

Greetings Port Arthur Community!

I have had the pleasure to meet some of you directly. However, this newsletter is my opportunity to directly share with you the work Motiva is engaged in on the sustainable development front to help Port Arthur become the best community it can be. As the new General Manager of Motiva Enterprises LLC, Port Arthur Refinery (PAR) I am excited and looking forward to continuing the efforts of economic development, environmental protection and social responsibility. Motiva takes its role as a community neighbor as one of our highest priorities and understands the importance of helping the Port Arthur community succeed.



I am a 20-year employee of Shell / Motiva and have had numerous engineering, operational and maintenance assignments. I completed my undergraduate work at Mississippi State University, earning a BS in Chemical Engineering and earning an MBA at Rice University. This is my 3rd Motiva site to work in and the common theme I have seen so far is the engagement of the people and their desire to do well. Our commitment to the community is to use these attributes in our efforts to partner with you while trying to make a difference in the community.

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 will learn about the latest Crude Expansion Plans, and the ribbon cutting ceremony for the Motiva Youth Training Academy. You will also read about the purpose of the newly formed Port Arthur Safety Team and meet some of the new faces recently assigned to PAR. In addition, you will read about the various refinery-sponsored programs and volunteer events that enhance the quality of life in the community.

We are proud of our performance and hope that, through this newsletter, you will get a sense for the things we are working to improve. We are committed to being an outstanding industrial neighbor, and we value your input and comments. Please let us know what you think of this newsletter and how we might improve it. Thank you for taking time to read it. Please feel free to pass it along to other members of your family and to your friends.

Sincerely,

Todd Monette



Ribbon Cutting Ceremony

The idea of the Motiva Youth Training Academy,

a partnership between the Port Arthur Independent School District and Motiva Enterprises LLC, came to full fruition with the opening of its doors for the beginning of the 2006-2007 school year. The idea of this type of school was the brainchild of Michael Lightfoot, Sr., who came up with the idea after reading on the Shell Oil website about similar schools in Houston, Chicago and California. After over a year of research,

planning and preparation, Motiva Youth Training Academy, opened on August 14, 2006 with 24 students. The faculty and staff consist of one business teacher, one computer teacher, an office manager, a custodian and the director.

Seated L-R: Joanie Collazo, Rhonda Richey, Sue Parsley;
 Standing L-R: Todd Monette, Ted Thornal, Glenn Cain, MaryAnn Smith, Bill Wimberley, Rick Strouse, Brenda Allen, Lisa LeBlanc, Michael Lightfoot



Felix Barker, City Councilman



PAISD Administrators Visit Motiva



(Top) Administrators discuss job opportunities and the Youth Training Academy with Motiva; Alan Spencer, Sue Parsley, Motiva Public Relations, Dr. Johnny Brown PAISD Superintendent, Dr. Mark Porterie PAISD Assistant Superintendent, Ted Thornal, Motiva Manager of Engineering and Jimmy Duplissey with Conex.



(Top Right) Dr. Johnny Brown addresses Motiva Youth Training Academy students.

(Right) Dr. Johnny Brown and Dr. Mark Porterie take time out for a group photo with the Faculty and Students from the Motiva Youth Training Academy.



Thank you to the following mentor companies and vendors that have supported the Motiva Youth Training Academy during the initial start-up of the Academy.

MENTOR COMPANIES

Academy
Charles Maull & Associates
Cypress Glen Nursing & Rehabilitation
Cypress Glen East Nursing & Rehabilitation
Energy Country Ford/Lincoln/Mercury/
Suzuki
GP Industrial Contractor, Inc.
Greater Port Arthur Chamber of
Commerce
KT Maintenance Company, Inc.
Master Copy Printing, Inc.
Motiva Enterprise LLC
Nathan Reynolds, Jr., Attorney at Law
Office Depot
Port Arthur Affordable Housing
Port Arthur Community Federal Credit
Union
Ramada Inn
Texas Gas Service

Tuxedo Junction
YMCA of Port Arthur

VENDORS

All-Pro, Inc.
Amun's
Armadillo Graphics
AT&T
Baytown Seafood
Beaumont Architectural Sales &
Service, Inc.
Boumans & Associates, Inc.
City of Port Arthur Water Utilities
Conn's
Corporate Express
D&S Signs & Supply, Inc.
Designer Floors & Interiors
East Texas Plumbing
Entergy
Fast Sign
Films Media Group
Furniture Wholesalers

