

CVR ENERGY INC
Form 424B3
February 02, 2011

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The information contained in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell the shares and are not soliciting an offer to buy the shares in any jurisdiction where the offer or sale is not permitted.

**Filed Pursuant to Rule 424(b)(3)
Registration No. 333-166016**

Subject to Completion, dated February 1, 2011

CVR Energy, Inc.

**15,000,000 Shares
Common Stock**

The selling stockholders named in this prospectus supplement are offering 15,000,000 shares of our common stock. We will not receive any proceeds from the sale of our common stock by the selling stockholders.

Our common stock, par value \$0.01 per share, is listed on the New York Stock Exchange under the symbol CVI. As of January 31, 2011, the closing price of our common stock was \$17.32 per share.

Investing in our common stock involves risks. You should carefully consider all of the information set forth in and incorporated by reference in this prospectus supplement, including the risk factors described under the caption Risk Factors in this prospectus supplement and in the periodic reports we file with the Securities and Exchange Commission (the SEC), as well as the risk factors and other information in the accompanying prospectus and any documents we incorporate by reference herein, before deciding to invest in our common stock. See Incorporation By Reference.

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

	Per Share	Total
Public offering price	\$	\$
Underwriting discount	\$	\$
Proceeds to the selling stockholders	\$	\$

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To the extent that the underwriters sell more than 15,000,000 shares of common stock, the underwriters have the option to purchase up to an additional 2,250,000 shares of common stock from certain of the selling stockholders at the public offering price less the underwriting discount. We will not receive any of the proceeds from the sale of shares by the selling stockholders pursuant to any exercise of the underwriters' option to purchase additional shares.

The underwriters expect to deliver the shares against payment in New York, New York on _____, 2011.

Joint Book-Running Managers

Goldman, Sachs & Co.

Deutsche Bank Securities

Credit Suisse

Prospectus Supplement dated February _____, 2011
(To Prospectus dated July 1, 2010)

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This document is in two parts. The first part is this prospectus supplement, which adds, updates and changes information contained in the accompanying prospectus and the information incorporated by reference. The second part is the accompanying prospectus, which gives more general information, some of which may not apply to this offering of shares of common stock. To the extent the information contained in this prospectus supplement differs or varies from the information contained in the accompanying prospectus or any document incorporated by reference, the information in this prospectus supplement shall control.

At varying places in this prospectus supplement and the accompanying prospectus, we refer you to other sections of the documents for additional information by indicating the caption heading of the other sections. The page on which each principal caption included in this prospectus supplement and the accompanying prospectus can be found is listed in the Table of Contents on the back cover page of this prospectus supplement. All cross-references in this prospectus supplement are to captions contained in this prospectus supplement and not in the accompanying prospectus, unless otherwise stated.

No dealer, sales person or other person is authorized to give any information or to represent anything not contained in this prospectus supplement or the accompanying prospectus. You must not rely on any unauthorized information or representations. The selling stockholders are offering to sell, and seeking offers to buy, shares of our common stock only where those offers and sales are permitted.

In this prospectus supplement, all references to the Company, CVR Energy, we, us and our refer to CVR Energy, a Delaware corporation, and its consolidated subsidiaries, and all references to the nitrogen fertilizer business and the Partnership refer to CVR Partners, LP, a Delaware limited partnership that owns and operates our nitrogen fertilizer facility, unless the context otherwise requires or where otherwise indicated. The Company currently owns all of the interests in the Partnership other than the managing general partner interest and associated incentive distribution rights.

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CVR ENERGY, INC.

We are an independent refiner and marketer of high value transportation fuels and, through CVR Partners, LP (the Partnership), a limited partnership, a producer of ammonia and urea ammonia nitrate, or UAN, fertilizers. We are one of only eight petroleum refiners and marketers located within the mid-continent region (Kansas, Oklahoma, Missouri, Nebraska and Iowa). The nitrogen fertilizer business operates the only nitrogen fertilizer production facility in North America that uses a petroleum coke, or pet coke, gasification process to produce nitrogen fertilizer.

