could adversely affect our operating results, financial condition and cash flows.

Both the petroleum and nitrogen fertilizer businesses depend on significant customers and the loss of one or several significant customers may have a material adverse impact on our results of operations, financial condition and cash flows.

The petroleum and nitrogen fertilizer businesses both have a significant concentration of customers. The five largest customers of the petroleum business represented 35% of our petroleum sales for the nine months ended September 30, 2012. Further, the top five ammonia customers of the nitrogen fertilizer business represented approximately 65% of its ammonia sales for the nine months ended September 30, 2012, and the top five UAN customers of the nitrogen fertilizer business represented approximately 38% of its UAN sales for the same period. Several significant petroleum, ammonia and UAN customers each account for more than 10% of sales of petroleum, ammonia and UAN, respectively. Given the nature of our business, and consistent with industry practice, we do not have long-term minimum purchase contracts with any of our customers. The loss of several of these significant customers, or a significant reduction in purchase volume by several of them, could have a material adverse effect on our results of operations, financial condition and cash flows.

The acquisition and expansion strategy of our petroleum business and the nitrogen fertilizer business involves significant risks.

Both our petroleum business and the nitrogen fertilizer business will consider pursuing acquisitions and expansion projects in order to continue to grow and increase profitability. However, acquisitions and expansions involve numerous risks and uncertainties, including intense competition for suitable acquisition targets, the potential unavailability of financial resources necessary to consummate acquisitions and expansions, difficulties in identifying suitable acquisition targets and expansion projects or in completing any transactions identified on sufficiently favorable terms and the need to obtain regulatory or other governmental approvals that may be necessary to complete acquisitions and expansions. In addition, any future acquisitions and expansions may entail significant transaction costs and risks associated with entry into new markets and lines of business.

The nitrogen fertilizer business is in the process of expanding its nitrogen fertilizer plant, which is expected to allow it the flexibility to upgrade all of its ammonia production to UAN. This expansion is premised in large part on the historically higher margin that UAN has received compared to ammonia. If the premium that UAN currently earns over ammonia decreases, this expansion project may not yield the economic benefits and accretive effects that are currently anticipated.

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In addition to the risks involved in identifying and completing acquisitions described above, even when acquisitions are completed, integration of acquired entities can involve significant difficulties, such as:

- unforeseen difficulties in the integration of the acquired operations and disruption of the ongoing operations of our business;
- failure to achieve cost savings or other financial or operating objectives contributing to the accretive nature of an acquisition;
- strain on the operational and managerial controls and procedures of our petroleum business and the nitrogen fertilizer business, and the need to modify systems or to add management resources;
- difficulties in the integration and retention of customers or personnel and the integration and effective deployment of operations or technologies;
- assumption of unknown material liabilities or regulatory non-compliance issues;
- amortization of acquired assets, which would reduce future reported earnings;
- possible adverse short-term effects on our cash flows or operating results; and
- diversion of management's attention from the ongoing operations of our business.

In particular, we are in the process of integrating Wynnewood Energy Company, LLC and its subsidiary into CVR Energy, Inc.'s internal control framework, and testing of these new controls is not yet complete.

In addition, in connection with any potential acquisition or expansion project involving the nitrogen fertilizer business, the nitrogen fertilizer business will need to consider whether the business it intends to acquire or expansion project it intends to pursue could affect the nitrogen fertilizer business' tax treatment as a partnership for federal income tax purposes. If the nitrogen fertilizer business is otherwise unable to conclude that the activities of the business being acquired or the expansion project would not affect the Partnership's treatment as a partnership for federal income tax purposes, the nitrogen fertilizer business may elect to seek a ruling from the Internal Revenue Service ("IRS"). Seeking such a ruling could be costly or, in the case of competitive acquisitions, place the nitrogen fertilizer business in a competitive disadvantage compared to other potential acquirers who do not seek such a ruling. If the nitrogen fertilizer business is unable to conclude that an activity would not affect its treatment as a partnership for federal income tax purposes, and is unable or unwilling to obtain an IRS ruling, the nitrogen fertilizer business may choose to acquire such business or develop such expansion project in a corporate subsidiary, which would subject the income related to such activity to entity-level taxation, which would reduce the amount of cash available for distribution to the unitholders and would likely cause a substantial reduction in the value of the nitrogen fertilizer business common units.

Failure to manage these acquisition and expansion growth risks could have a material adverse effect on our results of operations, financial condition and cash flows. There can be no assurance that we will be able to consummate any acquisitions or expansions, successfully integrate acquired entities, or generate positive cash flow at any acquired company or expansion project.

