

Newsletter

MOTIVA

ENTERPRISES LLC

PORT ARTHUR REFINERY



May 2006

Dear Neighbors,

The Motiva Port Arthur Refinery is proud to offer you the latest sustainable development newsletter. The safety and quality of life of the citizens in the surrounding communities and our employees are the main focus of operating our facility in a safe and environmentally sound manner. Through our sustainable development strategy, we reinforce this commitment to the community and continue to strive proactively to be a good industrial neighbor.



I hope you will find this issue of our sustainable development newsletter interesting and informative as we report some of our successes to you. In this publication, you can read and learn about the various topics such as the summary of our Health, Safety and Environmental Performance for 2005, the Crude Expansion Project, a visit by the Royal Dutch Shell Social Responsibility Committee, the results of the ISO 14001 Audit and the success of our Voluntary Protection Program (VPP) efforts.

You also will read about the New Motiva Youth Training Academy that is scheduled to begin operating in August 2006. In addition, you will read about the steps taken by our refinery and by our employees to enhance the quality of life in the community as volunteers.

Thank you for taking time to read our sustainable development newsletter and please feel free to pass it along to other members of your family and to your friends.

Tom Purves
Refinery Manager

Congressman Poe Tours PAR

Left to Right: Forrest Lauher, Tom Purves, Ted Poe, Sue Parsley & Rick Strouse

U.S. Representative Ted Poe toured PAR January 9. Rep. Poe wanted to see first hand our recovery from Hurricane Rita and the site of our proposed crude expansion project. He stated "it is up to the federal government to make such expansions appealing to companies like Motiva through tax breaks and other incentives to prevent industry from moving overseas." He said that refineries not only play a big part in the economics of our country but also are very important to our national security.



Top Titan Readers



Every Thursday Motiva Employee Scott Sipole, Safety Specialist, reads to Ms. Flores First Grade Class at Franklin Elementary School. Sipole volunteers in the school's Community Reading Program are known as the Top Titan Readers.

2005 Environmental Performance Update

Through the commitment of Motiva's leadership team and Union partners, the Port Arthur Refinery (PAR) has developed a systematic approach to achieving HSE excellence, the Manage HSE Performance Work Process. In general, a work process defines what work is to be done across functional groups of people, and provides a roadmap of the work and metrics to determine the effectiveness of the process. Work processes integrate and align our day-to-day operational activities in order to meet our goals and objectives. Since the implementation of the Manage HSE Work Process and other Process Safety Initiatives, such as Ensure Safe Production (ESP) and Reliability Centered Maintenance (RCM), PAR has seen considerable performance improvements. In fact, 2005 is the third consecutive year of significant environmental performance improvement.

Additionally, PAR was awarded ISO 14001 certification by ERM-CVS in April 2005. ISO 14001 is an international standard for environmental management which emphasizes pollution prevention and reducing impacts on the environment. The second surveillance assessment was conducted in March 2006, and PAR was recommended for continued certification under ISO 14001:2004.

Since 1990, PAR has spent over \$200 million for pollution abatement equipment and has reduced air emissions by 75%.

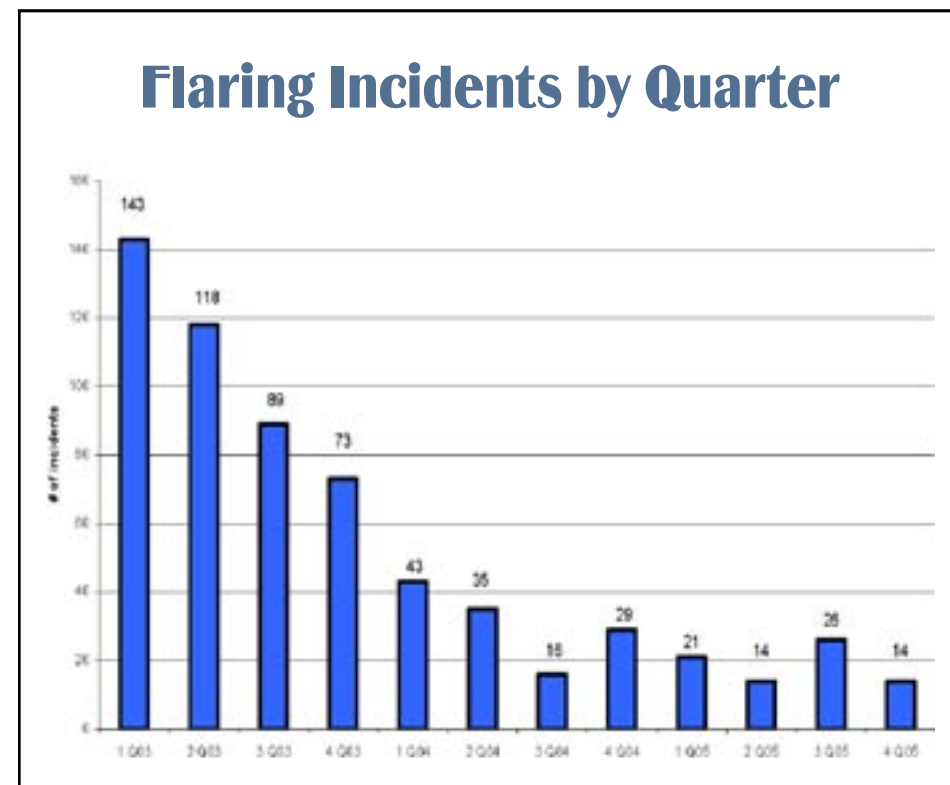
Construction and startup of the \$30MM flare gas recovery system in 2003 allowed the Refinery to significantly reduce flaring events in 2004 and 2005. From 2002 to 2005, PAR has seen a 79% reduction in reportable environmental incidents resulting in the best environmental performance in PAR's history.