Gold Crest Electric Company, Inc.
Golden Croissant
GP Industrial Contractors, Inc.
Guardian Force Security Services Corp.
Hernandez Office Supply, Inc.
Jason's Deli
LaSuprema Mexican Restaurant
Lowe's
Master Copy
Mike's Furniture
MKY Enterprise
Moncla's Catering
Morita's Fresh Mexican Grill
Office Depot
ProStar Industries
Romero's Glass
Roxy's Catering
Sam's Club .com
SAS Services
Schlotzsky's Deli
Seymour Enterprises LLC

Sparkletts & Sierra Spring
SPG Services
Star Graphics
Texas Gas Service
Tri City Coffee Service Company
US Flag & Flagpole Supply, LP
Victor Construction
Williams Painting & Deco

MISCELLANEOUS

Citizen Action Committee of Port
Arthur
FivePoint Credit Union
LSC – Port Arthur
Motiva Enterprise LLC
PAISD
PowerZone
Texas Workforce Center of Port Arthur
Toastermaster's International

Crude Expansion Project Update

The proposed expansion project continues to move along with the next phase of design and engineering underway. The project is for a proposed 325,000 barrel-per-day (b/d) capacity expansion project at the refinery. The 325,000 b/d expansion project would increase the refinery's crude throughput capacity to 600,000 b/d making it the largest refinery in the U.S. and one of the largest in the world.

The project awarded a contract to Bechtel/Jacobs Joint Venture to manage the proposed project as the engineering, procurement and construction contractor. The refinery also recently secured the operating air permit for the proposed expansion from the Texas Commission on Environmental Quality. Motiva will utilize advanced technology in all new system installations and replace existing systems to significantly lower emissions from refinery operations on a per barrel basis. The company is working toward a final investment decision by around the 3rd quarter of 2007. Pending final approval, construction will commence afterwards and new production capacity is expected to come online in 2010.

The proposed expansion is projected to generate more than 3,500 construction jobs and about 300 new permanent jobs upon completion. Motiva is working with the Texas Work Force Commission, Southeast Texas Workforce Development Board, Lamar State College, representative work groups, vocational institutions and local school systems to recruit and train qualified members of the work force to take full advantage of the job opportunities.

Another major, positive announcement that occurred recently was the establishment of the Port Arthur Communities Fund. The foundation, with an initial donation of \$2 million timed within the first year of the refinery's expansion construction, will foster the economic and social revitalization of the communities adjacent to the Motiva Port Arthur Refinery. The company may also provide up to \$1.5 million in additional funding, matched with other contributions to the Fund. The Foundation, which Motiva has been evaluating since Hurricane Rita, provides an opportunity to address the concerns of the community as well as Community In-Power and Development Association's (CIDA).

The Foundation, which Motiva has been evaluating since Hurricane Rita, provides an opportunity to address the concerns of many community members, including Community In-Power and Development Association's (CIDA).

In addition to the Foundation, Motiva is making provisions to enhance medical services for residents of the West Side, enhance air-monitoring capabilities, and further improve community emergency warning systems.

This overall community enhancement effort, timed in conjunction with the Motiva Port Arthur refinery expansion project, is consistent with the refinery's long history of working with a wide range of community representatives on a number of topics of interest to the community, and further our commitment to the people of Port Arthur.

Motiva Advisory Panel



Port Arthur Industry Group (PAIG)

The refinery is also part of the Port Arthur Industrial Group, which includes industry plant managers and community leaders working on education, health, environmental quality, economic development, and employment issues. Industries in the PAIG have funded over \$2.5MM over a four year period to address these issues in the form of scholarships, summer jobs programs, air quality monitoring support, health care center financial assistance, job placement van, etc.

The Motiva Advisory Panel provides a forum for neighborhood and community interaction with Motiva Enterprises concerning the refinery's safety, environmental and sustainable development programs. The Committee membership consists of a cross-section of community residents that share their interests and concerns within the area that Motiva operates. The Committee acts in an advisory and consultative capacity to help ensure that Port Arthur refinery's programs meet and/or exceed practical standards that would be expected of a good neighbor. The purpose of the Committee is also to

provide information to the neighborhood and community concerning the PAR's environmental and safety programs.

The committee is a direct link between the community and company to provide an opportunity to discuss issues that may be of interest/concern within the community. The refinery works to address the feedback from the panel to ensure continued strong environmental and safety performance giving the highest concern to the community and employees of PAR.