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

We are a holding company, and our subsidiaries conduct all of our operations and own substantially all of our assets. Consequently, our cash flow and our ability to meet our obligations or to pay dividends or make other distributions in the future will depend upon the cash flow of our subsidiaries and the payment of funds by our subsidiaries to us in the form of dividends, distributions, tax sharing payments or otherwise. In addition, CRLLC, our indirect subsidiary, which is the primary obligor under our ABL credit facility and the issuer of our first lien and second lien secured notes, is a holding company, and its ability to meet its debt service obligations depends on the cash flow of its subsidiaries (including the distributions the Partnership makes on its common units, 70% of which are owned directly by CRLLC). The ability of our subsidiaries (including the Partnership) to make any payments to

us will depend on their earnings, the terms of their indebtedness, tax considerations and legal restrictions. In particular, the Partnership's credit facility requires that, before the Partnership can make distributions to us, it must be in compliance with leverage ratio and interest coverage ratio tests.

Our internally generated cash flows and other sources of liquidity may not be adequate for our capital needs.

Refining businesses such as ours are capital intensive, and working capital needs may vary significantly over relatively short periods of time. For instance, crude oil price volatility can significantly impact working capital on a week-to-week and month-to-month basis. If we cannot generate adequate cash flow or otherwise secure sufficient liquidity to meet our working capital needs or support our short-term and long-term capital requirements, we may be unable to meet our debt obligations, pursue our business strategies or comply with certain environmental standards, which would have a material adverse effect on our business, results of operations and cash flows. As of September 30, 2012, we had cash and cash equivalents of \$988.2 million and \$372.8 million available under the ABL Credit Facility (and had letters of credit outstanding of approximately \$27.2 million). Crude oil price volatility can significantly impact working capital on a week-to-week and month-to-month basis.

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

As of September 30, 2012, approximately 59% of the employees at the Coffeyville refinery and 63% of the employees at the Wynnewood refinery were represented by labor unions under collective bargaining agreements. At Coffeyville, the collective bargaining agreement with six Metal Trades Unions (which covers union members who work directly at the Coffeyville refinery) is effective through March 2013, and the collective bargaining agreement with United Steelworkers (which covers the balance of the Company's unionized employees, who work in the terminal and related operations) is effective through March 2015, and automatically renews on an annual basis thereafter unless a written notice is received sixty days in advance of the relevant expiration date. The collective bargaining agreement with the International Union of Operating Engineers with respect to the Wynnewood refinery expires in June 2015. We may not be able to renegotiate our collective bargaining agreements when they expire on satisfactory terms or at all. A failure to do so may increase our costs.

In addition, our existing labor agreements may not prevent a strike or work stoppage at any of our facilities in the future, and any work stoppage could negatively affect our results of operations, financial condition and cash flows.

Our business may suffer if any of our key senior executives or other key employees discontinues employment with us. Furthermore, a shortage of skilled labor or disruptions in our labor force may make it difficult for us to maintain labor productivity.

Our future success depends to a large extent on the services of our key senior executives and key senior employees. Our business depends on our continuing ability to recruit, train and retain highly qualified employees in all areas of our operations, including accounting, business operations, finance and other key back-office and mid-office personnel. Furthermore, our operations require skilled and experienced employees with proficiency in multiple tasks. In particular, the nitrogen fertilizer facility relies on gasification technology that requires special expertise to operate efficiently and effectively. The competition for these employees is intense, and the loss of these executives or employees could harm our business. If any of these executives or other key personnel resign or become unable to continue in their present roles and are not adequately replaced, our business operations could be materially adversely affected. We do not maintain any "key man" life insurance for any executives.

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

The costs of complying with future regulations relating to the transportation of hazardous chemicals and security associated with the refining and nitrogen fertilizer facilities may have a material adverse effect on our results of operations, financial condition and cash flows. Targets such as refining and chemical manufacturing facilities may be at greater risk of future terrorist attacks than other targets in the United States. As a result, the petroleum and chemical industries have responded to the issues that arose due to the terrorist attacks on September 11, 2001 by starting new initiatives relating to the security of petroleum and chemical industry facilities and the transportation of

hazardous chemicals in the United States. Future terrorist attacks could lead to even stronger, more costly initiatives that could result in a material adverse effect on our results of operations, financial condition and cash flows.

Compliance with and changes in the tax laws could adversely affect our performance.

We are subject to extensive tax liabilities, including United States and state income taxes and transactional taxes such as excise, sales/use, payroll, franchise and withholding taxes. New tax laws and regulations are continuously being enacted or proposed that could result in increased expenditures for tax liabilities in the future.

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

As of September 30, 2012, after giving effect to the issuance in the fourth quarter of 2012 of our new second lien notes and the tender offer for and redemption of all of our first lien notes, we had outstanding approximately \$222.8 million of second lien notes issued by Coffeyville Resources, \$500 million of second lien notes issued by CVR Refining, LLC, and \$27.2 million of issued but undrawn letters of credit (leaving borrowing availability of \$372.8 million under the ABL Credit Facility), and the Partnership, our consolidated subsidiary that operates the nitrogen fertilizer plant, had \$125.0 million in outstanding term loan borrowings and borrowing availability of \$25.0 million under its revolving credit facility.