Our petroleum business includes a 115,000 barrel per day, or bpd, complex full coking medium-sour crude refinery in Coffeyville, Kansas. In addition, our supporting businesses include (1) a crude oil gathering system with a capacity of approximately 35,000 bpd serving Kansas, Oklahoma, western Missouri, and southwestern Nebraska, (2) a 145,000 bpd pipeline system that transports crude oil from Caney, Kansas to our refinery with 1.2 million barrels of associated company-owned storage tanks and an additional 2.7 million barrels of leased storage capacity located at Cushing, Oklahoma, (3) a rack marketing division supplying product through tanker trucks for distribution directly to customers located in close geographic proximity to Coffeyville and Phillipsburg and to customers at throughput terminals on refined products distribution systems run by Magellan Midstream Partners, L.P. and NuStar Energy, LP and (4) storage and terminal facilities for asphalt and refined fuels in Phillipsburg, Kansas. Our refinery is situated approximately 100 miles from Cushing, Oklahoma, one of the largest crude oil trading and storage hubs in the United States, served by numerous pipelines from locations including the U.S. Gulf Coast and Canada, providing us with access to virtually any crude oil variety in the world capable of being transported by pipeline.

The nitrogen fertilizer business consists of a nitrogen fertilizer facility in Coffeyville, Kansas that is the only operation in North America that uses a pet coke gasification process to produce nitrogen fertilizer. The nitrogen fertilizer manufacturing 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 approximately 84 million standard cubic feet per day. The nitrogen fertilizer business gasifier is a dual-train facility, with each gasifier able to function independently of the other, thereby providing redundancy and improving its reliability. By using pet coke (a coal-like substance that is produced during the refining process) as the primary raw material feedstock instead of natural gas, the nitrogen fertilizer business has historically been the lowest cost producer and marketer of ammonia and UAN fertilizers in North America. A majority of the ammonia produced by the nitrogen fertilizer plant is further upgraded to UAN fertilizer, an aqueous solution of urea and ammonium nitrate used as a fertilizer which has historically commanded a price premium over ammonia. During the last five years, over 70% of the pet coke utilized by the fertilizer plant was produced and supplied by our crude oil refinery.

As a result of the common stock offering that closed on November 24, 2010, we ceased to be a controlled company under New York Stock Exchange rules because our sponsors collectively owned less than 50% of our common stock. As a result, in accordance with NYSE rules, we will be required to have a majority of independent directors no later than November 24, 2011. In addition, following this offering the funds associated with Kelso & Company, L.P., or the Kelso Funds, will beneficially own less than 20% of our outstanding shares of common stock. As a result, the Kelso Funds will have the right to nominate only one director (compared to two directors which they currently nominate).

CVR Energy, Inc. was incorporated in Delaware in September 2006. Our principal executive offices are located at 2277 Plaza Drive, Suite 500, Sugar Land, Texas 77479, and our telephone number is (281) 207-3200.

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RECENT DEVELOPMENTS

Estimated Fourth Quarter and Full Year 2010 Results

Based on preliminary data, we estimate that net sales, operating income, and total throughput at our refinery and production at the nitrogen fertilizer plant for the fourth quarter and year ended December 31, 2010 were as follows:

We estimate that net sales for the fourth quarter ended December 31, 2010 were between \$1,050.0 million and \$1,200.0 million (compared to net sales of \$921.9 million for the fourth quarter ended December 31, 2009).

We estimate that net sales for the year ended December 31, 2010 were between \$3,980.0 million and \$4,130.0 million (compared to net sales of \$3,136.3 million for the year ended December 31, 2009).

We estimate that operating income for the fourth quarter ended December 31, 2010 was between \$32.0 million and \$38.0 million (compared to operating income of \$19.6 million for the fourth quarter ended December 31, 2009).

We estimate that operating income for the year ended December 31, 2010 was between \$90.0 million and \$96.0 million (compared to operating income of \$208.2 million for the year ended December 31, 2009).

We estimate that total average throughput (crude oil and all other feedstocks and blendstocks) for the fourth quarter ended December 31, 2010 was approximately 130,000 barrels per day, or bpd (compared to total average throughput of 125,966 bpd for the fourth quarter ended December 31, 2009).

We estimate that total average throughput for the year ended December 31, 2010 was approximately 123,000 bpd (compared to total average throughput of 120,239 bpd for the year ended December 31, 2009).

We estimate that the nitrogen fertilizer plant produced 69,900 tons of ammonia during the fourth quarter ended December 31, 2010, of which 37,700 net tons were available for sale, and the rest was upgraded to 77,800 tons of UAN. During the fourth quarter ended December 31, 2009, the plant produced 111,800 tons of ammonia, of which 39,300 net tons were available for sale, and the rest was upgraded to 176,600 tons of UAN.

We estimate that the nitrogen fertilizer plant produced 392,700 tons of ammonia for the year ended December 31, 2010, of which 155,600 net tons were available for sale, and the rest was upgraded to 578,200 tons of UAN. For the year ended December 31, 2009, the plant produced 435,200 tons of ammonia, of which 156,600 net tons were available for sale, and the rest was upgraded to 677,700 tons of UAN.