As illustrated in the following graph, the occurrence of flaring incidents began decreasing in the 3rd quarter of 2003, before start up of the flare gas recovery system. This noteworthy reduction can only be attributed to changes in operating procedures made by technical and operational staff members that are wholly committed to reducing PAR's impact on the environment. This commitment has

continued through 2005, resulting in an additional 21% decrease in incidents from 2004 to 2005.

Improvements in environmental performance have occurred across the board in the different environmental medias of air, waste, and water. Over the last four years the underground piping project has removed or replaced over 130,000 linear feet of piping, resulting in an 87% reduction in the number of spill incidents.

For 2006, we intend to continue on our journey to environmental excellence by reducing environmental incidents and looking for opportunities to improve our environmental performance.



Crude Expansion Project Update

The Crude Expansion Project (CEP) is moving along. We've basically completed the Front End Development (FED-1) and are awaiting approval to proceed into the next phase of the project. During the last few weeks, we've added staff and are progressing rapidly into the basis for design that will shape the finished project.

The decision has been made that if the project moves forward, Port Arthur would be the site. Port Arthur has submitted a

permit to construct the process units to the Texas Commission on Environmental Quality (TCEQ). Public notice has already started on this permit application. The permit application shows a decrease in ozone precursors, nitrogen oxides and volatile organic compounds after the expansion is completed.

Exploratory excavation work has begun within PAR for unit placement. When the approval for the project to proceed is made, PAR will be ready.

This project will bring 4,000 – 5,000 construction jobs to the area for about 4 years and will result in full time Motiva employment for about 250 people. This will bring additional prosperity to the Port Arthur area. Jefferson County and Port Arthur have displayed their enthusiasm for this project by supporting Motiva in tax abatement issues.

Motiva volunteers participate in science project

Active and Retired Motiva volunteers take part in Jason Science Project held annually at Lamar University in Beaumont. The JASON Project, founded in 1989 by Dr. Robert D. Ballard, is nonprofit educational organization headquartered in Ashburn, VA. Its mission is to inspire in middle grade students a life-long passion for learning in science, math, and technology through hands-on, real-world scientific discovery. If you recognize Robert Ballard's name, it might be because he discovered the remains of the Titanic.



Active and Retired Motiva volunteers take part in Jason Science Project held annually at Lamar in Beaumont.

Motiva Youth Training Academy

Have you seen the Motiva colors on Memorial Blvd in Port Arthur? The Port Arthur Refinery has leased a building located at 2349 Memorial Blvd for the purpose of opening the Motiva Youth Training Academy (MYTA). This is similar to what Shell Oil has already established with Youth Training Academies in Chicago, Houston, Los Angeles and Oakland. The mission of the Academy to provide a meaningful transition for high school students to enter the workforce, to encourage continued education, and become a successful contributor to society.

The Motiva Youth Training Academy is a cooperative education program with the Career and Technology Department of the Port Arthur Independent School District. The program is designed to improve the employment opportunities for Port Arthur youth through business education partnerships.

The Academy consists of a yearlong program that provides occupational and employability skills training and structured workplace learning. The curriculum includes students working part time at area companies.