We and our subsidiaries may be able to incur significant additional indebtedness in the future. If new indebtedness is added to our current indebtedness, the risks described below could increase. Our level of indebtedness could affect our operations in several ways, including the following:

- a significant portion of our cash flows could be used to service our indebtedness;
- a high level of debt would increase our vulnerability to general adverse economic and industry conditions;
- the covenants contained in the agreements governing our outstanding indebtedness will limit our ability to borrow additional funds, dispose of assets, pay distributions and make certain investments;
- a high level of debt may place us at a competitive disadvantage compared to our competitors that are less leveraged, and therefore may be able to take advantage of opportunities that our indebtedness would prevent us from pursuing;
- our debt covenants may also affect our flexibility in planning for, and reacting to, changes in the economy and in our industry;
- a high level of debt may make it more likely that a reduction in our borrowing base following a periodic redetermination could require us to repay a portion of our then-outstanding bank borrowings; and
- a high level of debt may impair our ability to obtain additional financing in the future for working capital, capital expenditures, debt service requirements, acquisitions, general corporate or other purposes.

In addition, borrowings under the ABL Credit Facility, the Partnership's credit facility and other credit facilities we or our subsidiaries may enter into in the future may bear interest at variable rates. If market interest rates increase, such variable-rate debt will create higher debt service requirements, which could adversely affect our cash flow.

In addition to our debt service obligations, our operations require substantial investments on a continuing basis. Our ability to make scheduled debt payments, to refinance our obligations with respect to our indebtedness and to fund capital and non-capital expenditures necessary to maintain the condition

of our operating assets, properties and systems software, as well as to provide capacity for the growth of our business, depends on our financial and operating performance. General economic conditions and financial, business and other factors affect our operations and our future performance. Many of these factors are beyond our control. We may not be able to generate sufficient cash flows to pay the interest on our debt, and future working capital, borrowings or equity financing may not be available to pay or refinance such debt.

In addition, we are and will be subject to covenants contained in agreements governing our present and future indebtedness. These covenants include, and will likely include, restrictions on certain payments, the granting of liens, the incurrence of additional indebtedness, dividend restrictions affecting subsidiaries, asset sales, transactions with affiliates and mergers and consolidations. Any failure to comply with these covenants could result in a default under the indentures governing our secured notes, the ABL Credit Facility, the Partnership's credit facility and the agreements governing our other indebtedness. Upon a default, unless waived, the holders of our notes and the lenders under the ABL Credit Facility and the Partnership's credit facility would have all remedies available to a secured lender, and could elect to terminate their commitments, cease making further loans, institute foreclosure proceedings against our or our subsidiaries' assets, and force us and our subsidiaries into bankruptcy or liquidation, subject to the intercreditor agreements. In addition, any defaults could trigger cross defaults under other or future credit agreements or indentures. Our operating results may not be sufficient to service our indebtedness or to fund our other expenditures and we may not be able to obtain financing to meet these requirements.

We may not be able to generate sufficient cash to service all of our indebtedness and may be forced to take other actions to satisfy our obligations under our indebtedness that may not be successful.

Our ability to satisfy our debt obligations will depend upon, among other things:

- our future financial and operating performance, which will be affected by prevailing economic conditions and financial, business, regulatory and other factors, many of which are beyond our control; and
- our future ability to borrow under the ABL Credit Facility and the Partnership's ability to borrow under its revolving credit facility, the availability of which depends on, among other things, compliance with the covenants in the ABL Credit Facility and the Partnership's credit facility.

We cannot offer any assurance that our businesses will generate sufficient cash flow from operations, or that we will be able to draw under the ABL Credit Facility, or that the Partnership will be able to draw under its revolving credit facility, or from other sources of financing, in an amount sufficient to fund our liquidity needs. In addition, our board of directors may in the future elect to pay a special or regular dividend, engage in share repurchases or pursue other strategic options including acquisitions of other business or asset purchases, which would reduce cash available to service our debt obligations.

If our cash flows and capital resources are insufficient to service our indebtedness, we may be forced to reduce or delay capital expenditures, sell assets, seek additional capital or restructure or refinance our indebtedness. These alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations. Our ability to restructure or refinance our debt will depend on the condition of the capital markets and our financial condition at such time. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations, and the terms of existing or future debt agreements may restrict us from adopting some of these alternatives. In addition, in the absence of adequate cash flows or capital resources, we could face substantial liquidity problems and might be required to dispose of material assets or operations, or sell equity, in order to meet our debt service and other obligations. We may not be able to consummate those dispositions for fair market value or at all. The ABL Credit Facility, the Partnership's credit facility and the indentures governing our notes may restrict, or market or business conditions may limit, our ability to avail ourselves of some or all of these options. Furthermore, any proceeds that we could realize from any such dispositions may not be adequate to meet our debt service obligations when due. Neither the

Company's shareholders nor any of their respective affiliates has any continuing obligation to provide us with debt or equity financing.