Members of the Motiva Advisory Panel

Port Arthur Refinery's Port Arthur Safety Team

Through its 100+ year history, Port Arthur Refinery employees have always rose to the occasion by doing the extras in order to be successful. So, in an effort to impact an immediate change in our safety performance, a team known as the Port Arthur Safety Team (PAST) has been made up of both Union and salaried employees whose mission is to heighten safety awareness. The team members have been re-assigned on a full-time basis for a limited time. One of the tactics to achieve our goal of “nobody gets hurt” is to implement ideas and suggestions submitted by PAR employees which will help initiate the culture change required to improve our safety performance. The team members were selected because they consistently demonstrate a commitment to safety and they are each highly respected by the workforce.

Their task is to raise awareness of safety issues in the field among both Company and contract workers and to support all employees in getting their safety concerns addressed quickly. Daily “Gator Traps” messages have become regular e-mails to all company and contract employees and have been communicated through one-on-one engagements by the team and PAR employees.

“Gator Traps” are defined as hazards that have the potential to cause harm to people, the environment, or assets.

The PAST members will work to:

- Enhance employees’ understanding of the safety work order process
- Reduce the number of High Frequency/Low Risk injuries
- Improve Safety awareness
- Improve Safety Communications
- Encourage PAR employee involvement/participation
- Educate employees on hazard recognition

- Re-enforce empowerment to correct safety/environmental hazards
- Remind PAR employees of our Five Promises
- Acknowledge the Positives and challenges that have been successfully overcome by individual Departments
- Improve Safety meeting participation and content

To accomplish the challenges listed above, the PAST members will:

- Communicate the Safety statistics for individual Departments
- Attend Work site meetings such as RCM, Safety etc.
- Visit PAR work sites
- Answer/Address HSSE Questions in a timely manner
- Work with Safety Promotions Committee to conduct safety blitzes
- Post Safety Banners throughout the refinery
- Work Site recognition for Safety Performance, Housekeeping, etc
- Keep the Safety Steering Team informed on progress
- Address/Implement Safety Suggestions submitted by employees
- Keep documentation of employees that express interest in participating with PAST for future team members
- Develop Schedule for areas to be visited
- **Not conduct audits**; only “engage” to heighten awareness

The PAST members remained as an intact team for two months and helped PAR’s employees recognize and mitigate potential hazards. The team was also successful in getting a few “nagging” issues corrected.

The team also adopted a motto of “Let’s make injuries a thing of the PAST” and plastered it all over the refinery with hardhat stickers and safety banners. The team has helped to achieve almost 60 days straight without an OSHA Recordable Injury.

The team has been so successful that the contract employees have started their own safety awareness team called the Contractor Observation Awareness Safety Team or COAST. We are looking forward to hear their success stories as well. More to come on this.....

In addition to the PAST team , the PAR Process Safety Management program expanded in response to the increased Crude Expansion Project activities. The changes resulting from this project are reviewed and evaluated through the PAR Management of Change and Process Hazard Analysis Work Processes. Another aspect of the PSM program that is affected is the Facility Siting of portable office trailers and operator shelters. The proposed location of each portable office trailer and operator shelter is reviewed and approved in order to assure the safety of the occupants.

The Process Safety Management program is also involved with the Operational Readiness Assurance Program. Experience in the petrochemical industry has shown that the frequency of incidents is higher during process transitions such as startups. The purpose of this program is to thoroughly assess the readiness of a unit or project prior to startup in order to assure a safe and environmentally sound startup.



L-R: Scott Sipole, Manager–Health, Safety and Security; Ernest Sonnier Jr.; Claude Comeaux; Brian Foreman; Jimmy Stancil and Dan Aleksandrowicz

Rebuilding Together Project

Volunteers from Motiva - Port Arthur Refinery, Crude Expansion Project (CEP), Citizen Action Committee (CAC) & the Rebuilding Together Organization

Saturday, October 14, 2006 • 8 am to 4 pm



Todd Monette, General Manager of Motiva Enterprises LLC, Port Arthur Refinery and Homeowner Mrs. McNeil

Saturday, October 14, 2006, Motiva Port Arthur Refinery employees, the Rebuilding Together Organization and members of the CEP and CAC participated in a day-long volunteer event to work on a home in the Port Arthur area. In the aftermath of Hurricane Rita, an effort started amongst civic leaders, political officials and faith-based organization to help with rebuilding efforts. The Rebuilding Together Organization is on among others in the area that is making a true impact to get homes repaired and help families in need.