ELIGIBILITY CRITERIA

Applicants must:

- Be at least 16 years old, in the 11th or 12th grade
- Be a US citizen or non-citizen with proper documentation
- Attend Memorial High School
- Have a GPA of 2.5 or better
- Have good attendance and conduct
- Have passed all parts of TAKS
- Complete a 3-week non-paid employment training orientation

The MYTA students are taught to work in real office settings in fields such as retail, customer service, engineering, finance,

law, medical and childcare. The training provides a variety of experiences to help students make educational and occupational decisions for their future. The Academy curriculum includes:

- Interview Techniques
- Resume Writing
- Computer Training, Word Processing, Spreadsheets and Presentation Graphics
- Career Planning and Financial Management
- Team Building
- Workplace Ethics
- Customer Service
- Toastmaster

The Motiva Youth Training Academy is scheduled to open August 2006. Please contact Michael Lightfoot or Alan Spencer with any questions. The contact phone numbers are 332-9649 or 985-4080.



McConnell Speaks to Future Engineers

Although there were many obstacles to this year's competition, not the least of which were two hurricanes, the Engineer's Week Future City Competition was held on January 20. The mission of the competition is to provide a fun and exciting educational engineering program for 7th and 8th grade students that combines a stimulating engineering challenge with a "hands-on" application to present their vision of a city of the future. Students are challenged to build a computer model using MAXIS SimCity 3000, write an essay pertaining to a particular engineering topic, write an abstract describing their city, build a physical model of a particular portion of



Marc poses with competition winners.

their city, and present their futuristic city at the regional competition. This year's winner, St. Thomas More, Baton Rouge, envisioned a future New Orleans that will be rebuilt with new technology, but without sacrificing the local heritage. They will be sent to Washington, D.C. where they will compete against 34 other states at the national finals

in February. The second place winner was Carencro Catholic School, Carencro and third place went to East Beauregard High School, DeRidder. This year, Marc McConnell, from Motiva, entertained the students with his keynote speech, including stories about his Back to the Future car (the former WOW Mobile).

The Future City competition is not possible without the work of many volunteers. If you would like to volunteer to be a judge, help at the competition, or mentor a team, you can register on the Future City website, www.futurecity.org. You will also be able to get more information and see pictures of last year's national winning team from Louisiana.

Motiva steps up with donation to Port Arthur Fire Department

In 2003, the Port Arthur Fire Chief contacted Motiva about the possibility of obtaining a commitment of local dollars to enhance their chances to obtain grant dollars. Motiva stepped up with a commitment of \$100,000.00, in partnership with the City of Port Arthur's 30% commitment. This step was necessary to attempt to obtain a grant from the Federal Emergency Management Agency (FEMA) Assistance to Firefighters Grant Program.

Larry Richard, Port Arthur Fire Chief commented, "our 1976 ladder truck has seen its days with it almost impossible to be repaired. It is considered an antique. Parts are unavailable and the need is great for a



New Fire Truck for the Port Arthur Fire Department

new piece of equipment. We want to thank Motiva for helping make the grant possible."

Since 9-11, it is of utmost importance to be prepared for all emergency situations. The Port Arthur Fire Department and its employees are depended upon to respond to

all emergencies and were in great need of a new ladder truck. Motiva's fire department employees train with the Port Arthur Fire Department and realize that this truck will be an asset for all local emergencies with high structures.

Parsley honored for community service

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Port Arthur News.

By ELISABETH ENLOE – The News staff writer

Sue Parsley, the community relations director for Motiva Refinery in Port Arthur, will be honored with the Service to Mankind award by the Aurora Sertoma Club today during a special ceremony.

“Sue’s volunteer work in the community spans several decades of time and crosses a multitude of social service areas, socio-economic levels and cultures,” Sandra Kidd, a member of the award’s selection committee, said. “...She has served on just about every non-profit organization board in the area as a way of sharing her talents and resources.”

Parsley is no stranger to community service awards, having been recognized with the Port Arthur Chamber of Commerce Athena award and the NAACP Mary White Ovington award, among many others.

“Her most recent accomplishment was in facilitating access to more than \$1.3 million in goods, equipment and services to help Port Arthur organizations to expand services to Southeast Texas individuals in need,” Kidd said. “(She’s been) focusing a large amount of this on those severely devastated by Hurricane Rita.

“To sum it up, Sue accesses resources and helps ensure they are used in meaningful ways,” Kidd said. “She extends ‘hands on’ involvement.”

Parsley herself, is modest about her contributions to the community.

“I’m a Port Arthur native and the needs of the community have always been very important to me,” Parsley said. “I’m absolutely



thrilled to get this award, although I can’t imagine why they chose me.”

Parsley arrived back from a trip to Europe amidst the chaos left behind by Hurricane Rita just a few days earlier. She reported to the refinery and immediately got to work tending to the needs of their staff and distributing surplus around the community.