The borrowings under the ABL Credit Facility and the Partnership's credit facility bear interest at variable rates and other debt we incur could likewise be variable-rate debt. If market interest rates increase, variable-rate debt will create higher debt service requirements, which could adversely affect our cash flow. While we may enter into agreements limiting our exposure to higher interest rates, any such agreements may not offer complete protection from this risk.

Covenants in our debt instruments could limit our ability to incur additional indebtedness and engage in certain transactions, which could adversely affect our liquidity and our ability to pursue our business strategies.

The ABL Credit Facility, the indentures governing our debt and any other debt instruments that we or our subsidiaries may enter into in the future, will contain a number of restrictive covenants that will impose significant operating and financial restrictions on us and our subsidiaries and may limit our ability to engage in acts that may be in our long-term best interest, including restrictions on our ability, among other things, to:

- incur, assume or guarantee additional debt or issue redeemable stock or preferred stock;
- make distributions or prepay, redeem, or repurchase certain debt;
- enter into agreements that restrict distributions from restricted subsidiaries;
- incur liens;
- sell or otherwise dispose of assets, including capital stock of subsidiaries;
- enter into transactions with affiliates; and
- merge, consolidate or sell substantially all of our assets.

Any of these restrictions could limit our ability to plan for or react to market conditions and could otherwise restrict corporate activities. Any failure to comply with these covenants could result in a default under the ABL Credit Facility the Partnership's credit facility and the indentures governing the notes.

Upon a default, unless waived, the holders of our notes and the lenders under the ABL Credit Facility and the Partnership's credit facility would have all remedies available to a secured lender, and could elect to terminate their commitments, cease making further loans, institute foreclosure proceedings against our assets, and force us into bankruptcy or liquidation, subject to the intercreditor agreements. In addition, a default under the ABL Credit Facility or the indentures governing the notes would trigger a cross default under our other agreements and could trigger a cross default under the agreements governing our future indebtedness. Our operating results may not be sufficient to service our indebtedness or to fund our other expenditures and we may not be able to obtain financing to meet these requirements.

Despite our significant indebtedness, we may still be able to incur significantly more debt, including secured indebtedness. This could intensify the risks described above.

We and the Partnership may be able to incur substantially more debt in the future, including secured indebtedness. Although the ABL Credit Facility and the indentures governing our other debt contain restrictions on our incurrence of additional indebtedness, and the Partnership's credit facility contains restrictions on its incurrence of additional indebtedness, these restrictions are subject to a number of qualifications and exceptions and, under certain circumstances, indebtedness incurred in compliance with these restrictions could be substantial. In particular, we can incur additional indebtedness so long as our fixed charge coverage ratio (as defined in the indentures) exceeds 2:1. Also, these restrictions may not prevent us from incurring obligations that do not constitute indebtedness. To the extent such new debt or new obligations are added to our existing indebtedness, the risks described above could substantially increase.

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 our 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.

Risks Related to Our Common Stock

We have various mechanisms in place to discourage takeover attempts, which may reduce or eliminate our stockholders' ability to sell their shares for a premium in a change of control transaction.

Various provisions of our certificate of incorporation and bylaws and of Delaware corporate law may discourage, delay or prevent a change in control or takeover attempt of our company by a third party that our management and board of directors determines is not in the best interest of our Company and its stockholders. Public stockholders who might desire to participate in such a transaction may not have the opportunity to do so. These anti-takeover provisions could substantially impede the ability of public stockholders to benefit from a change of control or change in our management and board of directors. These provisions include:

- preferred stock that could be issued by our board of directors to make it more difficult for a third party to acquire, or to discourage a third party from acquiring, a majority of our outstanding voting stock;
- limitations on the ability of stockholders to call special meetings of stockholders;
- limitations on the ability of stockholders to act by written consent in lieu of a stockholders' meeting; and
- advance notice requirements for nominations of candidates for election to our board of directors or for proposing matters that can be acted upon by our stockholders at stockholder meetings.

We are authorized to issue up to a total of 350 million shares of Common Stock and 50 million shares of Preferred Stock, potentially diluting equity ownership of current holders and the share price of our Common Stock.

We believe that it is necessary to maintain a sufficient number of available authorized shares of our Common Stock and Preferred Stock in order to provide us with the flexibility to issue Common Stock or Preferred Stock for business purposes that may arise as deemed advisable by our board of directors. These purposes could include, among other things, (i) to declare future stock dividends or stock splits, which may increase the liquidity of our shares; (ii) the sale of stock to obtain additional capital or to acquire other companies or businesses, which could enhance our growth strategy or allow us to reduce debt if needed; (iii) for use in additional stock incentive programs and (iv) for other bona fide purposes. Our board of directors may issue the available authorized shares of Common Stock or Preferred Stock without notice to, or further action by, our stockholders, unless stockholder approval is required by law or the rules of the New York Stock Exchange. The issuance of additional shares of Common Stock or Preferred Stock may significantly dilute the equity ownership of the current holders of our Common Stock.