Additionally, we estimate that the results as estimated above were unfavorably impacted by share-based compensation expense for 2010 as follows:

We estimate that share-based compensation expense on a pre-tax basis for the fourth quarter ended December 31, 2010 was between \$26.5 million and \$30.0 million (compared to a reversal of share-based compensation expense on a pre-tax basis of \$16.6 million for the fourth quarter ended December 31, 2009).

We estimate that share-based compensation expense on a pre-tax basis for the year ended December 31, 2010 was between \$35.0 million and \$38.5 million (compared to share-based compensation expense on a pre-tax basis of \$8.8 million for the year ended December 31, 2009).

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We believe our use of first-in/first-out (FIFO) accounting impacted the results estimated above as follows:

We estimate that FIFO accounting had a favorable impact on our operating income on a pre-tax basis of between \$28.0 million and \$31.0 million for the fourth quarter ended December 31, 2010 (compared to a favorable impact of \$20.5 million for the fourth quarter ended December 31, 2009).

We estimate that FIFO accounting had a favorable impact on our operating income on a pre-tax basis of between \$30.0 million and \$33.0 million for the full year ended December 31, 2010 (compared to a favorable impact of \$67.9 million for the year ended December 31, 2009).

Because our financial statements for the fourth quarter ended December 31, 2010 and the year ended December 31, 2010 are not yet available, the fourth quarter and full year estimates included above are preliminary, unaudited, subject to completion, reflect our current best estimates and may be revised as a result of management's further review of our results. During the course of the preparation of our consolidated annual financial statements and related notes, we may identify items that would require us to make material adjustments to the preliminary financial information presented above.

Partnership Registration Statement

On December 20, 2011, the Partnership filed a registration statement on Form S-1 (the Partnership Registration Statement) to effect an initial public offering of its common units representing limited partner interests. The aggregate amount to be raised in the offering has not yet been determined. The initial public 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 underwriters and lenders. Accordingly, the initial public offering may not occur on the terms described in the Partnership Registration Statement or at all. The Partnership Registration Statement is currently under review by the SEC; any comments issued by the SEC could be material and could require the Partnership to make material changes to the disclosures contained in the Registration Statement. This description does not constitute an offer to sell or the solicitation of an offer to buy common units of the Partnership. A registration statement relating to the common units of the Partnership has been filed with the SEC but has not yet become effective. Common units of the Partnership may not be sold nor may offers be accepted prior to the time the Partnership Registration Statement becomes effective.

UAN Expansion

The nitrogen fertilizer business has determined to move forward with an expansion of the nitrogen fertilizer plant that is designed to increase UAN production capacity by 400,000 tons per year. The expansion plan approved by the Partnership is expected to cost approximately \$135 million (of which approximately \$31 million had been spent as of December 31, 2010) and is expected to take 18 to 24 months to complete. The nitrogen fertilizer business intends to fund the expansion with a portion of the net proceeds from its initial public offering and term loan borrowings. The UAN expansion is conditioned on and subject to consummation of the Partnership's initial public offering.

General Partner Repurchase

The Partnership's general partner has agreed to sell the Partnership's incentive distribution rights (the IDRs) back to the Partnership for \$26.0 million in cash. In connection with this sale, the Partnership will extinguish such IDRs, and the current owner of the Partnership's general partner will sell the general partner to Coffeyville Resources, LLC, a subsidiary of the

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Company, for nominal consideration. The consummation of these transactions is conditioned on the consummation of the Partnership's initial public offering.

Credit Facility

The Partnership is currently in discussions with potential lenders with respect to a new credit facility, including a \$125.0 million term loan and a \$25.0 million revolving credit facility. The size, maturity and other terms of the Partnership's credit facility are currently under discussion and are subject to numerous conditions, including market conditions, negotiation of satisfactory agreements with potential lenders and consummation of the Partnership's initial public offering.

UAN Vessel

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

The nitrogen fertilizer facility had previously scheduled a major turnaround to begin on October 5, 2010. To minimize disruption and impact to the production schedule, the turnaround was accelerated. The turnaround was completed on October 29, 2010 with the gasification and ammonia units in operation. The fertilizer facility restarted production of UAN on November 16, 2010, but repairs continue to be completed on the UAN unit due to the incident.

We currently estimate that the costs associated with the repair of damage caused by the incident are approximately \$10.0 million to \$11.0 million. Repairs were substantially completed by December 31, 2010, and we anticipate that substantially all of the repair costs in excess of a \$2.5 million deductible will be covered by insurance.