In addition, the Motiva Crude Expansion Project Team donated \$2,000 to the Rebuilding Together Organization.

Accomplishments: Repaired garage door and installed new garage door opener, installed new screen front door, installed new door locks, replaced (3) broken windows, scraped and repainted trim around windows and repainted fascia boards.

Thank You to the following Volunteers that participated in the successful day-long Rebuilding Together Project.



Motiva Crude Expansion Project Team donates \$2,000 to the Rebuilding Together Organization

- Todd Monette
- Forrest Lauher
- James Rhame and Son Zach
- Gary Uehling
- Mick Heim
- John Mack, Wife Dawn,
Daughter Jamie and a family
friend Tory
- Ray Hooper
- Donald Vallier
- Immanuel Altman (CAC)
- Dave Meyer
- Michael Powers
- Sue Parsley
- Alan Spencer

A Special Thank You to the following members of the Motiva Maintenance Department. This special group hauled tables, chairs, ice chest, ladders and provided all the necessary hand tools and ran necessary errands...they made it happen:

- Managers that assisted with
Coordination - Johnny Bob Briggs,
Bruce Schiefelbein and Terry Duhon
- Claude Comeaux
- Roger Gonzales
- Jimmy Hughes
- Gary Staton



Forrest Lauher and Dave Meyer

USW Environmental Representative

The role and responsibility of the United Steel Workers (USW) Environmental Representative are established by Motiva Enterprises LLC and operates under a Health, Safety, and Environmental Management System. It is our framework for guiding, measuring and evaluating the health, safety, and environmental performance of the companies. All levels of management are committed to workplace health and safety, and environmentally sound operations.

The HSE management system includes eight elements:

- Leadership and Commitment
- Employee Ownership and Involvement
- Organization, Resources, and Responsibilities
- Risk Identification, Evaluation and Management
- Performance Metrics, Plans, Standards and Procedures
- Implementation, Performance Measurement and Corrective Action
- Assessment and Audit
- Management Review

Responsibilities of the assigned USW Environmental Representative include but are not limited to:

- Communicating effectively to all employees and management, as appropriate, the standards and procedures required for compliance.

- Coordinating environmental compliance activities with all employees and established programs, including but not limited to New Hire employee training, Triangle of Prevention investigation, and assisting Environmental Specialists.
- Working with Management to develop and implement Environmental programs and appropriate compliance programs, which will heighten employee's awareness.
- Serving as the day-to-day contact and USW Environmental Representative for Management and Union.
- Notifying the appropriate Management personnel when changes in operation occur that may invoke additional environmental regulations.
- Inspecting solid waste disposal and treatment facilities, wastewater treatment facilities, or other water courses or sites for conformance with regulations.
- Inspecting facilities to ensure handling, storage, and disposal of hazardous chemicals conform to all regulations.
- Working with Management and Union to resolve environmental concerns.

The USW Environmental Representative must have the capability to actively participate in on-site HSSE assessments, accident investigations and environmental assessments.



Donald Vallier, USW Env. Rep.

Motiva Enterprises is committed to protecting the health and safety of employees and others in their workplaces and protecting the environment and public wherever they conduct business activities. The company is committed to the belief that all occupational injuries and illnesses are preventable and that serious or fatal injuries resulting from business activities are unacceptable. Each employee has a personal and vital responsibility to contribute to safe work performance.

The objective is to continuously improve health, safety, and environmental performance, and in so doing, to be recognized as a leader in the petroleum industry. The company will comply with all health, safety, and environmental laws and regulations and will manage performance in these areas in the same manner as other aspects of the business.

Health and safety are defined as the prevention of injury or illness resulting from business activities. Environment in this context refers to the protection of the physical setting, surrounding community and public wherever the company conducts business.

PAIG Summer Interns 2006



Motiva's New Process Operators



L-R: Brock Richardson, Aaron Smith, Brittany LaSalle, Jeff DeCuir, Wayne Langston, Jeff Braus, D.J. Jones, Steven Bradley, Aric Blanchard, & James Broussard



During a business meeting at the Motiva Youth Training Academy, the Mayor takes a break for a photo with the Faculty, Staff and some of the students. Front Row (L-R): Rick Strouse, Mary Ann Smith, Sue Parsley, Kayla Mingo, Rhonda Richey; Second Row (L-R): Morris Carter, John Hall, Joanie Collazo, Meredith Boatman, Oscar Ortiz - Mayor of Port Arthur, Larry Oliver, David Malveaux, Marco Hernandez.