Risks Related to the Limited Partnership Structure Through Which We Currently Hold Our Interest in the Nitrogen Fertilizer Business

The board of directors of the Partnership's general partner has adopted a policy to distribute all of the available cash the nitrogen fertilizer business generates on a quarterly basis, which could limit its ability to grow and make acquisitions.

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 on a quarterly basis to its unitholders. As a result, the Partnership's general partner will rely primarily upon external financing sources, including commercial bank borrowings and the issuance of debt and equity securities, to fund acquisitions and expansion capital expenditures at the nitrogen fertilizer business. As a result, to the extent it is unable to finance growth externally the Partnership's cash distribution policy will significantly impair its ability to grow. As of December 31, 2011, we owned approximately 70% of the Partnership's outstanding common units, and public unitholders owned the remaining 30% of the Partnership's common units.

In addition, because 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, growth may not be as fast as that of businesses that reinvest their available cash to expand ongoing operations. To the extent the Partnership issues additional units in connection with any acquisitions or expansion capital expenditures, the payment of distributions on those additional units will decrease the amount the Partnership distributes on each outstanding unit. There are no limitations in the partnership agreement on the Partnership's ability to issue additional units, including units ranking senior to the common units that we own. The incurrence of additional commercial borrowings or other debt to finance the Partnership's growth strategy would result in increased interest expense, which, in turn, would reduce the available cash that the Partnership has to distribute to unitholders, including us.

The Partnership may not have sufficient available cash to pay any quarterly distribution on its common units. Furthermore, the Partnership is not required to make distributions to holders of its common units on a quarterly basis or otherwise, and may elect to distribute less than all of its available cash.

The Partnership may not have sufficient available cash each quarter to pay any distributions to its common unitholders, including us. Furthermore, the partnership agreement does not require it to pay distributions on a quarterly basis or otherwise. Although the current policy of the board of directors of the Partnership's general partner is to distribute all available cash the Partnership generates each quarter, the board may at any time, for any reason, change this policy or decide not to make any distribution. The amount of cash the Partnership will be able to distribute on its common units principally depends on the amount of cash it generates from operations, which is directly dependent upon operating margins, which have been volatile historically. Operating margins at the nitrogen fertilizer business are significantly affected by the market-driven UAN and ammonia prices it is able to charge customers and pet coke-based

gasification production costs, as well as seasonality, weather conditions, governmental regulation, unplanned maintenance or downtime at the nitrogen fertilizer plant and global and domestic demand for nitrogen fertilizer products, among other factors. In addition:

- The Partnership's credit facility, and any credit facility or other debt instruments it may enter into in the future, may limit the distributions that the Partnership can make. The credit facility provides that the Partnership can make distributions to holders of common units only if it is in compliance with leverage ratio and interest coverage ratio covenants on a pro forma basis after giving effect to any distribution, and there is no default or event of default under the facility. In addition, any future credit facility may contain other financial tests and covenants that must be satisfied. Any failure to comply with these tests and covenants could result in the lenders prohibiting Partnership distributions.
- The amount of available cash for distribution to unitholders depends primarily on cash flow, and not solely on the profitability of the nitrogen fertilizer business, which is affected by non-cash items. As a result, the Partnership may make distributions during periods when it records losses and may not make distributions during periods when it records net income.

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- The actual amount of available cash will depend on numerous factors, some of which are beyond the Partnership's control, including UAN and ammonia prices, operating costs, global and domestic demand for nitrogen fertilizer products, fluctuations in working capital needs, and the amount of fees and expenses incurred by us.

If the Partnership were to be treated as a corporation, rather than as a partnership, for U.S. federal income tax purposes or if the Partnership were otherwise subject to entity-level taxation, the Partnership's cash available for distribution to its common unitholders, including to us, would be reduced, likely causing a substantial reduction in the value of the Partnership's common units, including the common units held by us.

During 2011, and in each taxable year thereafter, current law requires the Partnership to derive at least 90% of its annual gross income from certain specified activities in order to continue to be treated as a partnership, rather than as a corporation, for U.S. federal income tax purposes. The Partnership may not find it possible to meet this qualifying income requirement, or may inadvertently fail to meet this qualifying income requirement. If the Partnership were to be treated as a corporation for U.S. federal income tax purposes, it would pay U.S. federal income tax on all of its taxable income at the corporate tax rate, which is currently a maximum of 35%, it would likely pay additional state and local income taxes at varying rates, and distributions to the Partnership's common unitholders, including to us, would generally be taxed as corporate distributions.