Fertilizer Plant Property Taxes

The nitrogen fertilizer plant received a 10-year tax abatement from Montgomery County, Kansas in connection with its construction that expired on December 31, 2007. In connection with the expiration of the abatement, the county reassessed the nitrogen fertilizer plant and classified the nitrogen fertilizer plant as almost entirely real property instead of almost entirely personal property. The reassessment has resulted in an increase to our annual property tax liability for the plant by an average of approximately \$10.7 million per year for the years ended December 31, 2008 and December 31, 2009, and is anticipated to result in an increase of approximately \$11.7 million for the year ending December 31, 2010. We do not agree with the county's classification of the nitrogen fertilizer plant and are currently disputing it before the Kansas Court of Tax Appeals, or COTA. However, we have fully accrued for the property tax the county claims we owe for the years ended December 31, 2008, 2009, and 2010, all of which are reflected as a direct operating expense in our financial statements, and have made all cash payments due through December 31, 2010 (the second half of the payment in respect of amounts owed for the 2010 fiscal year will be paid when due in May 2011).

An evidentiary hearing before COTA is currently scheduled during the first quarter of 2011 regarding our property tax claims for the year ended December 31, 2008. Assuming the hearing takes place during the first quarter of 2011, we believe COTA is likely to issue a ruling sometime during 2011. However, the timing of a ruling in the case is uncertain, and there can be no assurance we will receive a ruling in 2011. If we are successful in having the nitrogen fertilizer plant reclassified as personal property, in whole or in part, a portion of the accrued and paid expenses would be refunded, which could have a material positive effect on our results of operations. If we are not successful in having the nitrogen fertilizer plant reclassified as personal property, in whole or in part, we expect that we will pay taxes at or below the elevated rates described above.

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November 2010 Secondary Offering

On November 24, 2010, Coffeyville Acquisition LLC, Coffeyville Acquisition II LLC and John J. Lipinski, our chief executive officer, closed an offering of 18,000,000 shares of our common stock at a public offering price of \$10.75 per share. Deutsche Bank Securities Inc. and Goldman, Sachs & Co. served as the joint book-running managers for the offering. Coffeyville Acquisition LLC and Coffeyville Acquisition II LLC distributed the proceeds of the November 2010 offering to their members (which include our sponsors and management members) and we made payments to management members pursuant to our Phantom Unit Plans. For disclosure of these payments, see Selling Stockholders .

ABL Credit Facility

We are currently in discussion with potential lenders to replace our existing credit facility with a \$250.0 million asset-based revolving credit facility. The terms of the new credit facility remain under discussion and entry into an agreement remains subject to numerous factors, including market conditions and negotiation of satisfactory agreements with potential lenders. There can be no assurance that we will be able to enter into the new credit facility on satisfactory terms or at all.

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RISK FACTORS

Investing in our common stock involves risks. You should carefully consider the Risk Factors set forth in our Annual Report on Form 10-K for the fiscal year ended December 31, 2009 and our Quarterly Reports on Form 10-Q for the fiscal quarters ended March 31, 2010, June 30, 2010 and September 30, 2010, which are incorporated by reference into this prospectus supplement and the accompanying prospectus, the updated risk factors attached to this prospectus supplement as Annex A, as well as other risk factors described under the caption Risk Factors in any documents we incorporate by reference into this prospectus supplement, before deciding to invest in any of our securities. See Incorporation By Reference.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement contains forward-looking statements. We claim the protection of the safe harbor for forward-looking statements provided in the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended (the Securities Act) and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act). Statements that are predictive in nature, that depend upon or refer to future events or conditions or that include the words believe, expect, anticipate, intend, estimate and other expressions that are predictions of or indicate future events and trends and that do not relate to historical matters identify forward-looking statements. Our forward-looking statements include statements about our business strategy, our industry, our future profitability, our expected capital expenditures and the impact of such expenditures on our performance, the costs of operating as a public company, our capital programs and environmental expenditures. These statements involve known and unknown risks, uncertainties and other factors, including the factors described under Risk Factors, that may cause our actual results and performance to be materially different from any future results or performance expressed or implied by these forward-looking statements. Such risks and uncertainties include, among other things:

volatile margins in the refining industry;

exposure to the risks associated with volatile crude prices;

the availability of adequate cash and other sources of liquidity for our capital needs;