“We were really able to help a lot of people out very quickly,” Parsley said. “That was the key.”

Over the past few months Parsley has been working to hand out more than \$1 million worth of supplies, including trailers, to area organizations on behalf of a group of anonymous donors.

“I feel very fortunate to hold a position with a company who has access to these anonymous donors and that I could facilitate this for our neighbors,” Parsley said. “I feel like my part has been very little, but it feels good to a little bit for the county, the counties affected by Rita. The need was so great. It was a tremendous feeling.”

Parsley’s good works have not gone unnoticed by her employers at Motiva.

“It’s hard to really overestimate her contributions to Port Arthur, and really the whole area,” Motiva Refinery Manager Tom Purves said. “And it’s not just after the hurricane, but all the time. She’s really done a great time assessing the community’s needs.”

Parsley’s strengths at work are the same strengths she applies to every area of her life, Purves said.

“She’s a very caring person and she works hard to help others. Sue’s a real team player, and just naturally a real positive and upbeat person - a joy to have around,” Purves said. “I think her positive nature really gave people hope after the storm.”

Parsley is married to David Parsley and is a mother, step-mother and grandmother.

The Sertoma Service to Mankind Award is the highest honor the organization bestows on non-members.

Results of most recent ISO audit

During the week of March 6, 2006, auditors from Environmental Resources Management, Verification Services conducted a surveillance audit and recertified the Motiva Port Arthur Refinery under the 2004 International Organization for Standardization 14001 standard. The standards call for establishing an environmental management system (EMS) that is designed to help the refinery meet its environmental obligations and reduce the im-

pact of its operations on the environment. In fact, the auditors were extremely impressed by our recovery efforts from Hurricane Rita and the cooperative and positive attitudes of everyone in the refinery.

“The ISO standard requires that we systematically identify and evaluate all of the ways we affect the environment and that we seek to reduce or control the most important impacts,” Tom Purves, Refinery Manager,

reports. “It allows us to concentrate on the issues that are important and can be dealt with effectively.”

Keep in mind that ISO-14001 is about going beyond just complying with the regulations; it is about doing the right thing. The results of this recent audit prove that we are well on our way to being the world-class refinery we strive to be.



Left to Right: Charlotte Simoneaux, Chair of “Gift of Life” Mamogram Program and Motiva Employee, Sue Parsley, Community Relations

Royal Dutch Shell Board, Social Responsibility Committee Visit

The Royal Dutch Shell Social Responsibility Committee visited the Port Arthur Refinery on April 5 and 6, 2006. The purpose of their visit was to see and listen about our efforts in making our facility a positive corporate neighbor and an economically sound employer.

Looking at the possibility of a future economic enhancement within our facility it was important for our Shell partners/directors to receive a tour of the refinery, speak with employees, union representatives and several stakeholders from the community to learn first-hand how we do business, relationships with the neighbors and on-going

efforts to strengthen our position as a good partner in the community - playing a positive role in quality of life issues for everyone - employees and neighbors alike. Feedback from the SRC Committee was very positive and complimentary. They appreciated all the feedback and were impressed with all the work that is going on.

Motiva Port Arthur Mardi Gras Float



Motiva Employees, Spouses and Friends participating in the 2006 Port Arthur Texas, Mardi Gras Days

CONGRATULATIONS PAR!!!

The Port Arthur Refinery has been awarded the Gold Leader certification under the TCEQ's Clean Texas Program. Like ISO 14001, Clean Texas is about developing an environmental management system that goes beyond just complying with the regulations; it is

about doing the right thing. The program's overall goal is to produce real environmental improvements, such as:

- reducing air emissions,
- improving water quality,
- preventing pollution, and
- improving compliance.

To be accepted into the program you must demonstrate that your program is delivering results. With an 85% reduction in volatile organics released during upset events, PAR is the first refinery that has been accepted into the TCEQ program.



Left to Right: TCEQ Commissioner Kathleen Hartnett White, Becky Demeter, Brenda Allen, Rick Strouse, Director of the White House Office of Environmental Policy James Connaughton, and TCEQ Commissioner Larry Soward

**This newsletter is one more way for Motiva to communicate with its neighbors.
We trust you have found this report on our activities useful.**

**If you have a concern, complaint, or question – call our Community Environmental Coordinator
@ 409-284-8060 – 24 hours a day, 7 days a week.**

Other useful numbers

**Southeast Texas Alerting Network
1-877-843-7826**

**Texas Commission on Environmental Quality
Beaumont Office
409-898-3838**

2100 Houston Ave.
Port Arthur, Texas 77641

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