In addition, current U.S. federal income tax treatment of publicly traded partnerships, including the Partnership, may be modified at any time by legislation, administrative rulings or judicial authority. Any such change may cause the Partnership to be treated as a corporation for U.S. federal income tax purposes or otherwise subject the Partnership to entity-level taxation. For example, members of Congress have considered substantive changes to the existing U.S. federal income tax laws that affect publicly traded partnerships. Any modification to the U.S. federal income tax laws or interpretations thereof may or may not be applied retroactively and could make it more difficult or impossible for the Partnership to be treated as a partnership for U.S. federal income tax purposes. We are unable to predict whether any of these changes or other proposals will ultimately be enacted.

If the Partnership were to be treated as a corporation, rather than as a partnership, for U.S. federal income tax purposes or if the Partnership were otherwise subject to entity-level taxation, the Partnership's cash available for distribution to its common unitholders, including to us, and the value of the Partnership's common units, including the common units held by us, could be substantially reduced.

Increases in interest rates could adversely impact the price of the Partnership's common units and the Partnership's ability to issue additional equity to make acquisitions, incur debt or for other purposes.

We expect that the price of the Partnership's common units will be impacted by the level of the Partnership's quarterly cash distributions and implied distribution yield. The distribution yield is often used by investors to compare and rank related yield-oriented securities for investment decision-making purposes. Therefore, changes in interest rates may affect the yield requirements of investors who invest in the Partnership's common units, and a rising interest rate environment could have a material adverse impact on the price of the Partnership's common units (and therefore the value of our investment in the Partnership) as well as the Partnership's ability to issue additional equity to make acquisitions or to incur debt.

We may have liability to repay distributions that are wrongfully distributed to us.

Under certain circumstances, we may, as a holder of common units in the Partnership, have to repay amounts wrongfully returned or distributed to us. Under the Delaware Revised Uniform Limited Partnership Act, the Partnership may not make a distribution to unitholders if the distribution would cause its liabilities to exceed the fair value of its assets. Delaware law provides that for a period of three years from the date of an impermissible distribution, limited partners who received the distribution and who knew at the time of the distribution that it violated Delaware law will be liable to the company for the distribution amount.

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Public investors own approximately 30% of the nitrogen fertilizer business as a result of the Partnership IPO. Although we own the majority of the Partnership's common units and the nitrogen fertilizer general partner, the general partner owes a duty of good faith to public unitholders, which could cause it to manage the nitrogen fertilizer business differently than if there were no public unitholders.

As a result of the Partnership IPO, public investors own approximately 30% of the Partnership's common units. We are no longer entitled to receive all of the cash generated by the nitrogen fertilizer business or freely borrow money from the nitrogen fertilizer business to finance operations at the refinery, as we have in the past. Furthermore, although we own the Partnership's general partner and continue to own the majority of the Partnership's common units, the Partnership's general partner is subject to certain fiduciary duties, which may require the general partner to manage the nitrogen fertilizer business in a way that may differ from our best interests.

The Company cannot own or operate a fertilizer business other than the Partnership without the consent of the Partnership's general partner.

The Company and the Partnership have entered into an agreement in order to clarify and structure the division of corporate opportunities. Under this agreement, the Company has agreed not to engage in the production, transportation or distribution, on a wholesale basis, of fertilizers in the contiguous United States, subject to limited exceptions (fertilizer restricted business) without the consent of the Partnership's general partner.

The Partnership is managed by the executive officers of its general partner, some of whom are employed by and serve as part of the senior management team of the Company and its affiliates. Conflicts of interest could arise as a result of this arrangement.

The Partnership is managed by the executive officers of its general partner, some of whom are employed by and serve as part of the senior management team of the Company. Furthermore, although the Partnership has entered into a services agreement with the Company under which it compensates the Company for the services of its management, the Company's management is not required to devote any specific amount of time to the nitrogen fertilizer business and may devote a substantial majority of their time to the business of the Company. Moreover, the Company may terminate the services agreement at any time, subject to a 180-day notice period. In addition, key executive officers of the Company, including its chief operating officer, chief financial officer and general counsel, will face conflicts of interest if decisions arise in which the Partnership and the Company have conflicting points of view or interests.

The Partnership's general partner has limited its liability in the partnership agreement and replaced default fiduciary duties with contractual corporate governance standards set forth therein, thereby restricting the remedies available to unitholders, including us, for actions that, without such replacement, might constitute breaches of fiduciary duty.