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;

an inability to obtain or renew permits;

changes in our credit profile;

the nitrogen fertilizer business largely fixed costs and the potential decline in the price of natural gas, which is the main resource used by the nitrogen fertilizer business competitors;

the cyclical and volatile nature of the nitrogen fertilizer business;

adverse weather conditions, including potential floods and other natural disasters;

the supply and price levels of essential raw materials;

the volatile nature of ammonia, potential liability for accidents involving ammonia that cause interruption to our business, severe damage to property or injury to the environment and human health and potential increased costs relating to transport of ammonia;

the dependence of the nitrogen fertilizer operations on a few third-party suppliers, including providers of transportation services and equipment;

the potential loss of the nitrogen fertilizer business transportation cost advantage over its competitors;

dependence on significant customers;

existing and proposed environmental laws and regulations, including those related to climate change, alternative energy or fuel sources, and the end-use and application of fertilizers;

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refinery and nitrogen fertilizer facility operating hazards and interruptions, including unscheduled maintenance or downtime, and the availability of adequate insurance coverage;

the success of our acquisition and expansion strategies;

our significant indebtedness;

potential shortages of skilled labor or losses of key personnel;

there can be no assurance that the Partnership's initial public offering will be consummated and, if consummated, as to the size or terms thereof;

assuming the Partnership's initial public offering is consummated, our limited partner interests will be reduced and our rights to distributions from the Partnership will be materially adversely affected; and

potential disruptions in the global or U.S. capital and credit markets.

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

This list of factors is illustrative, but by no means exhaustive. Accordingly, all forward-looking statements should be evaluated with the understanding of their inherent uncertainty. You are advised to consult any further disclosures we make on related subjects in the reports we file with the SEC pursuant to Sections 13(a), 13(c), 14, or 15(d) of the Exchange Act.

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USE OF PROCEEDS

We will not receive any proceeds from the sale of shares of our common stock by the selling stockholders identified in this prospectus supplement. The selling stockholders will receive all of the net proceeds from the sale of their shares of our common stock. See Selling Stockholders.

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This prospectus supplement has been filed pursuant to registration rights granted to the selling stockholders in connection with our initial public offering in order to permit the selling stockholders to resell to the public shares of our common stock, as well as any common stock that we may issue or may be issuable by reason of any stock split, stock dividend or similar transaction involving these shares. Under the terms of the registration rights agreement between us and the selling stockholders named herein, we will pay all expenses of the registration of their shares of our common stock, including SEC filings fees, except that the selling stockholders will pay all underwriting discounts and selling commissions.

The table below sets forth certain information known to us, based upon written representations from the selling stockholders, with respect to the beneficial ownership of the shares of our common stock held by the selling stockholders as of January 28, 2011.

Based on information provided to us, the selling stockholders did not purchase shares of our common stock outside the ordinary course of business or, at the time of their acquisition of shares of our common stock, did not have any agreements, understandings or arrangements with any other persons, directly or indirectly, to dispose of the shares.

In the table below, the percentage of shares beneficially owned is based on 87,782,963 shares of our common stock outstanding as of January 28, 2011 (which includes 1,369,182 restricted shares). Beneficial ownership is determined under the rules of the SEC and generally includes voting or investment power with respect to securities. Unless indicated below, to our knowledge, the persons and entities named in the table have sole voting and sole investment power with respect to all shares beneficially owned, subject to community property laws where applicable. Shares of our common stock subject to options that are currently exercisable or exercisable within 60 days of the date of this prospectus supplement are deemed to be outstanding and to be beneficially owned by the person holding such options for the purpose of computing the percentage ownership of that person but are not treated as outstanding for the purpose of computing the percentage ownership of any other person. Except as otherwise indicated, the business address for each of our beneficial owners is c/o CVR Energy, Inc., 2277 Plaza Drive, Suite 500, Sugar Land, Texas 77479.

Beneficial Owner Name and Address	Shares Beneficially Owned		Number of Shares Offered	Shares Beneficially Owned	
	Prior to the Offering Number	Percent		After the Offering Number	Percent
Coffeyville Acquisition LLC (1)	19,747,202	22.5%	8,496,964	11,250,238	12.8%
Kelso Investment Associates VII, L.P. (1) 320 Park Avenue, 24th Floor New York, New York 10022	19,747,202	22.5%	8,496,964	11,250,238	12.8%
KEP VI, LLC (1)	19,747,202	22.5%	8,496,964	11,250,238	12.8%
Coffeyville Acquisition II LLC (2)	15,113,254	17.2%	6,503,036	8,610,218	9.8%
The Goldman Sachs Group, Inc. (2) 200 West Street New York, New York 10282	15,121,607	17.2%	6,503,036	8,618,571	9.8%
Scott L. Lebovitz (2)	15,121,607	17.2%	6,503,036	8,618,571	9.8%
George E. Matelich (1)	19,747,202	22.5%	8,496,964	11,250,238	12.8%

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Stanley de J. Osborne (1)	19,747,202	22.5%	8,496,964	11,250,238	12.8%
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* Less than 1%.