Reading Program



William Wilson & Danny Broussard lead the parade kickoff of Motiva's Reading Program at Franklin Elementary. Other employees present were Marybel Loya, Pat Cole, Janet Shreading, Darrell Segura, and retiree Kathy Follett.



Church Dedication



General Manager Todd Monette attends the church dedication of Rev. Claude Comeaux.

A GOOD DEED + GOODWILL = EDUCATION, TRAINING, AND ENVIRONMENTAL AWARENESS

Thanks to a large donation of computers, printers, and laptops, Goodwill Industries will have the opportunity to continue in what they are widely known for, which is all about helping people. Goodwill Industries is one of the world's largest nonprofit providers of education, training, and career services for people with disadvantages, such as welfare dependency, homelessness, and lack of education or work experience, as well as those with physical, mental and emotional disabilities.

On behalf of Motiva Enterprises Port Arthur Refinery (PAR) and its "Pollution Prevention Team", we would like to take this opportunity and share a story of how two well-known entities (Motiva Enterprises and Goodwill Industries) can change and enhance the lives of so many individuals and families:

On October 25, 2006, PAR donated a surplus of electronic equipment, which included computers, monitors, printers, laptops, etc. to Goodwill Industries. It all started when the Pollution Prevention Team was charged

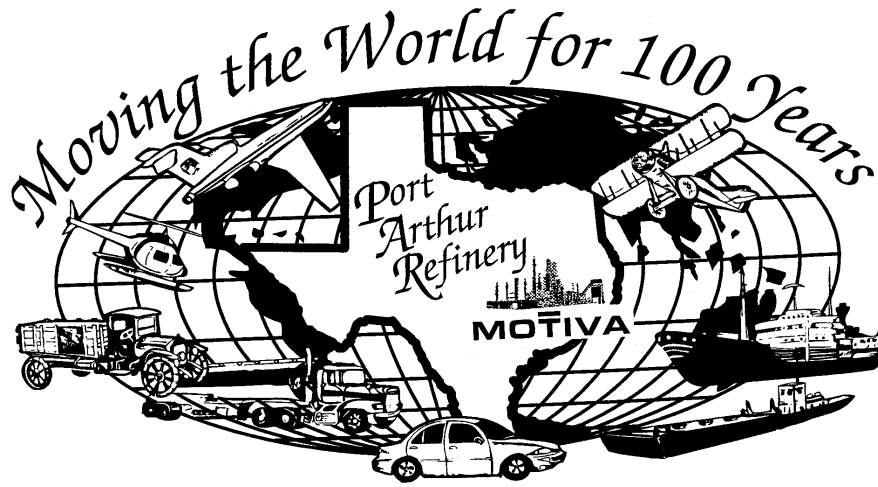
with the task of disposal of the assets. In the process of disposal, there are many rules and regulations that must be followed "from cradle to grave" and depending on the quantity, the fees for disposal can be astronomical. In this particular case, the cost would have ranged anywhere from \$15,000 to \$20,000, not to include the man hours necessary to perform and complete the task. The team decided that this could be an opportunity to show our Owners and shareholders that here at PAR, we are creative and innovative when it comes to protecting our environment and developing relationships with the surrounding communities. Through research and communication, it was discovered that Goodwill Industries has a computer-servicing center and training program that assist challenged individuals and collectively provide training services and employment to more than 720,000 individuals nationwide, that can take these assets and recycle them so they can be used again. On October 18, 2006, Goodwill Industries Representatives and their

computer expert had an opportunity to visit PAR and review the items, which were to be donated. PAR's IT personnel and Goodwill's computer person had a chance to talk (gigabit, aggregator, backward mapping, and magnet-optical drive) well you get the point. When it was all said and done with the site visit, it was expressed by the Goodwill Representatives as "What an awesome donation, a huge opportunity, and a blessing". It was also stated by one of their Representatives "Motiva has made it possible for kids who never dreamed that they could own a computer, may have one in their home tomorrow".

Goodwill Industries Mission:

Goodwill Industries will enhance the quality and dignity of life for individuals, families, and communities on a global basis, through the power of work, by eliminating barriers to opportunity for people with special needs, and by facilitating empowerment, self-help, and service through dedicated, autonomous local organizations.





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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