The Partnership's partnership agreement contains provisions that restrict the remedies available to its unitholders, including the Company, for actions that might otherwise constitute breaches of fiduciary duty. For example, the partnership agreement:

- permits the general partner to make a number of decisions in its individual capacity, as opposed to its capacity as general partner, thereby entitling it to consider only the interests and factors that it desires, and imposes no duty or obligation on the general partner to give any consideration to any interest of, or factors affecting, any limited partner;
- provides that the general partner shall not have any liability to unitholders for decisions made in its capacity as general partner so long as it acted in good faith, meaning it believed that the decision was in the best interests of the Partnership;
- generally provides that affiliated transactions and resolutions of conflicts of interest not approved by the conflicts committee of the board of directors of the general partner and not involving a vote of unitholders must be on terms no less favorable to the Partnership than those generally being provided to or available from unrelated third parties or be "fair and reasonable" to the Partnership, as determined

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by its general partner in good faith, and that, in determining whether a transaction or resolution is "fair and reasonable," the general partner may consider the totality of the relationships between the parties involved, including other transactions that may be particularly advantageous or beneficial to affiliated parties, including us;

- provides that the general partner and its officers and directors will not be liable for monetary damages to common unitholders, including us, for any acts or omissions unless there has been a final and non-appealable judgment entered by a court of competent jurisdiction determining that the general partner or its officers or directors acted in bad faith or engaged in fraud or willful misconduct or, in the case of a criminal matter, acted with knowledge that the conduct was criminal; and
- provides that in resolving conflicts of interest, it will be presumed that in making its decision, the general partner or its conflicts committee acted in good faith, and in any proceeding brought by or on behalf of any holder of common units, the person bringing or prosecuting such proceeding will have the burden of overcoming such presumption.

With respect to the common units that we own, we have agreed to become bound by the provisions in our partnership agreement, including the provisions discussed above.

The Partnership may issue additional common units and other equity interests without the approval of its common unitholders, which would dilute the existing ownership interests and rights to receive distributions from the Partnership.

Under the Partnership's partnership agreement, the Partnership is authorized to issue an unlimited number of additional interests without a vote of the unitholders. The issuance of additional common units or other equity interests of equal or senior rank will have the following effects:

- our proportionate ownership interest will decrease;
- the amount of cash distributions on each common unit will decrease;
- the ratio of our taxable income to distributions may increase;
- the relative voting strength of each previously outstanding unit will be diminished; and
- the market price of the common units may decline.

In addition, the Partnership's partnership agreement does not prohibit the issuance by our subsidiaries of equity interests, which may effectively rank senior to the common units that we own.

As a stand-alone public company, the Partnership is exposed to risks relating to evaluations of controls required by Section 404 of the Sarbanes-Oxley Act.

The Partnership is in the process of evaluating its internal controls systems to allow management to report on, and our independent auditors to audit, its internal control over financial reporting. It will be performing the system and process evaluation and testing (and any necessary remediation) required to

comply with the management certification and auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, and under current rules will be required to comply with Section 404 for the year ended December 31, 2012. Upon completion of this process, the Partnership may identify control deficiencies of varying degrees of severity under applicable SEC and Public Company Accounting Oversight Board (“PCAOB”) rules and regulations that remain unremediated. Although the Partnership produces financial statements in accordance with U.S. Generally Accepted Accounting Principles (“GAAP”), internal accounting controls may not currently meet all standards applicable to companies with publicly traded securities. As a publicly traded partnership, it will be required to report, among other things, control deficiencies that constitute a “material weakness” or changes in internal controls that, or that are reasonably likely to, materially affect internal control over financial reporting. A “material weakness” is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility

that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis.

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

Risks Related to the Wynnewood Acquisition

Challenges in operating the Wynnewood Refinery and/or newly enlarged combined business or difficulties in successfully integrating the businesses of the Company and WEC within the expected time frame could adversely affect our company’s future results following the Wynnewood Acquisition.

As a result of the Wynnewood Acquisition, we doubled our number of refineries from one to two and increased our refining throughput capacity by over 50%. The ultimate success of the Wynnewood Acquisition will depend, in large part, on our ability to successfully expand the scale and geographic scope of our operations across state lines and to realize the anticipated benefits, including synergies, cost savings, innovation and operational efficiencies, from combining the businesses of the Company and WEC. To realize these anticipated benefits, the business of WEC must be successfully integrated into the Company. This integration will be complex and time-consuming.

The failure to integrate successfully and to manage successfully the challenges presented by the integration process may result in the combined company not achieving the anticipated benefits of the merger. Potential difficulties that may be encountered in the integration process include the following:

- the inability to successfully integrate the business of WEC into the Company in a manner that permits the combined company to achieve the full revenue and cost savings anticipated to result from the merger;
- complexities associated with managing the larger, more complex, combined business;
- integrating personnel from the two companies while maintaining focus on providing consistent, high-quality service;
- potential unknown liabilities and unforeseen expenses associated with the Wynnewood Acquisition;
- performance shortfalls at one or both of the companies as a result of the diversion of management’s attention caused by completing the Wynnewood Acquisition and integrating the companies’ operations;

Even if the Company is able to successfully integrate the business operations of WEC, there can be no assurance that this integration will result in the realization of the full benefits of the expected synergies, cost savings, innovation and operational efficiencies or that these benefits will be achieved within the anticipated time frame.

The future results of the combined company will suffer if the Company does not effectively manage its expanded operations following the Wynnewood Acquisition.