Coffeyville Acquisition LLC and Coffeyville Acquisition II LLC have granted the underwriters the option to purchase from them, on a pro rata basis, an aggregate of 2,250,000 additional shares. If the option to purchase additional shares were exercised in full, after the offering Coffeyville Acquisition LLC would own 9,975,694 shares, or 11.4%, of our common stock, and Coffeyville Acquisition II LLC would own 7,634,762 shares, or 8.7%, of our common stock.

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- (1) Coffeyville Acquisition LLC directly owns 19,747,202 shares of common stock. Kelso Investment Associates VII, L.P. (KIA VII), a Delaware limited partnership, owns a number of common units in Coffeyville Acquisition LLC that corresponds to 15,427,860 shares of common stock of which 6,638,407 shares may be deemed to be offered for sale pursuant to this prospectus supplement, with 8,789,453 shares of common stock deemed to be beneficially owned after the offering and KEP VI, LLC (KEP VI and together with KIA VII, the Kelso Funds), a Delaware limited liability company, owns a number of common units in Coffeyville Acquisition LLC that corresponds to 3,820,232 shares of common stock of which 1,643,796 shares may be deemed to be offered for sale pursuant to this prospectus supplement, with 2,176,436 shares of common stock deemed to be beneficially owned after the offering. The Kelso Funds may be deemed to beneficially own indirectly, in the aggregate, all of the common stock of the Company owned by Coffeyville Acquisition LLC because the Kelso Funds control Coffeyville Acquisition LLC and have the power to vote or dispose of the common stock of the Company owned by Coffeyville Acquisition LLC. KIA VII and KEP VI, due to their common control, could be deemed to beneficially own each of the other s shares but each disclaims such beneficial ownership. Messrs. Nickell, Wall, Matelich, Goldberg, Bynum, Wahrhaftig, Berney, Loverro, Connors, Osborne and Moore (the Kelso Individuals) may be deemed to share beneficial ownership of shares of common stock owned of record or beneficially owned by KIA VII, KEP VI and Coffeyville Acquisition LLC by virtue of their status as managing members of KEP VI and of Kelso GP VII, LLC, a Delaware limited liability company, the principal business of which is serving as the general partner of Kelso GP VII, L.P., a Delaware limited partnership, the principal business of which is serving as the general partner of KIA VII. Each of the Kelso Individuals share investment and voting power with respect to the ownership interests owned by KIA VII, KEP VI and Coffeyville Acquisition LLC but disclaim beneficial ownership of such interests. Mr. Collins may be deemed to share beneficial ownership of shares of common stock owned of record or beneficially owned by KEP VI and Coffeyville Acquisition LLC by virtue of his status as a managing member of KEP VI. Mr. Collins shares investment and voting power with the Kelso Individuals with respect to ownership interests owned by KEP VI and Coffeyville Acquisition LLC but disclaims beneficial ownership of such interests.
- (2) Coffeyville Acquisition II LLC directly owns 15,113,254 shares of common stock. GS Capital Partners V Fund, L.P., GS Capital Partners V Offshore Fund, L.P., GS Capital Partners V GmbH & Co. KG and GS Capital Partners V Institutional, L.P. (collectively, the Goldman Sachs Funds) are members of Coffeyville Acquisition II LLC and own common units of Coffeyville Acquisition II LLC. The Goldman Sachs Funds common units in Coffeyville Acquisition II LLC correspond to 14,965,433 shares of common stock. The Goldman Sachs Group, Inc. and Goldman, Sachs & Co. may be deemed to beneficially own indirectly, in the aggregate, all of the common stock owned by Coffeyville Acquisition II LLC through the Goldman Sachs Funds because (i) affiliates of Goldman, Sachs & Co. and The Goldman Sachs Group, Inc. are the general partner, managing general partner, managing partner, managing member or member of the Goldman Sachs Funds and (ii) the Goldman Sachs Funds control Coffeyville Acquisition II LLC and have the power to vote or dispose of the common stock of the Company owned by Coffeyville Acquisition II LLC. Goldman, Sachs & Co. is a direct and indirect wholly-owned subsidiary of The Goldman Sachs Group, Inc. Goldman, Sachs & Co. is the investment manager of certain of the Goldman Sachs Funds. Shares that may be deemed to be beneficially owned by the Goldman Sachs Funds consist of: (1) 7,880,200 shares of common stock that may be deemed to be beneficially owned by GS Capital Partners V Fund, L.P. and its general partner, GSCP V Advisors, L.L.C., of which 3,390,747 shares may be deemed to be offered for sale pursuant to this prospectus supplement, with 4,489,453 shares of common stock deemed to be beneficially owned after the offering, (2) 4,070,583 shares of common stock that may be deemed to be beneficially owned by GS Capital Partners V Offshore Fund, L.P. and its general partner, GSCP V Offshore Advisors, L.L.C., of which 1,751,519 shares may be deemed to be offered for sale pursuant to this prospectus supplement, with 2,319,064 shares deemed to be beneficially owned after the offering, (3) 2,702,230 shares of common stock that may be deemed to be beneficially owned by GS Capital Partners V Institutional, L.P. and its general partner, GSCP V Advisors, L.L.C., of which 1,162,734 shares may be deemed to be offered for sale pursuant to this prospectus supplement, with 1,539,496 shares deemed to be beneficially

owned after the offering, and (4) 312,422 shares of common stock that may be deemed to be beneficially owned by GS Capital Partners V GmbH & Co. KG and its general partner, Goldman, Sachs Management GP GmbH, of which 134,431 shares may be deemed to be offered for sale pursuant to this prospectus supplement, with 177,991 shares deemed to be beneficially owned after the offering. In addition, Goldman, Sachs & Co. directly owns 8,353 shares of common stock. The Goldman Sachs Group, Inc. may be deemed to beneficially own indirectly the 8,353 shares of common stock owned by Goldman, Sachs & Co. In addition, the Goldman Sachs Funds may be deemed to beneficially own the shares of common stock owned by Coffeyville Acquisition II LLC, and The Goldman Sachs Group, Inc. and Goldman, Sachs & Co. may be deemed to beneficially own indirectly, in the aggregate, all of the common stock owned by Coffeyville Acquisition II LLC through the Goldman Sachs Funds. Mr. Scott L. Lebovitz is a managing director of Goldman, Sachs & Co. Mr. Lebovitz, The Goldman Sachs Group, Inc. and Goldman, Sachs & Co. each disclaims beneficial ownership of the shares of common stock owned directly or indirectly by the Goldman Sachs Funds, except to the extent of their pecuniary interest therein, if any.

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**Distributions of the Proceeds of this Offering by
Coffeyville Acquisition LLC and Coffeyville Acquisition II LLC**

Coffeyville Acquisition LLC, or CA, and Coffeyville Acquisition II LLC, or CAII, expect to distribute the proceeds of their sales of common stock in this offering to their members pursuant to their respective limited liability company agreements. If all of the shares of common stock of our company to be sold by Coffeyville Acquisition and Coffeyville Acquisition II (assuming the underwriters' option to purchase additional shares is not exercised) were sold at \$16.57 per share, which was the price of our common stock on January 28, 2011, after giving effect to the underwriting discount, each of the entities and individuals named below would receive the following approximate amounts (the distribution amounts set forth below may be adjusted in immaterial amounts following final review and calculation). If the price to the public is higher than \$16.57 per share, these amounts will increase, and these amounts will decrease if the price is lower.

Entity / Individual	Amount Distributed by CA	Amount Distributed by CAII	Total (1)
The Goldman Sachs Funds	\$ 0	\$ 91,465,822	\$ 91,465,822
The Kelso Funds	\$ 119,223,975	\$ 0	\$ 119,223,975
John J. Lipinski (2)	\$ 4,635,022	\$ 3,993,937	\$ 8,628,959
Stanley A. Riemann	\$ 2,092,998	\$ 1,795,502	\$ 3,888,500
Edmund S. Gross	\$ 14,212	\$ 10,733	\$ 24,945
Kevan A. Vick	\$ 1,097,248	\$ 939,346	\$ 2,036,594
Wyatt E. Jernigan	\$ 1,032,066	\$ 891,564	\$ 1,923,630
Robert W. Haugen	\$ 1,032,066	\$ 891,564	\$ 1,923,630
Christopher G. Swanberg	\$ 11,843	\$ 8,943	\$ 20,785
All executive officers, as a group	\$ 9,915,455	\$ 8,531,589	\$ 18,447,044
All management members, as a group	\$ 12,537,389	\$ 10,784,176	\$ 23,321,565
Total distributions	\$ 134,458,932	\$ 102,906,319	\$ 237,365,251