Following the Wynnewood Acquisition, the size of the Company’s business increased significantly and our existing management and operational infrastructure is responsible for operating two refineries located in different states. The combined company’s future success depends, in part, upon its ability to manage this expanded business, which will pose substantial challenges for management, including challenges related to the management and monitoring of new operations and associated increased costs and complexity. There can be no assurances that the combined company will be successful or that it will realize the expected operating efficiencies, cost savings, revenue enhancements and other benefits currently anticipated from the Wynnewood Acquisition.

The Company has incurred and is expected to continue to incur substantial expenses related to the Wynnewood Acquisition and the integration of WEC.

The Company has incurred and is expected to continue to incur substantial expenses in connection with the Wynnewood Acquisition and the integration of WEC. There are a large number of processes, policies, procedures, operations, technologies and systems that must be integrated, including purchasing, accounting and finance, sales, billing, payroll, pricing, revenue management, maintenance, marketing and benefits. While the Company has assumed that a certain level of expenses would be incurred, there are many factors beyond its control that could affect the total amount or the timing of the integration

expenses. Moreover, many of the expenses that will be incurred are, by their nature, difficult to estimate accurately. These expenses could, particularly in the near term, exceed the savings that the combined company expects to achieve from the elimination of duplicative expenses and the realization of economies of scale and cost savings. These integration expenses likely will result in the combined company taking significant charges against earnings following the completion of the Wynnewood Acquisition, and the amount and timing of such charges are uncertain at present.

The risks associated with U.S. government contracts differ from the risks associated with typical commercial contracts and could have a material adverse effect on the business and operations of the combined company.

Since 1996, WEC has been party to a contract (renewed annually) with the United States government to sell jet fuel to Mid-Continent Air Force bases. This contract accounted for 3% of WEC's fuel sales in 2011. U.S. government contracts contain provisions and are subject to laws and regulations that provide the government with rights and remedies not typically found in commercial contracts. In the event that WEC is found to have violated certain laws or regulations, WEC could be subject to penalties and sanctions, including, in the most serious cases, potential suspension or debarment from conducting future business with the U.S. government. As a result of the need to comply with these laws and regulations, WEC could also be subject to increased risks of governmental investigations, civil fraud actions, criminal prosecutions, whistleblower law suits and other enforcement actions. By way of example, civil False Claims Act actions could subject us to treble penalties, and we could be subject to fines of up to \$12,000 for each claim submitted to the U.S. government.

U.S. government contracts are subject to modification, curtailment or termination by the U.S. government with little notice, either for convenience or for default as a result of WEC's failure to perform under the applicable contract. If the U.S. government terminates this contract as a result of WEC's default, WEC could be liable for additional costs the U.S. government incurs in acquiring undelivered goods or services from another source and any other damages it suffers. Additionally, WEC cannot assign prime U.S. government contracts without the prior consent of the U.S. government contracting officer, and WEC is required to register with the Central Contractor Registration Database.

There can be no assurance that we will maintain this jet fuel contract with the United States Government in the future.

We may not have identified all risks associated with the Wynnewood Acquisition and a significant liability may still arise after the closing of the Wynnewood Acquisition. Our rights to indemnification under the acquisition agreement related to the Wynnewood Acquisition may not fully protect us and may be difficult to enforce.

The Wynnewood refinery may have unexpected deficiencies and/or we may become responsible for unexpected liabilities that we failed or were unable to discover in the course of performing due diligence in connection with the Wynnewood Acquisition. The acquisition agreement entered into in connection with the Wynnewood Acquisition requires the seller to indemnify us under certain circumstances. However our rights to indemnification are limited and we cannot assure you that the indemnification, even if obtained, will be enforceable, collectible or sufficient in amount, scope or duration to fully cover a valid claim and/or offset the possible liabilities associated with the business or property acquired. The indemnification provisions in the acquisition agreement related to the Wynnewood Acquisition may also be difficult to enforce. Any of these liabilities, individually or in the aggregate, could have a material adverse effect on our business, financial condition and results of operations.

Risks Related to CVR Refining, LP

The initial public offering of CVR Refining, LP (the "Refining IPO") may not occur on the terms described herein or at all.

A registration statement on Form S-1 with respect to the potential initial public offering of CVR Refining, LP was filed on October 1, 2012 and is currently under review by the SEC. However, there can be no assurance that the Refining IPO will occur in the manner described in this report or at all. The consummation of the Refining IPO is subject to numerous factors, including many factors outside of our control, including regulatory approval, market conditions, reaching agreements with underwriters and potential lenders, the political and economic environment in the United States, board approval at CVR Energy, and many other factors. The board of directors of CVR Energy may elect at any time, for any reason or no reason at all, not to proceed with the Refining IPO, notwithstanding that a registration statement has been filed with the SEC with respect to the Refining IPO. Accordingly, you should not assume that the Refining IPO will occur in the manner described herein or at all.