(1) If the underwriters' option to purchase additional shares is exercised in full, each of the named entities and individuals would be expected to receive the following total amounts from CA and CAII: the Goldman Sachs Funds \$104,745,012, the Kelso Funds \$136,334,501, John J. Lipinski \$10,356,623, Stanley A. Riemann \$4,668,748, Edmund S. Gross \$28,542, Kevan A. Vick \$2,442,496, Wyatt E. Jernigan \$2,311,541, Robert W. Haugen \$2,311,541, Christopher G. Swanberg \$23,783, all executive officers as a group \$22,143,275 and all management members as a group \$27,992,302. Total distributions would equal \$272,970,039.

(2) Includes amounts distributed to trusts established by Mr. Lipinski for the benefit of his family.

In connection with our secondary offering in November 2010 described under Recent Developments November 2010 Secondary Offering, each of the named entities and individuals received the following total amounts from CA and CAII: the Goldman Sachs Funds \$86,079,499, the Kelso Funds \$112,156,506, John J. Lipinski \$3,753,825, Stanley A. Riemann \$1,753,475, Edmund S. Gross \$23,470, Kevan A. Vick \$935,101, Wyatt E. Jernigan \$817,733, Robert W. Haugen \$817,733, Christopher G. Swanberg \$19,556, all executive officers as a group \$8,120,893 and all management members as a group \$10,294,770. Total distributions equalled \$211,238,820.

**Payment to be made by the Company in respect of Phantom Points held by our
Executive Officers and Management Members as a result of this Offering by
Coffeyville Acquisition LLC and Coffeyville Acquisition II LLC**

If all of the shares of common stock of our company to be sold by Coffeyville Acquisition and Coffeyville Acquisition II (assuming the underwriters' option to purchase additional shares is not exercised) were sold at \$16.57 per share, which was the price of our common stock on January 28, 2011, after giving effect to the underwriting discount, each of the individuals named below would receive the following approximate amounts from the Company pursuant to the Company's Phantom Unit Plans as a result of this Offering (the payment amounts set forth below may be adjusted in immaterial amounts following final review and calculation). If the price to the public is higher than \$16.57 per share, these amounts will increase, and these amounts will decrease if the price is lower.

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Individual	Amount Paid in Respect of CA Units	Amount Paid in Respect of CAII Units	Total (1)
John J. Lipinski	\$ 701,305	\$ 612,982	\$ 1,314,287
Stanley A. Riemann	\$ 305,477	\$ 267,004	\$ 572,481
Edmund S. Gross	\$ 657,256	\$ 574,489	\$ 1,231,745
Kevan A. Vick	\$ 0	\$ 0	\$ 0
Wyatt E. Jernigan	\$ 76,128	\$ 66,541	\$ 142,669
Robert W. Haugen	\$ 253,759	\$ 221,792	\$ 475,551
Christopher G. Swanberg	\$ 622,508	\$ 544,108	\$ 1,166,616
All executive officers, as a group	\$ 2,616,433	\$ 2,286,916	\$ 4,903,349
All management members, as a group	\$ 4,730,387	\$ 4,134,591	\$ 8,864,978

- (1) If the underwriters' option to purchase additional shares is exercised in full, each of the named individuals would be expected to receive the following total amounts in respect of their CA and CAII units: John J. Lipinski \$1,573,453, Stanley A. Riemann \$685,369, Edmund S. Gross \$1,474,634, Kevan A. Vick \$0, Wyatt E. Jernigan \$170,803, Robert W. Haugen \$569,325, Christopher G. Swanberg \$1,396,662, all executive officers as a group \$5,870,246 and all management members as a group \$10,613,073.

In connection with our secondary offering in November 2010 described under Recent Developments November 2010 Secondary Offering, each of the named individuals received the following total amounts in respect of their CA and CAII units: John J. Lipinski \$511,483, Stanley A. Riemann \$222,797, Edmund S. Gross \$479,360, Kevan A. Vick \$0, Wyatt E. Jernigan \$55,522, Robert W. Haugen \$185,072, Christopher G. Swanberg \$454,024, all executive officers as a group \$1,908,257 and all management members as a group \$3,450,047.

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UNITED STATES TAX CONSEQUENCES TO NON-UNITED STATES HOLDERS

The following is a general summary of the material United States federal income and estate tax consequences of the acquisition, ownership and disposition of our common stock purchased in this offering by a non-U.S. holder. As used in this summary, the term non-U.S. holder means a beneficial owner of our common stock that is not, for United States federal income tax purposes: